



**HOUSING COMMISSION  
CITY OF BROOKLYN CENTER  
REGULAR MEETING  
April 16, 2024**

*Optional public access to the Webex meeting is below:*

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*Meeting Number (Access Code): 2633 589 5901*

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- 1. Call to Order — 7 p.m.**
  - 2. Roll Call**
  - 3. Approval of Agenda**
    - a. Motion to Approve Regular Meeting Agenda for April 16, 2024
  - 4. Approval of Minutes**
    - a. Motion to Approve Regular Meeting Minutes for March 19, 2024
  - 5. Presentation**
    - a. Legislative Updates with Mike Vraa, Managing Attorney and Hotline Director at HOME Line
  - 6. City Council Liaison's Report**
  - 7. Other Business**
    - a. 2024 Topic Discussions
    - b. New Neighbor Bags
  - 8. Adjournment**

MINUTES OF THE PROCEEDINGS OF THE HOUSING COMMISSION OF THE  
CITY OF BROOKLYN CENTER IN THE  
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

REGULAR SESSION  
MARCH 19, 2024

**CALL TO ORDER**

The Brooklyn Center Housing Commission was called to order by Chair Enger at 7:02 p.m.

**MEETING ATTENDEES**

Chair Gretchen Enger  
Commissioner Lori Best-Deyoe  
Commissioner Laura Freund  
Commissioner Jerry Gayflor  
Commissioner Elizabeth Riel (arrived at 7:20 p.m.)  
Commissioner Florence Williams

City Staff present: Community Development Director and Staff Liaison Jesse Anderson and Associate Planner Krystin Eldridge.

Also present: Rosie Hepner, Urban Land Institute.

**APPROVAL OF AGENDA**

Associate Planner Krystin Eldridge pointed out Housing Commission applicant Erin Wixsten withdrew her application, so the Commission would not be welcoming a new member.

There was a motion by Commissioner Best-Deyoe and seconded by Commissioner Freund to approve the agenda as amended. The motion passed.

**APPROVAL OF MINUTES**

There was a motion by Commissioner Williams and seconded by Commissioner Freund to approve the minutes of the November 21, 2023 meeting as submitted. The motion passed.

**VOTE OF CHAIR/VICE CHAIRPERSON**

Ms. Eldridge explained the nomination process.

Commissioner Jerry Gayflor nominated Commissioner Florence Williams to serve as Chair. Commissioner Williams respectfully declined the nomination.

Chair Enger offered to continue serving as Chair of the Commission. Commissioner Williams suggested Chair Enger continue serving in her role.

Chair Enger nominated Commissioner Williams to serve as Vice Chair. Commissioner Williams accepted the nomination.

There was a motion by Commissioner Freund and seconded by Commissioner Gayflor to elect Gretchen Enger as Chair of the Housing Commission. The motion passed.

There was a motion by Commissioner Freund and seconded by Commissioner Gayflor to elect Florence Williams as Vice Chair of the Housing Commission. The motion passed.

**WELCOME NEW MEMBER – ERIN WIXSTEN**

This item was removed from the agenda.

**ULI – OVERVIEW OF PRESENTATION**

Rosie Hepner, representative of the Urban Land Institute (ULI), explained the Institute is a member-based nonprofit. ULI conducts research, provides a forum for sharing best practices, writes, edits, and publishes books and magazines, organizes and conducts meetings, directs outreach programs, and conducts panels.

Ms. Hepner pointed out she is the Vice President of the Terwilliger Center. The Terwilliger Center was established in 2007 with a gift from longtime member and former ULI chairman, J. Ronald Terwilliger. The goal is to advance best practices in residential development and public policy and to support ULI members and local communities in creating and sustaining a full spectrum of housing opportunities, particularly for low- and moderate-income households.

Ms. Hepner noted ULI assisted Brooklyn Center in a panel in May 2022. The City was undergoing a massive planning effort for the Opportunity Site and looking to preserve affordable housing. She showed a list of experts that provided recommendations. The panel process lasted two and a half days. Briefing materials were provided in advance and participants toured the City and projects. There was a discussion regarding the housing study and cross-sectional stakeholder interviews. From there, a presentation was given along with a discussion regarding recommendations. The final written report was provided after that.

Ms. Hepner explained the panel observed Brooklyn Center has good bones in housing stock, public control of land, ample, quality parks, good financial positioning, transportation access, focusing on affordable housing, a family-oriented, culturally-diverse community, engaged community members. There was an issue of perception that provides an opportunity for transformation.

Ms. Hepner stated the first key finding was to increase benefits for existing residents such as enacting tenant protections and anti-displacement strategies, increase access to affordable housing options, and promoting wealth creation.

Ms. Hepner noted ideas for tenant protections and accessing affordable housing include eliminating source of income discrimination, regulate tenant screening criteria, increase eviction protections, evaluate feasibility of a Tenant Opportunity to Purchase Act, limit month-to-month leases, require relocation compensation, expand rental assistance programs, evaluate inclusionary zoning policy, reinvest funds to support renters near Opportunity Site, and follow CURA recommendations.

Ms. Hepner added wealth creation could be done through programs and partnerships. Brooklyn Center could fun community information and education hub, promote financial literacy training, create a small business incubator, facilitate community land trusts, and more.

Ms. Hepner pointed out there is a risk of not addressing Naturally Occurring Affordable Housing (NOAH). Protecting existing homes saves money for the City. The panel suggested the City identify NOAH properties, track maintenance, support maintenance of NOAH properties, protect NOAH renters, and form relationships with property owners.

Ms. Hepner stated new development was the primary reason ULI came to Brooklyn Center. The panel recommended the City formalize the citizens advisory council for the Opportunity Site and other City-owned sites, establish equitable development scorecard, create a land disposition policy for City-owned land, and increase planning and housing Staff capacity.

Ms. Hepner explained the Panel also recommended there be an increase in housing supply and diversity options and an increase in the tax base through new development. They shared ideas to identify City-owned sites to target for small scale rental development, leverage the Opportunity Site to create a mixed-use, mixed-income, high-density City Center, identify and target alternative housing models such as cooperative housing, senior housing, multi-generational housing, and missing middle housing. To increase the tax base, it was suggested Brooklyn Center utilize Tax Increment Funding to incentivize private development, establish an Affordable Housing Trust Fund to increase affordability in development proposals, and work with developers on tax credit applications.

Ms. Hepner added Brooklyn Center received recommendations to expand homeownership by increasing homeownership education and financial literacy, promoting financial assistance, develop metrics to identify goals for reducing home ownership disparity, dedicate downpayment assistance pool for BIPOC buyers, and expand opportunities through new models.

Ms. Hepner pointed out the final document included a timeline for short-term, medium-term, and long-term steps.

Chair Enger asked what actions have been taken by the City based on the Panel's recommendations. Mr. Anderson stated an Equitable Development Scorecard was created, tenant protections were enacted through an Ordinance, steps have been taken toward the housing trust fund, a County-wide affordable housing tax was established to fund additional affordable housing, and there have been efforts to start a business incubator space with community partners.

Chair Enger noted CAPI received a large donation from Jeff Bezos' ex-wife.

Mr. Anderson stated multiple local panels provided input regarding the Opportunity Site.

Ms. Hepner asked about the progress of the housing trust fund. Mr. Anderson explained the trust fund was going to be funded through the purchase of the Opportunity Site. However, there are not currently investors funding the Site's development. Alatus pulled out due to interest rates. Ms. Hepner pointed out it is exciting to hear about the progress.

Mr. Anderson stated a fund has started for a down payment assistance program. Unfortunately, the program hasn't been too successful because the program requires the applicants live in the City and seek to buy in the City.

Ms. Eldridge added there are several pending Bills at the State level that support recommendations from the ULI panel.

Mr. Anderson stated Wangstad Commons, Project for Pride in Living, and veteran housing received funding for affordable housing due to the City's support. The Opportunity Site needs \$7.5 million in infrastructure construction prior to developers starting the building process. It was initially going to be funded by Alatus, but they are not in a financial position to continue the project due to market constraints. Brooklyn Center has obtained \$2 million in grant funding to support the project, and Staff continues to seek additional funding opportunities.

Chair Enger asked if the former Walmart site could be considered a small business incubator location. Mr. Anderson agreed the several small businesses that have taken over the space is similar to a small business incubator.

Commissioner Williams pointed out some larger businesses have entered the area, and they will likely overpower the small businesses.

Mr. Anderson stated the Walmart area is at 95 percent occupancy, which is a strong amount for any City.

Ms. Hepner offered to provide ongoing support remotely as needed to assist with infrastructure funding and the like.

Ms. Eldridge asked if ULI has seen other small communities have success in expanding homeownership. Ms. Hepner stated they have worked with smaller, rural communities in that capacity, but they haven't for an inner-ring suburb.

Ms. Eldridge thanked Ms. Hepner for the presentation.

Commissioner Gayflor asked if necessary rent hikes are an issue in Brooklyn Center. Mr. Anderson stated he hasn't heard specific concerns about the issue, but rent has increased across the board. The City wouldn't have the legal position or political influence to make strides in that realm. However, some ordinances and policies help to alleviate some of the rent increase repercussions.

### **COMMUNITY DEVELOPMENT/LEGISLATIVE UPDATES**

Ms. Eldridge stated Empire Foods, 102 Boba, and Harold's Chicken are new businesses in the Shingle Creek Crossing area. With Walmart closing, there has been a lot of changes in Shingle Creek Crossing and allows more types of businesses to be in the area. On Brooklyn Boulevard, Vista Salon Shops and Suites has begun construction.

Commissioner Williams asked why there are two salon spaces. Ms. Eldridge explained the City doesn't have control over which salons choose to open their business and where. Vista is renovating a new site because they plan to own the building instead of renting at the Shingle Creek Crossing location.

Ms. Eldridge noted there is a lot of change near Brooklyn Boulevard coming up. Wangstad Commons is underway, and the project is anticipated to wrap up by the end of the year. Dos Hermanos Mexican Grill & Bar has started converting the former Applebee's Site in the Shingle Creek Crossing shopping center.

Commissioner Williams pointed out the building near The Sanctuary is moving quickly. Mr. Anderson stated that is the Wangstad Commons building, and it will have 52 housing units. The developer is looking for more opportunities.

Ms. Eldridge added Regus is moving into 6160 Summit Drive to create a flexible workspace to include co-working spaces, day offices, hot desks, and the like with membership options. The space supports small businesses and promotes collaboration.

Ms. Eldridge stated Icon LLC has submitted an application to convert the former Discount Tires property to a beauty and cosmetics retail store. The Council will hear the proposal at the upcoming City Council meeting. Totem Foods submitted a planning application to convert Big O Tires into a State of Minnesota Department of Public Safety and Division of Driver and Vehicle Services inspection station.

Ms. Eldridge noted Centre for Asian Pacific Islanders (CAPI) has plans to expand their location at 5930 Brooklyn Boulevard to better serve their clients. Commissioner Williams stated CAPI needs more space due to the high demand for their services.

Mr. Anderson stated the master developer, Alatus, for the Opportunity Site hasn't been able to secure investors to fund construction. The interest rates have increased significantly recently. The City is looking for funding to start the infrastructure for the Site. From there, Project for Pride in Living will be building affordable housing units and Resurrecting Faith World Ministries will start their buildings as well.

Mr. Anderson pointed out Staff has been speaking with a potential developer for the former Target site. The market is tricky for development and larger projects are hard to come by.

Chair Enger asked at what point the City would change the Opportunity Site plans. Mr. Anderson explained City would move forward if another developer showed interest. However, all developers are facing the same market conditions. The City hasn't proven a market for the type of housing that is planned for the Opportunity Site, which is an additional challenge.

Chair Enger asked what was happening at the Opportunity Site II. Mr. Anderson stated two industrial properties were proposed by Skinnell. The owner of the former Sears site had an agreement with Skinnell, but they are now seeking a new entity to lease the building.

Chair Enger noted she heard a rumor housing could be considered for the former Target space. Mr. Anderson stated the retail space is difficult currently, and housing is more likely to get through development efforts. The building will be demolished in the summer. It is a pricy effort, but it will be primarily covered by insurance. A demolished property will be an attractive quality for potential developers. ACER has made an effort to host events in the area.

Chair Enger asked what the City does to communicate regarding the new businesses. Mr. Anderson stated there is a development update in each newsletter. He pointed out if there isn't a change in the use that doesn't require a planning application. In that scenario, then the City isn't involved and isn't aware of such changes.

Mr. Anderson shared the example of Applebee's closing and the building owner paying to retain the restaurant equipment in hopes of promoting a new use. The same thing was done with Walmart.

Commissioner Best-Deyou noted her appreciation of the new Sun Foods.

Commissioner Gayflor stated he heard Sun Foods would be moving. Chair Enger stated they are staying where they are.

Mr. Anderson stated the owner plans to keep both Sun Foods locations open. The second location was a defensive move.

Ms. Eldridge noted there was a list of Bills bundled together that could be of interest to the Housing Commission. There is a push for more middle housing options on single-family lots. Some parts of the Bill only apply to larger cities. If the Bill were to go into effect, the area near the Transit Center would be more likely to see alternative forms of housing on single-family lots. She read additional requirements related to lot size and location. The Bill also wants to reduce lot sizes for single-family homes.

Ms. Eldridge explained the League of Minnesota Cities is working with cities to submit a letter to legislatures listing concerns such as overburdening cities, impacting how infrastructure is done, promoting overpopulation. The Bill is likely more targeted toward communities such as Edina that are lacking in affordable housing. If it goes into effect, there would likely be a moratorium on it until cities know how to handle the changes.

Mr. Anderson asked what was planned for the next Housing Commission meeting. Ms. Eldridge stated she was considering inviting a HomeLine attorney to speak with the Commission.

Commissioner Best-Deyoe asked for an update regarding the two houses on Brooklyn Boulevard and 62<sup>nd</sup>. Ms. Eldridge stated Staff is still working with the owner, but the City doesn't have a say in how the owner handles the lot.

Mr. Anderson stated the owner doesn't have the necessary infrastructure to move forward. The bank backed out on the loan, so the owner is seeking out new funding to continue the project. It is not currently ready for occupancy. For example, there isn't water service.

**ADJOURNMENT**

There was a motion by Commissioner Best-Deyoe and seconded by Commissioner Williams to adjourn the meeting. The motion passed. The Brooklyn Center Housing Commission adjourned at 8:27 p.m.

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Chair Enger