



**HOUSING COMMISSION
CITY OF BROOKLYN CENTER
REGULAR MEETING
November 19, 2024**

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Meeting Number (Access Code): 2630 075 2215

Passcode: Bd9pM2U4J2s

- 1. Call to Order — 7 p.m.**
- 2. Roll Call**
- 3. Approval of Agenda**
 - a. Motion to Approve Regular Meeting Agenda for November 19, 2024
- 4. Approval of Meeting Minutes**
 - a. Motion to Approve October 15, 2024 Meeting Minutes
- 5. Housing Trust Fund Ordinance**
 - a. Language Review
- 6. Website Updates**
- 7. City Council Liaison's Report**
- 8. Other Business**
 - a. Future Discussion: SWOT Analysis
- 9. 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
OCTOBER 15, 2024

CALL TO ORDER

There was a motion by Commissioner Freund and a second by Commissioner O'Connor to call the meeting to order at 7:01 p.m.

MEETING ATTENDEES

Vice Chair Florence Williams
Commissioner Laura Freund
Commissioner Natalie O'Connor
Commissioner Elizabeth Riel

Chair Gretchen Enger and Commissioner Alyssa Kuglin were absent and excused.

City Staff present: Associate Planner Krystin Eldridge

Also present: Raquel Diaz-Goutierrez and Julie Borque

APPROVAL OF AGENDA

There was a motion by Commissioner Kuglin and seconded by Commissioner Riel to approve the agenda as submitted. The motion passed.

APPROVAL OF MEETING MINUTES

There was a motion by Commissioner O'Connor and seconded by Commissioner Freund to approve the September 17, 2024 minutes as submitted. The motion passed.

HOUSING COMMISSION QUESTIONS: FEEDBACK FROM PREVIOUS MEETING

A resident stopped by looking for the Special Assessment Hearing. Associate Planner Krystin Eldridge stated the meeting was the previous day. She took down his information and encouraged him to begin the appeal process.

Associate Planner Krystin Eldridge noted there were a number of questions after the previous Housing Commission meeting. She found answers to the various questions and was prepared to relay the information to the Commission.

Ms. Eldridge stated the City's most pressing housing needs were assessed during the Comprehensive Plan process. The document includes goals and related strategies. Most of the goals address the 30 to 80 percent range of Area Median Income (AMI). Some of the demographic information is outdated as it is from 2020.

Ms. Eldridge explained Brooklyn Center is considered an affordable City as 80 percent of the housing stock is affordable at 60 percent AMI. Per the ULI Housing Report, 37 percent of the housing stock is licensed rental and eight percent of those rentals are single-family homes.

Ms. Eldridge stated the Hennepin County Rehab Program provides loans of up to \$30,000 for households up to 80 percent AMI. The funds are deferred at zero percent. However, it would be added as a lien to one's property. The loan can be forgiven if the resident stays in the home. The program is over capacity currently.

Vice Chair Williams asked why the County is being addressed. Ms. Eldridge stated there was a mention of rehab programs at the previous meeting, so she wanted to provide information on available programs. The information provided can inform the direction and recommendations of the Housing Commission. There are hundreds of folks in Brooklyn Center and Brooklyn Park waiting for rehab assistance.

Ms. Eldridge stated she received statistics from the County Rehab Program and many of the requests are emergent such as a leaking roof. They aim to address the most emergent needs first.

Vice Chair Williams pointed out she received a deferred loan from the County to fix her windows.

Ms. Eldridge noted there is a potential opportunity to receive additional funds for rehabilitation and it will be housed under the CEE as they already run other programs for the City. So far, the City offers an interest subsidy to buy down rehabilitation costs. The City has provided down payment assistance for two homes in 2024 and subsidized six loans. The City also supports rehabilitation and improvement consultations to educate and support homeowners.

Ms. Eldridge added another question was how the Housing Commission receives topics for consideration. The Commission can receive topics for review from the Council or bring issues to the Council. The Housing Commission is advisory, but the Council strongly considers the decisions made by the Housing Commission. The Commission is allowed to present information to the City Council and bring forth its own issues. The Bylaws stated the responsibilities of the Commission are to advise, investigate, and review relevant matters for City Council. The Commission may also develop an overall plan for housing and work with the community on relevant issues.

Vice Chair Williams stated there needs to be an incentive to keep people on the Commission. Ms. Eldridge stated paying Commissioners may appear like bribery. Vice Chair Williams stated the Commissioners don't need to be paid. They could receive a free membership to the Community Center.

Commissioner O'Connor asked how much it would cost to send a letter to all residents with information about serving on a Commission.

Commissioner O'Connor noted the quarterly newsletter has information about Commissions.

Ms. Eldridge stated New Neighbor Bags have been handed out to new residents. That project could be continued. She will look into the cost of mailings or door hangers. The Council is aware that folks are not showing up to Commission meetings. Ultimately, any incentives would need to be equal for all Commissions.

Commissioner O'Connor explained there appears to be frustration among Commissioners because they aren't being heard by the Council.

Commissioner Riel pointed out that providing free Community Center membership to all Commissioners may be too burdensome.

Vice Chair Williams added there is a lack of trust between Commissions and the Council.

HOUSING COMMISSION QUESTIONS: EXAMPLES OF LOCAL HOUSING TRUST FUNDS

Ms. Eldridge stated a Local Housing Trust Fund may be created per Minnesota Statute 462C.16 by ordinance or participate in a joint powers agreement to establish a regional housing trust fund. The fund may be administered through a nonprofit. The funds can be used for admin expenses, though not more than 10 percent of the balance. The funds can also be used for grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing, to match other funds from various project resources, or to provide services such as down payment assistance, rental assistance, and homebuyer counseling services.

Ms. Eldridge pointed out there is \$4.8 million in the matching program. It could be released at any time, and Brooklyn Center could not compete without a local housing trust fund in place. The fund could be an incentive for developers as well.

Commissioner O'Connor asked if they could establish a trust first then create an ordinance afterward defining how the funds can be used. Ms. Eldridge confirmed that was correct. They could review the ordinance annually or on a regular basis to make edits as needed.

Ms. Eldridge added the new program Local Affordable Housing Aid (LAHA) is a Metro area sales tax dedicated for housing distributed directly to cities and counties. The State will consider the funds "spent" if transferred to a trust. The City would receive the funds annually. The 2024 allocation is just under \$189,000.

Ms. Eldridge pointed out that Alexandria, Bloomington, Crow Wing County, Edina, Goodhue County, Chisago County, Swift County, Hennepin County, Minneapolis, Red Wing, Saint Louis Park, and Saint Paul have adopted local housing trust funds. Brooklyn Park's fund is underway. She reviewed the ordinance for Brooklyn Park.

Vice Chair Williams asked if Brooklyn Center has drafted an ordinance. Ms. Eldridge stated they have not begun a draft.

Ms. Eldridge read the ordinance from Swift County. It includes a statement detailing the program's purpose. There are also eligibility criteria defining very low income as at or below 50 percent

AMI, low income as at or below 80 percent AMI but about 50 percent AMI, and moderate income is defined as at or below 115 percent AMI but more than 80 percent AMI. Owner-occupied rehab assistance is allowed up to 115 percent AMI per HUD and homeowner contribution is required based on income level. The City would cap an amount for each rental unit rehabbed by the local housing trust fund and the building must include affordable units.

Vice Chair Williams asked what is going in the old Sears building. Ms. Eldridge stated the project was supposed to be a light-industrial use. Sears is somewhat notorious for being difficult to work with. However, they are receptive to working with Scannell. Their project would provide a couple hundred jobs in the City. The initial proposal did not include any public funds. After some time, Scannell returned to the City to ask for \$4 million in funds. The City offered to contribute \$2 million. Scannell hasn't been responsive since then.

Ms. Eldridge added the zoning at the Sears site may be changed. TOD is Transit-Oriented Development which promotes pedestrian and entertainment uses. Alternatively, a light industrial use has wide open parking lots and impacts pollution. Scannell has about one year to determine if and how to move forward. If Scannell chooses not to complete their project, it will be rezoned to TOD. She noted Sears is inundated with asbestos, which is another consideration for potential uses. Money for clean-up has been obtained should there be a light industrial use in the space.

Commissioner O'Connor asked if Scannell would just demolish the building and rebuild something to avoid cleaning it. Ms. Eldridge explained the asbestos would need to be cleaned prior to the building being demolished. Commissioner O'Connor asked why the City doesn't find funds to clean up the site. Ms. Eldridge stated the City doesn't own the property.

Commissioner O'Connor stated the City could condemn the property and then clean it up. Ms. Eldridge noted the owner is paying taxes on the building, so it is unlikely they would condemn the site.

Commissioner Riel asked who owns the Sears site. Ms. Eldridge stated TransformCo owns the Sears site.

Ms. Eldridge showed an example of Bloomington's ordinance. The purpose of their program is to promote the development, financing, and acquisition of affordable housing while furthering private market development. Developments with 20 units or more that include at least nine percent affordable units in compliance with the Opportunity Housing Ordinance are eligible for the Affordable Housing Trust Fund. The goal of the fund is to develop 842 affordable rental units by 2030 including 151 low-income units, 246 very low-income units, and 445 extremely low-income units. Predevelopment services for affordable housing, rehabilitation of single-family homes, and infrastructure improvements are eligible uses for the fund. The fund is implemented by the Community Development Director and the City Council.

Commissioner O'Connor asked how many rental units are in Brooklyn Center. Ms. Eldridge stated there are around 4,000 units in the City. Commissioner O'Connor stated the Housing Commission seems interested in rehabilitating the City's housing stock.

Ms. Eldridge stated rehabilitation is a focus for the City's Community Development Department. There are also concerns with code enforcement, rentals, and more.

Ms. Eldridge Minneapolis has a program with the purpose of assisting in financing the production and preservation or stabilization of affordable and mixed-income rental housing projects. Program funds are available on a competitive basis to projects that need gap financing to cover the difference between total development costs and the amount that can be secured from other sources. The funding sources for the program are primarily federal Community Development Block Grant (CDBG) funds, federal HOME Investment Partnership funds, and local funds.

Commissioner Riel asked if contractors are vetted prior to being hired for rehabilitation. Ms. Eldridge stated the City of Minneapolis has preferred contractors for public property or things close the ROW. However, there isn't a recommended contractor for Brooklyn Center residents to refer to except for very specific projects, like arborists. If the Brooklyn Center puts out a bid for a project, they have to move forward with the lowest bid.

Vice Chair Williams pointed out the cheapest bid isn't necessarily the best choice.

Ms. Eldridge added any contractors secured for City projects must be licensed.

Ms. Eldridge noted there are Green Communities within Minneapolis. Any homes built within Green Communities must be done with sustainable materials and other requirements. Another policy is to support affordable housing in areas that are not already concentrated with low-income housing. Minneapolis also has maximum awards per unit based on AMI with a capped amount for 15 percent of total development costs.

OPPORTUNITY SITE MASTER PLAN

Ms. Eldridge explained Brooklyn Center partners with Bolton and Menk to do community engagement, complete research, and do design work. She provided the Commissioners with a copy of the Opportunity Site Master Plan draft. There is a lot of housing, and the area is extremely walkable. The developer has a goal to increase the City's population by 10,000 people.

Commissioner O'Connor asked if the project will include commerce rather than just relying on taxes of residents. Vice Chair Williams stated she wants the project to benefit current Brooklyn Center residents.

Ms. Eldridge pointed out the draft is only the first phase. There are many more acres included for future phases. The entire site includes shopping.

Vice Chair Williams stated there is enough shopping in Brooklyn Center.

Vice Chair Williams added there needs to be alternative recreation options. The Community Center isn't affordable for all residents. Plus, there are many repetitive businesses throughout the community such as beauty stores, fast food restaurants, tobacco establishments, and liquor stores. Ms. Eldridge noted the City owns the liquor stores to limit the number of liquor stores in the City.

Commissioner O'Connor explained there needs to be more options for gathering and enjoying the City such as coffee shops or restaurants.

Vice Chair Williams noted there have been several new restaurants, but there aren't opportunities for recreation, entertainment, or kid-friendly activities. Ms. Eldridge stated the City can't control who can lease different buildings. However, Staff is trying to promote development that caters to families.

Vice Chair Williams explained the only grocery option is Cub. The other new grocery store is very specific to culture groups.

Commissioner O'Connor pointed out the Cub in Brooklyn Park is closing.

Ms. Eldridge stated a brewery is being courted for Brooklyn Center.

Commissioner O'Connor stated breweries are a great place to hang out and spend time together. Vice Chair Williams stated breweries aren't family-friendly. Commissioner O'Connor stated some breweries are very family-friendly. There are often children, dogs, and family-friendly events hosted at breweries. Vice Chair Williams stated she would bring her children to any breweries she has been to.

Ms. Eldridge noted the Opportunity Site Master Plan has prioritized green spaces and other opportunities for community gatherings.

Commissioner O'Connor asked if the Earle Brown Center is owned by the City and what is being done with it. It is currently vacant. Ms. Eldridge stated the Earle Brown Center is a conference center available for corporate events. The site isn't vacant.

Commissioner Riel asked if the Radisson is doing well. Ms. Eldridge stated it is being rebranded to a Best Western.

Commissioner O'Connor asked if the office buildings are well-occupied. Ms. Eldridge stated they have a high vacancy rate, and Staff is working with them.

Ms. Eldridge added the Opportunity Site was planned with winter activities in mind. There are hopes for an ice rink or ice castle of sorts.

Commissioner Riel said an ice castle would cost too much money.

Commissioner O'Connor stated the Centennial Lakes area is very nice. There is a lot of open space, golfing, fountains, and other family activities.

Vice Chair Williams agreed there needs to be more options to bring people into the City.

Ms. Eldridge noted on page 45, there is more information about entertainment and gathering within the first phase.

Commissioner Riel stated there needs to be more of an emphasis on shopping and entertainment rather than housing. The money needs to stay in the City.

Ms. Eldridge stated residents don't have a lot of disposable income, so the restaurants tend to be fast food or other cheap options. It is harder to get developers interested in the City because of the lack of disposable income. While a Trader Joe's would be nice for some people, it caters to more specialty diets than a more general grocery store. The Opportunity Site is close to the highway, which would be attractive for developers. They believe Target failed because it wasn't close enough to the highway.

Ms. Eldridge pointed out that the market and its consumers have changed a lot in recent years. Latino grocery stores have seen success and continue to expand. Vice Chair Williams stated they are successful because they are keeping the money in the community.

Ms. Eldridge stated she isn't sure why there has been so much growth in the Latino community; it might be because they have more money.

Commissioner O'Connor explained that Latino communities commonly pool their money together to afford larger purchases. She added that Latino homes tend to have multiple cars in their driveways.

Commissioner O'Connor thanked Ms. Eldridge for putting the presentation together. Ms. Eldridge encouraged more questions from the Commission. It is not uncommon for the Commission to ask questions of Staff and cover the same topic for multiple meetings.

Commissioner O'Connor asked if the City Council is asking for their recommendation. Ms. Eldridge explained the Council can move forward without input from the Housing Commission. However, if there is an item considered by the Council that is related to housing, they ask Staff for feedback from the Housing Commission. The Council doesn't have the capacity to dive deep into every topic, so they rely on Commissions and Committees for more informed input.

CITY COUNCIL LIAISON REPORT

City Council Liaison Lawrence-Anderson was not present.

OTHER BUSINESS

NOVEMBER'S MEETING: REVISIT HOUSING TRUST FUND

This item was not addressed.

FUTURE DISCUSSION: SWOT ANALYSIS

Vice Chair Williams asked if the item should be tabled.

Commissioner O'Connor asked what SWOT is. Ms. Eldridge explained SWOT is an acronym for strengths, weaknesses, opportunities, and threats. It would be an opportunity to review different strategies and priorities for the Housing Commission.

Commissioner O'Connor asked when the housing trust fund would be voted on. Ms. Eldridge stated the guest speaker would return for November's meeting with case studies and additional information. After that presentation, the Commission can hold a vote on the item.

ADJOURNMENT

There was a motion by Commissioner O'Connor and seconded by Commissioner Freund to adjourn the meeting. The motion passed. The Brooklyn Center Housing Commission adjourned at 8:21 p.m.

Chair Enger

CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the ____ day of _____, 2024, at 7:00 p.m. or as soon thereafter as the matter may be heard during the a City Council meeting at City Hall, 6301 Shingle Creek Parkway to consider an ordinance related to the initiation of traffic stops and the use of consent searches by Brooklyn Center law enforcement.

ORDINANCE NO. _____

AN ORDINANCE ADDING NEW CHAPTER ____ TO THE BROOKLYN CENTER CITY CODE ORDINANCES, REGARDING THE ESTABLISHMENT OF A LOCAL HOUSING TRUST FUND

THE CITY OF BROOKLYN CENTER DOES ORDAIN AS FOLLOWS:

Article 1. The Brooklyn Center City Code, Title X, [insert name], is amended to add Chapter XX, Local Housing Trust Fund to read in its entirety as follows:

Section XX.01 ESTABLISHMENT.

Pursuant to the authority granted to the city under Minnesota Statutes, Section 462C.16, a Local Housing Trust Fund is established to provide loans and grants to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to persons of very low income, low income, and moderate-income.

Section XX.02 DEFINITIONS. The following words, terms, and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Persons of very low income means families and individuals whose incomes do not exceed fifty (50) percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

Persons of low income means families and individuals whose incomes do not exceed eighty (80) percent of the area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

Persons of moderate income means families and individuals whose incomes exceed eighty (80) percent, but do not exceed one-hundred twenty (120) percent, of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

Section XX.03 FUNDING SOURCES.

Pursuant to Minnesota Statutes, Section 462C.16, subd. 4, and as determined by the city council, the Local Housing Trust Fund may be funded from multiple sources, which may include, but are not limited to the following:

- (a) Budgeted allocation of funds from the city's Economic Development Authority (EDA) levy as approved by the Economic Development Authority and the city council.
- (b) Private cash donations from individuals, organizations, and businesses designated for the Local Housing Trust Fund.
- (c) Grants and loans from a federal, state, or local government or other private sources.
- (d) Bond proceeds.
- (e) Payments in lieu of participation in current or future affordable housing programs.
- (f) Matching funds from a federal or state Local Housing Trust Fund; or a state program designated to fund a Local Housing Trust Fund.
- (g) Principal and interest from Local Housing Trust Fund loan repayments and all other income from Local Housing Trust Fund activities, including but not limited to investment earnings.
- (h) The sale of real and personal property as approved and as designated by the city council.
- (i) Local government appropriations, development fees and other funds as designated from time to time by the city council.
- (j) Tax Increment Finance (TIF) pooled funds.
- (k) Other sources of funding approved by the city council.

Section XX.04 USE OF FUNDS.

Pursuant to Minnesota Statutes, Section 462C.16, subd. 3, funds in the Local Housing Trust Fund may only be used for the following:

- (a) Making grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing.
- (b) Matching other funds from federal, state, or private resources for housing projects.
- (c) Providing down payment assistance, rental assistance, and home buyer counseling services to persons of very low, low, and moderate-income.
- (d) Payment of administrative expenses of the Local Housing Trust Fund in the maximum amount of ten percent of the balance of the Local Housing Trust Fund.
- (e) Financing the acquisition, demolition, and disposition of property for housing projects.

- (f) Financing construction of public improvements and utilities to aid proposed residential developments.
- (g) Financing the rehabilitation, remodeling, or new construction of housing.
- (h) Interim financing of public costs for housing projects in anticipation of a permanent financing source (i.e., construction financing, bond sale, etc.)
- (i) Other uses as permitted by law and approved by the city council.

Section XX.05 ADMINISTRATION OF LOCAL HOUSING TRUST FUND.

- (a) The Economic Development Authority in and for the City of Brooklyn Center (the “EDA”) shall administer the Local Housing Trust Fund on behalf of the city.
- (b) Terms and Conditions of Repayment. The EDA shall determine the terms and conditions of repayment of loans and grants from the Local Housing Trust Fund, including but not limited to, the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the EDA from time to time or at the time of approval of a specific project or program.
- (c) Annual Report. The EDA shall report annually to the city on the use of the Local Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households provided rental assistance and down payment assistance.

Article II. Severability. Should any section or part of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision will not affect the validity of the ordinance as a whole or any part other than the part declared invalid.

Article III. Effective Date. This ordinance shall become effective after adoption and upon thirty days following its legal publication.

Adopted this ____ day of _____ 2024.

Mayor

ATTEST:

City Clerk

Date of Publication

Effective Date

(~~Strike out~~ indicates matter to be deleted, double underline indicates new matter.)