New Brighton City Council
Work Session Agenda
New Brighton City Hall | Council Chambers
803 Old Hwy 8 NW, New Brighton , MN 55112
5:00 PM June 10, 2025

To participate in this meeting, members of the public may:

- **Attend the meeting in person.**
- **Watch the meeting electronically.** Tune into CTV Channel 8023 (CenturyLink) or Channel 16 (Comcast). To observe the meeting as a livestream or a webcast, visit *www.newbrightonmn.gov* and click on "I Want To View a Public Meeting."
- **Join the meeting electronically.** Members of the public who need to interact with our public officials about agenda items, City Administration, and matters that are otherwise of public concern to the City Council but are unable to or not comfortable attending the meeting in person, may join the meeting electronically at: *https://newbrightonmn.gov/zoom* (no app needed), by scanning the QR Code on the right, or by using their Zoom app to join and entering: Meeting ID 898 6240 2361, Passcode 867530

I. Work Session Item

1. Metropolitan Council HRA Affordable Housing Cooperation Agreement Proposal

Agenda Section:	Work Session Item
Report Date:	06/04/2025
Meeting Date:	June 10, 2025

REQUEST FOR COUNCIL CONSIDERATION – EXECUTIVE SUMMARY

ITEM DESCRIPTION: Metropolitan Council HRA Affordable Housing Cooperation Agreement Proposal

Action Requested:

Public Hearing	Motion
Discussion	**Informational**

Form of Action:

Resolution	Ordinance
Contract/Agreement	N/A or **Other: If interested, direct staff on next steps**

Votes Needed:

3 Votes	4 Votes
5 Votes	**N/A**

Summary Statement:	Terri Smith from the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) will provide details on the Family Affordable Housing Program, and what New Brighton must do if it wishes to partner in this important regional program.

Recommendations:	- Listen to the presentation - Be ready with questions about the program or the proposed cooperation agreement

	- Direct staff on next steps (if any)

Applicable Deadlines:	None

Community Impact:	Affordable housing is needed both in New Brighton and throughout the region. Increasing the availability of affordable units within the City will have a tremendous impact on those who are struggling to maintain their housing.

Legislative History:	n/a

Strategic Priority:

Financial Sustainability	Staff Capabilities
Economic Development	**Community** Engagement & **Belonging**
City Assets	N/A

Fiscal Impact:

Financial Impact: Is there a financial consideration?	**No**	Yes $

Financing Sources:	Budgeted	Budget Modification
New Revenue	Use of Reserves	Other

HRA PRESENTATION SLIDES

Family Affordable Housing Program

City of New Brighton

METROPOLITAN COUNCIL

June 10, 2025

Family Affordable Housing Program History

Met Council purchases 150 homes

- 1992 class action lawsuit
- Alleging historical patterns of racial segregation
- 1995 Settlement
  - Required Minneapolis Public Housing Authority to demolish 770 units of public housing; and
  - Create replacement units in non-impacted areas
- Replacement units developed by regional partners
  - Metropolitan Council purchased 150 units

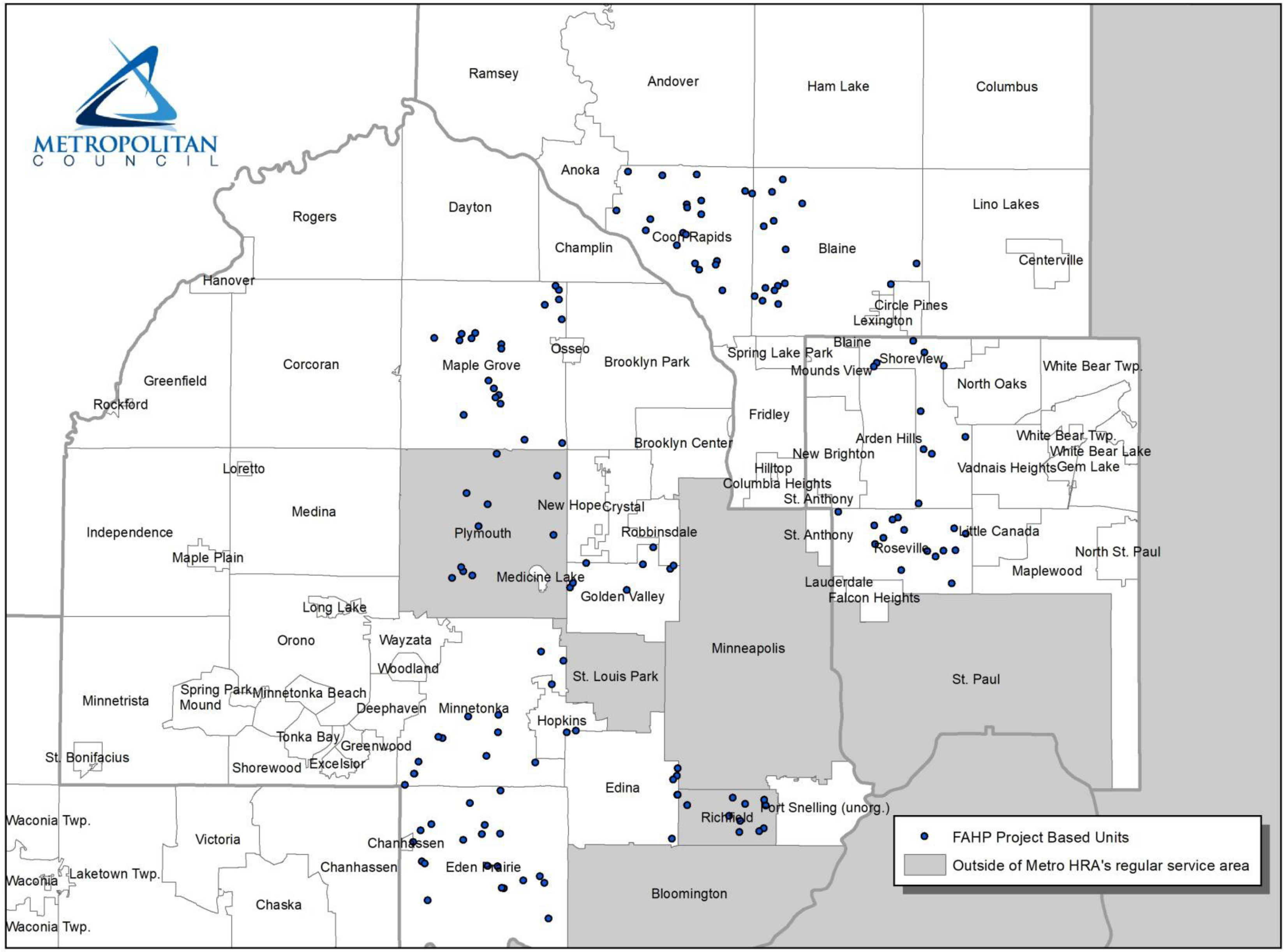
Metropolitan Council

Metropolitan Council Partnership

Council Purchases 150 housing units

- Located in Anoka, Hennepin and Ramsey Counties
  - 11 communities
- Single Family Homes and Townhomes
- 2-5 bedrooms

Metro HRA FAHP Project Based Units
February 2023



Metropolitan Council

FAHP Program Operation

Successful Operation since 2001

- Day-to-day management services provided by Kingwood Management
  - Contract since 2005
- Units operated under the federal Project Based Voucher program
  - Tenants pay 30% of income towards rent
  - Federal subsidy makes up the difference
- Capital Improvement plan ensures units remain assets in community

Edina Affordable Housing Partnership

4 Units Added in 2021-2022

$2 million loan from the City of Edina

0% interest	25-year forgivable

Metropolitan Council

Edina Affordable Housing Partnership

Single Family Home

- Three Bedrooms
- One Bathroom
- Move-in Ready
- Occupancy March 2022

Single Family Home

- Converted from a Three Bedroom to a Five Bedroom
- Two Bathrooms
- Finished Basement
- Installed water mitigation system
- Occupancy October 2022

Duplex

- (2) Three Bedrooms
- One Bathroom
- Substantial Renovation
- Replaced windows and siding
- Finished basements
- Outdoor concrete and patios
- Occupancy March 2023

FAHP Portfolio Rebalancing

Sold 5 Units in 2024 → Purchasing 5 Replacement Units 2025 → Selling additional 11 units 2025-2026 → Purchase 11 Replacement Units 2025-2026

- Move away from townhome associations
- Increase portfolio of single-family homes
- Self-Sufficiency initiative
- More green space
- Safe neighborhoods
- Proximity to transit, groceries, services

New Brighton Replacement Units?

Cooperation Agreement Requirement

- Authorizes Met Council to purchase units in Maplewood
- Units exempt from property taxes
- Council shall make a Payment in Lieu of Taxes for each unit
  - 10% of rent charged
  - County shall distribute the PILOT
  - Average PILOT = $620 per unit

Metropolitan Council

Terri Smith

Director, Metropolitan Council Housing and Redevelopment Authority
Terri.smith@metc.state.mn.us

METROPOLITAN
COUNCIL

EXAMPLE COOPERATION AGREEMENT

COOPERATION AGREEMENT

Metropolitan Council Family Affordable Housing Program

THIS COOPERATION AGREEMENT ("Agreement") is entered into by and between the Metropolitan Council (the "Metropolitan Council") and the City of Roseville, State of Minnesota (the "Municipality").

WHEREAS, the Metropolitan Council is a public corporation and political subdivision of the State of Minnesota and is authorized by Minnesota Statutes section 473.195 to exercise the functions, rights, duties, privileges, immunities and limitations as are provided for housing and redevelopment authorities created for municipalities; and

WHEREAS, pursuant to Minnesota Statutes section 473.195 the provisions of Minnesota Statutes sections 469.001 to 469.047 and of all other laws relating to housing and redevelopment authorities apply to the Metropolitan Council when the Metropolitan Council is functioning as an authority; and

WHEREAS, in conjunction with the implementation of its Family Affordable Housing Program ("FAHP"), the Metropolitan Council proposes to acquire within the corporate limits of the Municipality on a scattered-site basis a limited number of residential properties ("FAHP Units") and will focus its acquisition efforts on housing structures containing four units or less; and

WHEREAS, the governing body of the Municipality has given its prior approval regarding the Metropolitan Council's proposed housing initiative pursuant to Minnesota Statutes section 473.195, subdivision 1.

WITNESSETH:

In consideration of the mutual covenants in this Agreement, the Municipality and the Metropolitan Council agree as follows:

1. Whenever used in this Agreement:

   (a) The term "FAHP Units" shall mean up to fifteen (15) residential housing units, as defined in Title 42 United States Code section 1437a(b)(1), developed or acquired by the Metropolitan Council in connection with its Family Affordable Housing Program with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (the "Government") and located on a scattered-site basis within the corporate limits of the Municipality.

   (b) The term "Taxing Body" or "Taxing Bodies" shall mean the State of Minnesota and any and all political subdivisions or taxing units thereof in which FAHP Units are situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to the FAHP Units if the units were not exempt from taxation.

   (c) The term "Shelter Rent" shall mean the total rentals of a FAHP Unit charged to tenants during the preceding calendar year, excluding any charges for utilities and special services such as heat, water, electricity, gas, sewage disposal or garbage removal, and excluding all other income of the FAHP Unit.

2. The Metropolitan Council shall endeavor to:

   (a) Secure a contract or contracts with the Government for capital grants and annual contributions for the FAHP Units; and

   (b) Acquire or develop and administer the FAHP Units.

3. The Metropolitan Council and the Municipality agree:

   (a) Pursuant to Minnesota Statutes section 469.040, and applicable federal laws and regulations, including Title 24 Code of Federal Regulations section 941.201(d), each FAHP Unit is exempt from all real and personal property taxes levied or imposed by any Taxing Body for so long as either: (i) the FAHP Unit is owned by a public body or governmental agency and is used for housing as defined in Title 42 United States Code section 1437a(b)(1); (ii) any contract between the Metropolitan Council and the Government in connection with the FAHP Unit remains in force and effect; or (iii) any bonds issued in connection with the FAHP Unit or any monies due to the Government in connection with the FAHP Unit remain unpaid, whichever period is the longest (the "Exemption Period").

   (b) During the Exemption Period, the Municipality, on behalf of all Taxing Bodies, agrees that it will not levy or impose any real or personal property taxes upon a FAHP Unit or upon the Metropolitan Council with respect to the FAHP Unit.

   (c) During the Exemption Period, the Metropolitan Council shall make, or cause to be made, payments in lieu of taxes ("Payments in Lieu of Taxes") in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to each FAHP Unit. Each Payment in Lieu of Taxes shall be made at the time when real property taxes on a FAHP Unit would be paid if the FAHP Unit were subject to taxation, and shall be in an amount equal to ten percent (10%) of the Shelter Rent charged with respect to the FAHP Unit during the preceding calendar year. A Payment in Lieu of Taxes for a FAHP Unit may not exceed the amount which would be payable in taxes if the FAHP Unit were not exempt from real or personal property taxes.

   (d) Pursuant to Minnesota Statutes section 469.040, subdivision 3, the County within which a FAHP Unit is located shall distribute the Payments in Lieu of Taxes among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the FAHP Unit were not exempt from taxation bears to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the FAHP Unit were not exempt from taxation; provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the FAHP Unit were not exempt from taxation.

4. During the Exemption Period, the Municipality, or other appropriate Taxing Body, without cost or charge to the Metropolitan Council or the tenants of a FAHP Unit (other than the Payments in Lieu of Taxes) shall:

   (a) Furnish or cause to be furnished to the Metropolitan Council and the tenants of the FAHP Unit public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

   (b) Accept grants of easements necessary for the development of FAHP Units; and

   (c) Cooperate with the Metropolitan Council by such other lawful action or ways as the Municipality or other Taxing Body and the Metropolitan Council may find necessary in connection with the development and administration of the FAHP Units.

5. In respect to the initial development of FAHP Units, the Municipality further agrees, on behalf of all Taxing Bodies, that within a reasonable time after receipt of a written request from the Metropolitan Council:

   (a) When required by city ordinance, it will accept the dedication of all interior streets, roads, alleys and adjacent sidewalks within the area of FAHP Units, together with all storm and sanitary sewer mains in such dedicated areas, after the Metropolitan Council, at its own expense, has completed the grading, improvement, paving and installation thereof in accordance with specifications acceptable to the Municipality or other Taxing Body;

   (b) When required by city ordinance, it will accept necessary dedications of land for, and will grade, improve, pave and provide sidewalks for, all streets bounding FAHP Units or necessary to provide adequate access to the FAHP Units (in consideration for which the Metropolitan Council shall pay to the Municipality or other Taxing Body such amount as are or could be assessed against the FAHP Unit sites for such work if such sites were privately owned); and

   (c) It will provide, or cause to be provided, water mains, and storm and sanitary sewer mains, leading to FAHP Units and serving the streets bounding the FAHP Units (in consideration for which the Metropolitan Council shall pay to the Municipality or other Taxing Body such amount as would be assessed against the FAHP Unit sites for such work if such sites were privately owned).

6. If by reason of the Municipality's or other Taxing Body's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed to furnish or cause to be furnished to the Metropolitan Council or to the tenants of any FAHP Unit, the Metropolitan Council incurs any expense to obtain such services or facilities, then the Metropolitan Council may deduct the amount of such expense from any Payments in Lieu of Taxes due or to become due to the Municipality or other Taxing Body in respect to any FAHP Unit or any other housing units owned or operated by the Metropolitan Council.

7. No Cooperation Agreement previously entered into between the Municipality and the Metropolitan Council, if any, shall be construed to apply to any FAHP Units covered by this Agreement.

8. No member of the governing body or any other public official of the Municipality or other Taxing Body who exercises any responsibilities or functions with respect to the any FAHP Unit during her or his tenure or for one year thereafter shall have any interest, direct or indirect, in any FAHP Unit or any contracts in connection with any FAHP Unit. If any such governing body member or such other public official of a Taxing Body involuntarily acquires or had acquired prior to the beginning of her or his tenure any such interest, she or he shall immediately disclose such interest to the Metropolitan Council.

9. During the Exemption Period, this Agreement shall not be abrogated, changed or modified without the consent of the Government. The privileges and obligations of the Municipality and other Taxing Bodies shall remain in full force and effect with respect to the FAHP Units so long as the beneficial title to the FAHP Units is held by the Metropolitan Council or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of housing as defined in Title 42 United States Code section 1437a(b)(1). If at any time the beneficial title to, or possession of, a FAHP Unit is held by such other public body or governmental agency, including the Government, the provisions of this Agreement shall inure to the benefit of and may be enforced by, such other pubic body or governmental agency, including the Government.

10. The obligations of the parties under this Agreement shall apply to each FAHP Unit.

IN WITNESS WHEREOF the authorized representatives of the Municipality and the Metropolitan Council have respectively signed this Agreement. This Agreement is effective on the date when both parties' authorized representatives have signed this Agreement.

CITY OF ROSEVILLE

By ______________________

Its Mayor

Date 5/23/01

and

By Edward J. Burwell

Its Acting City Manager

Date 5/22/01

METROPOLITAN COUNCIL

By Jay R Lindgren

Jay R. Lindgren
Regional Administrator

Date 5/30/01

This document drafted by:
Office of the General Counsel
Metropolitan Council
Mears Park Centre
230 East Fifth Street
Saint Paul, Minnesota 55101
(651) 602-1706

FAHPCOOPFORM 04/13/01