



**New Brighton City Council
Work Session Agenda
New Brighton City Hall | City Conference Room
803 Old Hwy 8 NW, New Brighton , MN 55112
5:00 PM February 10, 2026**

Members of the City Council will attend the meeting in person unless eligible to attend remotely per MN Stat. 13D.02

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 NBMN.info/View-A-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. Housing Action Plan -- Policy #1 Review



Agenda Section:	Work Session Item
Meeting Date:	February 10, 2026

REQUEST FOR COUNCIL CONSIDERATION – EXECUTIVE SUMMARY

ITEM DESCRIPTION: Housing Action Plan -- Policy #1 Review

Action Requested:	
Public Hearing	Motion
Discussion	Informational
Form of Action:	
Resolution	Ordinance
Contract/Agreement	N/A or Other
Votes Needed:	
3 Votes	4 Votes
5 Votes	N/A

Summary Statement:	<p>Breanne Kennedy from Thrive, LLC, will be at the 2/10/26 work session meeting to review DRAFT Policy #1: development of a home improvement loan program, as part of our on-going Housing Action Plan efforts. Many cities operate home improvement loan programs, and the recent creation of Local Affordable Housing Aid (LAHA) to fund housing initiatives throughout the state opens the door for New Brighton to operate a program as well.</p> <p>The draft program guidelines are provided herein for your review along with the presentation slides that staff intends to use. Please give the draft</p>
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	<p>policy a once over prior to the meeting, and be ready to discuss the program and recommendations. Specific details that'll likely take center stage during our discussion include (recommendations shown in parentheses):</p> <ol style="list-style-type: none"> 1. Max loan amount (\$15K) 2. Interest rate (3% for regular, 0% for seniors) 3. Payback period (10 years for regular, deferred until sale for seniors) 4. Income limits/restrictions (80% AMI) 5. Special provisions for seniors 6. Manufactured homes eligibility and down payment option 7. Requirements for social security number 8. Budget: Amount to allocate to this program (recommend \$300K annually from LAHA resources) 9. Should there be a separate budget carve out for each sub-program?
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Recommendations:	Review the proposed draft program prior to the meeting, listen to the presentation, ask questions as desired at the meeting, and provide feedback & direction on any needed changes.
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Applicable Deadlines:	This will be Council's primary opportunity to review and comment on Draft Policy #1. All policies, in finalized forms, will come back to Council for final review and adoption towards the end of this process.
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Community Impact:	Access to a local housing rehabilitation program, which includes assistance to manufactured housing owners, will undoubtedly be impactful for many of the community's residents.
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Legislative History:	<p>Sept 2025 -- City Awarded a Met Council Policy Development Grant to complete a Housing Action Plan.</p> <p>Oct 2025 -- Council authorized a contract with Thrive LLC to lead the Housing Action Plan efforts.</p> <p>Nov 2025 -- EDC, the Equity & Planning Commissions, and the City Council are provided introductory information and are asked to take the Housing Action Plan Survey to identify the specific topics to be explored by this planning effort.</p> <p>Jan 2026 -- Topics to be studied are finalized by Council.</p> <p>Feb 2026 -- EDC, Council, and Equity review Draft Policy #1: Housing</p>
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	Rehabilitation Program
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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 (Grant funded)	Yes \$
	Financing Sources:		Budgeted	Budget Modification
	New Revenue	Use of Reserves	Other	

Attachments:	1.	Draft Program Guidelines
	2.	Presentation Slides

City of New Brighton Home Improvement Loan Program

Recommended annual financial investment in budget - \$300K (this would be approved as part of budget annually with LAHA resources). Up to 15% allocated for admin by third party, with \$255K available for lending Carve outs for each of these sub-programs could be allocated annually (ie \$100K for general, \$100K for senior, and \$100K for manufactured homes)

1. **Loan Amount:** Loan amounts from \$2,000 to \$15,000
2. **Amortization Type:** Monthly payment is required
3. **Loan Term:** Up to 10 years
4. **Interest Rate:** 3% fixed interest rate

Special Provisions for residents over 65 years of age:

Amortization Type: *Deferred until sale or forgiven at 30 years*

Loan Term: *Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence.*

Interest Rate: *0%*

1. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number. Individual Tax identification numbers are not acceptable.
2. **Income Restrictions:** 80 % Area Median Income for the Twin Cities, calculated on household size.
3. **Loan Security:** The loan will be secured with a second mortgage
4. **Credit / Underwriting Requirements:** No more than two 30-day late payments within the last six months on the credit report. 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No Bankruptcy or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgments, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
5. **Total Debt-to-Income Ratio maximum:** 50%
6. **Total Loan-to-Value Ratio maximum (calculated from Estimated Market Value on property taxes):** 110%
7. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers.
8. **Eligible Properties:** All 1- 7 unit owner-occupied properties located within the geographical boundaries of the City. Condominiums and townhomes are eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a trust or contract for deed are eligible.

- 37 9. **Ineligible Properties:** Non-owner-occupied, properties with more than 10 units, co-
38 operatives, and properties used for commercial purposes.
- 39 10. **Eligible Improvements:** Most permanent interior and exterior improvements are eligible.
40 For manufactured home communities, the down payment towards purchase of a new
41 manufactured home is an eligible use (20% maximum or \$15,000, whichever is less).
- 42 11. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in
43 appliances (unless part of a kitchen remodel), or funds for working capital, debt service or
44 refinancing existing debts are allowed.
- 45 12. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis.
46 Loan funds may be used only for the purchase of materials. Loan funds cannot be used to
47 compensate for labor, only for materials. Materials must be purchased and installed prior
48 to the disbursement of the loan proceeds. When applicable, a signed city permit must be
49 obtained.
- 50 13. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or
51 registered with the Minnesota Department of Labor (if applicable). Permits must be
52 obtained where required by the City.
- 53 14. **Multiple loans from this program are prohibited.**
- 54 15. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to
55 inspection by program administrator and/or city inspector.
- 56 16. **Work Schedule:** All work must be completed within 120 days of the loan closing.
57 However, when warranted, program administrator may authorize extensions on a case-
58 by- case basis.
- 59 17. **Disbursement of Funds:** An inspection will be carried out by program administrator or city
60 inspector to verify completion of the work. The following items (and any additional as
61 determined by program administrator) must be received prior to disbursement of funds:
- 62 a) Final invoice from contractor (or materials list from supplier)
- 63 b) Final inspection verification (if necessary)
- 64 c) Completion certificate(s) signed by borrower and contractor
- 65 d) Lien waiver for entire cost of work and
- 66 e) Evidence of required city permit pulled and inspected, where applicable
- 67 18. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title
68 work, credit report, flood certification and any other applicable closing costs. All fees may
69 be financed.

New Brighton

Housing Action Plan – Policy #1 – Housing Re-habilitation Program

Economic Development Commission - February 4

City Council Work Session – February 10

Equity Commission – February 19

Purpose of this Work

- Refresh knowledge about who lives in New Brighton and the types of housing offered
- Re-state the goals of the city that are related to housing
- To prioritize three immediate actions to implement to achieve these goals
- Research, review, and bring forward three housing-forward policies
- Outline a plan for use of Local Affordable Housing Aid, and other available resources



GOAL 1 Preserve a Diverse Stock of Well-Maintained Housing and Neighborhoods

STRATEGIES



1
Maintain and Enhance Existing Housing Stock

2
Provide a wide variety of housing types

3
Promote walkable, safe, and connected neighborhoods

4
Ensure a supply of affordable housing

ACTIONS



- 1.1 Establish and fund a housing re-hab program
- 1.2 Evaluate condition of existing housing stock
- 1.3 Review code requirements for maintenance

- 2.1 Provide co-op conversion support

- 4.1 Establish a manufactured home re-hab fund
- 4.2 Provide land trust conversion support
- 4.3 Provide first time or first generation home-buyer assistance

Recommendations from Housing Action Plan

1. Move forward with a home re-habilitation program and also include provisions for manufactured homes
2. Move forward with an incentive based inclusionary housing program
3. Complete a zoning audit, with recommendations for ordinances, to make zoning more housing friendly
4. Develop a targeted housing developer engagement strategy

Home Re-habilitation Program – Key Points

1. Home re-hab **LOAN** to broadly improve interior and exterior conditions of the home
2. Manufactured homes are eligible, with a special provision to use for down payment assistance on a new home (same re-payment terms and conditions)

3. Standard terms:

Loan Amount: Loan amounts from \$2,000 to \$15,000

Amortization Type: Monthly payment is required

Loan Term: Up to 10 years

Interest Rate: 3% fixed interest rate

4. Special terms for seniors

Amortization Type: *Deferred until sale*

Loan Term: *Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence or forgiven after 30 years.*

Interest Rate: 0%

5. Other typical underwriting (see full guidelines)

Home Re-habilitation Program – Key Points

Income criteria: Recommend 80% of AMI

FY 2025 Income Limit Area	Median Family Income Click for More Detail	FY 2025 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Minneapolis-St. Paul-Bloomington, MN-WI HUD Metro FMR Area	\$132,400	Very Low (50%) Income Limits (\$) Click for More Detail	46,350	53,000	59,600	66,200	71,500	76,800	82,100	87,400
		Extremely Low Income Limits (\$)* Click for More Detail	27,800	31,800	35,750	39,700	42,900	46,100	49,250	54,150
		Low (80%) Income Limits (\$) Click for More Detail	72,950	83,400	93,800	104,200	112,550	120,900	129,250	137,550

How does it work?

1. Takes a very similar form to many home re-hab programs throughout the metro area
2. City budgets annually and third party administers (usually a three year contract). City sets the terms (in coordination with vendor), third party underwrites them.
3. First come first served (once \$\$ is gone, it is gone until next budget cycle)
4. Functions as a loan (must be re-paid, but terms can vary), secured with a second mortgage (standard)

Points for Direction/Discussion and Consensus

1. Max loan amount
2. Interest rate
3. Payback period
4. Income limits/restrictions
5. Special provisions for seniors (deferred at 0%)
6. Manufactured homes eligibility and down payment option
7. Budget: Amount to allocate to this program (recommend \$300K annually from LAHA resources)
8. Do you want a budget carve out for each sub-program?

Next Steps

1. Incorporate Feedback/Direction (offline)
2. Bring back final policy for adoption (May/June)

Timeline

TASK ID	TASK NAME	START DATE	END DATE	WEEKS	W45	W46	W47	W48	W49	W50	W51	W52	W53	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20
1	Project Kick-Off and Duration	11/4/2025	3/4/2026	18	[Green bar]																											
1.1	Bi-Monthly staff check ins	11/4/2025	3/4/2026			X		X		X		X		X		X		X		X		X		X		X		X		X		X
1.2	EDC/Council priority exercise	11/25/2025	11/25/2025																													
1.2	History, data, and analysis	11/4/2025	11/19/2025		[Green bar]																											
1.3	Current plan summary	11/4/2025	11/19/2025	3	[Green bar]																											
1.4	slide deck	11/25/2025	11/25/2025	1																												
1.5	council presentation-priorities	11/25/2025	11/25/2025	1																												
1.6	Policy Survey	11/1/2025	12/1/2025		[Green bar]																											
2	Draft housing action items	12/1/2025	1/14/2026	7																												
2.1	Slide deck	12/15/2025	1/1/2026	3																												
2.2	EDC/Equity Commission Review	1/7/2026	1/15/2026																													
2.3	Council presentation	1/13/2026	1/13/2026	1																												
3	Policy #1																															
3.1	Draft Policy	1/13/2026	2/10/2026	5																												
3.2	Slide deck	1/13/2026	1/30/2026	3																												
3.3	EDC/Equity Commission Review	2/1/2026	2/15/2026																													
3.4	Policy #1 - Presentation to Council	2/10/2026	2/10/2026	1																												
4	Policy #2																															
4.1	Draft policy	2/10/2026	3/3/2026	4																												
4.2	Slide deck	2/15/2026	2/20/2026	2																												
4.3	EDC/Equity Commission Review	2/7/2026	2/20/2026																													
4.4	Policy #2 - Presentation to Council	3/3/2026	3/3/2026	1																												
5	Policy #3																															
5.1	Zoning Audit and Strategy Development	3/3/2026	4/7/2026	6																												
5.2	Slide deck	3/15/2026	3/20/2026	2																												
5.3	EDC/Equity Commission Review	3/15/2026	3/20/2026	2																												
5.4	Presentation to Council	4/7/2026	4/7/2026	1																												
5	Final Approval of All Policies	5/12/2026	5/12/2026	1																												