



**New Brighton Equity Commission
Agenda
Upper Level | Conference Room
New Brighton City Hall 803 Old Hwy 8 NW, New Brighton , MN
5:00 PM March 19, 2026**

Members of the Equity Commission 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

I. Call to Order and Roll Call

Chair Kami Miller	Commissioner Carlos Herrera
Vice-Chair Cathy Forbes	Commissioner Michael Postle
Commissioner Kisten Thompson	Commissioner Melissa Spiess
Commissioner Ellen Weber	Commissioner Sophie Jung
Commissioner Liz Erstad-Hicks	

II. Approval of Agenda

III. Approval of Past Minutes

- a. February 19, 2026

IV. Business Items

- a. Home Improvement Loan Program

V. City Staff Update

VI. Chair Update

VII. City Council Update

VIII. Adjournment

- a. Next Meeting: April 16, 2026



MINUTES
New Brighton Equity Commission
Regular Meeting – February 19, 2026
6:30 p.m.

I. Call to Order

The meeting was called to order at 6:30 p.m.

II. Roll Call

Members Present: Commissioners Cathy Forbes, Sophie Jung, Kami Miller, Michael Postle, Melissa Spiess, Kisten Thompson and Ellen Weber

Members Absent: Commissioners Carlos Herrera and Liz Ersted-Hicks

Also Present: DEI Coordinator Hue Schlieu

III. Approval of Agenda

Motion by Commissioner Postle, seconded by Commissioner Thompson to approve the agenda as presented.

Approved 7-0

IV. Approval of Minutes

Motion by Commissioner Thompson, seconded by Commissioner Postle to approve the minutes from the January 15, 2026 meeting.

Approved 7-0

V. Business Items

A. Housing Action Plan

Schlieu reviewed the DRAFT Policy #1 for the development of a home improvement loan program, as part of our on-going Housing Action Plan efforts. She reviewed the key points within the home rehab program. She explained 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. The draft program guidelines were further reviewed with the Commission. Staff asked that the Commission provided staff with comments or questions on the program and recommendations. It was noted specific details that staff would like further comment on would be the following program parameters:

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?

Discussion included:

- The Commission suggested the minimum loan amount be increased given the cost for materials and labor at this time.
- The Commission acknowledged that increasing max loan amount would potentially decrease the number of people who would access the loan. The Commission suggested a cap on the number of large projects each year.
- The Commission asked who would be the third party administrator for the loans. Staff stated it was her understanding the third party administration would be managed by Ramsey County.
- The Commission supported limiting eligible borrowers to owner-occupied units.
- The Commission supported preventing conversion of the participating properties to rental units.
- The Commission suggested accommodations be made for individuals with disabilities in the same manner as seniors.
- The Commission supported the loans being offered to individuals at 60% AMI.
- The Commission had questions about what income counts, how residents were defined, and if those who have filed for bankruptcy were eligible for these loans.
- The Commission supported the City working to remove some of the credit barriers and paperwork requirements in order to help those who were most in need, noting this may require loan applications to be reviewed on a case by case basis to allow people to explain their circumstances.
- The Commission supported the loans be deferred for a number of years at 0% interest noting that low-income residents may not be able to afford the monthly payments even if rates are below market rate.
- The Commission suggested the City have lists of other resources available for the individuals seeking these loans because they may benefit from other county, state or federal assistance.
- The Commission recommended non-rental ADU's be eligible for this program.
- The Commission questioned how the City would navigate applicants that were income poor but asset rich.
- The Commission noted that there are currently too many requirements during underwriting, stating that households below 60% AMI may be disproportionately impacted by financial hardship.
- The Commission found the language limiting eligibility for condo/townhouse within larger units to be irrelevant and confusing, noting that as long as the individual unit is owner-occupied, it should be eligible. Additionally, units being rented out within a larger complex are not eligible due to rental guidelines already set forth.
- The Commission suggested the language regarding the improvements must add value be removed from the program or make the point less ambiguous.

- The Commission discussed how to help residents who wanted to complete work themselves through sweat equity and how to manage funding of these loans. Staff explained the manner in which the program was designed was for reimbursement and not for payment up front.
- The Commission suggested the City create a list of contractors that were not allowed to work in the City because they were not trustworthy.
- Staff recommended applicants seek at least three bids for a project in order to get a fair comparison for project costs.
- The Commission asked when this program would be up and running. Staff explained the Council was hoping to approve the program in May or June in order to have funding available for residents yet this year.
- The Commission recommended the 1% origination fee and other administrative fees (mortgage filing, title work, etc.) be eliminated.
- The Commission supported loans being forgiven after 30 years.
- The Commission supported allowing households to reapply for a loan if the first loan was paid off or allow multiple loans so long as they are under the household lifetime limit.
- The Commission recommended the program be evaluated quarterly for the first year in the event adjustments were necessary.
- Staff thanked the Commission for their feedback and noted this program would be reviewed by the Commission again in May or June.

VI. City Staff Update – Hue Schlieu, DEI Coordinator

Schlieu stated the City’s website was being updated weekly and encouraged the Commission members to take the printed out resources. She explained the City had joined the Safe and Stable Communities Coalition. She encouraged Commission members to fill out the Civic Center Campus survey. She indicated the community iftar dinner would be held on March 4. She noted Tibet Fest would be held on May 10.

VII. Chair Update – Kami Miller

Chair Miller stated she would like to amend the Chair Update to “A Good of the Order Update” in order to allow all Commission members to speak during this time.

VIII. City Council Update – Emily Dunsworth

There was no report from the City Council.

IX. Adjournment – Next Meeting: March 19, 2026

The meeting adjourned at 8:42 p.m.

Respectfully submitted,

Hue Schlieu
DEI Coordinator



Agenda Section:	Business Items
Meeting Date:	March 19, 2026

REQUEST FOR COUNCIL CONSIDERATION – EXECUTIVE SUMMARY

ITEM DESCRIPTION: Home Improvement Loan Program

Action Requested: Discussion

Form of Action: N/A or Other

Votes Needed: N/A

Summary Statement:	<p>Equity Commission provided feedback on the first draft of the Home Rehabilitation Loan Program on February 19, 2026. The program guidelines have been updated and feedback that was not incorporated into the guidelines has been responded to.</p> <p>Assistant Director, Ben Gozola, of Community Assets and Development, will be joining the Equity Commission meeting to present the updated program and answer additional questions that Equity Commissioners may have.</p>
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Recommendations:	Review the updated program guideline. Ask questions and provide any additional relevant feedback.
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Applicable Deadlines:	
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Community Impact:	The Home Improvement Loan Program will be geared toward community members at or below 60% AMI, which deeply benefits the housing conditions and value of our low-income residents. This improvements may see benefits for mental and physical health as well.
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Legislative History:	
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Strategic Priority:	<u>Economic Development</u>
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Fiscal Impact:	Financial Consideration?	<u>Yes</u>
	Revenue/Expenditure Amount:	\$300,000 annually
	Financing Source:	<u>Budgeted</u>
	Notes:	LAHA funding

Attachments:	1.	Home Re-hab Program Guidelines
	2.	Equity Commission comments and responses - Final

City of New Brighton

Home Improvement Loan Program

Program Guidelines

Loan Amount: Loan amounts from \$2,000 to \$15,000 (with up to four loans granted at up to \$35,000 each)

Amortization Type: Monthly payment is required

Loan Term: Up to 10 years

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. Seniors, those with disabilities, and income qualified individuals are the target for this program.
2. **Income Restrictions:** 80 % Area Median Income for the Twin Cities, calculated on household size.
3. **Loan Security:** Loans over \$15,000 will be secured with a second mortgage. Loans \$15,000 or under will be secured with a promissory note.
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:** 65%
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 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.
9. **Ineligible Properties:** Non-owner-occupied homes or commercial properties.
10. **Eligible Improvements:** Most permanent interior and exterior improvements are eligible. For manufactured home communities, the down payment towards purchase of a new manufactured home is an eligible use (20% maximum or \$15,000, whichever is less)

11. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed.
12. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
13. **Bids/Contractors:** 1 contract bid required for projects up to \$15,000. Projects exceeding \$15,000 in cost must receive at least two bids. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City.
14. **Multiple loans from this program are allowed, with a maximum total loan amount of \$35,000.**
15. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by program administrator and/or city inspector.
16. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, program administrator may authorize extensions on a case-by- case basis.
17. **Disbursement of Funds:** An inspection will be carried out by program administrator or city inspector to verify completion of the work. The following items (and any additional as determined by program administrator) must be received prior to disbursement of funds:
 1. Final invoice from contractor (or materials list from supplier)
 2. Final inspection verification (if necessary)
 3. Completion certificate(s) signed by borrower and contractor
 4. Lien waiver for entire cost of work and
 5. Evidence of required city permit pulled and inspected, where applicable
18. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

Below are the comments from the Equity Commission regarding the proposed Home Improvement Loan Program. In consultation with Thrive, CEE, and NeighborWorks, staff incorporated the comments or responded to why comments were not incorporated below.

Items of note to remain in proposed guidelines:

- Carve-outs for manufactured homes and seniors. They are also interested in explicitly highlighting people with disabilities, potentially through a dedicated carve-out.
- Limiting eligible borrowers to owner-occupied units.
- Preventing conversion of the participating properties to rentals unit.
- Loan structure considerations for seniors.

Considering titling the program “Home Improvement Reimbursement Program” to increase transparency that funds are distributed once work is complete.

The guidelines have been updated to be clear that the contractor must do the work prior to receiving payment. It is important to keep the word “loan” in the title since the money must be re-paid.

Considering a 0% interest with deferment of up to 5 years for all loans, noting that households at or below 60% AMI may not be able to begin monthly payments immediately, even at below-market rates.

This is a policy choice that does not affect budget. Over long periods of time, however, it will affect the available amount of program income to revolve. To ensure this program helps the most residents, the re-payment requirement for the non-senior program remains in the draft guidelines.

Considering tiered interest rates: 0% at/below 50% AMI, 1% for 50-60% AMI, 2% for 60-70% AMI, and 3% for 70-80% AMI.

This is a policy choice that does not have a large effect on budget. However, given the relatively low amount of interest being charged and the relative add complexity, this change has not been incorporated into the draft guidelines.

Consider a small pool program (ie up to 10K) and a large pool program (10 to 35K) and adjust requirements accordingly.

This change has been incorporated.

Increase the maximum loan amount to \$35,000 to ensure seniors and people with disabilities can complete necessary retrofits. Commissioners noted there are third-party organizations that assist residents in maximizing waiver benefits and navigating application processes.

This is a policy choice that does not affect budget, but does limit the number of loans from approx. 17 to approx. 10, and does not maximize number of loans. The third party

administrators would support this. The guidelines have been amended to allow up to 4 larger loans.

Allow multiple loans (stacked OR sequenced) with a lifetime cap of \$35,000 so residents needing small projects over time are not disadvantaged compared to those requiring a full \$35,000 loan upfront.

This is a policy choice that does not affect budget, but does limit the number of benefitting residents. This change has been incorporated.

Avoid a first-come-first-served structure to ensure residents who experience hardship later in the year have equitable access to funds.

This is a policy choice that does not affect budget or number of loans. Two or three rounds of requests can be implemented throughout the year. The hardship still exists for those who did not apply by the deadline. Draft guidelines remain as proposed as rolling applications.

Consider capping the eligible properties to homes at or below the New Brighton median home value, noting that asset-rich, income-poor residents may qualify for programs designed to support residents with limited overall financial capacity.

This is a policy choice that could be implemented. Draft guidelines remain as originally proposed.

Significantly reduce or eliminate underwriting criteria (e.g. debt-to-income ratios, late payments, etc.) as households at or below 60% AMI may be disproportionately impacted by financial hardship.

This comment was incorporated, vis a vis Debt to Income and Loan to Value requirements.

Legal resident (eligible borrower) and foreign national (ineligible borrower) are not mutually exclusive identities

Staff recommends to defer to third party on this. Applicant must have an SSN as written.

Can only one household member apply? If so, how does that impact the future eligibility of other household members? What if one is a legal resident and the other isn't?

Mortgages or promissory notes must be assigned to legal resident and owner of property. No changes have been incorporated.

Remove language related to size of the condo/townhouse. An owner of a single-unit within a 5-unit association should have the same access to the program as an owner within a 50-unit association. Noting that owner-occupancy requirements already limit eligibility to the occupied unit and exclude landlords, thereby preventing program funds from being used for rental properties.

This comment was incorporated.

Scale contractor bid requirements to loan size (i.e. more bids for larger loans)

This comment was incorporated.

Remove the requirement that materials be purchased and installed prior to reimbursement, particularly for small, homeowner-completed projects, noting that upfront funds are often the primary barrier

The third party administrators were intent on this provision, therefore, no changes have been made to the guidelines.

Avoid second mortgage route, seems excessive for smaller loans.

A promissory note has been added as an alternative for the smaller loans.

Absorb borrower-related administrative costs (e.g. mortgage filing, title work, credit reports, etc.), particularly for smaller loans as layered fees undermine affordability.

This comment was incorporated as an allowance for rolling into financing.

In order to make this process as accessible as possible and maximize other existing programs and funds available to the applicant, third-party provider should be knowledgeable and help throughout the whole process if necessary. Residents should be able to call with vague understand and be led through to support and participation in the program (if applicable).

Noted.

Add term “disabled” under specific eligible borrowers.

This comment was incorporated.