



AGENDA

Oakdale Economic Development Authority

December 10 2019
Following Regular City Council Meeting
Council Chambers

1. Call to Order/Call of Roll

Roll Call: Commissioners Ingebrigtson, Olson, Swedberg, Zabel; President Reinke

2. PUBLIC HEARING (7:15 PM or Immediately Following Council Meeting)

MIF Job Creation Compliance Extension for Optimize Social Media (Recommendation: President opens public hearing and invites comments from the audience; President closes the public hearing and invites comments from the EDA; Motion: Waive reading and adopt Resolution EDA 2019-xx, Authorizing an amendment to the Grant Contract dated October 26, 2017, between the Economic Development Authority of the City of Oakdale and the State of Minnesota acting through the Department of Employment and Economic Development for the project entitled "Optimize Social Media").



3. Approval of Minutes: September 24, 2019 (Recommendation: Approve minutes of September 24, 2019)

4. Business Item: Approval of Application to Minnesota Housing for Participation in the 2020 Minnesota City Partnership Program (MCPP) (Recommendation: Waive reading and adopt Resolution EDA 2019-xx, Directing staff to apply to Minnesota Housing for participation in the 2020 Minnesota City Partnership Program (MCPP) and approving the MCPP Program Application Commitment Agreement).

5. Adjournment



REQUEST FOR EDA ACTION

Meeting Date:	December 10, 2019	
DH Approval	CA Approval	
		
Item Description	MIF Job Creation Compliance Date Extension for Optimize Social Media	

This memorandum presents the Commissioners with information regarding a request for an extension to the term of a Grant Contract and Loan Agreement related to the 2017 Minnesota Investment Fund project for Optimize Social Media. Commissioners are asked to hold a public hearing and then pass a resolution authorizing amendments to the Grant Contract and Loan Agreement to extend the Compliance Date.

BACKGROUND

Optimize Social Media (OSM) received a forgivable Minnesota Investment Fund (MIF) loan in 2017 to aid in the expansion of their business in Oakdale. The City worked with Minnesota Department of Employment and Economic Development (MNDEED) to procure the loan funds. In exchange for state funding, OSM committed to job creation and minimum wage targets to be met within a two year period ending on December 31, 2019. OSM committed to creating 50 new jobs and maintaining their existing 66 jobs. The 50 new jobs must pay at least \$15/hour without benefits or \$17/hour inclusive of the value of benefits provided.

To date, OSM has created 18 new jobs meeting the established wage goals. OSM reports that difficulties finding and keeping qualified employees have prevented them from meeting their compliance goals on time, and plans to create more jobs in 2020. OSM requests a one year extension to their compliance term to allow time to create more jobs.

To grant a one year extension, the Oakdale Economic Development Authority must agree to amend the term of the Grant Contract between the EDA and MN DEED, as well as the Loan Agreement between the EDA and Optimize Social Media, to reflect a new Compliance Date of December 31, 2020. Before granting such an extension, the EDA must also hold a public hearing for the purpose of receiving comments on the proposed contract amendments.

POLICY OBJECTIVES

- (1) Implements Economic Development Goal 1, Policy 2 of the 2040 Comprehensive Plan, which states that the City shall "Administer a program to retain and assist in the expansion of existing Oakdale businesses."
- (2) Implements Economic Development Goal 2, Policy 1 of the 2040 Comprehensive Plan, which states that the City shall "Support the success of business and labor by connecting them to

resources at the MN Department of Employment and Economic Development (DEED) and other State, County, and Federal agencies.”

STAFF RECOMMENDATION

Adopt Resolution 2019-XX, authorizing an amendment to the Grant Contract dated October 26, 2017 between the Economic Development Authority of the City of Oakdale and the State of Minnesota acting through the Department of Employment and Economic Development for the project entitled Optimize Social Media.

EDA ACTION REQUESTED

Hold a public hearing for the purpose of accepting comments for the purpose to amend the Grant Contract in compliance with the Minnesota Business Subsidy Lay to extend the term of the Grant Contract and Loan Agreement.

Waive reading and adopt EDA Resolution No. 2019-XX, authorizing an amendment to the Grant Contract dated October 26, 2017 between the Economic Development Authority of the City of Oakdale and the State of Minnesota acting through the Department of Employment and Economic Development for the project entitled Optimize Social Media.

ATTACHMENTS

(1) Resolution 2019-XX

**Oakdale Economic Development Authority
RESOLUTION NO. EDA 2019-XX**

**AUTHORIZING AN AMENDMENT TO THE GRANT CONTRACT DATED
OCTOBER 26, 2017 BETWEEN THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF OAKDALE AND THE STATE OF
MINNESOTA ACTING THROUGH THE DEPARTMENT OF EMPLOYMENT
AND ECONOMIC DEVELOPMENT FOR THE PROJECT ENTITLED
OPTIMIZE SOCIAL MEDIA.**

At a regular meeting of the Oakdale Economic Development Authority held on Tuesday, December 10, 2019 at the Oakdale Municipal Building, 1584 Hadley Avenue North, Oakdale, Minnesota, with the following members present: President Paul Reinke, Commissioners Jake Ingebrigtsen, Susan Olson, Colleen Swedberg, and Kevin Zabel; and the following absent: none, the Oakdale Economic Development Authority resolved:

BE IT RESOLVED that the Oakdale Economic Development Authority acted as the legal sponsor for the project contained in the Minnesota Investment Fund Program for the project entitled Optimize Social Media.

BE IT FURTHER RESOLVED that the Oakdale Economic Development Authority has the legal authority to amend the Grant Contract dated October 26, 2017 between the Economic Development Authority of the City of Oakdale and the State of Minnesota acting through the Department of Employment and Economic Development.

BE IT FURTHER RESOLVED that the Oakdale Economic Development Authority has held a public hearing for the purpose of accepting comments for the purpose to amend the Grant Contract in compliance with the Minnesota Business Subsidy Law to extend the term of the Grant Contract.

BE IT FURTHER RESOLVED that the Oakdale Economic Development Authority has held a public hearing for the purpose of accepting comments for the purpose to amend the Loan Agreement between Economic Development Authority of the City of Oakdale and Optimize Social Media, Inc.

BE IT FURTHER RESOLVED that the Oakdale Economic Development Authority authorizes to execute an amendment to the Grant Contract dated October 26, 2017 between the Economic Development Authority of the City of Oakdale and the State of Minnesota acting through the Department of Employment and Economic Development to extend the term of the Grant Contract.

BE IT FURTHER RESOLVED that the Economic Development Authority of the City of Oakdale authorizes to execute an amendment to the Loan Agreement between the Economic Development Authority of the City of Oakdale and Optimize Social Media, Inc.

NOW, THEREFORE BE IT RESOLVED that the President and the Deputy Executive Director, or their successors in office, are hereby authorized to execute the amendment thereto, as is necessary to implement

the project on behalf of the Oakdale Economic Development Authority.

I CERTIFY THAT the above resolution was adopted by the Economic Development Authority of the City of Oakdale on December 10, 2019.

SIGNED: _____
(First Authorized Official)

WITNESSED: _____
(Signature)

President _____
(Title) (Date)

Secretary _____
(Title) (Date)

SIGNED: _____
(Second Authorized Official)

Deputy Executive Director _____
(Title) (Date)

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF OAKDALE
September 24, 2019**

CALL TO ORDER

A regular meeting of the Economic Development Authority of the City of Oakdale was held on Tuesday, September 24, 2019, at the Oakdale Municipal Building, 1584 Hadley Avenue, Oakdale, Minnesota. The meeting was called to order by President Paul Reinke at 7:24 PM.

CALL OF ROLL

On a call of roll, the following were present:

President Paul Reinke

Commissioners: Jake Ingebrigtsen
 Susan Olson
 Colleen Swedberg
 Kevin Zabel

Absent: None

Also Present: Susan Barry, City Clerk
 Bart Fischer, City Administrator
 Linnea Graffunder-Bartels, Senior Community Development Specialist

APPROVAL OF MINUTES: **July 23, 2019**

A MOTION WAS MADE BY COMMISSIONER ZABEL, SECONDED BY COMMISSIONER INGEBRIGTSON, TO APPROVE THE MINUTES OF JULY 23, 2019, AS PRESENTED.

5 AYES.

BUSINESS ITEMS

a) Emergency Home Repair Loan – Chuesberg

Senior Community Development Specialist Graffunder-Bartels reviewed a request to approve an Emergency Home Repair Loan to Laurie Chuesberg to make repairs to the home at 6841 Upper 5th.

A MOTION WAS MADE BY COMMISSIONER ZABEL, SECONDED BY COMMISSIONER INGEBRIGTSON, TO WAIVE READING AND ADOPT RESOLUTION NO. EDA 2019-02, APPROVING A \$12,395 EMERGENCY HOME REPAIR LOAN FOR THE OWNER OF THE RESIDENTIAL PROPERTY LOCATED AT 6841 UPPER 5TH STREET AND DIRECTING STAFF TO PREPARE AND EXECUTE A MORTGAGE AND PROMISSORY NOTE (CHUESBERG).

5 AYES.



ADJOURNMENT

The meeting adjourned at 7:28 PM.

Respectfully submitted,
Colleen Swedberg, Secretary



REQUEST FOR EDA ACTION

Meeting Date:	December 10, 2019	
DH Approval	CA Approval	
		
Item Description	Authorization to renew application for MN Housing's Minnesota City Partnership Program (MCP)	

This memorandum provides information regarding Minnesota Housing's MN City Participation Program, which provides affordable first-time homebuyer Start Up Loans. The EDA is asked to review the information and direct staff to re-apply for the EDA to participate in MCP in 2020.

BACKGROUND

In September 2015, the City Council commenced the Neighborhood Preservation and Enhancement Initiative (NPEI). The NPEI is an action oriented strategic framework that sharply focuses the City's attention on the areas, within the City's control, that are most influential in preserving and enhancing neighborhood quality. These areas include: (1) facilitating investment in the City's housing stock, (2) increasing amenities and reducing disamenities, and (3) building social capital.

Since adopting the NPEI, the City has taken action to increase investment in the local housing stock by increasing access to capital for homeowners to invest in home maintenance and rehabilitation projects. The City also took action to increase investment in the local housing stock by ensuring affordable access to capital for homebuyers. The City supported such access by participating in the Minnesota City Participation Program (MCP) in 2018 and 2019.

Minnesota Housing (MHFA) manages the MCP, which provides participating communities with access to affordable first-time homebuyer loans. MHFA funds the MCP program by issuing, on behalf of participating communities, qualified mortgage bonds. Participating communities enable local access to the program simply by applying to MHFA, who then designates program funds for use only in the participating community. As of November 5, 2019, 35 MCP/Start Up Loans were committed for Oakdale homebuyers, totaling \$6,709,522 invested in the Oakdale housing stock. All of these loans served households earning \$72,440 or less annually.

First-time homebuyers access the program through their local lenders and also have access to down payment and closing cost assistance if needed. Local lenders administer the program through a loan product called a "Start Up Loan". The Start Up Loan is available in the metro to households earning up to \$100,000 (1-2 person households) or \$115,000 (3+ person households) purchasing a home priced at \$330,100 or less. Interest rates on Start Up loans currently range between 3.375%-4.625%.

FINANCIAL CONSIDERATIONS

None. There is no application fee, nor is the EDA responsible for program funding.

POLICY OBJECTIVES

- (1) Implements Housing Goal 1, Policy 4 of the 2040 Comprehensive Plan, which states that the City shall “Promote and support homeownership and first-time homebuyers through partnerships with Minnesota Housing and their Startup Program, Two Rivers Community Land Trust, and other organizations with an emphasis on low- and moderate-income homebuyers.”
- (2) Implements the housing element of the Neighborhood Preservation and Enhancement Initiative.

STAFF RECOMMENDATION

Adopt resolution 2019-XX, directing staff to apply to MHFA for participation in the 2020 MCPP program and approving the MCPP Program Application Commitment Agreement.

EDA ACTION REQUESTED

Move to adopt resolution 2019-XX, directing staff to apply to MHFA for participation in the 2020 MCPP program and approving the MCPP Program Application Commitment Agreement.

ATTACHMENTS

- (1) Resolution 2019-XX
- (2) Minnesota Housing Finance Agency Minnesota City Participation Program Application Commitment Agreement

**Oakdale Economic Development Authority
RESOLUTION NO. EDA 2019-XX**

DIRECTING STAFF TO APPLY TO MINNESOTA HOUSING TO PARTICIPATE IN THE 2020 MCPP PROGRAM AND APPROVING THE MCPP APPLICATION COMMITMENT AGREEMENT.

At a regular meeting of the Oakdale Economic Development Authority held on Tuesday, December 10, 2019, at the Oakdale Municipal Building, 1584 Hadley Avenue North, Oakdale, Minnesota, with the following members present: President Paul Reinke and Commissioners Jake Ingebrigtsen, Susan Olson, Colleen Swedberg, and Kevin Zabel; and the following absent: none, the Oakdale Economic Development Authority resolved:

WHEREAS, in September 2015, the Oakdale City Council commenced the Neighborhood Preservation and Enhancement Initiative; and

WHEREAS, increasing investment in the local housing stock is one of the primary strategies of the Neighborhood Preservation and Enhancement Initiative; and

WHEREAS, Housing Goal 1, Policy 4 of the 2040 Comprehensive Plan establishes that the City of Oakdale shall promote and support homeownership and first-time homebuyers through partnership with Minnesota Housing and other housing organizations with an emphasis on serving low- and moderate-income homebuyers; and

WHEREAS, the goal of the Minnesota City Participation Program (MCPP) is to increase access to affordable capital for first-time homebuyers for the purpose of housing investment; and

WHEREAS, in 2019 the MCPP made 35 loans to low- and moderate-income first-time homebuyers in Oakdale, totaling \$6,709,522 invested in the Oakdale housing stock.

NOW THEREFORE, BE IT RESOLVED that the Oakdale Economic Development Authority hereby directs staff to apply to Minnesota Housing to participate in the 2020 MCPP and approves the MCPP Application Commitment Agreement.

Voting in Favor:

Voting Against:

Resolution duly seconded and passed this 10th day of December, 2020.

Paul Reinke, President

Attest:

Colleen Swedberg, Secretary

**MINNESOTA HOUSING FINANCE AGENCY
MINNESOTA CITY PARTICIPATION PROGRAM**

**PROGRAM APPLICATION
COMMITMENT AGREEMENT**

THIS APPLICATION AND AGREEMENT (this "Agreement") is between City of Oakdale (the "City"), with its office at 1584 Hadley Avenue North, Oakdale, MN 55128 and Minnesota Housing Finance Agency ("Minnesota Housing"), with its office at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102.

RECITALS:

- A. Minnesota Housing, under the provisions of Minn. Stat. §474A.061, Subd. 2(a) is authorized to issue qualified mortgage bonds, as that term is used in the Internal Revenue Code of 1986, as amended (the "Code"), on behalf of the City, and it will issue bonds for that purpose (the "Bonds").
- B. The City applying to participate is a Minnesota city, county, city or county housing and redevelopment authority, economic development authority, port authority or a consortium of local government units, as defined by Minnesota Statutes §474A.061, Subd. 2a(c).
- C. Minnesota Housing has implemented Minnesota Housing Finance Agency Minnesota City Participation Program (the "Program"), and will use the proceeds from the issuance of the Bonds to fund the Program.
- D. The City has requested and received a set-aside of funds from the Program.
- E. The City wishes to obtain a commitment by Minnesota Housing to direct Minnesota Housing's designated Master Servicer (the "Master Servicer") to purchase mortgage notes ("Mortgages") that will be originated by a lender or lenders that meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds (collectively, the "Lender").
- F. Mortgages that the Master Servicer purchases pursuant to the commitment requested by the City must only be for residences located within a geographic area to be established and designated by the City.
- G. Minnesota Housing is willing to issue a commitment agreeing to purchase Mortgage-Backed Securities backed by Mortgages that are (i) originated by the Lender; (ii) purchased by the Master Servicer; (iii) in accordance with the terms and conditions of this Agreement, the Program, and the Start Up Procedural Manual to be supplied by Minnesota Housing (the "Procedural Manual"), the provisions of which are hereby incorporated by reference into this Agreement as if set forth in full herein; and (iv) made to borrowers with adjusted incomes not exceeding the greater of 80 percent of statewide or area median income as calculated by Minnesota Housing.

NOW, THEREFORE, in consideration of the covenants contained in this Agreement, Minnesota Housing and the City agree as follows:

- 1. **City Requirements.** All Mortgages submitted to Minnesota Housing for purchase under the Program must comply with all of the requirements of the Program, the Start Up Procedural Manual and this Agreement.
- 2. **Commitment and Commitment Amount.** The City, which applied in January 2020 for a commitment, hereby requests that Minnesota Housing cause its Master Servicer to purchase Mortgages that have been originated by the Lender and meet the requirements of, and are made in accordance with the provisions of, this Agreement, the Program, and the Procedural Manual. Minnesota Housing, by accepting this Agreement, commits to the purchase of those Mortgages in the aggregate principal amount (the "Commitment Amount") to be determined and allocated

by Minnesota Housing in accordance with Minnesota Statutes §474A.061, Subd. 2a(d), and provided to the City.

The Master Servicer will only purchase Mortgages pursuant to this Agreement securing property that, and borrowers who, satisfy the requirements and provisions of this Agreement, the Program, and the Procedural Manual. The City acknowledges that the commitment is effective upon the approval thereof by Minnesota Housing and the delivery of a copy of this Agreement by Minnesota Housing to the City.

3. **Lender Qualifications.** Lenders must meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds.

4. **Commitment Term.** The term of this Agreement and the City's participation in the Program (the "Commitment Term") will commence on January 16, 2020, and shall continue through November 30, 2020. This Agreement, and the City's participation in the Program, will automatically terminate, without the need for any action by either party hereto, at the end of the Commitment Term.

5. **Set-Aside Term.** The Commitment Amount will be set-aside and held by Minnesota Housing for the sole use by the City for a period of time to be established by Minnesota Housing, in its sole option and discretion, provided, however, that time period will not be less than six months (the "Set-Aside Term") commencing on a date to be selected and specified by Minnesota Housing. Minnesota Housing will notify the City in writing of the date on which the Set-Aside Term commences.

Any portion of the Commitment Amount not reserved for the purchase of qualifying Mortgages as of the end of the Set-Aside Term shall be canceled and returned to Minnesota Housing for redistribution under the Program. In addition, any portion of the Commitment Amount reserved for Mortgages that are not delivered to the Master Servicer for purchase within the time period delineated in the Procedural Manual for that purchase, will be canceled and Minnesota Housing will redistribute that amount under the Program. Minnesota Housing may make any funds available to the Program at the end of the Commitment Term for mortgage loans that are eligible to be financed with proceeds of the Bonds.

6. **Commitment Fees.** There is no commitment fee payable by the City for the commitment by Minnesota Housing to the purchase by the Master Servicer of qualifying Mortgages.

7. **Purchase Price.** The purchase price of each Mortgage to be purchased by the Master Servicer pursuant to this Agreement will be as set forth in the requirements of the Procedural Manual and posted on Minnesota Housing's website.

8. **Mortgage Terms.** The terms and conditions for all Mortgages, including but not limited to the interest rate, will be set from time to time by Minnesota Housing, at its sole option and discretion, and communicated to the Lender in accordance with the procedures set forth in the Procedural Manual.

9. **Area Limitation.** Minnesota Housing, pursuant to this Agreement, is required to purchase only those Mortgages that are for residences located within a geographic area to be established and designated by the City.

10. **Servicing.** The servicing of Mortgages shall be the sole responsibility of the Master Servicer or one or more other entities that Minnesota Housing may designate in its sole discretion.

11. **Contract Documents.** The purchase by the Master Servicer of each Mortgage pursuant to Minnesota Housing's commitment is a contract consisting of this Agreement and the provisions and requirements contained in the Procedural Manual, with all amendments and supplements thereto in effect as of the date of Minnesota Housing's acceptance of this Agreement.

12. **Paragraph Captions and Program Headings.** The captions and headings of the paragraphs of this Agreement are for convenience only, and will not be used to interpret or define the provisions thereof.

13. **Applicable Law.** This Agreement is made and entered into in the State of Minnesota, and all questions relating to the validity, construction, performance and enforcement hereof will be governed by the laws of the State of Minnesota.

14. **Agreement Conditional Upon Minnesota Housing Approval.** This Agreement will be a binding obligation of Minnesota Housing upon its execution by Minnesota Housing and delivery of a copy of the same to the City; provided, however, Minnesota Housing may, in its sole option and discretion, any time on or after January 16, 2020 revoke such obligation and terminate this Agreement if the City has not fully executed and returned a fully executed original hereof to Minnesota Housing. That revocation and termination will be accomplished and evidenced by Minnesota Housing notifying the City thereof by way of a "Certified Letter - Return Receipt Requested" addressed and delivered to the City. Upon revocation and termination this Agreement will be null and void and of no force or effect.

15. **Issuance of Bonds.** The City hereby authorizes Minnesota Housing to issue, on behalf of the City, qualified mortgage bonds, as that term is used in the Code, in an amount equal to the Commitment Amount, and Minnesota Housing agrees to issue those bonds if and when federal law authorizes and Minnesota Housing deems it is economically feasible to do so.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City has executed this Agreement this _____ day of
(Day)

(Month) (Year)

CITY: City of Oakdale

By: _____
(Signature of Authorized Officer)

(Name of Authorized Officer)

Minnesota Housing APPROVAL

Minnesota Housing hereby accepts the above Program Application-Commitment Agreement and approves and grants participation in the program.

MINNESOTA HOUSING FINANCE AGENCY

By: _____
Kasey Kier

Its: Assistant Commissioner, Single-Family Division

Signed this ____ day of _____, 2020.