

Pursuant to due call and notice thereof, a Council Budget Workshop of the North Mankato City Council was held in the Municipal Building Council Chambers on September 17, 2018. Mayor Dehen called the meeting to order at 6:00 p.m. The following were present for roll call: Mayor Dehen, Council Members Steiner, Norland, City Administrator Harrenstein, Finance Director McCann, Public Works Director Host and City Clerk Van Genderen.

Discuss Proposed 2019 Budget

Finance Director McCann reported that at tonight's regular Council Meeting the City Council would approve the preliminary tax levy, the amount set would be the maximum amount allowed and could be decreased in December when the tax levy for 2019 was adopted.

The City received an update from the County that reported a 9% increase in market value for \$102 million compared to what was previously reported as an 8% increase for \$89 million. Finance Director McCann reported based on the new numbers the tax rate could decrease by .8% to 51.3% and still capture \$600,000 in new taxes. The total general property taxes proposed by the City of North Mankato for 2019 is \$6,895,397 with the General Fund receiving \$5,252,607, the Port Authority \$75,000, Debt Service \$1,375,458 and the Abatement Levy \$193,332. The proposed 2019 levy dollar amount is \$606,000 more than the 2018 levy. The total tax capacity increase is larger than the tax levy increase which leads to a decrease in the tax rate. The General Fund Levy increase from 2018 was \$629,718 or 13.62%, the Port Authority had a 0% change, the Debt Service increased by \$4,610 up .34%, and the Tax Abatement decreased by \$27,682 or down 12.52%, overall the entire tax levy increased by \$606,646 or up 9.65%.

Finance Director McCann reviewed the North Mankato tax base by breaking it down into Residential, Rental/Non-homestead, Commercial, Agricultural, Tax Forfeited, and Exempt properties. Agricultural, tax forfeited and exempt properties made up only 4% combined. North Mankato Property Types broke down to 78% residential, 13% rental/non-homestead and 5% commercial the estimated market value of those properties broke down to 65% of the value residential, 16% commercial and 11% rental/non-homestead. City taxes paid breaks down to 57% residential, 30% commercial and 13% rental/non-homestead. Finance Director McCann proceeded to review the median and maximum estimated market value, and the top 5 estimated market value combined. The top 5 estimated market value combined were \$4,283,100, residential, \$2,511,300, agricultural, \$28,087,400 commercial and \$27,386,900 rental. The median taxes paid broke down to \$839.72 residential, \$1,283.03 agricultural, \$3,307.79 commercial and \$180.87 rental/non-homestead. Finance Director McCann also reviewed the top 5 combined taxes paid with \$24,649.44 residential, \$13,089.90 agricultural, \$290,850.88 commercial and \$167,847.62 rental/non-homestead.

Finance Director McCann reviewed the Capital Investment Annual Allocation which included the Parks Plan at \$400,000 which is fully funding the program, Street Maintenance Plan, with an allocation of \$400,000, which includes seal coating, and mil and overlay to help maintain streets, Vehicle and Equipment Replacement with \$233,000, Sidewalk Maintenance Plan which has \$24,000, to help residents pay for sidewalks that need to be repaired, \$300,000 in the Water Fund, \$250,000 in the Sewer Fund, \$40,000 in the Storm Water Fund and \$297,000 in the Building Maintenance Fund which is new this year to help maintain and improve our aging facilities. The City will also be making the final payment on the Wheeler property. Council Member Steiner requested clarification on the Public Works Building and the methane gas. Public Works Director Host stated the City is ready to proceed to go out to bid to change the system from passive to an active blower system. Mayor Dehen requested if there were grant funds. Public Works Director Host stated there might be some EPA dollars for clean up. Council Member Norland wondered if the methane could be recycled in any way.

City Administrator Harrenstein stated it was a good idea, but once the fix is made the methane should no longer be present.

Finance Director McCann reviewed infrastructure and maintenance schedule of both street and facilities as both age it is important to plan for repairs and replacement. A discussion of the 2019-2023 Equipment and Facilities Replacement revealed two lawnmowers for \$180,000, two snowplows, one in 2020 and one in 2022, a truck for Community Development, the final land payment for the Wheeler land purchase and rollers allocated to future years. City Administrator Harrenstein pointed out the mowers were \$90,000 each, but the current mowers were purchased in 1982, and these are the mowers you see all around town and they also push snow on the sidewalks. The mowers are well maintained and are aging the more expensive price tag is due to the variety of work the mowers are required to perform.

Finance Director McCann began the Capital Improvement Plan discussion by indicating the projects identified for 2019 included the Tyler Avenue Reconstruction for \$500,000, and the Commerce Drive City portion is \$500,000 leaving approximately \$1,000,000 to be determined. Included for discussion were aging City facilities, ravine maintenance and recreational facilities acknowledging that Caswell Park is now 30 years old. A few items scheduled into the future CIP include \$151,000 in 2020 for Safe Routes to School project at Dakota Meadows and in 2021 \$168,000 for a Safe Routes to School project for Monroe/Bridges. City Administrator Harrenstein stated staff was seeking direction on both the cash and the bonded portion of the CIP taking into consideration the five pillars the Council has created to focus on including the streets, park, budget, facilities, and vehicle replacement. The Council has adopted several plans and has committed to funding and implementing those citizen guided plans. Mayor Dehen requested clarification on if the Sales Tax funds would be available in 2020. Finance Director McCann reported they could be available in 2019, but if the City waited more funds would be available. Mayor Dehen listed his top priorities for the CIP which included completion of the shelter, restrooms and parking at Benson Park, adding restrooms near Miracle Field and in the short-term providing a handicap port-a-potty, the Belgrade Avenue update of the lighting and possibly putting in new electrical service which would make it possible to put in the mid-block crossing on the 200 blocks and four would be to apply funding for the corridor study for 169 from LeHillier to Highway 14. Council Member Norland reported she would like to see work completed on ravines and she wanted to know more about maintaining water quality in the Minnesota River by preventing pollution from entering the river through our storm drain system. City Administrator Harrenstein noted the MPCA has rather strict guidelines for industrial and commercial buildings which includes stormwater holding ponds. City Engineer Sarff reported many of the newer subdivisions have stormwater holding ponds that prevent runoff from going directly into the river, most of these are in upper North. He noted the City is fortunate that lower North has sandy soil that acts as a natural cleaner. City Administrator Harrenstein noted that as the City returns areas to natural prairies and works on managing greenway's this will also help. City Administrator Harrenstein noted that staff was planning on bringing information concerning Caswell Park to a work session.

Finance Director McCann stated the proposed levy would be approved at the next Council Meeting with continued budget meetings in October and November. The Truth in Taxation hearing would be held on December 3rd at 7:00 p.m. and the final levy and budget would be adopted on December 17, 2018. Mayor Dehen suggested maybe the City should set the tax rate at a 0% change to ensure the City has the funds to cover the unexpected costs that may arise. Finance Director McCann stated it was a policy decision that sets the maximum amount. If Council determined they would like to change the tax rate the resolution in the City Council packet would need to be changed. City Administrator Harrenstein acknowledged there were unknowns concerning the Pierce Avenue fix the proposed levy does not take into account payment for that project. He stated the proposed levy and

existing resources should cover the repair based on preliminary estimates. The funds would come from old construction funds, but the City should be able to cover the costs. Mayor Dehen stated that was his concern as it may not be enough. City Administrator Harrenstein noted based on the preliminary estimates the City should be able to cover the costs. Mayor Dehen requested staff prepare a resolution setting the tax rate at a minus .5% and the Council could go lower in December.

Mayor Dehen closed the Council Workshop at 6:57 p.m.

Mayor

City Clerk

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on September 17, 2018. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Steiner, and Norland, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, Community Development Director Fischer, Public Works Director Host, and City Clerk Van Genderen. Absent: Council Members Freyberg and Whitlock.

Approval of Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the agenda as presented. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.

Approval of Council Work Session Meeting Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council Work Session meeting of September 4, 2018. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.

Approval of Council Meeting Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of September 4, 2018. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.

Proclamation

Mayor Dehen read the following Proclamation into the record:

WHEREAS, the Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and

WHEREAS, September 17, 2018, marks the two-hundred-thirty-first anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

NOW THEREFORE I, Mark Dehen, Mayor of North Mankato, by virtue of the power vested in me as Mayor of the City of North Mankato do hereby proclaim September 17 through 23 as:

CONSTITUTION WEEK

And ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

Susan Hinz, Regent for the Anthony Wayne Chapter of the Daughters of the American Revolution, appeared before Council and thanked the Mayor for the proclamation recognizing the Constitution of the United States of America.

Public Hearing, 7 p.m.-Consider Ordinance No. 109, Amending Chapter 154.05, Prohibited Signs

Community Development Director Fischer reported the proposed Ordinance would allow painting on exterior walls. It is a response to an increased interest in public art. In the past, the Ordinance had been used to deny painting, but if Council would like to allow City approved public art, they would need to pass Ordinance No. 109.

Consent Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 71-18 Approving Donations/Contributions/Grants.
- C. Approved Mobile Home Park Permits for CAL-AM Properties, Inc. as the new owners of Avalon & Camelot Estates.
- D. Approved Park and Audio Permit for Mankato Area's Walk for Recovery on September 29, 2018, from 9:00 am to 2:30 pm.
- E. Approved Licenses for Soft Drink, 3.2 Beer Off-Sale and Cigarette Sales for Northern Tier Retail, LLC located at 201 Webster Avenue.

Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda

Stefanie Jaquette, 509 Wheeler Avenue, appeared before Council expressed concerns about the proposed tax levy, stated residents support the TIF through taxes, supported Benson Park completion, approved of public input sessions and supported the Safe Routes to School projects.

Phil Henry, 1300 Noretta Drive, appeared before Council and stated his taxes continue to increase along with his property value.

Business Items

Res. No. 72-18 Resolution Approving Proposed Tax Rate.

City Administrator Harrenstein stated based on feedback during the Council Work Session Finance Director McCann has a proposed amendment to the resolution. Finance Director McCann stated that a .5% decrease in the tax rate would set the general levy at \$6,934,509 an increase of \$39,112 from the levy presented in the resolution of \$6,895,397. This is the preliminary tax levy and can be decreased, but not increased in December. Mayor Dehen stated that over the past four years the Council had decreased the tax rate by 3%, he acknowledged property taxes have increased from County, School, and City due to increased valuations. He stated some is from the Tax Increment Financing because the City is attracting additional people and businesses to the area which creates a supply and demand, increasing valuations. **Council Member Norland moved, seconded by Council Member Steiner to adopt the Amendment to the Resolution. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried. Council Member Norland moved, seconded by Council Member Steiner to adopt the Amended Resolution Approving Proposed Tax Rate. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.**

Ordinance No. 109, Amending Chapter 154.05 Prohibited Signs.

Noelle Lawton, Executive Director of the Twin Rivers Council for the Arts, appeared before Council and stated one of the four grant recipients is a traditional mural on the NaKato. Ms. Lawton noted that during the process it was discovered that the City has an Ordinance that prevents painting on exterior buildings. She indicated that during the public art process there was a lot of interest in murals. City Administrator Harrenstein reported Council could decide to approve murals or they could continue to deny. He thanked Ms. Lawton for her work on the Public Art Plan and her continued work on the grants by interacting with the artists and working with the City to promote an increased quality of life. Mayor Dehen requested clarification on the materials standards. Ms. Lawton reported that was a part of an artist's qualifications. Attorney Kennedy requested clarification on the proposed mural. Ms. Lawton stated the mural would be a single artist and not a community art mural. Attorney Kennedy also wanted to know who would approve the proposed mural before it was painted. Mayor Dehen stated the Council for the Arts would screen the art before bringing it to the Council for approval. **Council Member Steiner moved, seconded by Council Member Norland to Adopt Ordinance No. 109, Amending Chapter 154.05 Prohibited Signs. Vote on the motion: Steiner, Norland, and Dehen aye; no nays. Motion carried.**

Open Forum

Phil Henry, 1300 Noretta Drive, stated the Council approved a mural in lower North Mankato five or six years ago.

Stefanie Jaquette, 509 Wheeler Avenue, appeared before Council and stated she supported public involvement, decreasing the public speaking guidelines, promoted consent agenda guidelines and welcomed public involvement in government.

Lucy Lowery, 2263 North Ridge Drive, appeared before Council and stated she supported the completion of Benson Park and restrooms at Fallenstein Field. She requested \$15,000-\$20,000 be set aside for new chairs and tables in the Police Annex.

Sandra Oachs, 230 Abbywood Lane, appeared before Council and stated if the Ordinance allowing public murals is approved the bar she owned Spinner's would be interested in working with the Council for the Arts and the City Council to have a mural placed on their back wall. Mayor Dehen requested Ms. Oachs, who is a member of Business on Belgrade, inform the Council about the upcoming Bier on Belgrade. Ms. Oachs reported the event would be held on Saturday, September 22, 2018, from noon to 10:00 p.m. There would be live music and craft and domestic beer would be available.

City Administrator and Staff Comments

City Administrator Harrenstein reported to Council Member Steiner that the City had contacted the City of Mankato concerning locating new bus stops, he indicated he had not received a reply concerning the request.

City Administrator Harrenstein reported at the last Council Meeting the Chromey's had reported a traffic issue at North Ridge and Quail Roost Drive. He reported Community Development Director Fischer and himself went up for a site visit. He stated one-factor limiting visibility at the corner is trees that impede the line of site. The Parks Department will be removing two trees and trimming a third to improve the line of site hopefully.

Public Works Director Host reported the Swim Facility and the Warming House are moving in the right direction.

Mayor and Council Comments

Mayor Dehen stated he had received some thank you notes from South Central College scholarship recipients who received scholarships that the City sponsors.

There being no further business, on a motion by Council Member Norland, seconded by Council Member Steiner, the meeting adjourned at 7:29 p.m.

Mayor

City Clerk



CITY OF NORTH MANKATO

OFFICE OF THE MAYOR

TRIBUTE

Belgrade Avenue United Methodist Church

WHEREAS, 2018 marks the 125th Anniversary of Belgrade Avenue United Methodist Church in our city, which began service in the community in 1893; and

WHEREAS, Belgrade Avenue United Methodist Church began fellowship in a tent on the east side of Sherman Street, between Belgrade and Nicollet Avenues; and

WHEREAS, the first chapel was built on the present site in 1896 followed by an expanded church in 1909, in 1963 the church added the Educational Building and the current church building opened in 1977; and

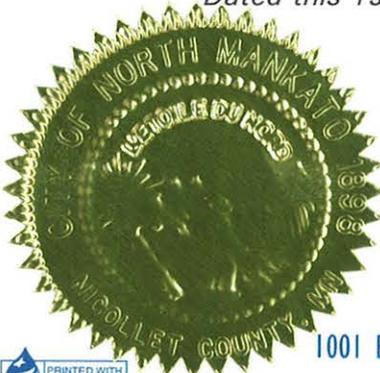
WHEREAS, we give pause, honor and praise this day for the deep and abiding commitment of those who began this work, and for those that continue to support the community; and

WHEREAS, the community has benefited from the church's influence and the many facets of its outreach and practical assistance to the needy, including providing meals to Salvation Army and Theresa House along with collecting food for Echo Food Shelf and distributing food through Second Harvest Produce Truck. Belgrade Avenue United Methodist Church also provides meeting space for several organizations including Boy Scouts, AA, NA, House of Worship, and many others; and

WHEREAS, it is a pleasure to extend this expression of our esteem and best wishes to the members of this congregation on the memorable occasion of this 125th Anniversary.

NOW, THEREFORE, I do hereby proclaim October as Belgrade Avenue United Methodist Church month in our community, and further provide that a copy of this tribute be presented to the congregation in testimony of the high regard in which this church is held in the City of North Mankato.

Dated this 1st day of October 2018.



*Mark Dehen, Mayor
City of North Mankato*



1001 Belgrade Avenue • North Mankato, MN 56003 • Telephone 507-625-4141

An Equal Opportunity - Affirmative Action Employer



20% Post-Consumer Waste



City of North Mankato, MN

Claims List - Regular

By Vendor Name

Date Range: 10-1-18

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
00009	A-1 KEY CITY LOCKSMITHS, INC	10/01/2018	Regular	0	197.00	89945
00106	AUTOMATIC SYSTEMS CO.	10/01/2018	Regular	0	692.20	89946
00113	BAKER & TAYLOR	10/01/2018	Regular	0	51.20	89947
00136	BENCHS	10/01/2018	Regular	0	360.00	89948
00145	BETTER HOUSEKEEPING VACUUMS, INC.	10/01/2018	Regular	0	54.95	89949
00189	BRAUN INTERTEC CORPORATION	10/01/2018	Regular	0	2,392.50	89950
00195	BROCK WHITE COMPANY LLC	10/01/2018	Regular	0	295.12	89951
02757	CINTAS	10/01/2018	Regular	0	265.76	89952
00255	CITY OF MANKATO	10/01/2018	Regular	0	138,003.61	89953
02904	CURT HALVORSON BENEFIT FUND	10/01/2018	Regular	0	1,600.00	89954
02902	DANKS, ROBERT & MELISSA	10/01/2018	Regular	0	812.19	89955
00331	DE MARS CONSTRUCTION	10/01/2018	Regular	0	500.00	89956
02275	DEM-CON MATERIALS & RECOVERY	10/01/2018	Regular	0	1,813.81	89957
00348	DIRT MERCHANT, INC.	10/01/2018	Regular	0	9,966.69	89958
02899	ELLINGSON, GARY	10/01/2018	Regular	0	656.25	89959
02237	EMERGENCY RESPONSE SOLUTIONS	10/01/2018	Regular	0	14.23	89960
00401	EXPRESS SERVICES, INC.	10/01/2018	Regular	0	2,933.87	89961
00404	FASTENAL COMPANY	10/01/2018	Regular	0	1.62	89962
00427	FLAGSHIP RECREATION, LLC	10/01/2018	Regular	0	735.82	89963
00432	FLEETPRIDE	10/01/2018	Regular	0	90.91	89964
00447	FREE PRESS	10/01/2018	Regular	0	505.86	89965
02574	HEDGEHOG ADVERTISING	10/01/2018	Regular	0	300.00	89966
00577	HOLTMEIER CONSTRUCTION	09/20/2018	Regular	0	169,685.75	89936
02903	HUBBARD COUNTY SHERIFF'S OFFICE	10/01/2018	Regular	0	250.00	89967
00595	HY-VEE, INC.	10/01/2018	Regular	0	543.00	89968
00637	JETTER CLEAN, INC.	10/01/2018	Regular	0	328.50	89969
00624	JM PROMOTIONS	10/01/2018	Regular	0	1,602.12	89970
00639	JOHN DEERE FINANCIAL	10/01/2018	Regular	0	95.54	89971
00746	LAW ENFORCEMENT LABOR SERVICES, INC.	09/25/2018	Regular	0	686.00	89941
00797	MAC TOOLS DISTRIBUTOR	10/01/2018	Regular	0	327.97	89972
00805	MAGFA	09/17/2018	Regular	0	348.89	89930
00812	MANKATO BEARING COMPANY	10/01/2018	Regular	0	115.80	89973
00815	MANKATO CLINIC, LTD.	10/01/2018	Regular	0	125.00	89974
02905	MARVIN OSWALD PLUMBING	10/01/2018	Regular	0	451.11	89975
00847	MATHESON TRI-GAS, INC.	10/01/2018	Regular	0	89.92	89976
02907	MICHEL, TIM & CHERY	10/01/2018	Regular	0	425.00	89977
02892	MICHEL'S TRAILER SALES	10/01/2018	Regular	0	399.23	89978
00929	MINNESOTA FIRE SERVICE CERTIFICATION BO/	10/01/2018	Regular	0	125.00	89979
00951	MINNESOTA TRUCK & TRACTOR, INC.	10/01/2018	Regular	0	230.16	89980
01018	NCPERS MINNESOTA-UNIT 662400	09/25/2018	Regular	0	160.00	89942
01033	NEWMAN TRAFFIC SIGNS	10/01/2018	Regular	0	755.50	89981
02704	NIELSEN CONCRETE	10/01/2018	Regular	0	9,545.10	89982
01057	NORTH MANKATO MOTOR VEHICLE REGISTRA	09/25/2018	Regular	0	30.00	89938
01057	NORTH MANKATO MOTOR VEHICLE REGISTRA	10/01/2018	Regular	0	41.00	89983
01106	PETTY CASH	10/01/2018	Regular	0	106.37	89984
01133	POWERPLAN/RDO EQUIPMENT	10/01/2018	Regular	0	101.31	89985
01170	RAMY TURF PRODUCTS	10/01/2018	Regular	0	115.00	89986
01184	REHRIG PACIFIC COMPANY	10/01/2018	Regular	0	6,677.80	89987
01190	REINHART FOODSERVICE LLC	10/01/2018	Regular	0	863.33	89988
02671	RYAN PLUMBING AND HEATING	09/18/2018	Regular	0	500.42	89931
01236	SAM'S CLUB	09/27/2018	Regular	0	190.00	89944
02732	ST. ANDREWS TITLE & EXCHANGE, INC.	10/01/2018	Regular	0	92.00	89989
02900	TELCOM CONSTRUCTION	10/01/2018	Regular	0	3,800.00	89990
01402	TIRE ASSOCIATES	10/01/2018	Regular	0	5,076.55	89991
01433	TYLER TECHNOLOGIES	10/01/2018	Regular	0	10,567.75	89992
01441	UNITED RENTALS, INC.	10/01/2018	Regular	0	4,282.00	89993
02640	VALLEY LANDSCAPE SUPPLY	10/01/2018	Regular	0	127.75	89994

02901	W L CONSTRUCTION SUPPLY, INC.	10/01/2018	Regular	0	319.99	89995
02112	WATER CONSERVATION SERVICES, INC.	10/01/2018	Regular	0	4,650.00	89996
01507	WAYNE'S AUTO BODY, INC.	10/01/2018	Regular	0	263.62	89997
01523	WENZEL AUTO ELECTRIC CO	10/01/2018	Regular	0	79.00	89998
00062	AMERICAN PAYMENT CENTERS	10/01/2018	Bank Draft	0	93.00	DFT0002443
00101	AT&T MOBILITY	09/14/2018	Bank Draft	0	27.84	DFT0002427
02740	BRANDT PRINTING	09/19/2018	Bank Draft	0	181.92	DFT0002436
02058	CONSOLIDATED COMMUNICATIONS	09/17/2018	Bank Draft	0	209.70	DFT0002430
02058	CONSOLIDATED COMMUNICATIONS	09/21/2018	Bank Draft	0	195.70	DFT0002438
02058	CONSOLIDATED COMMUNICATIONS	09/21/2018	Bank Draft	0	35.79	DFT0002439
02058	CONSOLIDATED COMMUNICATIONS	09/21/2018	Bank Draft	0	38.51	DFT0002440
02058	CONSOLIDATED COMMUNICATIONS	09/21/2018	Bank Draft	0	59.60	DFT0002441
00608	INGRAM LIBRARY SERVICES	09/26/2018	Bank Draft	0	1,835.40	DFT0002457
00733	LAKES GAS CO #10	09/18/2018	Bank Draft	0	81.50	DFT0002435
00749	LAWSON PRODUCTS, INC	09/25/2018	Bank Draft	0	373.09	DFT0002444
02350	SHRED RIGHT	09/18/2018	Bank Draft	0	234.00	DFT0002433
01320	SPRING TOUCH LAWN SPECIALIST	09/18/2018	Bank Draft	0	5,500.00	DFT0002434
01322	SPRINT	09/24/2018	Bank Draft	0	35.15	DFT0002442
01335	STAPLES ADVANTAGE	09/12/2018	Bank Draft	0	389.91	DFT0002425
01335	STAPLES ADVANTAGE	09/13/2018	Bank Draft	0	307.16	DFT0002426
01335	STAPLES ADVANTAGE	09/19/2018	Bank Draft	0	146.38	DFT0002437
01377	TELRITE CORPORATION	09/17/2018	Bank Draft	0	251.13	DFT0002429
01470	VERIZON WIRELESS	09/14/2018	Bank Draft	0	30.04	DFT0002428
00036	ALEX AIR APPARATUS, INC.	10/03/2018	EFT	0	50.00	1182
00050	ALPHA WIRELESS COMMUNICATIONS	10/03/2018	EFT	0	35.40	1183
00090	APT MACHINING INC.	10/03/2018	EFT	0	100.00	1184
00105	AUTO VALUE MANKATO	10/03/2018	EFT	0	702.05	1185
00142	BETHANY LUTHERAN COLLEGE	10/03/2018	EFT	0	10,562.50	1186
00176	BORDER STATES ELECTRIC SUPPLY	10/03/2018	EFT	0	2,774.93	1187
00216	C & S SUPPLY CO, INC.	10/03/2018	EFT	0	279.81	1188
02749	COMMUNICATION STRATEGIES LLC	10/03/2018	EFT	0	1,000.00	1189
02706	CORE & MAIN LP	10/03/2018	EFT	0	6,020.72	1190
00310	CRYSTEEL TRUCK EQUIPMENT, INC	10/03/2018	EFT	0	388.69	1191
02294	D & K POWDER COATING	10/03/2018	EFT	0	528.00	1192
00453	FREYBERG PETROLEUM SALES, INC.	10/03/2018	EFT	0	16,053.00	1193
00463	G & L AUTO SUPPLY, LLC	10/03/2018	EFT	0	215.45	1194
01098	GILLETTE GROUP/PEPSI-COLA	10/03/2018	EFT	0	1,142.60	1195
02476	HARRISON TRUCK CENTERS	10/03/2018	EFT	0	158.76	1196
00538	HAWKINS, INC.	10/03/2018	EFT	0	5,796.92	1197
02841	HEALTHY PONDS	10/03/2018	EFT	0	488.01	1198
02454	JUNKER, TANYA	10/03/2018	EFT	0	132.90	1199
00743	LARKSTUR ENGINEERING & SUPPLY, INC.	10/03/2018	EFT	0	29.70	1200
00761	LEON'S CUSTOM BACKHOE, INC.	10/03/2018	EFT	0	1,140.00	1201
00776	LLOYD LUMBER CO.	10/03/2018	EFT	0	400.48	1202
02575	LOCHER BROS, INC.	10/03/2018	EFT	0	52.80	1203
00796	MACQUEEN EQUIPMENT, INC.	10/03/2018	EFT	0	1,068.39	1204
00874	MENARDS-MANKATO	10/03/2018	EFT	0	41.56	1205
00902	MINNESOTA IRON & METAL CO	10/03/2018	EFT	0	625.88	1206
00910	MINNESOTA VALLEY TESTING LAB, INC.	10/03/2018	EFT	0	311.50	1207
02323	MOBOTREX	10/03/2018	EFT	0	1,828.00	1208
00997	MTI DISTRIBUTING CO	10/03/2018	EFT	0	155.11	1209
01036	NICOLLET COUNTY RECORDER/ABSTRACTER	10/03/2018	EFT	0	46.00	1210
01052	NORTH CENTRAL INTERNATIONAL	10/03/2018	EFT	0	37.73	1211
02005	PANTHEON COMPUTERS	10/03/2018	EFT	0	11,153.00	1212
01090	PARAGON PRINTING, MAILING & SPECIALTIES	10/03/2018	EFT	0	3,563.85	1213
01164	RADER, DUANE A.	10/03/2018	EFT	0	373.06	1214
01179	RED FEATHER PAPER CO.	10/03/2018	EFT	0	114.76	1215
01211	RIVER BEND BUSINESS PRODUCTS	10/03/2018	EFT	0	964.13	1216
02671	RYAN PLUMBING AND HEATING	10/03/2018	EFT	0	135.00	1217
01263	SCHWICKERT'S TECTA AMERICA LLC	10/03/2018	EFT	0	2,991.01	1218
01079	SMC-SOUTHERN MINNESOTA CONSTRUCTION	10/03/2018	EFT	0	445.35	1219
01323	SPS COMPANIES, INC.	10/03/2018	EFT	0	81.22	1220
02175	STREAMLINE COMMUNICATIONS, LLC	10/03/2018	EFT	0	5,180.00	1221
01380	TEXAS REFINERY CORP.	10/03/2018	EFT	0	637.50	1222
01429	TURFWERKS	10/03/2018	EFT	0	1,030.20	1223
01552	WW BLACKTOPPING, INC	10/03/2018	EFT	0	109,827.54	1224
01568	ZIEGLER, INC.	10/03/2018	EFT	0	161.67	1225

00614	INTERNAL REVENUE SERVICE	09/25/2018	Bank Draft	0	3,932.08	DFT0002450
00614	INTERNAL REVENUE SERVICE	09/25/2018	Bank Draft	0	11,221.37	DFT0002452
00614	INTERNAL REVENUE SERVICE	09/25/2018	Bank Draft	0	11,556.04	DFT0002453
00892	MII LIFE, INC.-HEALTH SAVINGS ACCOUNT	09/25/2018	Bank Draft	0	284.21	DFT0002449
02003	MINNESOTA DEPT OF REVENUE	09/25/2018	Bank Draft	0	5,632.50	DFT0002451
01477	VIKING ELECTRIC SUPPLY, INC.	09/18/2018	Bank Draft	0	430.28	DFT0002431
01477	VIKING ELECTRIC SUPPLY, INC.	09/26/2018	Bank Draft	0	14.58	DFT0002454
					<u>618,339.13</u>	<u>131</u>

Authorization Signatures

All Council

The above manual and regular claims lists for 10-1-18 are approved by:

MARK DEHEN- MAYOR

DIANE NORLAND- COUNCIL MEMBER

WILLIAM STEINER- COUNCIL MEMBER

ROBERT FREYBERG- COUNCIL MEMBER

JAMES WHITLOCK- COUNCIL MEMBER

RESOLUTION NO.

RESOLUTION DECLARING COSTS TO BE ASSESSED
FOR MUNICIPAL CHARGES

WHEREAS, the City of North Mankato has incurred municipal charges for services rendered in accordance with the following information; and

WHEREAS, all such costs are to be assessed against the property affected thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following costs shall be specifically assessed against such property in the amount specified:

Parcel No.: 18.537.0020
Legal: Block 1 Lot 2 SubdivisionCd 18537 SubdivisionName FORSBERG'S SUBD
NO 4
Address: 101 Staley Ln
Owners: Paul Karpinsky

Leaf Pile Removal-\$125.00

Adopted by the City Council this 1st day of October 2018.

Mayor

ATTEST:

City Clerk



City of North Mankato
 1001 Belgrade Ave
 North Mankato, MN 56003
 Phone: 507-625-4141
 Fax: 507-625-4525

ADJUSTED INVOICE

Bill To:
 Paul Karpinsky
 101 Staley Ln
 North Mankato, MN 56003

DATE: 6/1/2018
 INVOICE #: INV00782
 DUE DATE: 7/1/2018
 TOTAL DUE: \$ 125.00

CUSTOMER ACCOUNT # : 0201

Remove piles of leaves at 101 Staley Ln 6/1/18

ITEM DESCRIPTION	UNITS	PRICE	AMOUNT
Leaf removal fees	1.00	115.87	115.87
County Sales Tax - Park	1.00	0.58	0.58
State Sales Tax - Park Other	1.00	7.97	7.97
Local Sales Tax - Parks	1.00	0.58	0.58
TOTAL THIS INVOICE			\$ 125.00

REMIT TO:

City of North Mankato
 PO Box 2055
 North Mankato, MN 56002

Please include the invoice number with payment. Thank you!



CITY OF NORTH MANKATO

August 16, 2018

Paul Karpinsky
101 Staley Ln
North Mankato, MN 56003

Re: Delinquent Bill

Dear Property Owner:

Enclosed is the final notice of invoice #INV00782 dated 6/12/18, in the amount of \$125.00 for leaf removal for the property at 101 Staley Lane.

This letter is to notify you that these charges are past due. If payment is not received by 5:00 pm on August 26, 2018 (ten (10) calendar days from the date of this letter) the North Mankato City Council will take action to have these charges certified to the Nicollet County Auditor for collection with the property taxes on this parcel.

It is our hope that this action will not be necessary. Please make remittance to the City of North Mankato. If you have any questions concerning this matter, please feel free to contact me.

Sincerely,

Kevin McCann
Finance Director

Enclosure



RESOLUTION NO.

RESOLUTION APPROVING
CONSENT ASSESSMENT AGREEMENT

WHEREAS, the City of North Mankato has, at the property owner's request, paid for certain improvements that will benefit such property, specifically repair/replacement of water valve and box for the following described real estate:

630 South Avenue

PIN #18.012.6500

COM 741' S & 245.35' E OF NW COR OF GL 2 THENCE N 150' E 56.79', THENCE S 150', THENCE W 56.79' TOPOB ACRES 0.20

Cost: \$1,591.11

WHEREAS, the property owner desires that the cost of the water valve and box be made as a special assessment against the property; and

WHEREAS, the property owner has executed a consent assessment agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, as follows:

That the attached consent assessment agreement is approved and that the City Clerk is directed to forward a certified copy of this resolution along with a copy of the consent assessment agreement to the Nicollet County Auditor.

Adopted by the City Council this 1st day of September 2018.

Mayor

ATTEST:

City Clerk

CONSENT ASSESSMENT AGREEMENT

This Agreement is made between the City of North Mankato (City) and Samuel Preston and Karla Undeberg (Owner).

The parties are guided in reaching this agreement by the following facts:

1. Owner's property is described as follows:
 630 South Avenue
 PIN #18.012.6500
 COM 741' S & 245.35' E OF NW COR OF GL 2 THENCE N 150' E 56.79', THENCE S 150', THENCE W 56.79' TOPOB ACRES 0.20
2. Owner replaced the watervalve and box.
3. Owner desires to waive all of the procedures mandated by Chapter 429 of Minnesota Statutes and to consent to the imposition of an assessment directly upon the described property.
4. City is willing to pay for the repair in consideration for the owner's consent to the assessment.

The parties therefore make the following agreement:

1. As a result of the improvement, a special assessment shall be filed against owner's land in the amount of \$1,591.11. The assessment shall be payable in equal installments extending over a period of three (3) years and bear interest at the rate of 7.00% per annum from the date of this agreement. The City may transmit notice of this assessment to the County Auditor.

Adopted this _____ day of _____, 2018.

City of North Mankato

By: _____

Its: _____

Property Owner

Property Owner

LIQUOR LICENSE CERTIFICATE

CITY OF NORTH MANKATO, MN

1001 Belgrade Avenue • North Mankato, MN 56003

Phone: (507) 625-4141 FAX (507) 625-4151

BUSINESS NAME: David Dorland
DBA Belgrade Bar and Grill

License Type: On-Sale Intoxicating Liquor

BUSINESS OWNER: David Dorland

BUSINESS LOCATION:

DAVID DORLAND
BELGRADE BAR AND GRILL
503 Belgrade Avenue
North Mankato, MN 56003

Mayor

Business License Number: LIQ-000342-2018

Effective Date: October 05, 2018

Expiration Date: December 31, 2018

POST IN A CONSPICUOUS PLACE - NON - TRANSFERABLE

BUSINESS LICENSE CERTIFICATE

CITY OF NORTH MANKATO, MN

1001 Belgrade Avenue • North Mankato, MN 56003

Phone: (507) 625-4141 FAX (507) 625-4151

BUSINESS NAME: David Dorland
DBA Belgrade Bar and Grill

License Type: Cabaret License

BUSINESS OWNER: David Dorland

BUSINESS LOCATION:

Mayor

DAVID DORLAND
BELGRADE BAR AND GRILL
503 Belgrade Avenue
North Mankato, MN 56003

Business License Number: BL-000343-2018

Effective Date: October 05, 2018

Expiration Date: December 31, 2018

POST IN A CONSPICUOUS PLACE - NON - TRANSFERABLE

LIQUOR LICENSE CERTIFICATE

CITY OF NORTH MANKATO, MN

1001 Belgrade Avenue • North Mankato, MN 56003

Phone: (507) 625-4141 FAX (507) 625-4151

BUSINESS NAME: David Dorland
DBA Belgrade Bar and Grill

License Type: Sunday On-Sale Liquor

BUSINESS OWNER: David Dorland

BUSINESS LOCATION:

DAVID DORLAND
BELGRADE BAR AND GRILL
503 Belgrade Avenue
North Mankato, MN 56003

Mayor

Business License Number: LIQ-000344-2018

Effective Date: October 05, 2018

Expiration Date: December 31, 2018

POST IN A CONSPICUOUS PLACE - NON - TRANSFERABLE

BUSINESS LICENSE CERTIFICATE

CITY OF NORTH MANKATO, MN

1001 Belgrade Avenue • North Mankato, MN 56003

Phone: (507) 625-4141 FAX (507) 625-4151

BUSINESS NAME: David Dorland
DBA Belgrade Bar and Grill

License Type: Soft Drink Licenses

BUSINESS OWNER: David Dorland

BUSINESS LOCATION:

DAVID DORLAND
BELGRADE BAR AND GRILL
503 Belgrade Avenue
North Mankato, MN 56003

Mayor

Business License Number: BL-000345-2018

Effective Date: October 05, 2018

Expiration Date: December 31, 2018

POST IN A CONSPICUOUS PLACE - NON - TRANSFERABLE

NOTICE OF HEARING ON UTILITY EASEMENTS VACATION
IN BENSON WEST

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will hold a Public Hearing on Monday, October 15, 2018, commencing at 7:00 p.m. in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue to consider the vacation of a storm sewer easement in Sunrise Acres #5.

A complete description of the storm sewer easement is available at the North Mankato City Hall, 1001 Belgrade Avenue or call 507-625-4141.

Dated this 1st day of October 2018.

April Van Genderen
City Clerk
City of North Mankato, Minnesota

PETITION FOR VACATION

The undersigned property owner hereby petitions the City Council of the City of North Mankato, Minnesota, to vacate the following described utility easement:

All of the storm sewer easement lying within Lot 43 and Lot 44, Block One, as dedicated per the plat of Sunrise Acres #5, City of North Mankato, Minnesota, according to the recorded plat thereof.

Dated this 19 day of September 2018.

Raymond W. Leung
Witness

Marlene Nelson
Marlene Nelson

Received by City Clerk:

9-19-18
Date

[Signature]
City Clerk

EXHIBIT A
SHEET 1 OF 2



SHERWOOD

NOTTINGHAM DRIVE

DRIVE

SUNRISE ACRES # 5

41

42

40

43

20' STORM SEWER EASEMENT
DEDICATED PER SUNRISE ACRES #5

10'

10'

EASEMENT TO
BE VACATED

39

BLOCK

ONE

44

38

H:\NMAN\M18115429\Sherwood Drive Storm Sewer\115429_V_EXHB_1.dwg 9/4/2018 1:28 PM

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EASEMENT VACATION EXHIBIT
NORTH MANKATO, MINNESOTA

PART OF LOT 43 AND LOT 44, BLOCK ONE,
SUNRISE ACRES # 5



**BOLTON
& MENK**

1960 PREMIER DRIVE
MANKATO, MINNESOTA 56001
(507) 625-4171

FOR: CITY OF NORTH MANKATO
MARLENE NELSON

JOB NUMBER: M18.115429

FIELD BOOK:

DRAWN BY: LB

2.0 S12-T108-R27-23

EXHIBIT A SHEET 2 OF 2

All of the storm sewer easement lying within Lot 43 and Lot 44, Block One, as dedicated per the plat of Sunrise Acres # 5, City of North Mankato, Nicollet County, Minnesota, according to the recorded plat thereof.

SURVEYOR'S CERTIFICATION

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.



Janele Fowlds
License Number 26748

9-4-2018
Date

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EASEMENT VACATION EXHIBIT
NORTH MANKATO, MINNESOTA



1960 PREMIER DRIVE
MANKATO, MINNESOTA 56001
(507) 625-4171

PART OF LOT 43 AND LOT 44, BLOCK ONE,
SUNRISE ACRES # 5

FOR: CITY OF NORTH MANKATO
MARLENE NELSON

JOB NUMBER: M18.115429

FIELD BOOK:

DRAWN BY: LB

H:\NMAN\M18115429\Sherwood Drive Storm Sewer\115429 V EXHB 1.dwg 9/4/2018 1:29 PM

2.0 S12-T108-R27-23

RESOLUTION NO.

RESOLUTION DECLARING SURPLUS VEHICLES AND EQUIPMENT

WHEREAS, the City of North Mankato owns the following vehicles and equipment; and

2011 Ford Crown Victoria	VIN 2fabp7bx149000	Miles: 106,231
1999 Ford Explorer	VIN 1FMZU34E9XZB45798	Miles: 46,880
2009 Cummins Onan Generator		Hours: 3769

WHEREAS, these vehicles and equipment have been replaced, or are no longer in use causing them to become surplus;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the aforementioned vehicles and equipment be declared surplus and that the sale of said vehicles and equipment is hereby authorized.

Adopted by the City Council this 1st day of October 2018.

Mayor

ATTEST:

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #11A	Department: Finance	Council Meeting Date: 10/1/18
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TITLE OF ISSUE: Consider Resolution Authorizing the City to Execute 4d Participation Agreements.

BACKGROUND AND SUPPLEMENTAL INFORMATION: Please review the memo prepared by Community Development Director Mike Fischer and Finance Director Kevin McCann. The memo was presented to the Port Authority on May 4, 2018.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Adopt Resolution Authorizing the City to Execute 4d Participation Agreements.

Motion By: _____
 Second By: _____

Vote Record:	Aye	Nay	
	_____	_____	Norland
	_____	_____	Freyberg
	_____	_____	Whitlock
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) <u>Memo and Participation Agreement</u>				

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

RESOLUTION NO.

RESOLUTION AUTHORIZING THE CITY OF NORTH MANKATO
TO MAKE AND EXECUTE 4D PARTICIPATION AGREEMENTS

WHEREAS, the City of Council is authorizing the creation of the 4d Pilot Initiative to help preserve naturally occurring affordable housing in the City of North Mankato.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, authorizes the City Administrator or his designee to make and execute Participation Agreements for enrolling eligible properties into the 4d Pilot initiative consistent with the policies and procedures established, maintained and modified time to time for the City's 4d Pilot initiative.

BE IT FURTHER RESOLVED, that the City Administrator may approve nominal changes to any preapproved form Participation Agreement for the 4d Pilot initiative program so long as they are not inconsistent with the City Council approved guidelines for the initiative.

Adopted by the City Council this 1st day of October 2018.

Mayor

ATTEST:

City Clerk



North Mankato Port Authority

To: John Harrenstein, Executive Vice President
From: Mike Fischer, Community Development Director & Kevin McCann, Assistant Treasurer (Port Authority)
Date: May 4, 2018
Re: (4d) Tax Classification Pilot Initiative

Overview

Staff has become aware of a tax credit available to naturally occurring affordable housing units and the purpose of this memo is to provide an overview of how such a program could be considered for implementation within the City of North Mankato. Because workforce housing is an element of economic development efforts for the city, and because staff proposes some of the costs of implementing the program be derived from Port Authority funds, the program is being presented to the Port Authority for consideration.

The 4D tax classification is a tax rate eligible for rental property owners to reduce property tax liability with the goal of preserving naturally occurring affordable rental housing. Specifically, landlords would be eligible for the tax classification if they agree to keep some of their units affordable to people with lower incomes. The tax classification aims to keep rents low for owners of multi-family rentals which receive no government subsidy, known as "Naturally Occurring Affordable Housing" (NOAH). NOAH generally refers to unsubsidized multi-family housing that have at least 20% of the units with rents affordable to households with incomes at or below 60% of the Area Median Income (AMI) (\$45,000 for a family of four). Preservation of NOAH properties is increasingly become important given the availability of workforce housing in the region and the impact of property taxes on maintaining the NOAH properties.

Currently, subsidized affordable housing can apply annually to Minnesota Housing Finance Agency for Low Income Rent Classification (LIRC) status, otherwise known as 4d status. This tax classification results in a 40% reduction in property taxes on the restricted units. To qualify for the preferred tax status, the property must be subject to a recorded document due to financial assistance from a unit of federal, state or local government that restricts at least 20% of the units to be affordable to and occupied by households at or below 60% of Area Median Income (AMI).

Staff proposes the establishment of a pilot initiative that utilizes the State LIRC tax status to preserve NOAH properties with 4 units or more. Owners of qualifying properties who participate in the 4d Pilot Initiative will agree to:

- Restrict a portion of their units at 60% AMI for ten years (subject to reduction after five years as described in the attached initiative guidelines) in exchange for:
 - A payment of the first year's LIRC application fee,
 - The declaration filing fee,
 - The property tax reduction

What are the Benefits to Participants?

- Qualified building owners that agree to keep at least 20% of the units affordable for those tenants incomes who do not exceed 60% of the area median incomes, adjusted based on family size and rents do not exceed 30% of the income for those earning 60% of the median income, adjusted for family size for ten years will receive:
 - 40% property tax reduction on qualifying units (4d property tax classification)

- Payment of first year application fee to the State of Minnesota for certification of the 4d property tax classification (\$10/unit)

Who is Eligible?

- Owners of market-rate multifamily properties that meet the following criteria:
 - At least 20% of the units are occupied by and affordable to households whose family income is at or below 60% of the Area Median Income
 - Rents must not exceed 30% of the income for those earning 60% of the median income, adjusted for family size
 - Buildings must have at least 4 units
 - Current rental license with no outstanding orders
 - Program is on a first-come, first-serve basis.

What is the Process?

- **Step 1:**
 - Property Owner will submit a 2-page 4d program application and rent roll, and sign a Participation Agreement with the City.
 - Participation Agreement includes commitment to accept tenant based assistance and affirmative fair marketing, and prohibits involuntary displacement of existing tenants.
 - City will draft and record a declaration against the property that limits the rents and incomes on the qualified units for 10 years (a recorded document is required for 4d tax classification status). Property Owners will select the percentage of their building to restrict, with a minimum of 20%. If they select more than 20%, after 5 years and upon request, the City will approve a reduction of the percentage of restricted units to the minimum.
 - Property Owner will sign 4d application once declaration is filed.
 - City will submit signed 4d application, application fee, and declaration to Minnesota Housing on behalf of the property owner for their first year only. To continue to receive 4d status Property Owner must submit annual 4d application to Minnesota Housing. Additionally, Property Owner will self certify rents and incomes annually to the City.
 - **Benefit to owner:** Get a 40% reduced property tax on all qualified units (60% AMI low-income qualified rent and income limits).

Example of Affordable 4d Pilot Rental

<u>Building Example:</u>	<u>Incentive Package:</u>
\$700,000 Property	\$1,196 annual tax savings 4d Program
8 Unit Building	
25% Low Income Qualified Units	
\$11,962 in total taxes	

Council Consideration

- Willingness to create program
- Number of units to start with (Minneapolis started with 300 total units)
- Application due date 2019 (deadline is March 31st for taxes payable the following year)
- Fiscal impact of classification

Attachments

- Low Income Rental Classification (LIRC) Guide
- 4d participation agreement
- LIRC application

City of North Mankato

4D Participation Agreement

Property Owner(s): _____ (herein referred to as "Owner(s)")

Property Address: _____, **North Mankato, MN 56** _____ (herein referred to as "Property")

Legal Description of Property: _____

Total Property Units: _____

Percentage (%) of Units restricted to be affordable to and occupied by households at or below 60% of Area Median Income _____

Date: _____, 20_____

1. The Owner certifies that he/she/they are the Owner(s) of record of the Property.
2. The Owner has previously submitted to the City a complete 4d program application and rent roll demonstrating that _____% of the rental housing units located on the Property have rents that do not exceed 30% of the gross income of a family whose income equals 60% of the median family income as most recently established by HUD for the Mankato/North Mankato standard metropolitan statistical area.
3. The Owner has agreed to record a declaration against the above described Property limiting the rents and incomes on _____% of the rental housing units located on the Property as further described in the form of declaration attached hereto as Exhibit A (the "Declaration") so that Owner can qualify for preferable tax classification as class 4d under Minnesota Statutes §371.13, Subdivision 25. The Owner specifically represents that such preferable tax classification along with access to the other financial incentives described in this Participation Agreement is sufficient consideration for executing and filing the Declaration.
4. The Owner certifies that no existing tenants in the Property have been or will be evicted because of the filing of the Declaration.
5. Upon satisfaction of the foregoing conditions, the City will, in cooperation with the Owner:
 - a. Record the Declaration in the Nicollet County land records.
 - b. Submit Owner's first application to the State of Minnesota for the certification of 4d classification under Minnesota Statutes §273.128 and pay the associated application fee ("4d Application Fee").
 - c. Qualify Owner for any and all City Green Initiative Cost-Share subsidies and rebates offered by the City's health department for multifamily housing properties if owner elects to participate.

IN FURTHERANCE WHEREOF, the parties have executed this Agreement as of _____, 20__.

OWNER: _____

OWNER: _____

CITY OF NORTH MANKATO:

Mike Fischer, Community Development Director

EXHIBIT A
FORM OF DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, is made on or as of the _____ day of _____ 20____ by _____, a _____ (hereinafter called "Owner"), having its offices at _____, in favor of the City of North Mankato, a Minnesota municipal corporation (the "City").

WITNESSETH:

WHEREAS, Owner and the City have entered into that certain Green and Affordable 4D Participation Agreement dated _____, 20__ (the "Participation Agreement"), pursuant to which the City is offering certain financial incentives in exchange for Owner limiting rents and incomes on certain rental housing units located at _____; and

WHEREAS, but for the making and recording of this Declaration, the City would be unwilling to qualify the property for preferable tax classification or provide the other financial incentives described in the Participation Agreement;

NOW, THEREFORE, in consideration of said mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

SECTION 1. Definitions.

In this Declaration, unless a different meaning clearly appears from the context:

AFFORDABILITY PERIOD – A period commencing on the Date of this Declaration and continuing for 10 years.

AFFORDABLE UNITS– _____ Units in the Project as identified on Exhibit B attached hereto [unless reduced pursuant to Section 8 hereof].

ANNUAL INCOME – means adjusted gross income as defined in S.62 of the United States Internal Revenue Code, of all members of a household (this is the "Adjusted Gross Income" amount reported on IRS form 1040).

HUD – The United States Department of Housing and Urban Development.

LAND – The real property located in Nicollet County, Minnesota, and legally described on Exhibit A attached hereto and made a part hereof.

LOW-INCOME FAMILIES – Individuals or families whose Annual Income does not exceed 60 percent of the Median Family Income.

MEDIAN FAMILY INCOME – The "Median Family Income" as most recently established by HUD for the Mankato/North Mankato standard metropolitan statistical area, adjusted for family size.

PROJECT – A _____ unit rental housing project located at _____ in North Mankato, Minnesota.

SECTION 2. Representations.

Owner represents to and for the benefit of the City that Owner has duly authorized, executed and delivered this Declaration pursuant to proper authorization therefor; that this Declaration constitutes a valid and binding obligation of the Owner, enforceable in accordance with its terms, except only as such enforceability may be limited by bankruptcy, moratorium, reorganization or other laws, or principles of equity, affecting creditors' rights; and that the execution and delivery of this Declaration does not constitute a breach, violation or default under any law, regulation, order, judgment or ruling binding upon Owner, or a default under any indenture, mortgage, agreement or other instrument to which Owner is subject or by which it or its property is bound.

SECTION 3. Restrictions on Use.

- A. Owner agrees to develop, operate and manage the Project according to the terms of this Declaration for the duration of the Affordability Period.
- B. During the Affordability Period, this Declaration shall constitute covenants running with the land and be binding on the successors and assigns of Owner and on all parties having or acquiring any rights, title, or interest in the Project.
- C. Rental of the Project shall be in accordance with the following:
 - (a) All of the Affordable Units shall be occupied by households with incomes that are 60 percent or less of the Median Family Income and shall bear rents not greater than 30 percent of the adjusted income of a family whose gross income equals 60 percent of the Median Family Income. The requirements of this Section 3(C)(a) shall be satisfied despite a temporary non-compliance with Section 3(C)(a), if the non-compliance is caused because either (i) a current tenant as of the date of this Declaration is in one of the Affordable Units or (ii) the incomes of tenants that were income qualified upon occupancy increase and if actions satisfactory to the City are being taken to ensure that all vacancies of Affordable Units are filled in accordance with this Section 3(C)(a) until the non-compliance is corrected.
 - (b) The initial rent schedule for the Affordable Units is attached hereto as Exhibit B. In no event will the City require the Affordable Unit gross rents to be set lower than the rents listed on Exhibit B.
 - (c) Owner may not refuse to lease an Apartment Unit in the Project to a prospective tenant because the prospective tenant is a Section 8 certificate or voucher holder, or a participant in any other tenant-based assistance program.
 - (d) The City may, upon request, review and approve rents not more frequently than annually for consistency with this Agreement.

- (e) Except for tenants already in the Affordable Units, Owner shall secure an income certification from the proposed tenant(s) of each Affordable Unit prior to such tenant(s)' initial occupancy. Such income certificate shall contain a statement of the total Annual Income for the previous year of each person who proposes to live in the Affordable Unit during that year. Upon request of the City, Owner shall re-certify the Annual Incomes of tenants in Affordable Units, provided that the City may not request re-certification more frequently than every three (3) years. Owner shall retain all records related to compliance with this Declaration for a minimum of six (6) years after termination of the Affordability Period.
- (f) On or before March 31 of each year of the Affordability Period the Owner shall make annual reports to the City in the form attached hereto as Attachment I.
- (g) Owner shall use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions and provide evidence of compliance to the City upon request.

SECTION 4. Restrictions on Sale of the Project.

Owner agrees not to sell, transfer, convey or assign the Affordable Units (except leases in the ordinary course of business) without first obtaining the express written assumption by the purchaser, transferee, grantee, or assignee of the obligations imposed on Owner by this Declaration; provided, however, that this Declaration shall remain enforceable against a purchaser, transferee, grantee, or assignee even in the absence of a written assumption. Any sale in violation of this Declaration shall be null and void at the election of the City.

SECTION 5. Covenants: Binding Upon Successors in Interest.

It is intended and agreed that the covenants provided in this Agreement shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding on Owner, the successors and assigns of Owner, and all parties having or acquiring any right, title, or interest in all or any part of the Land. This Declaration shall be enforceable against all such parties to the fullest extent permitted by law and equity for the benefit and in favor of the City, its successors and assigns. It is expressly agreed and acknowledged that: the covenants provided in this Declaration are in addition to the provisions of any Other Documents; this Declaration shall not be deemed to limit or merge into any Other Documents or vice versa; this Declaration shall survive the expiration or termination of any of the Other Documents; and the satisfaction or release of any Other Documents shall not be deemed to a satisfaction or release of this Declaration.

SECTION 6. Remedies for Default.

In the event of any default, failure, violation, or any other action or inaction by Owner specified in this Declaration, the City at its option may institute such actions or proceedings at law or in equity as it may deem desirable for effectuating the provisions of this Declaration, including without limitation actions for specific performance, damages, and injunctive relief, and including also any remedy allowed under the terms of any Other Documents. In any successful action or proceeding to enforce its rights under this Declaration, the City shall be entitled to the recovery from Owner of reasonable attorneys' fees.

SECTION 7. Notices and Demands.

A notice, demand, or other communication under this Declaration by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

A. in the case of Owner, is addressed to or delivered personally to Owner at:

B. in the case of the City, is addressed to or delivered personally to the City at:

City of North Mankato
Community Development
1001 Belgrade Ave.
PO Box 2055
North Mankato, MN 56002-2055
ATTENTION: Director

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

[SECTION 8. Reduction of Affordable Units. If Owner has complied with the terms of this Declaration for at least five (5) years, then, upon request from Owner, the City will execute an amendment to this Declaration agreeing to reduce the number of Affordable Units down to a minimum of ____ Affordable Units.]

(Signature pages follow.)

[Signature page to Affordable Housing Declaration of Restrictive Covenants]

IN WITNESS WHEREOF, Owner has caused this Declaration to be duly executed on or as of the day and year first above written.

_____)
a _____)

By _____)
_____)

STATE OF MINNESOTA)
) ss.
COUNTY OF NICOLLET)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, the _____ of _____, a _____, on behalf of the _____.

Notary Public

EXHIBIT A
TO AFFORDABLE HOUSING DECLARATION OF RESTRICTIVE COVENANTS
LEGAL DESCRIPTION

**EXHIBIT B
TO AFFORDABLE HOUSING DECLARATION OF RESTRICTIVE COVENANTS**

INITIAL RENT SCHEDULE

Unit #	Bedroom Size	Maximum Rent

**Attachment I
to
Affordable Housing Declaration
of Restrictive Covenants**

Annual Certification

Project Address

of Affordable Units

of Total Units

Owner

Property Manager

Monitoring Year

UNIT INFORMATION		TENANT NAME	MOVE IN ELIGIBILITY			RENTS			Comments
Unit #	# BR's	Tenant Name	Move In Date	Income at Move-in	Household Meets Lowest Income Restriction at % AMI	Section 8 Voucher (Y/N)	Rent	Unit Rent Restricted at 60% AMI	
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		



Low Income Rental Classification (LIRC) 2018 Initial Application

This application must be postmarked by **March 31, 2018**, or it will not be approved for LIRC taxes payable in 2019.

Property and Owner Information				
Minnesota Housing D# (if applicable)	Ownership entity name or name of property owner (first, middle, last)			
Owner's mailing address (street address or PO box)	City	State	Zip Code	
Name of eligible property (project)				
Primary address of eligible property (street address)	City	MN	Zip Code	
Contact name (first, last)	Daytime phone	Alternate phone	E-mail	

County PINS				
List the county parcel ID numbers (PINS/PIDS) and parcel addresses that identify the primary address above. If there are more than two PINS/PIDS, list any additional PINS/PIDS and addresses on a separate sheet and attach it to this application. (The PINS/PIDS must be classified as "apartment" on January 2, 2018 to be eligible for LIRC).				
PINS/PIDS	Address	City	MN	Zip Code
PINS/PIDS	Address	City	MN	Zip Code

Qualification Type	# of Units
I certify that this property is eligible for LIRC under the following category (check all that apply). Then, enter the number of units qualified for each category on the right.	
<input type="checkbox"/> The units are subject to a project-based housing assistance payments (HAP) contract under Section 8 of the United States Housing Act of 1937.	1.
<input type="checkbox"/> The units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under Section 42(g) of the Internal Revenue Code.	2.
<input type="checkbox"/> The units are financed by the Rural Housing Service (RHS) of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to Section 521(a) of the Housing Act of 1949.	3.
<input type="checkbox"/> The units are subject to 60% or less of AMI rent and income restrictions , as specified in statute, under the terms of financing provided to the rental housing property by the federal government, the state of Minnesota, or a local unit of government, as evidenced by a document recorded against the property.	4.

Units	
Qualified Units – sum of units indicated in boxes 1-4 above	5.
Total of all rental units in property	6.
Qualifying percentage – divide line 5 by line 6	7. %
Total annual, non-refundable fee – multiply line 5 by \$10 and enter the result (maximum of \$150)	8.

Proof of Qualification	
To receive LIRC status you must submit the supporting documentation according to each applicable qualification type.	
<input type="checkbox"/> Section 8 HAP contract.	Expiration Date:
<input type="checkbox"/> The Section 42(g) Land Use Restriction Agreement (LURA); or, if the LURA is not yet recorded, confirmation of an allocation of tax credits for the property and a verification of the "Placed in Service" date.	Expiration Date:
<input type="checkbox"/> The United States Department of Agriculture Rural Development subsidy contract.	Expiration Date:
<input type="checkbox"/> The recorded document restricting income and rents under the terms of the financing provided by the federal government, the state of Minnesota, or a local unit of government.	Expiration Date:

Owner Certification and Signature	
I certify that all information provided is true and correct, that I am duly authorized to sign, that the property meets the requirement(s) to receive the LIRC tax reduction and is in compliance with all applicable requirements of the low-income housing program that qualifies the property for LIRC. I understand that any false information or low-income housing program non-compliance could result in LIRC non-compliance and loss of some or all LIRC benefits.	
Signature of property owner	Date

General Information

Application: This application is for new applicants who have not previously applied for LIRC status.

Eligibility: Properties must satisfy the requirements of Minn. Stat. 273.128, which applies to Minnesota rental properties in which at least 20 percent of total units meet any of the following requirements:

- Units subject to a project-based housing assistance payments (HAP) contract under Section 8,
- Rent and income restricted Section 42(g) Low Income Housing Tax Credit units,
- Rural Housing Service Rental Assistance units, or
- Units financed by federal, state or local governments, which are subject to 60% or less of AMI rent and income limits and evidenced by a recorded document. Refer to LIRC guide and statute for further information.

What is the application deadline for 2018? Applications, remittances and supporting documentation must be mailed and postmarked no later than March 31, 2018.

How will I know if my application was accepted? We will notify applicants of their application status once it is processed.

When will LIRC take effect? Approved and certified properties will see the tax rate reduction on their tax bill payable in 2019.

What is the owner's responsibility? Reapply annually; continue to comply with the requirements of LIRC and maintain compliance with the applicable low-income housing program that qualifies the property for LIRC.

What if the ownership or mailing address changes? Property owners should notify Minnesota Housing of any ownership or mailing address changes.

Application Instructions

General: Completely fill out the application. Incomplete information may result in delaying or rejecting the application.

Property and Owner Information and PINS: Complete all fields. The 'Ownership Entity Name' should match the property tax statement. Enter the PINS/PIDS and parcel address as shown on your property tax statement. The accuracy of this information is important for reporting to the assessor offices.

Qualification Type: Check the box(es) that apply to the property. Enter the number of qualifying units subject to the rent and income restrictions that are indicated in the contract or restrictive covenant.

Units:

- Enter the sum of qualifying units in the Qualification Type section.
- Enter the total number of units in the property.
- Calculate the qualifying percentage by dividing the number of qualified units by the total number of units; round the percentage to the nearest whole number.
- Calculate the non-refundable application fee of \$10 per qualified unit; maximum of \$150.

Proof of Qualification: Enter the expiration date of the applicable Project-based HAP contract, Section 42(g) restrictions, Rural Housing contract, or recorded document.

Owner Certification and Signature: Sign and date the form to certify that at least 20 percent of total property units qualify for the Low Income Rental Classification and that the property is in compliance with all LIRC requirements and all applicable requirements of the low-income housing program that qualifies the property for LIRC.

Mailing Instructions:

- Complete and sign the application form.
- Include a check for the non-refundable fee amount, payable to Minnesota Housing.
- Attach a copy of the documentation, which proves your qualification for LIRC.
- Make a copy of the application for your records.
- Mail to: Minnesota Housing, Attn: LIRC, 400 Wabasha Street North, Suite 400, St. Paul, MN 55102-1109.

For More Information

800.657.3647 | 651.297.4065 | TTY: 651.297.2361 | Minnesota Relay Service: 800.627.3529 | www.mnhousing.gov

Use of Information

Some of the information you provide on your application may be private by state law. Signing this form gives consent to Minnesota Housing to share this information and the supporting documentation with county or city assessors or with such entities as may be needed to verify LIRC eligibility, including HUD, USDA, and other government entities.



Low Income Rental Classification Guide

Fall 2017



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

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Chapter 1 – What is Low Income Rental Classification (LIRC)?

1.01 Statute

Minnesota Statute 273.128 provides that qualifying low-income rental properties are eligible for a class rate reduction in property taxes. The LIRC statute specifies the type of properties that are eligible and eligibility criteria required to receive the reduction.

The full statute can be found in Appendix A or at Minnesota’s Office of the Revisor of Statutes at www.revisor.mn.gov; Statute 273.128 Certification of Low-Income Rental Property.

1.02 Impact of LIRC

LIRC is a tool to aid in the preservation and sustainability of affordable rental housing in the state of Minnesota.

1.03 Contact

If you have questions regarding LIRC, please call the following Minnesota Housing phone numbers or refer to the agency’s website at www.mnhousing.gov:

Toll Free:	800.657.3647
Direct:	651.297.4065
TTY:	651.297.2361
Minnesota Relay Service:	800.627.3529

Chapter 2 – LIRC Qualification

Use the guidelines below to help determine if your property is eligible for LIRC.

2.01 Eligibility

Minnesota property owners may submit a LIRC application if their property is classified as an apartment on January 2 (Assessment Date) and at least 20 percent of the units meet one or more of the following requirements:

- The units are subject to a project-based housing assistance payments (HAP) contract under **Section 8** of the United States Housing Act of 1937.
- The units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under **Section 42(g)** of the Internal Revenue Code.
- The units are financed by the **Rural Housing Service (RHS)** of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to **Section 521(a)** of the Housing Act of 1949.
- The units are subject to **60% or less of AMI rent and income restrictions** under the terms of financing provided to the rental housing property by the federal government, the state of Minnesota, or a local unit of government, as evidenced by a document recorded against the property.
 - The restrictions must require assisted units to be occupied by residents whose household income at the time of initial occupancy does not exceed 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.
 - The restriction must also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.

If you are unsure of your properties eligibility, please contact Minnesota Housing for clarification and guidance.

Chapter 3 – Initial Application

If you believe that your property meets the eligibility requirements for LIRC set forth in Chapter 2 and you have never applied for LIRC before, follow the instructions below to apply.

If you previously qualified for LIRC, follow the instructions for Reapplication in Chapter 4.

3.01 Initial Application Documents

To receive LIRC, you will need to apply for qualification. Use the checklist below to make sure your application is complete.

- ☐ Complete the “Low Income Rental Classification (LIRC) Initial Application” found on Minnesota Housing’s website at www.mnhousing.gov.
 - Read the instructions on page two of the application for pertinent information on properly completing the application.
 - Complete the application in its entirety. Incomplete information may result in a delayed or rejected application.
 - Be sure to write in the expiration date for your “Proof of Qualification” on the application.
 - The property owner is required to sign the initial application.

- ☐ Attach a copy of supporting documentation to prove your eligibility for LIRC. Supporting documentation for the different programs is as follows:
 - Units subject to **project-based** housing assistance payments (HAP) contract,
 - Project-based Section 8 (HAP) contract.
 - Rent-restricted and income-restricted units under **Section 42(g)**,
 - The Section 42(g) Land Use Restrictive Agreement (LURA); *or*
 - If the LURA has not yet been filed, verification of the “Placed in Service” date for Section 42(g) properties is required, and the LURA must be provided when it is received.
 - **Rural Housing Service** Rental Assistance Program units
 - The United States Department of Agriculture Rural Development subsidy contract.
 - Units are subject to **60% or less of AMI rent and income restrictions**
 - The recorded document restricting income and rents under the terms of the financing provided by the federal government, the state of Minnesota, or a local unit of government.

- ☐ Calculate the amount of your annual, non-refundable fee, which is \$10 per qualified unit, or a maximum of \$150, and include a check with your application materials. To calculate the fee, follow the instructions in the “Units” section of the application or use the steps below:
 - Write the number of Qualifying Units on line five of the application. This is the sum of units listed on lines one through four.
 - Write the number of all rental units in the property on line six.
 - Divide line five by line six, and write that amount on line seven.
 - Example: 40 qualified units / 100 total units = 40%

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- Finally, multiply line five by \$10 (\$10 per qualified unit) with a maximum of \$150
 - $40 \times 10 = \$400$; in this case you would pay the maximum fee of \$150

The LIRC application fee is non-refundable. If you choose to apply and do not qualify for LIRC, you will not be reimbursed.

- Mail the application along with proof of qualification and the fee to:
 - Minnesota Housing
 - Attn: LIRC
 - 400 Wabasha Street North, Suite 400
 - St. Paul, MN 55102-1109

The LIRC application, qualifying documents and the non-refundable fee payable to Minnesota Housing must be mailed and postmarked no later than March 31. Late submittals (postmarked after March 31) will be returned to the sender and will not be eligible for the tax rate reduction for taxes payable in the following year.

Chapter 4 – Reapplication

For properties that have previously qualified for LIRC, a reapplication is due each year by March 31. In January, LIRC reapplications will be sent to owners who have previously been approved for LIRC and who had their property certified to the local assessor of their eligibility. If you do not receive a reapplication form you can download a blank form on Minnesota Housing's website at www.mnhousing.gov.

If a property is no longer eligible for LIRC, please immediately notify Minnesota Housing to have the property removed from LIRC.

4.01 Reapplication Documents

Use the checklist below to make sure your reapplication is complete:

- Complete the “Low Income Rental Classification (LIRC) Reapplication” found on Minnesota Housing’s website at www.mnhousing.gov.
 - Read the instructions on page two of the reapplication for pertinent information on properly completing the reapplication.
 - Complete the reapplication in its entirety. Incomplete information may result in a delayed or rejected reapplication.
 - If necessary, update any contact information that has changed from the previous year.
 - The LIRC reapplication can be signed by the owner or a duly authorized representative of the owner.

- Attach a copy of supporting documentation to prove your eligibility for LIRC. Supporting documentation for the different programs is as follows:
 - Units subject to **project-based** housing assistance payments (HAP) contract,
 - Project-based Section 8 (HAP) contract.
 - Rent-restricted and income-restricted units under **Section 42(g)**,
 - The Section 42(g) Land Use Restrictive Agreement (LURA); or
 - If the LURA has not yet been filed, verification of the “Placed in Service” date for Section 42(g) properties is required, and the LURA must be provided when it is received.
 - **Rural Housing Service** Rental Assistance Program units
 - The United States Department of Agriculture Rural Development subsidy contract.
 - Units are subject to **60% or less of AMI rent and income restrictions**
 - The recorded document restricting income and rents under the terms of the financing provided by the federal government, the state of Minnesota, or a local unit of government.

- Calculate the amount of your annual, non-refundable fee, which is \$10 per qualified unit, or a maximum of \$150, and include a check with your reapplication materials. To calculate the fee follow the instructions in the “Units” section of the reapplication or use the steps below:
 - Write the number of Qualifying Units on line five of the reapplication. This is the sum of units listed on lines one through four.

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- Write the number of all rental units in the property on line six.
- Divide line five by line six, and write that amount on line seven.
 - Example: 40 qualified units / 100 total units = 40%
- Finally, multiply line five by 10 (\$10 per qualified unit) with a maximum of \$150
 - $40 \times 10 = \$400$; in this case you would pay the maximum fee of \$150

The LIRC reapplication fee is non-refundable. If you choose to reapply and do not qualify for LIRC, you will not be reimbursed.

- Mail the reapplication, proof of qualification and the fee to:
 - Minnesota Housing
 - Attn: LIRC
 - 400 Wabasha Street North, Suite 400
 - St. Paul, MN 55102-1109

The LIRC application, qualifying documents and the non-refundable fee payable to Minnesota Housing must be mailed and postmarked no later than March 31. Late submittals (postmarked after March 31) will be returned to the sender and will not be eligible for the tax rate reduction for taxes payable in the following year.

Chapter 5 – Review and Approval

Owners can certify that their property is eligible or continues to remain eligible for LIRC by submitting their completed application or reapplication materials from January 2 through March 31 of each year. Minnesota Housing reviews LIRC applications as they are submitted.

By June 1 of each year, Minnesota Housing will certify to the appropriate county or city assessor the specific properties and the number of units in the building that qualify under LIRC. In making the certification, the agency relies on the application or reapplication and any other supporting information. Minnesota Housing may request any supporting information that the agency deems necessary from the property owner.

Owner and authorized representatives certify in all LIRC applications and reapplications that the property is in compliance with all applicable requirements of the low-income program that qualifies the property for LIRC. Noncompliance with the requirements of the low-income housing program that qualifies the property for LIRC may result in the denial and withdrawal of LIRC or a loss of some or all LIRC benefits.

Minnesota Housing will perform annual quality reviews. If findings occur during the annual quality review process, the appropriate owners and assessor's offices will be notified that properties no longer qualify for LIRC or that the Qualifying Percentage has been changed.

If you have questions or concerns about the status of your application, contact Steve O'Brien at 651.297.4065 or steve.obrien@state.mn.us.

5.01 Approval

Minnesota Housing will notify new application owners in writing no later than June 15 of that same year to inform them whether their LIRC application has been approved or denied.

If approved:

- You will receive a LIRC Account Number.
- The local assessor will be notified that the property qualifies for LIRC.

Owners who have been approved for LIRC will receive the property class rate reduction for taxes payable the following year. If, upon receipt of your property tax statements from the county, LIRC is not indicated, contact Steve O'Brien at 651.297.4065 or steve.obrien@state.mn.us.

5.02 Denial

New applicants who have applied for LIRC and who have been determined to be ineligible will receive a letter indicating the reasons for denial. The letter will also explain the appeals process.

5.03 Withdrawal

If you are a current participant who has reapplied for LIRC and it has been determined you are no longer eligible, you will be withdrawn from the classification status. A letter will be sent explaining why you were withdrawn.

5.04 Appeal

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If you are denied participation in LIRC or are withdrawn from LIRC a letter will be sent explaining why Minnesota Housing came to this conclusion. The letter will provide guidance on how to appeal this decision if you feel we came to it in error.

Chapter 6 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit

Appendix A – Statute

273.128 CERTIFICATION OF LOW-INCOME RENTAL PROPERTY.

Subdivision 1. Requirement.

Low-income rental property classified as class 4d under section 273.13, subdivision 25, is entitled to valuation under this section if at least 20 percent of the units in the rental housing property meet any of the following qualifications:

(1) the units are subject to a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, as amended;

(2) the units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

(3) the units are financed by the Rural Housing Service of the United States Department of Agriculture and receive payments under the Rental Assistance program pursuant to section 521(a) of the Housing Act of 1949, as amended; or

(4) the units are subject to rent and income restrictions under the terms of financial assistance provided to the rental housing property by the federal government or the state of Minnesota, or a local unit of government, as evidenced by a document recorded against the property.

The restrictions must require assisted units to be occupied by residents whose household income at the time of initial occupancy does not exceed 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development. The restriction must also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.

Subd. 2. Application.

(a) Application for certification under this section must be filed by March 31 of the levy year, or at a later date if the Housing Finance Agency deems practicable. The application must be filed with the Housing Finance Agency, on a form prescribed by the agency, and must contain the information required by the Housing Finance Agency.

(b) Each application must include:

(1) the property tax identification number; and

(2) evidence that the property meets the requirements of subdivision 1.

(c) The Housing Finance Agency may charge an application fee approximately equal to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If imposed, the applicant must pay the application fee to the Housing Finance Agency. The fee must be deposited in the housing development fund.

Subd. 3. Certification.

By June 1 of each levy year, the Housing Finance Agency must certify to the appropriate county or city assessors, the specific properties that are qualified under this section and the number of units in the building that qualify. In making the certification, the Housing Finance Agency may rely on the application

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and any other supporting information that the agency deems necessary from the property owner.