



**ECONOMIC DEVELOPMENT AUTHORITY**

<b>AGENDA SECTION</b>	<b>BUSINESS ITEMS</b>
<b>MEETING DATE</b>	03/02/2026

<b>ITEM:</b>	<b>NOAH Loan Program Updates.</b>		
<i>Presenting Item:</i> CD Coordinator Emilie Voight			
<b>DEPARTMENT:</b> Community Development		<b>BY/DATE:</b> CD Coordinator, 02/25/2026	
<b>CORE CITY STRATEGIES:</b> <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>			
_Community that Grows with Purpose and Equity		_Engaged, Effective and Forward-Thinking	
_High Quality Public Spaces		_Resilient and Prosperous Economy	
<b>X</b> Safe, Accessible and Built for Everyone		_Inclusive and Connected Community	

**BACKGROUND**

The Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program, an initiative designed to help preserve and maintain affordable housing in the City, officially launched on January 1, 2026. Since the program’s launch, staff have maintained communications with program partner CEE (Minnesota Center for Energy and Environment) to track applications and feedback about the program. Tonight, staff are sharing updates on implementation thus far and making suggestions for minor revisions to the program guidelines.

Initial program marketing efforts included social media posts, a news spotlight on the City’s website, an article in the City’s Winter newsletter, and an English/Spanish postal mailing to 437 owners and managers of 2+ unit residential properties in Columbia Heights. City staff plan to also share the program flyer at an upcoming landlord group meeting.

As of February 20<sup>th</sup>, CEE staff had discussed the program with approximately 16 interested potential applicants and had received 5 complete applications for the program. None of the applications to date have qualified for the program. One of the applications that did not qualify during the January-March 50% AMI income prioritization period is expected to eventually qualify during the April-December 80% AMI period.

City staff and CEE staff have gathered detailed feedback from applicants and potential applicants about the program’s design and guidelines. There have been two main themes in this feedback:

- 1) The income verification documentation requirements are seen as too strict. Currently, the program guidelines require applicants to provide copies of tenants’ most recent federal tax returns to demonstrate they meet income requirements. This requirement was designed to ensure the City was taking all possible steps to avoid potential application fraud. Even prior to program launch, however, CD staff had anticipated that obtaining tax returns might be challenging. This has proven true: CEE staff and applicants have indicated that tenants are often uncomfortable providing this information. Some tenants are also unable to provide this information because they do not have formal or documented employment. One building owner explained to staff that they had inherited

their tenants from a previous building owner. Another stated that at the time of lease signing and background check, their typical method of verifying income involves using paystubs, not tax returns.

- 2) The number of potential eligible applicants is perceived as very small due to the combination of income and rent requirements. Because the program loans are funded using the City's LAHA dollars, the City is required to comply with MN State Statute 477A.35 for their use. These statutes specify that for rental housing projects, projects at the 50% AMI level must be prioritized over those at the 80% AMI level, and the housing must be "affordable to the local work force." These statutory requirements guided the initial program design.

### **SUMMARY OF CURRENT STATUS**

Based on the feedback obtained during the first two months of program implementation, staff have prepared amended program guidelines (Attachment 2) to allow for additional flexibility in the tenant income verification portion of the application process. The proposed revisions specify that if tenants are unable to provide tax returns, projected income may be verified based on either an attestation or paystubs.

In staff's opinion, it is too soon to assess whether the program should be amended to reconsider the combination of rent requirements and income requirements. On this point, staff plan to provide another update to the EDA in mid-2026, once the construction season has picked up for the spring and summer and once the 80% AMI qualification period has been underway for a few months.

### **STAFF RECOMMENDATION**

Staff recommend approval of Resolution 2026-09 approving the amended Program Guidelines, dated 02/26/2026, for the Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program.

#### **RECOMMENDED MOTION(S):**

MOTION: Move to waive the reading of Resolution 2026-09, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2026-09, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the amended Program Guidelines, dated 02/26/2026, for the Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program.

### **ATTACHMENT(S)**

1. Resolution 2026-09
2. Draft Amended NOAH Loan Program Guidelines, dated 02/26/2026
3. English/Spanish NOAH Program Flyer