



**ECONOMIC DEVELOPMENT AUTHORITY**  
City Hall—Shared Vision Room, 3989 Central Ave NE  
Monday, October 06, 2025  
4:45 PM

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**MINUTES**

The meeting was called to order at 4:45 pm by President James.

**CALL TO ORDER/ROLL CALL**

Members Present: Connie Buesgens; Laurel Deneen; Lamin Dibba (4:58 pm); Rachel James; Amáda Márquez-Simula (4:46 pm); Justice Spriggs; Marlaine Szurek

Staff Present: Mitchell Forney, Community Development Director; Aaron Chirpich, City Manager; Sarah LaVoie, Administrative Assistant; Emilie Voight, Community Development Coordinator

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

1. Approve the minutes of the regular EDA Meeting of September 02, 2025.
2. Approve financial reports and payment of bills for August 2025 – Resolution No. 2025-25.

*Motion by Deneen, seconded by Buesgens, to approve the Consent Agenda as presented. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2025-25**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF AUGUST 2025 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF AUGUST 2025.**

**WHEREAS**, the Columbia Heights Economic Development Authority (the “EDA”) is required by Minnesota Statutes Section 469.096, Subd. 9, to prepare a detailed financial statement which shows all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the EDA's credits and assets and its outstanding liabilities; and

**WHEREAS**, said Statute also requires the EDA to examine the statement and treasurer's vouchers or bills and if correct, to approve them by resolution and enter the resolution in its records; and

**WHEREAS**, the financial statements for the month of August 2025 have been reviewed by the EDA Commission; and

**WHEREAS**, the EDA has examined the financial statements and finds them to be acceptable as to both form and accuracy; and

**WHEREAS**, the EDA Commission has other means to verify the intent of Section 469.096, Subd. 9,

including but not limited to Comprehensive Annual Financial Reports, Annual City approved Budgets, Audits and similar documentation; and

**WHEREAS**, financial statements are held by the City's Finance Department in a method outlined by the State of Minnesota's Records Retention Schedule,

**NOW, THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Columbia Heights Economic Development Authority that it has examined the referenced financial statements including the check history, and they are found to be correct, as to form and content; and

**BE IT FURTHER RESOLVED** the financial statements are acknowledged and received and the check history as presented in writing is approved for payment out of proper funds; and

**BE IT FURTHER RESOLVED** this resolution is made as part of the permanent records of the Columbia Heights Economic Development Authority.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 6 <sup>th</sup> of October 2025	
Offered by:	Laurel Deneen
Seconded by:	Connie Buesgens
Roll Call:	All ayes of present. MOTION PASSED.
	_____
	President
Attest:	
_____	
Secretary	

**BUSINESS ITEMS**

**3. Fire Suppression Grant Application (Sister Bud, LLC)**

Voight reported that in 2022, the EDA created the Fire Suppression Grant Program to assist local businesses with the expenses incurred when installing fire suppression systems within commercial buildings. Many of the commercial properties in Columbia Heights do not have fire suppression systems. Certain businesses and changes of use require the addition of fire suppression systems to existing buildings. Earlier this year, the EDA budgeted additional funds for the Fire Suppression Grant Program and increased the maximum available grant award per applicant from \$30,000 to \$50,000.

Voight stated that one of the future tenants of 5011 University Ave has submitted an application for this grant program. The prospective tenant, Sister Bud, LLC, is a cannabis retailer that is currently working with the owner of the building to build out a cannabis retail space. Since this proposed new business occupancy requires a change of use, the new business is required to install

a sprinkler system in the building. Additionally, since the new retail space will be located in a strip mall, the entirety of the strip mall must be sprinkled. This requirement is established via Minnesota State Statute Chapter 1306.0020 MUNICIPAL OPTION Subp. 2. "Existing and new buildings."

Voight noted that the applicant has provided more than the required two quotes from licensed fire protection contractors, as well as two quotes from water main contractors. The lowest bids for the project total \$104,225. The quotes have been included in the meeting packet. In the 2025 budgeting process, the EDA allocated \$100,000 to the program and increased the amount accessible per grant award. So far in 2025, there has been one applicant who was awarded a grant of \$30,000. This leaves \$70,000 in grant funds available for the remainder of 2025.

Voight mentioned that Staff recommend approval of the application at the maximum reimbursement allowance of \$50,000. As demonstrated by the quotes provided by the applicant, the price of adding fire suppression systems is cost-prohibitive for small businesses. Installation of the required fire suppression system in the structure will help modernize the entire building, not solely the new retail space, and will help ensure that it can be used in a safe manner by current and future tenants.

Questions/Comments from Members:

Deneen asked if the applicant was required to get permission from each of the tenants for construction to occur. Voight replied that the applicant is required to get approval from the property owner before applying. She added that she is unsure if the property owner has communicated with the other tenants. Even if the grant is not approved, the applicant will be required to install sprinklers in order to have the business there.

James asked if the business would receive their cannabis license.

Buesgens pointed out that a tenant who was renting space in the building would be paying for the entire sprinkler system in the building. She mentioned that it would make more sense for the building owner to be paying for the sprinkler system. Forney replied that staff are not privy to what the financial agreement is, but ultimately, businesses come to the City to apply for the grant because they are the ones who are triggering the requirements. It is possible that the property owner would be paying for most or all of the sprinkler system. Buesgens stated that the property owner should be the one coming to the City for the grant and paying for the sprinkler system. Forney replied that often the property owner pays for the sprinkler system, but sometimes the business applies for the grant.

Buesgens asked how many buildings in the city need updated sprinklers. Forney replied that almost all of them need this, since most of the existing commercial spaces were built before fire suppression systems were required.

Szurek asked if the business would be growing marijuana on the property. Forney replied that they would be. Szurek pointed out that the sprinkler system would be important to have for this portion of the business.

*Motion by Spriggs, seconded by Deneen, to waive the reading of Resolution No. 2025-26, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Spriggs, seconded by Deneen, to approve Resolution No. 2025-26, a Resolution of the Columbia Heights Economic Development Authority, approving the form and substance of the Fire Suppression Grant Agreement, and approving authority staff and officials to take all actions necessary to enter the authority into the Fire Suppression Grant Agreement with Sister Bud, LLC. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2025-26**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FIRE SUPPRESSION GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO THE FIRE SUPPRESSION GRANT AGREEMENT WITH SISTER BUD, LLC.**

**WHEREAS**, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain Fire Suppression Grant Program (the “Program”); and

**WHEREAS**, pursuant to guidelines established for the Program, the Authority is to award and administer a series of grants to eligible commercial or industrial property owners and/or tenants for the purposes of revitalizing, rehabilitating, and restoring buildings, and increasing business vitality, economic performance, and public safety; and

**WHEREAS**, the Authority has thoroughly reviewed copies of the proposed form of the Grant Agreement.

**NOW, THEREFORE BE IT RESOLVED** that, after appropriate examination and due consideration, the Authority:

1. approves the form and substance of the grant agreement and approves the Authority entering into the agreement with Sister Bud, LLC.
2. that the City Manager, as the Executive Director of the Authority, is hereby authorized, empowered and directed for and on behalf of the Authority to enter into the grant agreement.
3. that the City Manager, as the Executive Director of the Authority, is hereby authorized and directed to execute and take such action as they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 6<sup>th</sup> of October 2025

Offered by: Justice Spriggs

Seconded by: Laurel Deneen  
Roll Call: All ayes of present. MOTION PASSED.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

#### 4. NOAH Program Proposal Review

Voight reported that following EDA discussions in February and June, staff are bringing forward a proposal for the creation of the Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program. As explained during the June EDA meeting, staff consulted with the Minnesota Center for Energy and Environment (CEE) for the program's development. CEE is a nonprofit organization that partners with many Minnesota cities on housing grant and loan programs. Given its years of experience and its ongoing government partnerships across the Twin Cities metro area, CEE has both the capacity and the expertise necessary to act as a loan originator, loan servicer, and, as applicable for any projects not subject to City permitting, inspector.

Voight explained that the EDA provided specific and substantial direction to staff for the program's design during its June meeting. The Commission's guidance included details about program form and function, loan amounts and terms, types of eligible properties, income and rental restrictions, and types of eligible project activities, amongst other items. Staff subsequently worked closely with the EDA's legal counsel and CEE to develop a program that would incorporate the EDA's guidance and respond to its intent. The attached draft program documents reflect the EDA's direction and have already been reviewed, revised, and approved by the EDA's legal counsel and CEE. During tonight's meeting, it is staff's goal to gain EDA approval of the substantive details of the NOAH Loan Program, as laid out in these documents, and to obtain the EDA's authorization to move forward with implementation in order to launch the program on January 1, 2026.

Voight mentioned that staff and CEE have discussed program administration and established clear roles for the proposed partnership. Both the City and CEE will market the NOAH Loan Program. Both parties will also be involved at different points of each loan and project. To begin, when a property owner is interested in the program, they will apply directly with CEE and be guided through the application by one of CEE's loan officers. The loan officer will answer any applicant questions concerning eligibility and will liaise with City staff for approval items such as the conforming/legal nonconforming use and "in good standing" requirements. Once a loan application has been approved, CEE will underwrite the loan and complete the closing process. Project work may begin following the closing. As soon as the project work is complete, CEE will again liaise with the City to arrange for final inspections as required by the types of activities completed using project funds. Following final inspections, the loan funds will be disbursed. CEE will invoice the City monthly for loan disbursements and administrative costs.

Voight stated that for the initial launch, staff propose to fund the NOAH Loan Program through two sources: EDA Fund 408 for administrative costs and the City's Local Housing Trust Fund for loans. At

its September meeting, the EDA resolved to include \$10,000 in Fund 408's 2026 budget for NOAH Loan Program administrative costs. The City's Local Housing Trust Fund currently holds the City's Local Affordable Housing Aid (LAHA) dollars, which have specific expenditure requirements that are well-suited for use for NOAH preservation but are not eligible for use for administrative costs.

Voight noted that concerning the funding of the loans themselves, staff recommend using LAHA funds from 2024-2025 to fund Program Year (PY) 2026. Staff then recommend that in each subsequent year, the EDA dedicate a portion of – or all of – the City's annual LAHA funds to support the loans in the following PY. For example, 2026 LAHA funds would fund PY 2027 loans, then 2027 LAHA funds would fund PY 2028 loans. The current draft program documents establish an initial contract period through December 31, 2028.

Voight mentioned that at the close of the 2025 calendar year, the City's Local Housing Trust Fund will contain approximately \$533,126.67. This amount is comprised of the City's 2024 and 2025 LAHA disbursements. For PY 2026, staff recommend budgeting \$350,000.00 from the Trust Fund toward loans granted through the NOAH Loan Program. This would leave \$183,126.67 of 2024-2025 LAHA funds undedicated, for use in other housing programs or projects. Barring shifts in legislative priorities, staff expect that the City will continue to receive LAHA funds annually, with an additional \$390,000 (approx.) anticipated to be received in 2026. In the event that the State were to discontinue distribution of LAHA funds, the EDA would need to consider flexing funds from other strategies or programs.

Voight stated that by granting approval at tonight's meeting, the EDA is agreeing to a budget with CEE; specifically, it is confirming that it will dedicate \$360,000 in funds (loan and admin costs) for the program. Since the City is in the middle of its annual budget process, staff do not recommend that the EDA amend the proposed 2026 Local Housing Trust Fund (Fund 205) expenditures in order to reflect the new program. At a later date, staff will bring forth an amendment to Fund 205, solidifying the decision by the EDA to dedicate \$350,000 to the NOAH Loan Program. This is similar to 2025, in which the EDA established a budget amendment mid-year in order to better align its expenditures with the goals it defined at the beginning of the year.

Questions/Comments from Members:

Buesgens asked staff to explain the income requirements and why they change during the year. Voight replied that during the previous EDA meeting, the Commission indicated that they would like to target the lower end of the area median income allowed by the LAHA funds. The LAHA fund requirements state that 50% AMI should be prioritized before 80% AMI, but due to the way that loan applications come in the door, it is difficult to prioritize and also keep applications moving forward from an administrative perspective.

Buesgens asked how many duplexes are in the City. Voight replied that staff would look into it. Buesgens asked how successful the program is in other cities. Voight replied that she spoke with the city of Fridley. They do not have the same program, but they have a similar home improvement program, and it is popular. Other cities use their LAHA funds in a variety of ways, so it is difficult to find an exact equivalent. She added that she expects there will be an initial period of time of

evaluating how attractive the program is. She noted that the City will need to give the program time for the community to hear about the program and understand the criteria for it before assessing its effectiveness.

Buesgens asked if applications would be slow in January and February. She pointed out that 80% AMI would kick in during March and that it may not meet the EDA's goal to target 50% AMI. Forney replied that only 50% AMI would be able to apply during January and February each year, not only the first year. He added that after the first year, staff would be able to evaluate how many applications there are in January and February and see if the 50% priority time period would need to be extended.

Dibba wondered how the City could distribute the information about the program to the community before January. Voight replied that the Community Development Department and the Communications Department will work closely together in order to get information out to the public. She added that it was also possible for the EDA to request to extension of the 50% priority time period to January through March.

James stated she was in favor of extending the time period to March. She added that the language is not clear when it says eligible and ineligible borrowers. She wondered whether someone with a green card would be ineligible. She stated that as long as an applicant is a legal resident, whether a U.S. citizen or not, they should be eligible for the program. Szurek disagreed and stated the program should be for legal citizens of the United States. James explained that if someone has a green card, they are paying taxes, which goes into the State LAHA fund, which would make someone eligible to apply for the same programs as everyone else. Forney replied that it was a good point and something staff could speak to CEE about. James explained that the language should be clarified instead of saying "foreign national."

Buesgens stated she looked up "foreign national," and it means "someone who is not a citizen of the country in which they are located or residing. For example, in the United States, a foreign national is someone who is neither a U.S. citizen nor a lawful permanent resident, of a green card holder."

James asked what would happen if someone lost their job in the middle of their rental agreement. She pointed out that the program eligibility is based on tax returns and asked how long it would take. Voight replied that all of the rental income verification occurs at the beginning of the application process. The information is provided by the applicant. If someone lost their employment for two months, the City would not know because there will not be weekly or monthly monitoring.

James noted page 69, paragraph 1 of the Agenda Packet, which talks about the eligible use of funds. She mentioned that kitchen appliance replacement is on the list. She expressed her concern that it is not a permanent addition to a residence. Voight replied that it is addressed under ineligible use of funds, but staff could add clarification in the language. James suggested striking non-permanent appliances.

Buesgens asked if it was possible to send a mailer out to all landlords that fit the requirements to let them know about the program. Forney replied that it was possible, and they could also send an email.

James pointed out page 70 of the Agenda Packet under the budget notes, which mentions the prioritization visit. She asked if the CEE or the City conducted the visit. Voight replied that CEE would conduct the visit. James asked if there were translation services provided for the visits. Voight replied that they have not discussed that with CEE, but would ask them.

Deneen asked if there were guidelines for the way that the landlord has performed in the past. Voight replied that the program guidelines include a good standing criterion, and information about conforming uses or legal non-conforming uses. Deneen asked if there were guidelines for how the funds must be spent across the rental. Buesgens explained that the loan cannot pay for any improvements for the owner's unit if they live in an apartment unit or duplex.

Dibba asked if there were any guidelines for an individual who owns multiple rental properties in the City. He asked how many applications would be allowed. Voight replied that the proposal says not more than one loan per property/borrower every five years.

Buesgens asked if the program would limit property owners from receiving other funding sources to fund energy-efficient projects on the property. Forney replied that CEE partners with Home Energy Squad. When CEE does the visit, they will be able to provide the property owner with information about rebates and other financing mechanisms.

Spriggs asked if there was a requirement for any specific testing to be done, such as lead or radon testing. Voight replied that it is not currently included in the program, but staff could speak with CEE to see if it is possible to include it in the program. The EDA agreed that they would be interested in staff looking into the possibility.

James asked if the proposed changes for eligible uses, prioritization time period, and eligible borrowers could be amended in the proposal. Staff agreed.

*Motion by Márquez-Simula, seconded by Buesgens, to waive the reading of Resolution No. 2025-27 as amended, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Márquez-Simula, seconded by Spriggs, to adopt Resolution No. 2025-27 as amended, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the creation and implementation of the Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program. All ayes of present. MOTION PASSED.*

#### **RESOLUTION NO. 2025-27**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE CREATION AND IMPLEMENTATION OF THE NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH) LOAN PROGRAM.**

**WHEREAS**, the City of Columbia Heights has a zoning code that permits multifamily dwellings in certain designated districts, resulting in a wide variety of sizes, styles, and configurations in the types of multifamily residential buildings that have been constructed throughout the city's history; and

**WHEREAS**, the timing and pattern of Columbia Heights' development have resulted in an aging housing stock, particularly among small- to medium-sized multifamily buildings; and

**WHEREAS**, many of these aging multifamily properties provide Naturally Occurring Affordable Housing (NOAH), unsubsidized rental housing that remains affordable due to market conditions rather than public intervention; and

**WHEREAS**, NOAH units are critical components of the City's housing ecosystem, offering affordable housing options to residents who may not qualify for or have access to income-restricted housing programs; and

**WHEREAS**, the preservation and improvement of NOAH properties are essential to maintaining housing affordability and preventing displacement of low- and moderate-income residents; and

**WHEREAS**, in 2024, the City of Columbia Heights established a Local Housing Trust Fund supported by State-allocated Local Affordable Housing Aid (LAHA) funds, and designated the Economic Development Authority (EDA) as the administrator of this Fund to support affordable housing initiatives within the City; and

**WHEREAS**, the EDA has identified the need to preserve and improve NOAH properties through the creation of a dedicated Naturally Occurring Affordable Housing (NOAH) Loan Program (the "Program") that provides financial assistance to multifamily property owners for necessary repairs and improvements, while ensuring continued affordability of units; and

**WHEREAS**, due to limited staff capacity, the EDA seeks to partner with the Minnesota Center for Energy and Environment (CEE), a qualified program administrator, to support the successful implementation of the NOAH Loan Program, with CEE aiding in program design, underwriting, compliance, and ongoing administration.

**NOW, THEREFORE BE IT RESOLVED** that, after appropriate examination and due consideration, the Authority hereby:

1. Approves the creation and implementation of the EDA's Naturally Occurring Affordable Housing (NOAH) Loan Program; and
2. Approves the form and substance of the Columbia Heights Naturally Occurring Affordable Housing (NOAH) Loan Program Origination Agreement (the "Agreement"), the Program guidelines (Exhibit A), and the Program budget (Exhibit B); and
3. Authorizes the officers, employees, and other agents of the Authority to take all actions necessary to perform the Authority's obligations under the Program Origination Agreement and Exhibits A and B as a whole, including, without limitation, all acts and things required of them by or in connection with this resolution, for the full, punctual, and complete performance of all

the terms, covenants, and agreements contained herein.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 6<sup>th</sup> of October 2025

Offered by: Amáda Márquez-Simula  
Seconded by: Justice Spriggs  
Roll Call: All ayes of present. MOTION PASSED.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**5. Executive Session: Develop or Consider Counteroffers for the Purchase of Real Property at 4024-4026 Central Ave NE. Closed per Minn. Stat. 13D.05, Subdivision 3(c).**

*Motion by Buesgens, seconded by Dibba, to recess to an executive session to discuss Agenda Item 5 pursuant to Minnesota Statute 13D.05, Subdivision 3(c). All ayes. MOTION PASSED.*

Forney noted that the discussion is being recorded and will be added to the minutes, but the minutes will not be released until a later date.

The EDA discussed the potential purchase of real property at 4024-4026 Central Ave NE.

*Motion by Deneen, seconded by Buesgens, to reconvene the open session. All ayes. MOTION PASSED.*

**BUSINESS UPDATES**

**a. SPAAR Key Communities Grant Homeownership Resource Night Recap**

Voight stated that the SPAAR event occurred on September 16<sup>th</sup>. The English and Spanish sessions were both recorded and are available on YouTube. She added that she would be following up with the attendees and everyone who signed up for the event but did not attend. SPAAR is excited to continue to partner with the City.

**b. Minnesota Housing Finance Agency 2025 Local Housing Trust Fund Grants Program Award**

Voight stated the City has been awarded \$75,000, which will be matched with City funding and will be used for affordable housing.

**c. Community Entrepreneurship Program Update and Invitation**

Voight noted that the Community Entrepreneurship Program launched on September 20<sup>th</sup>, and the cohort is 32 people. The EDA and Council are invited to attend the graduation on November 1<sup>st</sup> at 12:00 pm at Murzyn Hall.

**ADJOURNMENT**

*Motion by Márquez-Simula, seconded by Spriggs, to adjourn the meeting at 5:57 pm. All ayes.  
MOTION PASSED.*

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sarah LaVoie". The signature is written in a cursive, flowing style.

— Sarah LaVoie, Recording Secretary

DRAFT