

# Crow Wing County HRA Board Meeting

5:00 p.m. Tuesday, June 9<sup>th</sup>, 2020

Webex Video/Teleconference

Join from your browser: <https://meetingsamer8.webex.com/meetingsamer8/j.php?MTID=m36f40bcb99f04a34fac3898741889511>

Join by phone: (408) 418-9388

Meeting number (access code): 126 155 8478

Meeting password: 0609

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*“Our mission is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County.”*

## AGENDA

1. **CALL to ORDER**
2. **ROLL CALL**
3. **REVIEW and APPROVE MINUTES** (*Attachment 1*)
4. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*)
5. **UNFINISHED BUSINESS**
  - a. Approve Revised Tax Forfeited Property Policy (*Attachment 3*)
6. **NEW BUSINESS**
7. **REPORTS**
  - a. Executive Director (*Attachment 4*)
  - b. Brainerd HRA/Rehab Programs (*Attachment 5*)
  - c. BLAEDC (*Attachment 6*)
  - d. CWC
8. **COMMISSIONER COMMENTS**
9. **NEXT MEETING AGENDA TOPICS:** Tuesday, July 14, 2020
10. **ADJOURNMENT**

### 2020 Commissioners

Craig Nathan, Chair - District 4 (12-31-20)

Michael Aulie, Vice Chair - District 5 (12-31-21)

Michael Morford, Secretary/Treasurer - District 2 (12-31-23)

Theresa Goble, Commissioner - District 1 (12-31-22)

Zach Tabatt, Commissioner - District 3 (12-31-24)



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## Crow Wing County HRA Board Meeting Minutes from Tuesday, May 12<sup>th</sup>, 2020

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held via Webex teleconference at 5:00 p.m., Tuesday, May 12<sup>th</sup>, 2020.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:02 p.m.
  
2. **ROLL CALL:** Those present via remote video conference include Chair Craig Nathan and Commissioners Michael Morford, Michael Aulie, and Theresa Goble; Interim Executive Director/ Finance Director Karen Young, Rehab Coordinator John Schommer, and Executive Assistant LeAnn Goltz; Debby Erickson with Crow Wing County; Tyler Glynn with BLAEDC; and Patrick Wussow and Tom Lillehei with the City of Breezy Point. Absent: Zach Tabatt.
  
3. **REVIEW AND APPROVE MINUTES:**

Commissioner Morford moved to approve the minutes from the meeting on April 14, 2020. Commissioner Goble seconded the motion. Through a roll call vote, all commissioners were in favor of the motion and none were opposed. The minutes were approved.
  
4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:**

Moved by Commissioner Goble and seconded by Commissioner Morford to accept the April 2020 financial statements as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.
  
5. **UNFINISHED BUSINESS:**
  - a. **Grand Oaks Satisfaction of Mortgage:** The \$48,000 Grand Oaks TIF Revolving Loan matures on June 1, 2020. The Satisfaction of Mortgage was prepared by the General Partner's (Central MN Housing Partnership) attorney and reviewed by CWC HRA's attorney, Martha Ingram. The total payoff amount is \$55,613, which includes \$7,613 of interest. Upon receipt, these funds will be reflected in the TIF Revolving Loan Fund. The Chair and Interim Executive Director will execute the document as authorized by the Board.

Commissioner Goble moved to approve execution of Mortgage Satisfaction, subject to pay-off of Note, seconded by Commissioner Aulie. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.
  
  - b. **Discussion on Workforce Housing Study Presentation:** At the April meeting, the Board had a discussion regarding the presentation of the Workforce Housing Study (Study) given the current pandemic. Staff was directed to wait a month and then reassess the possibilities in May.

Kristen Fish-Peterson from Redevelopment Resources provided costs for her services to present the Study as a 35–40 minute video/narrated presentation for a cost of \$750. Another option for her services would be via interactive/virtual meetings with a one-time preparation cost of \$250 and then an additional \$125/hr. These would be two options if the Board would like actual



presentations of the Study itself.

Staff presented another approach for the Board's consideration: target various groups in different phases to promote the CWC HRA's resources in relation to the results of the Study.

Phase 1 – the 18 municipalities as defined in the Study.

Phase 2 – the Study Taskforce participants.

Phase 3 – the Study participants who were solicited to participate in the two surveys that were conducted as part of the Study process.

Phase 4 – various industry groups as defined in the Study.

Staff created various marketing tools and resources that could be e-mailed out in phases to the targeted groups to not only promote the Study but more importantly to promote the CWC HRA resources that are available in partnership to them. Ultimately, they could reach out to partners to emphasize the CWC HRA's services in response to the workforce housing needs in their cities, industries, etc. Staff could ask them to reach out to the HRA allowing staff to assist them in addressing their specific needs.

The Board had a discussion and agreed to staff's approach. Staff would begin working through the phases immediately.

- c. **Approve Revised Tax Forfeited Property Policy:** The Workforce Housing Study that was recently completed contained several recommendations that can help to further affordable housing. One of the recommendations is to consider amending the Tax Forfeited Property Policy to encourage development and redevelopment by dropping acquisition prices to 10% of market value (or even \$0) plus costs.

In considering the recommendation, staff reviewed the policy and found a couple of areas that should be changed to coincide more accurately with the County's policy, They incorporated those changes and asked attorney Martha Ingram from Kennedy and Graven to review and recommend the best way to offer the properties at \$0 plus costs. A copy reflecting the proposed changes was provided to the Board.

**Moved by Commissioner Goble and seconded by Commissioner Aulie to approve Resolution No. 2020-05 amending the CWC HRA Tax Forfeited Hold Policy and Sales Procedure as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.**

## 6. NEW BUSINESS:

- a. **Consider Draft Housing Trust Fund Guidelines:** The Housing Trust Fund (HTF) Ordinance was adopted unanimously by Crow Wing County commissioners on February 25<sup>th</sup>. Since then, staff has been working to establish guidelines to administer the HTF to ensure it remains a permanent source of funding and a continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low Income and Very Low Income households of the county.

Schommer explained that staff utilized the results of the Workforce Housing Study and also researched and considered other trust fund guidelines to determine what options would help to "move the needle" the farthest on housing needs throughout the county. One key focus was



to try to serve the needs of the lowest income population over the longest period of time while leveraging the HTF dollars as much as possible.

Schommer presented the Board with draft guidelines that were first reviewed by the HRA's attorney, Martha Ingram from Kennedy & Graven. He reviewed each section explaining the details of the programs. He also provided the attorney's comments for the Board's consideration:

- » Has the Board considered how they would like the HTF dollars allocated between the various programs? If we have a big affordable housing developer who uses up all of the funds, are the other programs not funded?
- » Is there a different pot of money allocated to each program?

The Board had a discussion about the possibility of allocating funds for each program and their concerns about it creating limitations for those interested in utilizing the HTF. If they allocated amounts for each fund, that would prevent all of the money being used for one or two large projects leaving little to none for other projects or programs. Schommer reminded the Board that per the HTF Ordinance, any request for more than \$50,000 was required to go before the Board for approval. Ultimately, the Board decided not to allocate specific amounts for each program since conditions were already in place for oversight of the HTF balance and how it's utilized.

**Moved and seconded by Commissioners Goble and Aulie to approve the Housing Trust Fund Guidelines as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.**

- b. Approve Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting:** Level Contracting LLC would like to purchase five additional lots, three in Brainerd Oaks and two in Serene Pines, with a total purchase price of \$49,448.69. A copy of the Purchase and Redevelopment Agreement and corresponding resolution was presented to the Board.

**Moved by Commissioner Goble and seconded by Commissioner Morford to approve Resolution No. 2020-06, approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.**

## 7. REPORTS:

- a. BLAEDC:** Glynn review his report. He also shared that the City of Emily allocate emergency grants for its businesses and the City of Brainerd is considering doing the same. They will discuss the matter at their May 18<sup>th</sup>, 2020, council meeting.
- b. Executive Director:** The Executive Director position profile was posted for a second time by our consultant and this posting closed on April 15<sup>th</sup>. Six applications were received as a result of the job posting. The Brainerd HRA hiring committee met and selected three of the six applicants to go through a video interview process. This was not an interactive process but one in which Gary Weiers, the consultant with DDA, selected 6–8 questions in which the candidates had about 1.5 minutes to respond to each question. The hiring committee reviewed the applicant information and interviews and selected one finalist for an interview. The Brainerd HRA Board set May 27<sup>th</sup>

as the interview date. The Brainerd Fire Department Training Room will be used for the interviews as it is larger than the HRA conference room and allows for social distancing.

Young informed the Board that the applicant is Eric Charpentier, a Brainerd HRA board member. Should he be selected, it is considered a federal conflict of interest and the Brainerd HRA would need to apply for a waiver with HUD.

- c. **Brainerd HRA/Rehab Programs:** Schommer reviewed his report.
- d. **Crow Wing County:** Erickson reported the County is preparing to reopen their buildings once the governor lifts the Stay at Home Order. They are implementing several changes including limitations on the number of visitors and not allowing large gatherings. Their county board meetings will continue to be done through video streaming rather than in person.

8. **JUNE 9<sup>TH</sup> MEETING AGENDA TOPICS:** Update on housing study outreach; update on HTF Guidelines.

9. **ADJOURNMENT:**

**Commissioner Aulie moved to adjourn the meeting. Commissioner Morford seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved at 6:54 p.m.**





## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: June 3, 2020  
Re: Review & Accept Financial Statements

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Please find attached the financial information for May 2020.

**Level Contracting Closing**

Reflected in the May financial statements is the closing that took place for the purchase of the five lots at Brainerd Oaks for a total of \$22,765.52 as approved at the April meeting. Of this, \$11,500 went to the City for SAC/WAC/Park Fees and \$8,620.37 went to the City in lieu of assessments. We were reimbursed for direct costs of \$2,157.65.

**Action Requested: Accept the May financial statements as submitted.**

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Date/Time roberta  
6/3/2020 10:44:20 AM

**Crow Wing County**  
**CWC HRA Combined Balance Sheet**  
**May, 2020**

**Cumulative**

**ASSETS**

550-000-1129.210 Cash Gen Fund	105,873.91
550-001-1129.210 Cash CWC SCDP	35,491.60
551-002-1129.210 Cash RLF TIF	302,769.68
556-000-1129.210 Cash Development Fund	1,865.50
557-000-1129.210 Cash Tax Forf Property	-2,370.27
551-002-1141.000 Loans Rec RLF TIF	59,702.94
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,613.00
556-000-1450.000 Land Held for Resale	527,160.15
<b>TOTAL ASSETS</b>	<b><u>1,086,106.51</u></b>

**LIABILITIES**

557-000-2115.000 Escrow Account TFP	-1,000.00
550-000-2600.000 Def Inflow of Resources	-7,613.00
556-000-2600.000 Def Inflow of Res - Dev	-527,160.15
<b>TOTAL LIABILITIES</b>	<b><u>-535,773.15</u></b>

**SURPLUS**

550-000-2700-000 Net Income	101,635.60
550-000-2806.000 Retained Earnings	-651,968.96
<b>TOTAL SURPLUS</b>	<b><u>-550,333.36</u></b>

**TOTAL LIABILITIES & SURPLUS**

**-1,086,106.51**

Proof 0.00



**Crow Wing County**  
**CWC HRA Combined Operating Stmt**  
**May, 2020**

	Current Period	Current Year	Year To Date Budget	Variance
<b>INCOME</b>				
550-000-3610.000 Investment Earnings	-23.30	-467.16	0.00	-467.16
550-000-3690.000 Other Revenue	0.00	0.00	-11,250.00	11,250.00
551-002-3610.000 RLF TIF Interest Rev	-346.79	-2,228.00	-4,654.20	2,426.20
556-000-3696.000 Development Revenue	-22,477.40	-22,477.40	-79,666.65	57,189.25
557-000-3696.000 TFP Revenue	-500.00	-500.00	-4,166.65	3,666.65
<b>TOTAL INCOME</b>	<b>-23,347.49</b>	<b>-25,672.56</b>	<b>-99,737.50</b>	<b>74,064.94</b>
<b>EXPENSE</b>				
550-000-4110.000 Administrative Salaries	300.00	1,650.00	1,875.00	-225.00
550-000-4130.000 Legal	0.00	256.00	4,166.65	-3,910.65
550-000-4140.000 Staff Training	0.00	0.00	625.00	-625.00
550-000-4150.000 Travel	0.00	5.18	104.15	-98.97
550-000-4171.000 Auditing Fees	0.00	6,798.75	6,800.00	-1.25
550-000-4172.000 Management Fees	12,500.00	62,500.00	62,500.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	83.35	-83.35
550-000-4500.000 TIF Expense	0.00	0.00	250.00	-250.00
550-000-4510.000 Insurance	0.00	1,579.00	875.00	704.00
550-000-4540.000 Employer FICA	22.96	126.23	145.85	-19.62
550-000-4590.000 Other General Expense	0.00	23,034.40	59,166.65	-36,132.25
550-001-4600.000 CWC SCDP Expense	0.00	10,000.00	11,250.00	-1,250.00
556-000-4600.000 Development Expense	20,607.87	20,611.90	79,666.65	-59,054.75
557-000-4600.000 TFP Expense	0.00	746.70	4,166.65	-3,419.95
<b>TOTAL EXPENSE</b>	<b>33,430.83</b>	<b>127,308.16</b>	<b>231,674.95</b>	<b>-104,366.79</b>
<b>NET INCOME(-) OR LOSS</b>	<b>10,083.34</b>	<b>101,635.60</b>	<b>131,937.45</b>	<b>-30,301.85</b>



**Crow Wing County HRA  
May 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
		*No Payments Recorded For May*		
<b>Total</b>				<b>\$ -</b>



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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: John Schommer, Rehab Coordinator  
Date: June 3, 2020  
Re: Approve Revised Tax Forfeited Property Policy

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At the May meeting, the Board revised the Tax Forfeited Property Policy to encourage development and redevelopment by dropping acquisition prices to zero percent of market value plus costs along with other changes to reflect more accurately how the process is working.

In reviewing some of the wording changes, I realized I hadn't clarified when the acquisition price was to be paid, defined the costs as well as when the administrative fee and holding cost were to be submitted. The proposed changes are struck out where wording was removed, and highlighted where it was added. We asked Attorney Martha Ingram to review the changes, but she is out of the office and will not be able to send her recommendations until Friday of this week. For that reason, we will have her recommendations available at the meeting.

**Action Requested: Approve Resolution 2020-07 amending the CWC HRA Tax Forfeited Hold Policy and Sales Procedure with recommended changes from our legal counsel.**



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# Crow Wing County HRA

## Tax Forfeited Property Hold Policy and Sales Procedure

### Tax Forfeited Hold Policy

The purpose of this policy is to ensure tax forfeited property in Crow Wing County is returned to productive use.

Primary goals of this policy are:

- To build Crow Wing County's density and tax base by ensuring that tax forfeited properties are developed
- To eliminate blight and reinvest in our neighborhoods
- To create a clear, straightforward, and efficient procedure for the HRA and developers to act on acquisition of tax forfeited property
- To encourage developer investment to stabilize Crow Wing County neighborhoods and construct affordable housing

Crow Wing County (the "County") maintains a list of tax forfeited properties (each a "Property"). The Crow Wing County HRA ("CWC HRA") may from time to time request that the County convey Property at a price less than the assessed market value (the "Conveyance Price"), if the CWC HRA determines that acquisition of the Property is required to achieve commercial or residential redevelopment strategies, or upon request from private developers or community development organizations ("Developers"). The CWC HRA will make such Properties available to Developers utilizing the Tax Forfeited Hold Sale Procedure outlined below.

### Tax Forfeited Hold Sale Procedure

The following procedure will apply to the sale of Property to Developers:

1. **Application:** The CWC HRA may solicit proposals from Developers for the purchase of Properties, or will consider proposals received from Developers without solicitation. All interested Developers must submit a proposal in the form of an "Application to Acquire Tax Forfeited Property" (the "Application") along with a non-refundable \$500 administrative fee (the "Administrative Fee") and a \$1,000 maintenance and holding cost payment (the "Holding Cost Payment"). CWC HRA staff will then send a copy of the application to the County with a request that the property or properties be put on hold (removed from the list maintained by the County). Applications may be for affordable housing or the elimination or prevention of blight on the Property.
  - **Relocation:** If a Property contains an occupied building, relocation costs may apply. The Developer will be responsible for any relocation costs. The CWC HRA will clarify whether relocation costs will apply and assist the Developer to estimate the amount of relocation costs payment required.
  - **Acquisition Price:** Properties will be made available to Developers at a discounted price targeted at 25% of the assessed market value (the "Acquisition Price") plus direct costs incurred by CWC HRA for the acquisition and sale of the Property to the developer.

“Assessed market value” means the current-year market value of the Property as determined by the Crow Wing County Assessor.

- Per the March 2020 Crow Wing County Workforce Housing Study recommendations, the acquisition price to Developers is temporarily reduced to 0% of the assessed market value plus direct costs incurred by CWC HRA for the acquisition and sale of the Property to the developer. This change is to support meeting the Workforce Housing Study goals and is in effect until the CWC HRA Board amends the policy back to an acquisition price of 25% of assessed market value.
2. **Due Diligence:** Upon receipt of an Application, CWC HRA staff will review title to the Property to determine whether additional action is required to convey marketable title to the Developer, and if so, the approximate cost and time required for such action. CWC HRA staff will provide the Developer with this information upon receipt. The Developer will have 20 days after receipt of this information to confirm its intent to move forward with the approval process for the Application or to withdraw its Application. Developers will be responsible for all costs of obtaining marketable title for the Property.
  3. **Contract:** When an Application has been submitted and confirmed, CWC HRA staff will negotiate a purchase and development contract (the “Contract”) with the Developer. CWC HRA staff require the following from the Developer before presenting the Contract to the CWC HRA Board for approval:
    - a. Contract signed by the Developer
    - b. ~~Acquisition price (“Acquisition Price”): The Acquisition Price will be targeted at 25% of the assessed market value, plus recording fees and costs~~
    - c. A check in the amount of the estimated costs of obtaining marketable title as described above (“Title Costs”) payable to the CWC HRA; any funds not required for such purposes will be returned to the Developer
    - d. ~~A non-refundable administrative fee of \$500 per application~~ check in the amount of the Administrative Fee payable to the CWC HRA
    - e. ~~\$1,000 maintenance and holding cost payment~~ A check in the amount of the “Holding Cost Payment” per application payable to the CWC HRA: The Holding Cost Payment will be used to pay the County or the CWC HRA’s holding and maintenance costs; any funds not required for such purposes will be returned to the Developer
    - f. A check in the amount of any outstanding special assessments levied against the Property, payable to the County (the “Special Assessments Payment”)
  4. **HRA Board Approval:** Upon receipt of the items listed above, CWC HRA staff will seek CWC HRA Board approval of the Contract. If approved, the CWC HRA will execute the Contract contingent upon County approval, then proceed to request conveyance of the Property from the County. If the CWC HRA Board denies the Application and Contract, the ~~Acquisition Price, Estimated~~ Title Costs, Holding Cost Payment, and Special Assessments Payment will be refunded to the Developer. The CWC HRA may then solicit other proposals for the Property, or will release its hold on the Property.
  5. **County Approval:** Once the CWC HRA Board approves the Contract, staff will send the approving resolution, ~~the Developer’s Application~~ and the ~~Conveyance~~ Price to the County Board, requesting conveyance of the Property to the CWC HRA. ~~Upon approval by the County and acquisition of the Property from the County, the CWC HRA will schedule closing with the~~



**Developer.** If the County Board approves conveyance of the Property but denies the CWC HRA's request for a discounted **Conveyance Price**, the Developer may have the option to pay the **remaining balance of the full** assessed market value to the County or to withdraw its Application and request a refund of its **Acquisition Price, Estimated Title Costs**, Holding Cost Payment, and Special Assessments Payment. If the County denies the Application, the **Acquisition Price, Estimated Title Costs**, Holding Cost Payment, and Special Assessments Payment will be refunded to the Developer.

6. **Closing:** Once the County has recorded the deed for the Property and the CWC HRA has received the recorded deed, the CWC HRA will schedule a closing with the Developer. At the closing, the Developer will be responsible to pay **the Acquisition Price, direct costs incurred by CWC HRA for the acquisition and sale of the Property to the Developer**, all closing costs, any holding costs in excess of the Holding Cost Payment, actual Title Costs in excess of the estimated Title Costs payment, and any additional fees charged by Crow Wing County. If actual Title Costs or Holding Costs are less than the estimated Title Costs or Holding Costs, any excess will be refunded to the Developer.
7. **Property Management:** After closing, the Developer will be solely responsible for all costs of construction as provided in the Contract, as well as all costs of maintenance. The Contract will require that improvements must be completed within 12 months after closing or as negotiated for multiple dwellings.
8. **Failure to Perform:** If the Developer fails to complete the improvements on the Property within 12 months after closing or as negotiated for multiple dwellings, no additional Property may be acquired by the Developer through the Tax Forfeited Hold Sale Procedure until the default is cured.

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HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2020-07

RESOLUTION AMENDING THE CROW WING COUNTY HRA TAX FORFEITED  
PROPERTY HOLD POLICY AND SALES PROCEDURE.

WHEREAS, the purpose of this policy is to ensure tax forfeited property in Crow Wing County is returned to productive use, and

WHEREAS, the primary goals of this policy are as follows:

- To build Crow Wing County's density and tax base by ensuring tax forfeited properties are developed
- To eliminate blight and reinvest in our neighborhood
- To create a clear, straightforward, and efficient procedure for the HRA and developers to act on acquisition of tax forfeited property
- To encourage developer investment to stabilize Crow Wing County neighborhoods and construct affordable housing, and

WHEREAS, Minnesota Statutes, Section 282.01, subd.1a(d) gives the Crow Wing County Board the authority to sell non-conservation land to a governmental subdivision of the state or a state agency for less than its market value as long as the property will be used to correct blight or to facilitate the development of affordable housing, and

WHEREAS, The Crow Wing County Board adopted a policy describing the terms and conditions under which it will sell non-conservation property for less than market value for affordable housing or correcting blight, and

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of Crow Wing County Housing and Redevelopment Authority agrees to amend the Crow Wing County HRA Tax Forfeited Property Hold Policy and Sales Procedure.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 9th day of June, 2020.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary



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## Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: Karen Young, Interim Executive Director  
 Date: June 3, 2020  
 Re: Executive Director Report

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### **Workforce Housing Study Outreach**

Following our discussion at the May meeting regarding the Workforce Housing Study presentations, staff sent e-mail correspondence out to the Phase 1 and Phase 2 groups. We will continue reaching out to the additional groups in the remaining two Phases.

- » Phase 1 – the 18 municipalities as defined in the Study. (Attachment 4a)
- » Phase 2 – the Study Taskforce participants. (Attachment 4b)
- » Phase 3 – the Study participants who were solicited to participate in the two surveys that were conducted as part of the Study process.
- » Phase 4 – various industry groups as defined in the Study.

### **Request for Technical Assistance (RFTA)**

Staff submitted a RFTA to Minnesota Housing Partnership (MHP) on behalf of CWC HRA in mid-April. MHP offers several rural capacity building programs and recently announced the availability of HUD's Rural Capacity Building 18 (RCB 18) program. The program is designed to build capacity in rural housing/economic development organizations to have greater impact. This application focused on our current CWC HRA initiatives as related to the Work Force Housing Study, creation of a Housing Trust Fund and the affordable housing shortage in CWC.

John and I had our follow-up call with MHP regarding our application and we are still being considered for funding. They received 26 applications so the funding is very competitive this year. We were very encouraged from the call and are hopeful that we will be funded. They estimated that it will still be a couple of more weeks until they make their awards.

### **Executive Director Search**

The Brainerd HRA Board conducted interviews on May 27<sup>th</sup> with the final candidate selected by the hiring committee. Upon completion of the interview process, the Brainerd HRA Board took action offering the position to Eric Charpentier, contingent on HUD approval. Eric accepted the offer also contingent on HUD approval. The formal job offer has been withheld at this time awaiting HUD approval.

Until recently, Eric served as a Brainerd HRA Board Member which requires HUD approval in order to hire a former board member as an employee. A waiver request has been submitted to HUD.

**No Action Requested; Discussion Item**



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**From:** LeAnn Goltz  
**Sent:** Wednesday, June 3, 2020 1:30 PM  
**To:** 'Jennifer Bergman'  
**Subject:** Follow-up to Workforce Housing Study & Presentation  
**Attachments:** Workforce Housing Study and Needs Analysis Presentation.pdf; WFH Study Recommendations.pdf; TF Opportunities in CWC.PDF; TFP\_Brainerd.pdf; Res. Financial Assistance Programs in CWC.PDF

Greetings,

We are reaching out to you as one of the 18 incorporated cities within the county to keep you abreast of some important information and tools that are available to you through the Crow Wing County (CWC) HRA.

### **Workforce Housing Study**

An initiative that the CWC HRA took on last summer, this study includes a thorough review of the housing market for the county, with special emphasis on middle-income or workforce housing. The study describes the current state of housing county-wide, projects future housing needs, analyzes supply vs. demand, and also provides recommendations to improve availability and housing choice. (The final study was sent to you on March 11, 2020, but you can also access it on the CWC HRA webpage at <https://crowwing.us/413/Crow-Wing-County-HRA> or at [www.brainerdhra.org](http://www.brainerdhra.org).)

In case you missed the presentation of the workforce housing study that was given on March 10th at the CWC HRA Board Meeting, I have attached the PowerPoint for your review. Please feel free to share it with your council and staff.

### **Tax Forfeited Property Policy**

In addition to projecting future housing needs and identifying the gaps, the study recommends ways municipalities, the County, employers, and the HRAs can help “move the needle” on the housing gap (see page 53 in the attached WFH Study Recommendations). Among the top priorities is the recommendation to amend the Tax Forfeited Property Policy to encourage development.

In an effort to spur redevelopment or development, the CWC HRA Board of Commissioners recently approved a temporary amendment to this policy for the offer of tax forfeited properties to developers at a **discounted rate of zero percent** of assessed value plus costs.

We have included a brochure that shows tax forfeited properties currently available in Crow Wing County along with a link and listing that provides more information on the properties in your city. We have also included a list of residential financial assistance programs available in Crow Wing County.

### **What This Means for Your City**

The study recommends that City leaders should work to create opportunity for affordable workforce housing development within their communities and that CWC HRA can serve as facilitator to host conversations with municipal leaders to discuss possible solutions.

Our goal in reaching out to you as city leaders is to offer strategies and assistance to “move the needle” for affordable housing in Crow Wing County.

Please reach out to CWC HRA staff for assistance within your community.

Thank you,

LeAnn Goltz  
 Executive Assistant

[Crow Wing County HRA / Brainerd HRA](#)  
 324 East River Road, Brainerd, MN 56401  
 218.824.3420 ph.



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**From:** LeAnn Goltz  
**Sent:** Wednesday, June 3, 2020 3:16 PM  
**To:** 'johnandrewsjr@msn.com'; councilandrews@crosslake.net; 'mike@growbrainerdlakes.org'; Bill Brekken (Bill.Brekken@crowwing.us); David Chanski; 'BChapulis@baxtermn.gov'; 'nmalecha@pequotlakes-mn.gov'; 'dolly@greaterlakesrealtors.com'; Craig Nathan (cnathan5863@gmail.com); 'mr@cotefamily.com'; Patrick Wussow  
**Cc:** John Schommer; Karen Young  
**Subject:** Follow-up to Workforce Housing Study & Presentation  
**Attachments:** Workforce Housing Study and Needs Analysis Presentation.pdf; WFH Study Recommendations.pdf; TF Opportunities in CWC.PDF; TFP\_CWC.PDF; Res. Financial Assistance Programs in CWC.PDF

Greetings,

We are reaching out to you as one of the Workforce Housing Taskforce members to keep you abreast of some important information and tools that are available through the Crow Wing County (CWC) HRA.

#### **Workforce Housing Study**

As you know from your involvement on the taskforce, this study includes a thorough review of the housing market for the county, with special emphasis on middle-income or workforce housing. The study describes the current state of housing county-wide, projects future housing needs, analyzes supply vs. demand, and also provides recommendations to improve availability and housing choice. (The final study was sent to you previously, but you can also access it on the CWC HRA webpage at <https://crowwing.us/413/Crow-Wing-County-HRA> or at [www.brainerdhra.org](http://www.brainerdhra.org).)

In case you missed the presentation of the workforce housing study that was given on March 10th at the CWC HRA Board Meeting, I have attached the PowerPoint for your review.

#### **Tax Forfeited Property Policy**

In addition to projecting future housing needs and identifying the gaps, the study recommends ways municipalities, the County, employers, and the HRAs can help “move the needle” on the housing gap (see page 53 in the attached WFH Study Recommendations). Among the top priorities is the recommendation to amend the Tax Forfeited Property Policy to encourage development.

In an effort to spur redevelopment or development, the CWC HRA Board of Commissioners recently approved a temporary amendment to this policy for the offer of tax forfeited properties to developers at a discounted rate of zero percent of assessed value plus costs.

Attached is a brochure that shows tax forfeited properties currently available in Crow Wing County along with a link and list that provides more information about each of the properties. We have also included a listing of residential financial assistance programs available in Crow Wing County.

#### **What This Means for Community Members in Crow Wing County**

The results of this study are intended to offer community members and stakeholders a basis for formulating community-specific workforce housing priorities, policy alternatives, and strategies.

The study recommends that City leaders should work to create opportunity for affordable workforce housing development within their communities and that CWC HRA can serve as facilitator to host conversations with municipal leaders to discuss possible solutions.

We have also reached out to leaders in each of the 18 incorporated cities within the county to offer strategies and assistance to “move the needle” for affordable housing.

Please feel free to share any of this information with your colleagues or anyone you feel might be interested.

Thank you,

LeAnn Goltz  
Executive Assistant

[Crow Wing County HRA / Brainerd HRA](#)  
324 East River Road, Brainerd, MN 56401  
218.824.3420 ph.

**UPDATE:** *Based on new guidance regarding limiting the unnecessary spread of **COVID-19**, the Brainerd HRA is modifying how it delivers services to the public and is not allowing public entry into our buildings at this time. The Brainerd HRA remains open to serving the public and will now do so through telephone, e-mail, and on-line services available through our website: [brainerdhra.org](http://brainerdhra.org).*

*Email correspondence to and from the Brainerd HRA is subject to the Minnesota Government Data Practices Act and may be disclosed to third parties.*



Housing & Redevelopment Authority

To: CWC HRA Board Members  
 From: John Schommer, Rehab Coordinator  
 Date: May 7, 2020  
 Re: Brainerd HRA/Rehab Programs Report

**NE BRAINERD SCDP**

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	In Construction
212 1 <sup>st</sup> Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 <sup>nd</sup> Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	Bidding
419 3 <sup>rd</sup> Ave. NE	Mary & Richard M.	Rental	3	Bidding
726 4 <sup>th</sup> Ave. NE	John G	Rental	3	Application Phase
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	Application Phase

**Emily SCDP**

- » 4 owner-occupied projects are complete
- » 1 project is in construction
- » 1 project is awarded
- » 1 project is bidding
- » 1 project is in work write-up

**MHFA**

- » 3 projects are in construction
- » 1 project is in work write-up

**BRAINERD OAKS/SERENE PINES**

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	40	35	0	5
Serene Pines	23	11	11	0	1
Dalmar Estates	7	1	1	0	1

\*Originally 83 lots, two have been merged/combined into a single parcel.

*(continues on opposite side)*



### **SCDP Preliminary Proposal**

We anticipate a decision from the City of Garrison on if they are going to pursue a SCDP preliminary proposal this fall after their council meeting next Tuesday night, June 9<sup>th</sup>. It would be for single-family, owner-occupied and commercial rehab.

### **FHLB**

We are submitting another application for the Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP), which opened May 1<sup>st</sup>. We anticipate seeking approximately \$175,000 for five units of owner-occupied rehab throughout Crow Wing County. Funding awards are announced in December.

### **Tax Forfeited Property**

We received a TFP application from Bob Warzecha with HBW LLC for 143 tracts of tax forfeited properties in Breezy Point. I contacted the County to ask them to remove the properties from their list and was informed that four of the tracts were no longer available. I have requested HBW LLC's proposed development agreement and was told they plan to have it to me by the end of the day Friday, June 5<sup>th</sup> for our review. In the meantime, we will be working on reviewing title to the property to determine if there is additional action needed to obtain marketable title and if so the approximate cost and time required to complete it.

**No Action Requested; Discussion Item**



**2017 BUF Loan Recipients -06/01/2020**

2017 BUF Loan Recipient	Industry Type	Location	Loan Type	Primary Lender	Total Project Cost	Total Interest Rate	Jobs Created	Jobs Retained	Funding Partner	BUF Loans	Loan Amount - Direct	Loan Amount - BUF Partners	Terms	Interest Rate to Funding Partner	Scheduled Monthly Payment	J.E. Service Fees	BLAEDC Service Fees	
1. Green Forest Recycling	Other Services	Brainerd	Equipment	Members Coop	\$ 103,330	5.50%	3	5	CTC	\$ 24,500	\$	\$ 24,500	5 years	3.50%	\$ 470.00	1.0%	1.0%	
<b>2018 BUF Loan Recipient</b>																		
2. Modified Tool	Manufacturing Trade, Trans., Utilities	Emily Area	Business Acquisition	Bank Vista	\$ 2,570,000	6.25%	2	4	CWP BUF Direct	\$ 64,020	\$ 44,020	\$ 20,000	10 years 10 years	4.25%	\$ 730.00	1.0%	1.0%	
3. Jack Pine Brewery, LLC	Manufacturing Trade, Trans., Utilities	Baxter	Equipment	Bremer	\$ 43,000	5.50%	2	12	CTC CWP	\$ 43,000	\$	\$ 21,500	6 years 6 years	3.50%	\$ 350.00	1.0%	1.0%	
4. Brainerd Distilling Company	Manufacturing Trade, Trans., Utilities	Brainerd	Real Estate	Riverwood Bank	\$ 305,000	5.50%	6	6	BUF Direct	\$ 67,500	\$ 67,500	\$	20 yr am/5 yr balloon	3.50%	\$ 464.32	1.0%	1.0%	
5. Dockside Rental, LLC	Leisure and Hospitality	Niswau	Equipment	BlackRidge Bank	\$ 204,000	6.00%	2	2	CTC BUF Direct	\$ 55,000	\$ 27,500	\$ 27,500	6 years 6 years	4.00%	\$ 456.00	1.0%	1.0%	
6. Gullview Technologies, LLC	Prof. Business Services	Baxter	Equipment	Riverwood Bank	\$ 318,000	5.50%	12	9	BUF Direct	\$ 50,000	\$ 50,000	\$	5 years	3.50%	\$ 955.00	1.0%	1.0%	
7. Outdoors insight, Inc. Paid In Full	Manufacturing Trade, Trans., Utilities	Crosslake	Inventory Staffing/Onboarding	MN Bank & Trust	\$ 1,700,000	6.00%	7	7	CWP BUF Direct	\$ 200,000	\$ 100,000	\$ 100,000	7 years 7 years	4.00%	\$ 2,922.00	1.0%	1.0%	
<b>2019 BUF Loan Recipient</b>																		
9. PaulSquard Properties, LLC dba Virtual	Manufacturing Trade, Trans., Utilities	Crosby	Property Improvements	Bremer	\$ 617,712	6.00%	5	5	CWC HRA TIF	\$ 75,000	\$	\$ 75,000	5 Years	4.00%	\$ 1,450.00	1.0%	1.0%	
10. Tri-Axis, LLC. dba Paradigm	Trade, Trans., Utilities	Brainerd	Bus Acquisition	BlackRidge Bank	\$ 303,250	6.50%	5	8	BUF Direct	\$ 80,000	\$ 80,000	\$	20 yr am/5 yr balloon	4.50%	\$ 769.00	1.0%	1.0%	
11. Chickadee LLC	Other Services	Niswau	Inventory/improvements	BlackRidge Bank (Participation)	\$ 75,000	7.15%	3	2	BUF Direct	\$ 30,000	\$	\$	5 Years	6.15%	\$ 601.00	N/A	1.0%	
12. Greenheck Auto Glass	Trade, Trans., Utilities	Brainerd	Refinance	Deerwood Bank	\$ 116,000	7.50%	1	5	BUF Direct	\$ 50,000	\$	\$	7 years	5.50%	\$ 767.00	N/A	2.0%	
13. El Tequila Restaurant	Leisure and Hospitality	Baxter	Real Estate	BlackRidge Bank	\$ 1,960,000	6.50%	7	20	CWP	\$ 75,000	\$	\$ 75,000	20 yr am/10 yr balloon	4.50%	\$ 1,120.00	1.00%	1.0%	
14. Teeny Bubbles Child Care Not yet funded but approved	Daycare	Brainerd	Real Estate	Randall State Bank	\$ 417,000	7.50%	18	24	BUF Direct	\$ 30,000	\$ 30,000	\$	5 years	5.50%	\$ 602.00	1.00%	1.0%	
<b>2020 BUF Loan Recipient</b>																		
15. Shiner's Bar & Bistro	Leisure and Hospitality	Jenkins	Inventory and Equipment	First National Bank	\$ 445,000	7.50%	10	0	BUF Direct	\$ 100,000	\$ 100,000	\$	5 years	5.50%	\$ 2,004.00	1.00%	1.0%	
16. New Heritage Architecture	Architecture & Design	Pequot Lakes	Real Estate	American National Bank	\$ 252,350	4.25%	3	2	BUF Direct	\$ 49,270	\$ 49,270	\$	20 yr am/5 yr balloon		\$ 310.00	0.00%	2.0%	
17. WRD Holdings, LLC	Leisure and Hospitality	Brainerd	Real Estate	Riverwood Bank	\$ 983,000	4.85%	7	0	Federal Funds	\$ 117,600	\$ 117,600	\$	20 yr am/5 yr balloon		\$ 767.00	1.00%	10.0%	
														4.31%	\$15,543.32			

**QUICK FACTS: \*\*does not include PENDING numbers**

Industry Sectors	Loans Made	Primary Lenders (8)	Loans Made	Geographic Location (8)	Loans Made
Natural Res. and Mining	0	Members Coop - Baxter	1	Baxter	3
Construction	0	Bank Vista - Sartell	1	Brainerd	6
Manufacturing	5	Bremer	2	Crosby	1
Trade, Trans., Utilities	7	Riverwood Bank	4	Crosslake	1
Information	0	BlackRidge Bank	4	Emily Area	1
Financial Activities	0	MN Bank & Trust - Woodbury	1	Niswau	2
Prof. Business Services	1	First National Bank	1	Jenkins/Pequot Lakes	2
Educ. and Health Serv.	0	Randall State Bank	1	Business Acquisition	1
Leisure and Hospitality	5	Deerwood Bank	1	Equipment	4
Other Services	2	American National Bank	1	Real Estate	7
Public Admin.	0			Other	5
		<b>Avg Direct Loan (7)</b>		<b>Avg Partner Loan (6)</b>	
		\$95,127.14		\$60,833.33	
		<b>Smallest Loan</b>		<b>Largest Loan</b>	
		\$20,000.00		\$200,000.00	
		<b>Total Jobs Created/Retained</b>		191	



Updated: 6/2/2020  
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	Jan 2020	Feb 2020	Mar 2020	Q1 2020 Subtotals	April 2020	May 2020	June 2020	Q2 2020 Subtotals	July 2020	Aug 2020	Sept 2020	Q3 2020 SubTotals	Oct 2020	Nov 2020	Dec 2020	Q4 2020 Subtotals	2020 Total #s:	2020 Total Revenue
Meetings with Potential New Members	1	2	0	3	0	0	0	0				0				0	3	
Current Open Job Postings	6	7	6		4	3												
YTD Filled Jobs	2	1	2	5	0	0	1	1				0				0	6	
Spousal Referrals	0	2	1	3	2	1		3				0				0	6	
Offers Made/Job Declined	0	0	1	1	0	0		0				0				0	1	
Total Resumes Received	141	158	104	403	53	67		120				0				0	523	
Quality Resumes Reviewed	82	97	41	220	22	38		60				0				0	280	
Interviews Conducted	46	55	30	131	17	29		46				0				0	177	
Workforce Presentations/Community	0	0	1	1	0	0	1	1				0				0	2	
Grant Funding				\$0				\$0				\$0				\$0		\$0
Direct Hire Fees	\$22,670	\$5,800	\$11,000	\$39,470	\$0	\$0	\$6,890	\$6,890				\$0				\$0		\$46,360
																	2020 Grand Total	\$46,360

