

Crow Wing County HRA Board Meeting

4:30 p.m. Tuesday, August 11th, 2020

Webex Video/Teleconference

Join from your browser: <https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m7da60ff5f528376c24cab4e269df81e2>

Join by phone: 415-655-0001

Meeting number (access code): 126 356 1290

Meeting password: 81120

“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. OATH OF OFFICE: RICHARD (GEORGE) BURTON (*Attachment 1*)
4. REVIEW and APPROVE MINUTES (*Attachment 2*)
5. REVIEW and ACCEPT FINANCIAL STATEMENTS (*Attachment 3*)
6. UNFINISHED BUSINESS
7. NEW BUSINESS
 - a. Adopt 2021 CWC HRA Budget (*Attachment 4*)
 - b. Approve Revenue Certificate for the West Grove Townhomes (*Attachment 5*)
8. REPORTS
 - a. Executive Director (*Attachment 6*)
 - b. Brainerd HRA/Rehab Programs (*Attachment 7*)
 - c. BLAEDC/CREDI (*Attachment 8*)
 - d. CWC
9. COMMISSIONER COMMENTS
10. NEXT MEETING AGENDA TOPICS: Tuesday, September 8, 2020
11. 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)

Richard (George) Burton - District 1 (12-31-22)

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



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Interim Executive Director
Date: August 3, 2020
Re: Oath of Office

At the July 14, 2020, county board meeting, Mr. Richard (George) Burton was appointed to serve on the Crow Wing County Housing and Redevelopment Authority as the representative from County Commissioner District 1 filling a term expiring 12-31-22. Following the official Oath of Office (see Attachment 1a), please join me in welcoming Mr. Burton.

No Action Requested; Discussion Item



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Oath

STATE OF MINNESOTA

COUNTY OF CROW WING



SS.

I, **Richard (George) Burton**, do solemnly affirm that I will support the Constitution of the United States, the Constitution of the State of Minnesota, and that I will faithfully and impartially discharge the duties as a commissioner of the **CROW WING COUNTY HOUSING AND REDEVELOPMENT AUTHORITY**, to which I have been appointed to the best of my knowledge and ability, so help me God.

Richard (George) Burton

Subscribed and sworn to before me this 11th day of August, 2020.

KAREN YOUNG
Interim Executive Director

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Crow Wing County HRA Board Meeting Minutes from Tuesday, July 14th, 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 video/teleconference at 5:00 p.m., Tuesday, July 14th, 2020.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:01 p.m.

2. **ROLL CALL:** Those present include Chair Craig Nathan and Commissioners Michael Aulie and Zach Tabatt; Interim Executive Director/Finance Director Karen Young, Rehab Coordinator John Schommer, and Executive Assistant LeAnn Goltz; Debby Erickson with Crow Wing County; and Tyler Glynn with BLAEDC. Absent: Michael Morford.

3. **UNFINISHED BUSINESS:**
 - a. **Approve Revised Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting:** The Board approved a request from Level Contracting LLC to purchase five lots at their May meeting. Level Contracting LLC requested to close on the lots July 16th and in reviewing the documentation, the title company noticed we were to close no later than July 11th. Martha Ingram drafted the revised Purchase and Redevelopment Agreement and Resolution that extends the closing date to no later than July 31st, 2020. Level Contracting LLC has been informed that all future closings need to happen within 60 days of the date the Board approves the Purchase and Redevelopment Agreement to ensure this doesn't happen again.

Moved by Commissioner Aulie and seconded by Commissioner Tabatt to approve Resolution No. 2020-08, approving the revised Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC. Upon roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

4. **NEW BUSINESS:**
 - a. **Approve Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting:** Level Contracting LLC would like to purchase five additional lots, four in Brainerd Oaks and one in Serene Pines with a total purchase price of \$35,291.59. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution.

Moved by Commissioner Tabatt and seconded by Commissioner Aulie to approve Resolution No. 2020-09, 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 were in favor and none were opposed. The motion passed.

5. **REVIEW AND APPROVE MINUTES:**

Commissioner Aulie moved to approve the minutes from the meeting on June 9th, 2020. Commissioner Tabatt seconded the motion. Through a roll call vote, all commissioners were in favor of the motion and none were opposed. The minutes were approved.



6. REVIEW AND APPROVE FINANCIAL STATEMENTS:

Grand Oaks Settlement Statement

Reflected in the June financial statements is the payoff of the Grand Oaks mortgage of \$48,000 along with interest of \$7,613 for a total payment of \$55,613. The Settlement Statement was executed upon receipt of payment.

CWC HRA Tax Levy

Reflected in the June General Fund Financial Statements is the deposit of \$250,242.84 in Property Tax Revenue (levy). The second deposit of \$153,391.43 was deposited in July for total deposits of \$403,634.27. The total levy amount for 2020 is \$729,500. The second half property tax settlement will be in December. Collections for the first half settlement seem to be on track for what has been seen historically and do not appear to be significantly affected by the County's tax penalty waiver or COVID-19 related issues.

2021 Budget Preparation

There is a CWC Budget Committee meeting scheduled on August 13th. Staff has been added to that agenda to present the 2021 CWC HRA budget to the CWC Commissioners. The CWC HRA Board meeting is scheduled for August 11th and there was a discussion about possibly moving the meeting up one week to August 4th so that the Board could approve the budget and staff could get it in the budget committee packet. However, several of the board members were unable to attend and Erickson said they could send the approved budget via email on August 12th. It was decided to keep the meeting date as scheduled for August 11th but move the time to 4:30 p.m. so that it concludes before 6:00 p.m. per the requirement of MN Statute 204C.03.

The Board had a discussion about the 2021 budget and the levy request. Staff suggested not asking for an increase and requesting the same amount as 2020. The Board concurred and directed staff to prepare a budget that reflects a request of \$729,500. Because a significant portion of the levy provides funding for BLAEDC and CREDI, Young also informed them that Attorney Martha Ingram has been doing a thorough review of BLAEDC's reporting, their contract with the HRA, and the allowable uses of funding per state statute. Ingram does not feel the reporting to date is sufficient and has recommended the HRA hold off on paying the invoice for the first half of 2020 until staff has received reporting that reflects eligible initiatives to be paid through levy dollars. Glynn stated he is also working with Ingram and will provide the necessary reporting for the Board's budget approval at the next meeting.

Moved by Commissioner Tabatt and seconded by Commissioner Aulie to accept the June 2020 financial statements as presented. Through a roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

7. REPORTS:

- a. **Brainerd HRA/Rehab Programs:** Updates on the rehab programs as well as the Brainerd Oaks/Serene Pines Developments were provided to the Board. Schommer reported that he is attending the Garrison City Council meeting this evening to clarify how the program works to the council members and to get their final decision to either pursue the grant or pass the opportunity on to another town. He added that on June 23rd, the county commissioners voted to effectively put the application from Bob Warzecha with HBW LLC on hold by placing all of the properties that



were requested back on the “Over The Counter” list for the July 24th sale. The commissioners had previously taken action to reduce the assessed market value by 25% in an effort to get the properties sold and felt it prudent to see if they could sell them at the reduced price before conveying them to the HRA. The developer did reduce the number of tracts they were requesting down to 60 prior to this. Staff will wait until after the sale to see which properties are still available and how the developer would like to proceed.

b. Executive Director:

Workforce Housing Study Outreach

Staff sent E-mail correspondence out to the Phase 1 and Phase 2 groups in June. They will continue reaching out to the additional groups in the remaining two Phases. In addition, John gave a presentation on the Housing Trust Fund at today’s BLAEDC meeting and he will be presenting at the Pequot Lakes EDA meeting next week.

Request for Technical Assistance (RFTA)

Staff submitted a RFTA to Minnesota Housing Partnership (MHP) on behalf of CWC HRA in mid-April. The 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. MHP has requested another follow-up call on July 22nd regarding the application.

Executive Director Search

On July 7th, a denial was received for the waiver request to HUD regarding the conflict of interest in the consideration of former board member, Eric Charpentier, as the next Executive Director. With the assistance of attorney Rod Solomon in Washington DC, an appeal was submitted by Board Chair Larson on July 15th to HUD.

CWC HRA Board

Theresa Goble has resigned from the CWC HRA Board for personal reasons. She notified Commissioner Koering of the resulting vacancy on the CWC HRA Board and he appointed Richard (George) Burton to serve the remainder of her term. Theresa’s resignation also leaves a vacant seat on the BLAEDC Unified Fund (BUF) Board. The Board discussed that they will wait until the next CWC HRA board meeting to fill the vacancy on the BUF Board.

- c. BLAEDC:** Glynn reviewed his report and current initiatives, which includes working with the County on the deployment of the CARES Act grant relief program for local businesses. He shared that he has informed their members of the CWC tax forfeited land sale that will be held at the end of the month. Glynn also reported that BLAEDC held a meeting today where DEED Commissioner Steve Grove was the guest speaker along with a presentation from John Schommer on the Housing Trust Fund.
- d. Crow Wing County:** CWC has been working with BLAEDC and other community partners on getting money from the CARES Act out and into the community. In addition, staff has been working on a proposed budget to bring before the County Board and they recently completed their audit with CliftonLarson Allen. Erickson reported that beginning tomorrow, July 15th, all county buildings will reopen to the public with some modifications and safety measures in place.



8. **AUGUST 11TH MEETING AGENDA TOPICS:** Aulie expressed his support of returning to in-person meetings and Erickson added that if interested, the HRA could use the meeting room in the Land Services Building to allow for social distancing. Topics: Oath of Office for George Burton; BUF board member appointment; BLAEDC funding and budget approval; Certificate of Revenue approval for West Grove Townhomes.

9. **ADJOURNMENT:**

Commissioner Tabatt moved to adjourn the meeting. Commissioner Aulie seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved at 6:16 p.m.





Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: August 5, 2020
Re: Review & Accept Financial Statements

Please find attached the financial information for July 2020.

CWC HRA Tax Levy

Reflected in the July financial statements is the deposit of \$153,391.43 in Property Tax Revenue (levy) for total first half deposits of \$403,634.27. The total levy amount for 2020 is \$729,500. The second half property tax settlement will be in December.

BLAEDC/CREDI Reporting

BLAEDC worked with our mutual attorney, Martha Ingram, to establish a reporting tool for tracking eligible initiatives for BLAEDC/CREDI to be reported to the CWC HRA. This will successfully account for the BLAEDC/CREDI funding, which flows through the HRA levy and is limited to eligible initiatives per Statute 469.

2021 Budget Preparation

There is a CWC Budget Committee meeting scheduled on August 13th. We have been added to that agenda to present the 2021 CWC HRA budget to the CWC Commissioners.

Action Requested: Accept the July financial statements as submitted.

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Date/Time roberta
8/4/2020 11:30:58 AM

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

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	205,366.47
550-001-1129.210 Cash CWC SCDP	35,491.60
551-002-1129.210 Cash RLF TIF	361,329.69
556-000-1129.210 Cash Development Fund	-36.35
557-000-1129.210 Cash Tax Forf Property	-3,946.27
558-000-1129.210 Cash HTF	278,198.94
551-002-1141.000 Loans Rec RLF TIF	57,395.95
556-000-1450.000 Land Held for Resale	477,711.47
TOTAL ASSETS	<u>1,411,511.50</u>
LIABILITIES	
557-000-2115.000 Escrow Account TFP	-1,000.00
556-000-2600.000 Def Inflow of Res - Dev	-477,711.47
TOTAL LIABILITIES	<u>-478,711.47</u>
SURPLUS	
550-000-2700-000 Net Income	-280,831.07
550-000-2806.000 Retained Earnings	-651,968.96
TOTAL SURPLUS	<u>-932,800.03</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,411,511.50</u>
Proof	0.00



Crow Wing County
CWC HRA Combined Operating Stmt
July, 2020

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-24.62	-526.64	0.00	-526.64
550-000-3690.000 Other Revenue	0.00	0.00	-15,750.00	15,750.00
550-000-3691.000 Property Tax Revenue	-153,391.43	-403,634.27	-438,000.00	34,365.73
551-002-3610.000 RLF TIF Interest Rev	-312.44	-10,481.02	-6,515.88	-3,965.14
556-000-3696.000 Development Revenue	-49,448.69	-71,926.09	-111,533.31	39,607.22
557-000-3696.000 TFP Revenue	0.00	-500.00	-5,833.31	5,333.31
TOTAL INCOME	-203,177.18	-487,068.02	-577,632.50	90,564.48
EXPENSE				
550-000-4110.000 Administrative Salaries	225.00	2,175.00	2,625.00	-450.00
550-000-4130.000 Legal	425.00	681.00	5,833.31	-5,152.31
550-000-4140.000 Staff Training	0.00	0.00	875.00	-875.00
550-000-4150.000 Travel	0.00	17.26	145.81	-128.55
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	87,500.00	87,500.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	116.69	-116.69
550-000-4500.000 TIF Expense	0.00	0.00	350.00	-350.00
550-000-4510.000 Insurance	0.00	1,579.00	1,225.00	354.00
550-000-4540.000 Employer FICA	17.21	166.40	204.19	-37.79
550-000-4590.000 Other General Expense	0.00	23,034.40	82,833.31	-59,798.91
550-001-4600.000 CWC SCDP Expense	0.00	10,000.00	15,750.00	-5,750.00
556-000-4600.000 Development Expense	49,474.14	71,962.44	111,533.31	-39,570.87
557-000-4600.000 TFP Expense	1,576.00	2,322.70	5,833.31	-3,510.61
TOTAL EXPENSE	64,217.35	206,236.95	321,624.93	-115,387.98
NET INCOME(-) OR LOSS	-138,959.83	-280,831.07	-256,007.57	-24,823.50



**Crow Wing County HRA
July 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
734	7/16/2020	John Schommer	Brainerd Oaks Mileage	\$ 4.01
739	7/30/2020	John Schommer	Overnight Shipping-Level Closing	\$ 32.34
23369	7/2/2020	Breen & Person, Ltd.	Breezy Pt Lots Legal	\$ 1,000.00
23376	7/2/2020	Kennedy & Graven, Chartered	Grand Oaks Mortgage, Tax Forfeit Policy & Housing Trust Fund Legal Fees	\$ 457.00
23423	7/30/2020	Kennedy & Graven, Chartered	BLAEDC - Levy Funds, Level Closing & Tax Forfeit Policy Legal Fees	\$ 1,837.10
Total				\$ 3,330.45



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Finance Director
 Date: August 5, 2020
 Re: Adopt 2021 CWC HRA Budget

2021 General Fund Budget (See Attachment 4a)

Revenues

- » A Tax Levy of \$729,500 is recommended for 2021. The maximum Tax Levy for the CWC HRA in 2021 would be \$1,914,894.
- » \$10,000 is anticipated in Tax Forfeit Property revenue generated from the sale of tax forfeited parcels to developers.
- » Development Revenue is budgeted for \$191,200. This is pass-through revenue from the sale of lots to Level Contracting and the net affect will be \$0 to the operating budget. It was estimated that 13 Brainerd Oaks lots and seven Serene Pines/Dal Mar lots will be sold.
- » \$27,000 in CWC Local Income is anticipated that will be used for eligible program costs. Program costs will offset the revenue.

Expenditures

- » Administrative Salaries of \$4,500 is the board stipend for regular and special meetings.
- » Employer FICA is the payroll taxes on the stipends paid to the Board.
- » \$10,000 in legal fees is budgeted for potential costs related to CWC HRA programs/initiatives.
- » Travel costs consist of staff mileage reimbursement and board mileage reimbursement for approved non-board meeting events.
- » Training Expense of \$5,300 was budgeted for CWC HRA initiatives.
- » Total audit costs of \$7,000 are included in this budget.
- » Management Fees are for the Shared Services Agreement with the Brainerd HRA.
- » The TIF Expense of \$600 is for TIF reporting for the RLF – TIF.
- » The Housing and Redevelopment Initiatives are for projects as determined by the Board.
- » Tax Forfeit Property Expense is for legal and closing costs on the sale of properties.
- » Development Expense of \$191,200 is estimated for the sale of 20 lots to Level Contracting. The net effect of these costs will be to reduce the development revenue to \$0 and have no effect on the operating budget. The costs will include any expenses related to the sale of the land such as closing, legal and in lieu of assessments.
- » CWC Local Income Expense for eligible program costs.
- » Housing Trust Fund appropriation to the Fund.
- » The BLAEDC/CREDI funding of \$112,000 is based on the funding request to support economic development for eligible expenses.



- » There is a \$38,300 deficit to the General Fund Budget. To fund the initiatives listed above, the Board can designate fund balance.

2021 Revolving Loan Fund – TIF Budget (See Attachment 4b)

Revenues

- » Interest Revenue of \$3,560 from Victual loan and \$1,000 from operating account interest.

Expenditures

- » Other General Expense of \$1,190 for fees paid to Initiative Foundation and BLAEDC for loan servicing.

Action Requested:

Approve a motion to adopt the 2021 General Fund and TIF – Revolving Loan Fund budgets.



Crow Wing County HRA 2021 Budget

	2021 Budget	2020 Budget	Difference
Revenues			
Property Tax Levy - CWC HRA	117,500	117,500	0
Property Tax Levy - BLAEDC	87,000	87,000	0
Property Tax Levy - CREDI	25,000	25,000	0
Property Tax Levy - Housing Trust Fund	500,000	500,000	0
Total Property Tax Levy	<u>729,500</u>	<u>729,500</u>	<u>0</u>
Interest Revenue	500	0	500
Tax Forfeit Property Fund	10,000	10,000	0
Development Fund	191,200	191,200	0
CWC Local Income Fund	27,000	27,000	0
Designated Fund Balance	38,300	38,800	(500)
Total Revenues	<u><u>996,500</u></u>	<u><u>996,500</u></u>	<u><u>0</u></u>
General Fund Expenditures			
Administrative Salaries	4,500	4,500	0
Employer FICA	350	350	0
Legal	10,000	10,000	0
Travel	250	250	0
Training	5,300	1,500	3,800
Sundry-Admin	200	200	0
Auditing Fees	7,000	6,800	200
Management Fee	150,000	150,000	0
TIF Expense	600	600	0
Insurance	2,100	2,100	0
Housing and Redevelopment Initiatives	26,000	30,000	(4,000)
	<u>206,300</u>	<u>206,300</u>	<u>0</u>
Fund Expenditures			
Tax Forfeit Property Fund	10,000	10,000	0
Development Fund	191,200	191,200	0
CWC Local Income Fund	27,000	27,000	0
Housing Trust Fund	450,000	450,000	0
BLAEDC/CREDI Funding	112,000	112,000	0
	<u>790,200</u>	<u>790,200</u>	<u>0</u>
Total Expenditures	<u><u>996,500</u></u>	<u><u>996,500</u></u>	<u><u>0</u></u>
Net Operating (Income)/Loss	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Crow Wing County HRA 2021 RLF - TIF Budget

	2021 Budget	2020 Budget	Difference
Operating Revenue			
Interest Revenue	4,560	3,560	1,000
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Total Revenue	4,560	3,560	1,000
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Operating Expenses			
Legal	0	0	0
Auditing Fees	0	0	0
TIF Expense	0	0	0
Other General Expense	1,190	1,190	0
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Total Exp	1,190	1,190	0
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Net Operating (Income)/Loss	3,370	2,370	1,000



Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Interim Executive Director
Date: August 5, 2020
Re: Approve Revenue Certificate for the West Grove Townhomes

In 2003, the Crow Wing County HRA issued \$1,280,000 in General Obligation Housing Revenue Bonds, which were used to construct three buildings consisting of eight townhomes in Pequot Lakes. The townhomes provide housing to the elderly who would not be served by the private housing market or to non-elderly persons with incomes at or below 80% of the Area Median Income. These bonds were refunded in 2012 for \$1,290,000 for a lower interest rate.

One of the requirements in the Joint Powers Agreement is that the Pequot Lakes HRA provides to the CWC HRA a cash flow projection for the following year on or before August 1st of each year. The CWC HRA must sign the Revenue Certificate indicating there will or will not be sufficient cash flow to pay 105% of the principal and interest on the bonds. If the cash flow is not sufficient enough to pay 105% of the principal and interest on the bonds, the City of Pequot Lakes must approve the HRA's levy to cover the difference.

Recommendation: Authorize the Interim Executive Director to sign the Revenue Certificate indicating there will be cash flow sufficient to pay 105% of the principal and interest on the Bonds.

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2021 West Grove Cash Flow Projection

Account # 161346000, Section 4.15

Revenues

Rent Revenue

Rental Revenue	71,040	Gross rent potential
Rental Vacancies	<u>7,104</u>	Calculated 10% potential vacancy rate
Net Rent Revenue	<u>63,936</u>	

Total Projected Annual Revenue **63,936**

Operating Expenses

Administrative Expenses

Administrative Expenses	7,500	Office staff time, health insurance
Accounting Fees	2,000	Monthly fee accountant and audit costs
Credit Reports	150	\$35/report
Office Supplies	<u>200</u>	
Total Administrative Expenses	<u>9,850</u>	

Utilities

Electric	200	Estimate for vacant units utilities
Gas	400	Estimate for vacant units utilities
Sewer & Water	200	Estimate for vacant units utilities
Refuse Removal	<u>1,200</u>	
Total Utilities	<u>2,000</u>	

Maintenance & Repairs

Maintenance Labor	4,000	Maint staff time (repairs, lawn care, snow removal)
Maintenance Supplies	2,000	
Contracts	2,500	Exterminating, Fertilizer, weed control (in contracts)
General Repairs	<u>1,000</u>	As needed outside contractor labor repairs
Total Repairs & Maintenance	<u>9,500</u>	

Taxes & Insurance

Real Estate Taxes (PILOT)	3,500	Estimate for 2021
Property Insurance	4,000	Estimate for 2021
Total Taxes & Insurance	<u>7,500</u>	

Total Operating Expenses Before Debt **28,850**

Net Operating Income **35,086**

Annual Debt Service	55,000	Principal payable FY 2021
	<u>25,820</u>	Interest payable FY 2021

Total Debt Service **80,820**
x 105% **84,861**

Net Income After Debt Service Payments **(49,775)**

Levy Revenue **49,775** Levy needed to remain in compliance (105% of P&I)



Net Income Including Necessary Levy

0

2021 West Grove Cash Flow Projection

Revenue Certificate

Account # 161346000, Section 4.15

The Crow Wing County HRA does hereby certify that the cash flow projections for the West Grove Townhomes, Pequot Lakes, MN Bond Series 2012A, after taking in account the City HRA's Special Benefits Tax, the total Revenues expected to be available according to the cash flow projections, together with the projected balances in the Operating Fund and Repair and Replacement Fund, will be sufficient to pay 105% of the principal and interest on the Bonds.

Karen Young
CWC HRA Interim Executive Director



Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Interim Executive Director
 Date: August 5, 2020
 Re: Executive Director Report

BLAEDC Unified Fund (BUF) Board

Upon the resignation of Theresa Goble from the CWC HRA Board, we also have a vacant seat on the BUF Board. The Board can appoint a board member to fill this vacancy.

Webex Board Meetings

Staff discussed the possibility of meeting in person for the August board meeting with Chair Nathan and the decision was made to continue with Webex meetings at this time. This is due to the increase in COVID-19 cases and not all board members being able to meet for in-person meetings.

Request for Technical Assistance (RFTA)

We had a Zoom meeting with Minnesota Housing Partnership (MHP) staff on July 22nd and were notified that we were selected for technical assistance for CWC HRA initiatives as related to the Work Force Housing Study, creation of a Housing Trust Fund and the affordable housing shortage in CWC.

MHP is drafting a Memorandum of Understanding to enter into with the CWC HRA along with a work plan and budget for the engagement. Staff is very excited to enter into an agreement with MHP for technical assistance which is anticipated to last approximately 1.5 to 2 years.

Executive Director Search

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. As we discussed last month, HUD denied our initial waiver request and the Brainerd HRA Board Chair submitted a letter of appeal. The appeal is currently in review with HUD and we are awaiting their decision.

No Action Requested; Discussion Item

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: August 3, 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 st Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 nd Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	Bidding
419 3 rd Ave. NE	Mary & Richard M.	Rental	3	Bidding
726 4 th Ave. NE	John G.	Rental	3	Application Phase
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	Application Phase
414 3 rd Ave. NE	Select Rental Properties	Rental	1	Application Phase

Emily SCDP

- » 5 owner-occupied projects are complete
- » 3 projects are in construction
- » 1 application is in review

MHFA

- » 2 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*	43	40	3	3
Serene Pines	23	11	12	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 will be working with the City of Garrison to submit a SCDP preliminary proposal this fall for single-family owner-occupied and commercial rehab.

FHLB

We are waiting on funding decisions, which are announced in December.

Workforce Housing Study and Housing Trust Fund

I was invited to present on the Workforce Housing Study and Housing Trust Fund at BLAEDC's quarterly meeting that was held on Tuesday, July 14th. There were approximately 35 people that attended the Zoom meeting including many community leaders and business professionals. BLAEDC received several requests for copies of the slideshow that LeAnn put together and I personally received requests for copies of both. I also presented to the Pequot Lakes EDC on Tuesday, July 21st, and as a result, we got the opportunity to present at the Crosslake EDC Meeting on September 2nd. They would like to host a virtual update for the communities of Ideal, Fifty Lakes, Emily, Crosby, Deerwood, Mission Township, and Crosslake.

No Action Requested; Discussion Item



BLAEDC/CREDI Reports for Crow Wing County HRA



Date Range: 7/1/2020 - 8/1/2020

Project	Gro Project	Task	Date	Employee	Comment	Hours	Amount
Crow Wing County HRA							
CWC HRA-2020 Work 2020 Economic Development							
		Conf Conferences				4.00	\$600.00
			7/14/2020	Tyler Glynn	John from CWC HRA attended and provided an overview of the county housing study as well as providing information regarding the Housing Trust Fund to BLAEDC Membership and State representatives as part of Quarterly meeting. Tyler attended the CWC HRA Board Meeting and provided updates on activity and detailed discussion regarding reporting.	4.00	\$600.00
2020 Economic Development Subtotal						4.00	\$600.00
CWC HRA-Blight Blighted Projects							
		Impl Implementation				10.00	\$1,500.00
			7/20/2020	Tyler Glynn	Working w/city and county on grant programs for small business relief grants to assist in halting business closure that would create blight in our communities.	2.00	\$300.00
			7/21/2020	Tyler Glynn	Working w/city and county on grant programs for small business relief grants to assist in halting business closure that would create blight in our communities.	2.00	\$300.00
			7/24/2020	Tyler Glynn	Working w/city and county on grant programs for small business relief grants to assist in halting business closure that would create blight in our communities.	2.00	\$300.00
			7/27/2020	Tyler Glynn	Working w/city and county on grant programs for small business relief grants to assist in halting business closure that would create blight in our communities.	2.00	\$300.00
			7/29/2020	Tyler Glynn	Working w/city and county on grant programs for small business relief grants to assist in halting business closure that would create blight in our communities.	2.00	\$300.00
Blighted Projects Subtotal						10.00	\$1,500.00
CWC HRA-Redev Redevelopment Projects							
		Dev Development				5.00	\$750.00
			7/22/2020	Tyler Glynn	Met with outside developer on redeveloping 3 blighted buildings in Crosby for new business ventures. Toured properties and reviewed site plans.	3.00	\$450.00



BLAEDC/CREDI Reports for Crow Wing County HRA



Date Range: 7/1/2020 - 8/1/2020

Project	Gro Project	Task	Date	Employee	Comment	Hours	Amount
Crow Wing County HRA							
			7/30/2020	Tyler Glynn	Meeting w/local business owner that will be purchasing existing Brainerd building to redevelop property for his new business. Owner is looking for funding to redevelop.	2.00	\$300.00
		Impl Implementation				15.00	\$2,250.00
			7/2/2020	Tyler Glynn	Toured available properties in Brainerd for a local company to redevelop.	2.00	\$300.00
			7/7/2020	Tyler Glynn	Site visits to 4 existing properties in Pequot Lakes with company looking for commercial real estate to redevelop for new business opportunity.	3.00	\$450.00
			7/8/2020	Tyler Glynn	email correspondence and phone calls with owners of the West Gate Mall property regarding financing to recoup redevelopement costs.	3.00	\$450.00
			7/9/2020	Tyler Glynn	CWC HRA Board prep and report creation.	2.00	\$300.00
			7/13/2020	Tyler Glynn	Assisting redevelopement project with financing requests through both email correspondence and phone calls.	2.00	\$300.00
			7/16/2020	Tyler Glynn	Working with primary lender and borrower about renovation and equipment needs for local food co-op that has redeveloped property in downtown Brainerd	3.00	\$450.00
Redevelopment Projects Subtotal						20.00	\$3,000.00
Crow Wing County HRA Subtotal						34.00	\$5,100.00
Grand Total						34.00	\$5,100.00

