

Crow Wing County HRA Board Meeting
5:00 p.m. Tuesday, November 10th, 2020
Webex Video/Teleconference

Join from your browser: <https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=md92ad2978d7f890ab4daced415b5c098>
Join by phone: 415-655-0001
Meeting number (access code): 126 270 0042
Meeting password: 1110

“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*).....p. 3
4. **REVIEW and ACCEPT FINANCIAL STATEMENTS** (*Attachment 2*).....p. 5
5. **UNFINISHED BUSINESS**
6. **NEW BUSINESS**
 - a. Approve Using Local Income for Garrison and Jenkins SCDP Preliminary Proposals (*Attachment 3*)p. 11
7. **REPORTS**
 - a. Executive Director (*Attachment 4*).....p. 13
 - b. Rehab Programs (*Attachment 5*).....p. 15
 - c. BLAEDC/CREDI (*Attachment 6*).....p. 17
 - d. CWC
8. **HRA COMMISSIONER COMMENTS**
9. **NEXT MEETING AGENDA TOPICS:** Tuesday, December 8, 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)
Richard (George) Burton - 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, October 13th, 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, October 13th, 2020.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:02 p.m.
2. **ROLL CALL:** Those present include Chair Craig Nathan and Commissioners Michael Aulie and Richard (George) Burton; Executive Director Eric Charpentier, Finance Director Karen Young, Executive Assistant LeAnn Goltz; and Debbie Erickson with CWC. Absent: Zach Tabatt and Michael Morford.

3. **REVIEW and APPROVE MINUTES**

Moved and seconded by Commissioners Aulie and Burton to approve the minutes from September 8th, 2020. Through a roll call vote, all commissioners were in favor and none were opposed. The minutes were approved.

4. **REVIEW and ACCEPT FINANCIAL STATEMENTS:** Young reported that the preliminary 2021 CWC HRA levy was set at \$729,500 at the CWC board meeting on September 22nd, 2020. Historically, this action has been considered final for the CWC HRA levy approval. She also informed the Board that the HRA refunded Escrow and TFP application fees in the amount of \$1,500 to Mr. Warcheza, the developer who was interested in the Breezy Point lots. He has indicated he may apply again in the future.

Moved by Commissioner Burton and seconded by Commissioner Aulie to accept the September 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:** Nothing to report.
6. **NEW BUSINESS:** Nothing to report.
7. **REPORTS**

- a. **Executive Director:**

Technical Assistance (TA) Grant

Minnesota Housing Partnership hosted the first meeting for the TA grant on 9/25/20 where they reviewed the working timeline and meeting schedule. Goals for the work sessions were discussed and the next meeting was set for 10/22/20.

Minnesota Housing Finance Agency (MHFA) Workforce Housing Program

MHFA is currently accepting applications for their workforce housing program for 2020. This program has been funded through the MN legislature since 2017 and would be a potential way to leverage some HTF dollars for a larger project with a developer. The deadline to apply is December 17th, 2020. Staff will continue to research and look for a developer to partner with. Ideally, this would be utilized in 2021 after establishing a proposed project with a developer.

- b. **Brainerd HRA/Rehab Programs:** Charpentier reviewed the rehab report in Schommer's absence. Updates on the rehab programs as well as the Brainerd Oaks/Serene Pines Developments were provided to the Board.
 - c. **BLAEDC/CREDI:** Nothing to report.
 - d. **CWC:** Erickson reported that the first round of the CARES grants is complete. They received far fewer applications than anticipated and gave away only \$2 million of the \$3.5 million available. In order to ensure the funds are utilized, the County is expanding its criteria in a second round of grants with applications due by October 23rd. The public health department has also been busy with COVID-19-related activities including working with the local school districts and assisting with PPE shortages. In addition, Crow Wing County staff members have been preparing for the elections.
8. **HRA COMMISSIONER COMMENTS:** Commissioner Burton visited the Brainerd Oaks development, thought the homes looked good, and was happy to see a lot of activity. Chair Nathan noted that his board term expires at the end of December and is interested in serving another term. Charpentier will get in touch Rosemary Franzen to request his reappointment. Commissioner Aulie expressed the importance of being strategic for workforce housing development. He suggested being proactive by identifying potential areas for development. Charpentier concurred and shared that he met with a potential developer a few weeks ago and will continue to look for opportunities.
9. **NEXT MEETING AGENDA TOPICS:** November 10, 2020. Chair Nathan requested an update on activities of the HTF and asked that it be a standing item for each meeting. The Board had a discussion about possibly meeting in person and decided to meet virtually once again for the November meeting. They will reassess each month.
10. **ADJOURNMENT:**

Commissioner Aulie moved to adjourn the meeting. Commissioner Burton seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved at 5:40 p.m.





Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: November 4, 2020
Re: Review & Accept Financial Statements

Please find attached the financial information for October 2020.

Action Requested: Accept the October financial statements as submitted.

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Date/Time roberta
11/3/2020 4:06:35 PM

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

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	166,818.05
550-001-1129.210 Cash CWC SCDP	35,491.60
551-002-1129.210 Cash RLF TIF	365,726.12
556-000-1129.210 Cash Development Fund	-8.06
557-000-1129.210 Cash Tax Forf Property	-5,446.27
558-000-1129.210 Cash HTF	278,234.58
551-002-1141.000 Loans Rec RLF TIF	53,896.22
556-000-1450.000 Land Held for Resale	442,419.88
TOTAL ASSETS	<u>1,337,132.12</u>
LIABILITIES	
556-000-2600.000 Def Inflow of Res - Dev	-442,419.88
TOTAL LIABILITIES	<u>-442,419.88</u>
SURPLUS	
550-000-2700-000 Net Income	-242,743.28
550-000-2806.000 Retained Earnings	-651,968.96
TOTAL SURPLUS	<u>-894,712.24</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,337,132.12</u>
Proof	0.00

Crow Wing County
CWC HRA Combined Operating Stmt
October, 2020

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-12.80	-591.42	0.00	-591.42
550-000-3690.000 Other Revenue	0.00	0.00	-22,500.00	22,500.00
550-000-3691.000 Property Tax Revenue	0.00	-403,634.27	-438,000.00	34,365.73
551-002-3610.000 RLF TIF Interest Rev	-281.03	-11,377.72	-9,308.40	-2,069.32
556-000-3696.000 Development Revenue	0.00	-107,217.68	-159,333.30	52,115.62
557-000-3696.000 TFP Revenue	0.00	0.00	-8,333.30	8,333.30
TOTAL INCOME	-293.83	-522,821.09	-637,475.00	114,653.91
EXPENSE				
550-000-4110.000 Administrative Salaries	150.00	2,850.00	3,750.00	-900.00
550-000-4130.000 Legal	140.00	949.00	8,333.30	-7,384.30
550-000-4140.000 Staff Training	0.00	0.00	1,250.00	-1,250.00
550-000-4150.000 Travel	24.15	45.44	208.30	-162.86
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	125,000.00	125,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	166.70	-166.70
550-000-4500.000 TIF Expense	0.00	54.75	500.00	-445.25
550-000-4510.000 Insurance	0.00	1,579.00	1,750.00	-171.00
550-000-4540.000 Employer FICA	11.48	218.03	291.70	-73.67
550-000-4590.000 Other General Expense	0.00	23,034.40	118,333.30	-95,298.90
550-001-4600.000 CWC SCDP Expense	0.00	10,000.00	22,500.00	-12,500.00
556-000-4600.000 Development Expense	1,283.60	107,225.74	159,333.30	-52,107.56
557-000-4600.000 TFP Expense	0.00	2,322.70	8,333.30	-6,010.60
TOTAL EXPENSE	14,109.23	280,077.81	456,549.90	-176,472.09
NET INCOME(-) OR LOSS	13,815.40	-242,743.28	-180,925.10	-61,818.18



**Crow Wing County HRA
October 2020 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
758	44113	Eric Charpentier	CREDI Meeting Mileage	\$ 23.00
760	44113	John Schommer	Chamber Mileage	\$ 1.15
23567	44112	Kennedy & Graven, Chartered	CREDI Conflict Issues & Brainerd Oaks/Serene Pines Legal Fees	\$ 1,423.60
Total				\$ 1,447.75



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehabilitation Coordinator
 Date: November 2, 2019
 Re: Approve Using Local Income for Garrison and Jenkins SCDP Preliminary Proposals

The Minnesota Department of Employment and Economic Development (DEED) provides rehabilitation grants for low to moderate income housing, mixed use, and commercial properties through their Small Cities Development Program (SCDP). A preliminary proposal is due in November and ranked according to their criteria. If deemed competitive or marginally competitive, we will be invited to submit a full application in February.

Mayor John Lubke, City of Jenkins, contacted us regarding the City's interest in the Small Cities Development Program (SCDP). Since Jenkins is ranked fourth in our CWC Housing Conditions Survey, I contacted the City of Garrison to see if they had interest in submitting a preliminary proposal as they are ranked second in the survey. Garrison also was interested in submitting a preliminary proposal. Given the sizes of the cities, I decided to submit a preliminary proposal for both cities.

In the past, we have supported rehab initiatives with leverage dollars from our Local Income that we receive each year from the repayment of previous rehab loans. The preliminary proposals are due on November 17th and to make them more competitive, I am requesting \$10,000 for the City of Jenkins and \$10,000 for the City of Garrison from Local Income. Our current available fund balance is \$35,491.60 and we will be receiving an additional \$32,789.97 for this last year.

Action Requested: Approve allocating \$10,000 to the City of Garrison and \$10,000 to the City of Jenkins from SCDP Local Income for leverage if the grants are received.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: November 10, 2020
Re: Executive Director Report

Housing Trust Fund Update

We are currently refining our strategy with Minnesota Housing Partnership (MHP) and our specific ask for technical assistance is to have help in drafting documentation to get our Housing Rehab Program ready for roll out. We have also had a discussion with MHP's marketing coordinator on how best to market the program in and throughout the County. Our aim is to recruit a viable candidate or candidates to the rehab program before we start marketing the additional programs. I have also reached out to a developer about the potential for a multi-family housing development to gauge interest. I will also be touring properties in the Breezy Point area with the city administrator to get a feel for the community and what opportunities there are for development in Breezy Point.

Action Requested: No action needed; for informational purposes only.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: November 4, 2020
 Re: 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	Substantially Complete
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	In Construction
419 3 rd Ave. NE	Mary & Richard M.	Rental	3	Backed Out/Canceled
726 4 th Ave. NE	John G.	Rental	3	In Work Write-up
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	Bidding
414 3 rd Ave. NE	Select Rental Properties	Rental	1	Contract Phase
206 Gillis Ave. NE	Herbert & Robin J.	Owner-occupied	1	Bidding
721 2 nd Ave. NE	Darin K.	Owner-occupied	1	Bidding

Emily SCDP

- » 6 owner-occupied projects are complete
- » 2 projects are in construction
- » 1 application is being processed

MHFA

- » 1 project is in construction
- » 1 project is in work write-up
- » 1 application is in process

BRAINERD OAKS/SERENE PINES/DALMAR ESTATES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	47	44	0	8
Serene Pines	23	14	12	0	1
Dalmar Estates	7	1	1	0	0

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



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BLAEDC Traditional Work Report for Crow Wing County HRA



Date Range: 10/1/2020 - 11/1/2020

Project	G Project	Task	Employee	Date	Comment	Hours	Amount
Crow Wing County HRA							
		CWC HRA-Blight Dev	Blighted Projects Development			13.50	\$2,025.00
			Tyler Glynn			13.50	\$2,025.00
				10/6/2020	Review of commercial properties in the city of Pequot that city staff feel are blighted to determine a plan for the city on how to address these properties with the city and the property owners for possible redevelopment or demolition.	2.00	\$300.00
				10/12/2020	Phone and email communication with Crosby city administrator about blighted property that is being considered for a new hotel.	1.00	\$150.00
				10/15/2020	TG met with city admin in Nisswa regarding a blighted building and options for a new buyer to demolish building and rebuild. Looked at building with agent listing property that has been listed for a long time. Agent to communicate w/BLAEDC regarding future of property if an offer comes in.	2.00	\$300.00
				10/19/2020	email and phone calls w/Brainerd property owner regarding blighted property that he owns. Discussion to determine best course of action for building.	1.50	\$225.00
				10/23/2020	Grant discussions w/eligible businesses in Crow Wing County, multiple conversations surrounding the need for these funds to keep businesses from closing in our area during the winter months.	2.50	\$375.00
				10/26/2020	Meeting w/county comm and staff regarding round 2 eligibility of businesses for CARES Act grants.	2.00	\$300.00
				10/27/2020	communication w/city staff regarding blighted property in Ironton and discussion w/IRRRB representative around assistance for demolition costs.	1.50	\$225.00
				10/29/2020	phone call w/Emily Mayor to discuss options for blighted property in Emily and if there are any funds available to assist current property owner to demo building.	1.00	\$150.00
					<i>Blighted Projects Subtotal</i>	13.50	\$2,025.00
		CWC HRA-Redev Mtgs	Redevelopment Projects Meetings			38.50	\$5,775.00
			Tyler Glynn			38.50	\$5,775.00
				10/2/2020	Meeting w/business owner in Brainerd regarding existing property that is listed for sale and options to redevelop for purpose of leasing to new tenant. Toured property as well	2.00	\$300.00
				10/5/2020	Meeting and tour of Breezy Point property to review options for redevelopment as well as financing options	2.00	\$300.00
				10/7/2020	Meeting w/owner of Crosslake commercial location. Owner has been approached by local business owner about leasing location, but current owner needs to redevelop to fit needs of potential tenant to discuss changes and if money if available to assist.	1.50	\$225.00



BLAEDC Traditional Work Report for Crow Wing County HRA



Date Range: 10/1/2020 - 11/1/2020

<i>Project G Project</i>	<i>Task</i>	<i>Employee</i>	<i>Date</i>	<i>Comment</i>	<i>Hours</i>	<i>Amount</i>
Crow Wing County HRA						
			10/8/2020	R2R meeting, discussions related to property located in the R2R corridor in downtown Brainerd.	1.00	\$150.00
			10/9/2020	Zoom meeting w/Kraus Anderson real estate team to discuss county wide redevelopment opportunities as well as Housing Trust Fund and deeper review and discussion regarding 2019 Housing study	2.00	\$300.00
			10/12/2020	Emily City Council meeting to discuss commercial property in Emily and the needs of the city regarding redevelopment and housing. Further discussions will be held in person, city staff will provide current inventory to TG for review and suggestions moving forward	1.50	\$225.00
			10/13/2020	Speaking w/developer who is looking to redevelop old hotel site in Crosby - CWC HRA board meeting	4.00	\$600.00
			10/14/2020	Meeting w/interested investor regarding building located on Washington St., Brainerd. Building is currently partially occupied. Investor wants to purchase building for redevelopment. Email and phone calls with investor.	2.00	\$300.00
			10/15/2020	Meeting w/potential buyer and realtor regarding large commercial property in Brainerd. New buyer would redevelop property to fit his business needs. This is preliminary discussion.	2.50	\$375.00
			10/16/2020	Additional meeting w/investor regarding Wash St building.	1.50	\$225.00
			10/19/2020	Detailed relocation and housing shortage discussion with city of Brainerd, Baxter city administrators and visit Brainerd staff to work through a plan to address the housing shortages in Crow Wing County.	2.00	\$300.00
			10/20/2020	Pequot Lakes EDC meeting where TG shared updates on CARES Act funding for local businesses. Discussion w/EDC staff regarding housing study and trust fund to assist PL staff in redeveloping commercial property for housing development.	2.50	\$375.00
			10/21/2020	Meeting w/local investor about redevelopment of existing property located in unorganized territory for new housing development. Also, TG, MB met with YMCA ED regarding redevelopment plans for Brainerd Y to possibly include housing.	3.00	\$450.00
			10/22/2020	Emails and zoom meeting to discuss facility study for redevelopment opportunities in Brainerd, primary discussion was the land the Y sits on and adjacent lots that are available for redevelopment.	2.00	\$300.00
			10/26/2020	email and phone calls w/investor regarding Wash St property and lease opportunities and detailed plans for redevelopment.	2.00	\$300.00
			10/28/2020	Tour of redeveloped property in downtown Pequot Lakes with planning and zoning specialist and building owner.	2.50	\$375.00
			10/29/2020		1.00	\$150.00



BLAEDC Traditional Work Report for Crow Wing County HRA



Date Range: 10/1/2020 - 11/1/2020

<i>Project G Project</i>	<i>Task</i>	<i>Employee</i>	<i>Date</i>	<i>Comment</i>	<i>Hours</i>	<i>Amount</i>
Crow Wing County HRA						
			10/30/2020	Phone call w/potential buyer for Deerwood building and the need to redevelop site to fit needs for new buyer Zoom meeting w/firm representing Potlatch regarding land owned by company for possible redevelopment and need by the city for appropriate use of land. Discussion w/firm stating that housing needs are greatest needs in county. Phone call w/potential buyer, listing agent to discuss building options.	3.50	\$525.00
<i>Redevelopment Projects Subtotal</i>					<i>38.50</i>	<i>\$5,775.00</i>
Crow Wing County HRA Subtotal					52.00	\$7,800.00
Grand Total					52.00	\$7,800.00



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