



BOARD OF COMMISSIONERS MEETING
Wednesday, December 18, 2019 @ 1:00 p.m.
Brainerd Housing & Redevelopment Authority (HRA) Administrative Office
324 East River Road | Brainerd, Minnesota

“Our mission is to provide affordable housing and redevelopment opportunities to strengthen our neighborhoods and community.”

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Reading and Approval of Minutes** (*Attachment 1*)
- 4. Unfinished Business**
 - a. Discussion on Search for Executive Director: Gary Weiers, DDA (*Attachment 2*)
- 5. New Business**
 - a. Accounts Receivable Write-off (*Attachment 3*)
 - b. Fund Balance Review and Discussion (*Attachment 4*)
 - c. Approve Lease Subsidy Agreement with Minnesota Makerspace, LLC (*Attachment 5*)
 - d. Consider Tax Forfeited Property Assignment Request (*Attachment 6*)
- 6. Bills and Communications**
 - a. Financial Report (*Attachment 7*)
 - b. HCV/Section 8 Report (*Attachment 8*)
 - c. Public Housing Report Executive Director (*Attachment 9*)
 - d. Executive Director Report (*Attachment 10*)
 - e. Rehab Update (*Attachment 11*)
- 7. Commissioner Comments**
- 8. Adjourn**

Next Meeting: Wednesday, January 22, 2020

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Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, November 20, 2019

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 2:00 p.m., Wednesday, November 20, 2019, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. CALL TO ORDER: Chair Marlee Larson called the meeting to order at 2:00 p.m.

2. ROLL CALL:

Board members present: Chair Marlee Larson and Commissioners Gabe Johnson, Bekah Kent, Patrick Wussow, and Ashley Storm. **Others present:** Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Shannon Fortune, Rental Assistance Manager Tania Eller, and Finance Assistant Roberta Piekarski; and Interim City Administrator Jim Thoreen. **Absent:** Eric Charpentier and Krista Brodal.

3. READING AND APPROVAL OF MINUTES:

Commissioner Johnson moved to approve the minutes as amended from October 23rd.

Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

4. UNFINISHED BUSINESS: Nothing to report.

5. NEW BUSINESS:

a. Approval of 2020 Budget:

Moved by Commissioner Johnson and seconded by Commissioner Storm to adopt the 2020 General Fund, Housing Choice Voucher and Bridges budgets. All commissioners voted in favor of the motion and none were opposed. The motion passed.

Commissioner Johnson moved to adopt the 2020 Public Housing budget by approving Resolution No. 2019-08 PHA Board Resolution Approving Operating Budget, seconded by Commissioner Kent. Via roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.

b. Adoption of Resolution No. 2019-09, Approval of Cash Management Policy Revision:

Included in this Cash Management Policy are the Cash Receipts Policy and Procedures. Based on the recommendation of the HUD field office, staff proposed to transition to a no cash policy effective January 1st. The recommendation was based on multiple factors, including physical safety, audit concerns, insurance liabilities, and is in line with industry standards related to rent payment. To help facilitate this transition, staff will hold a meeting to help residents understand their options for rent payment, including automatic payment, and invite representatives from local

banks for residents that may not yet be connected with a bank. The handbook will be updated with this information as well, which will require a 30-day comment period for residents.

Commissioner Kent moved to approve Resolution No. 2019-09 revising the Cash Management Policy, seconded by Commissioner Wussow. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.

- c. **Approve Resolution No. 2019-10, Adopting the Housing Choice Voucher Program Administrative Plan:** Staff receives annual revisions to bring current all recent HUD requirements and guidance. Changes relating to regulation language and punctuation were made in the plan, which was posted to the agency website for review, but there were no policy changes made.

Commissioner Wussow moved to approve Resolution No. 2019-10 adopting the Housing Choice Voucher Program Administrative Plan, seconded by Commissioner Kent. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.

6. **BILLS AND COMMUNICATIONS**

- a. **Financial Report:** Young met with Bremer this month to discuss the investment options per their RFP package. The HRA is opening a savings account to complement the operating checking account. A minimum balance will be kept in the checking account to reduce fees and maintain the balance in the savings account to maximize interest earnings. Staff anticipates incurring some fees at year-end, but the goal is to maximize our earnings at a greater rate in the savings account.

Commissioner Wussow moved to approve the payments as presented. Commissioner Johnson seconded the motion. All commissioners were in favor of the motion and none were opposed. The motion was approved.

- b. **HCV/Section 8:** Eller reported that UML through October was 98% and HAP utilization through October was 86%.
- c. **Public Housing Report:** Jim Kozinski was hired to fill the North Star caretaker position effective November 1st.

ROSS Program Updates

Warner spent time with the maintenance staff doing follow-up inspections in scattered site units so he could introduce himself, talk about the ROSS program, and be available for families that had questions or were struggling with the annual inspection process. He enrolled two new households in the program. In October, the second in a series of nutrition-related seminars was held in conjunction with the Senior Nutrition Assistance Program food box distribution and eight tenants participated. Monthly participation in the Senior Nutrition Assistance Program ranges between 25–30 tenants. The program can continue so long as at least 20 tenants participate on a monthly basis. Fortune had hoped to present a statistical review of the recent six-month program report submitted to HUD at the end of October for the period of 3/18/2019–9/17-2019; however, there was a problem with getting the cumulative data from the HUD inForm system. She and Warner are waiting for guidance on how they can retrieve summary data and hope to have the information ready for the December Board meeting.

d. Executive Director Report:

Homeless Shelter Discussion

A group of partners and parishioners throughout the county have convened several meetings and focus groups to discuss the concerns of the homeless population in Crow Wing County. With the exit of New Pathways, there has been a gap in services. Bergman attended a meeting on November 4th in which the group discussed the need for a short-term solution and a long-term solution. Several community partners have agreed to work together to begin discussions and to form a plan to address the issues.

NDC Enterprise Academy

The Initiative Foundation received a \$273,000 grant from the Department of Employment and Economic Development (DEED) to implement the Enterprise Academy Program, which will provide tools and support to prepare low-income and minority business owners to succeed. Jeff Wig is convening a stakeholders meeting on Friday, November 22nd, to help the Initiative Foundation plan the expansion of the Enterprise Academy program in downtown Brainerd.

Housing Trust Fund

Staff is working on an ordinance for the Housing Trust Fund. The intention is to have a draft to the Crow Wing County HRA Board in December, present the ordinance to the County Board at a Committee of the Whole meeting in January, and have the ordinance adopted in January.

Destination Downtown

The three finalists for the Destination Downtown Business Challenge were announced: Crow Wing Food Co-op, Loide' Oils & Vinegars, and Minnesota Makerspace. You can view finalist and voting info on the website, www.downtownbrainerd.org. Also, the Chamber is using the new Destination Downtown Brainerd Facebook page to share contest info, previews, voting updates, etc. WSN's outstanding finalist videos have been posted and the Brainerd Dispatch ran a story. The voting took place from midnight to midnight, November 11–15.

Upcoming Resignation

Bergman reported that she applied for the city administrator position at the City of Brainerd. She was one of the five finalists, interviewed on November 19th, and was ultimately selected for the position. She will give a 30-day notice once negotiations have been finalized and a contract has been signed. The Board asked that Bergman also inform the Crow Wing County HRA and Crosby HRA boards.

Thoreen congratulated Bergman and pledged to be around until she is comfortable and he is not needed.

Bergman encouraged the Board to consider looking at using a consultant to assist in the job search. The City of Brainerd used David Drown and Associates and were pleased with their work. The Board discussed the possibility of requesting funding from Sourcewell to offset the consultant fees. They also asked for a recommendation on an interim executive director. Chair Larson added that although her term ends this year, she would like to continue serving on the board and will see the staff change through.

e. **Rehab Update:** Schommer reviewed his report and shared that there were not enough interest letters received from owner-occupied properties in the City of Pequot Lakes, so he will not be able submit the preliminary proposal. However, there were three people who may qualify for a MHFA loan, so he will follow-up with them. Garrison is the next logical city to explore interest for the SCDP program.

7. **Commissioner Comments:** The Board asked for an end-of-year report on staff time spent on Crow Wing County HRA.

8. **Adjournment:**

Moved by Commissioner Johnson and seconded by Commissioner Storm, the meeting was adjourned to the Celebration of Excellence Masquerade, A Night of Magic & Mystery to be held at 5:00 p.m. on November 21, 2019, at Cragun's Resort, 11000 Cragun's Drive, Brainerd, MN 56401.

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, December 5, 2019

A special meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 9:00 a.m., Wednesday, December 5, 2019, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 9:00 a.m.
2. **ROLL CALL:** Chair Marlee Larson and Commissioners Gabe Johnson, Eric Charpentier, Patrick Wussow, and Ashley Storm. **Others present:** Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz. Kris Schubert. **Absent:** Krista Brodal and Bekah Kent.
3. **UNFINISHED BUSINESS:** Nothing to report.
4. **NEW BUSINESS:**
 - a. **Appoint Interim Executive Director:** Bergman gave her 30-day notice to the Board and will be sending out a letter of resignation. She recommended appointing an interim executive director.

Moved by Commissioner Johnson and seconded by Commissioner Storm to appoint Karen Young as interim executive director. All commissioners voted in favor of the motion and none were opposed. The motion passed.
 - b. **Authorize DDA Contract:** Bergman reviewed the proposal and the tentative timeline provided by DDA. The Board had a discussion about the details of the timeline.

Moved by Commissioner Wussow and seconded by Commissioner Johnson to authorize the execution of the DDA contract for \$13,000. All commissioners voted in favor of the motion and none were opposed. The motion passed.
 - c. **Select Subcommittee:**

Moved by Commissioner Wussow and seconded by Commissioner Johnson to select Commissioners Larson and Charpentier along with Young to serve on a subcommittee that will assist with the hiring process. All commissioners voted in favor of the motion and none were opposed. The motion passed.
5. **Adjourn:**

Commissioner Charpentier moved to adjourn the meeting at 9:37 a.m., seconded by Commissioner Johnson. All commissioners voted in favor of the motion and none were opposed. The meeting was adjourned.

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Faribault, MN 55021
(612) 920-3320 x109 | fax: (612) 605-2375
gary@daviddrown.com
www.ddahumanresources.com

December 11, 2019

Karen Young
Brainerd HRA
324 East River Road
Brainerd, MN 56401

Dear Ms. Young,

DDA Human Resources Inc. greatly appreciates the opportunity to work with the Brainerd HRA on facilitating the hiring process for your next Executive Director. Our professional service delivery process will ensure a favorable outcome for the HRA Board.

I look forward to meeting with the Board on December 18th to discuss the following items:

1. Review search process
 - a. Draft timeline is attached. This is unchanged from the proposal.
 - b. Involvement of Crosby and Crow Wing County
2. Review preferred attributes and qualities that are important for the person holding the position.
3. Review organizational goals and upcoming major projects the organization is engaged in.
4. Review job description
 - a. A draft with notes is attached
5. Review salary range
 - a. Subcommittee recommends a salary range of \$85,000 to \$105,000.
6. Determine process for approving position profile
 - a. This will not require a special meeting of the Board unless the Board chooses to have one for this purpose
7. Answer questions from the Board

I look forward to discussing these items and others with the Board and moving forward with the hiring process.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Gary Weiers".

Gary Weiers
Management Consultant

Attachments

- Draft Timeline
- Executive Director Discussion Guide
- Draft Job Description with Notes
- Service Proposal



**Brainerd HRA
Executive Director Recruitment Timeline**

ITEM	TASK	COMPLETION DATE
Decision by Board to proceed		December 5, 2019 Special Meeting
Information gathering	<ul style="list-style-type: none"> ◆ Gather all pertinent background information ◆ Gather salary information and review or develop job description ◆ Meet with members of the Board 	December 10, 2019
Professional profile	◆ Develop position profile and advertisement	December 23, 2019
Approve position profile	◆ HRA approves profile, job description, salary range, and hiring process	December 30, 2019 Special Meeting
Candidate recruitment	<ul style="list-style-type: none"> ◆ Post position upon approval of profile ◆ Comprehensively advertise ◆ Email and phone calls to prospective candidates 	January 6, 2020– February 3, 2020
Screening of applicants	DDA will review and rank applicants based on job related criteria and select semifinalists	February 4, 2020
Selection of finalists	<ul style="list-style-type: none"> ◆ DDA selects finalists for interviews ◆ DDA will notify candidates not selected as finalists 	February 6, 2020
Background check of all finalists selected for interviews	<ul style="list-style-type: none"> ◆ Includes: <ul style="list-style-type: none"> • Criminal background: county, state, national • Sex offender registry • Social Security number verification • Employment and education verification • Motor vehicle and credit check • Employment reference checks 	February 20, 2020
Personality Index	DDA will administer a work-related personality index to all semifinalists.	February 20, 2020
Finalist Packet	DDA will provide the Board information including: <ul style="list-style-type: none"> • Summary of references • Results of background checks • Personality index reports • Video interview • Resumes, etc. 	February 20, 2020
Interviews	DDA will prepare all interview materials and be present at all interviews and other functions. It is recommended that interviews be at a special meeting	February 26, 2020
Decision	Board will select candidate for offer	February 26, 2020
Offer and agreement	DDA will negotiate agreement with selected person	February 27, 2020
Projected start date	New Executive Director begins	March 23, 2020
Follow up	DDA will follow up periodically with the new Executive Director	March 2021

Executive Director Discussion Guide

The Executive Director position continues to evolve and change to meet growing demands and more challenging public policy realities. Challenging budgetary issues, legislative directives, and economic conditions have intensified the need for high-quality public-sector leadership. This document is designed to assist in the discussion about the current vacancy and help shape an overall direction prior to advertising the position.

Executive Director Attributes

The list of attributes for a leadership position can be grouped into four broad categories: Cognitive, Social, Business and Strategic. They are listed below with some attributes in each category. Please review and contemplate the attributes that are most important for the Executive Director.

<p>Cognitive</p> <ul style="list-style-type: none"> • Intelligence • Critical thinking • Creative thinking • Ability to learn • Simple problem-solving skills 	<p>Social</p> <ul style="list-style-type: none"> • Communication skills • Persuasion/negotiation skills • Collaboration skills • Team building skills • Approachable • Sense of humor
<p>Business</p> <ul style="list-style-type: none"> • Financial management skills • Organizational management skills • Personnel management skills 	<p>Strategic</p> <ul style="list-style-type: none"> • Systems level awareness • Visioning skills • Complex problem-solving skills • Organizational change skills • Innovation skills • Decision making • Delegation skills

Other considerations

What are the current challenges in the organization?

What are the current strengths of the organization?

What is your vision for the organization?

What do you dislike about what is happening in the organization?

What do you like about what is happening in the organization?

What are the priorities for the new Executive Director?

What background and experience is considered ideal for the preferred candidate?

How important is it for the Executive Director to have a significant community presence?

What qualities would an ideal Executive Director have?

What is needed to excel in the organization?

What organizational goals do you see for the short and long term?

What are the most important community and organizational assets that should be highlighted in the profile and advertisement?

Brainerd Housing & Redevelopment Authority Executive Director

Status: Full-time, Exempt
Supervisor: Board of Commissioners

Position Summary

The Executive Director is responsible for the successful leadership and management of the organization according to the strategic direction set by the Board of Commissioners.

Essential Functions

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. The omission of specific statements of duties does not exclude them if the work is similar, related or a logical assignment to the position.

- Works directly with the Board of Commissioners on the development of all policies affecting the Brainerd HRA including strategic initiatives, economic feasibility, sound business planning and management.
- Work with a variety of partners and stakeholders to address future organization strategy and positioning in the affordable housing market and redevelopment opportunities.
- Provide quality materials and staff support to the Board to enable them to maximize the effectiveness of their governance of the Agency.
- Facilitate the strategic planning and economic forecasting processes for the Board annually.
- Assure that the mission, plans and direction of the Agency is communicated to, understood by and endorsed by all Agency staff.
- Plan, direct and coordinate with senior staff the work plans for the Agency; assign projects and areas of responsibility; review and evaluate work methods and procedures; meet with staff to identify and resolve problem areas and develop alternative solutions.
- Provide for the development of new programs to serve organizational and community goals, in collaboration with community partners, local departments, state and federal agencies.
- Oversee the development, implementation and updates of Brainerd HRA programs.
- Assume responsibility for the full operations of the Agency including oversight of all federal programs administered by the Agency.
- Oversee Finance Director in preparation of annual operating budgets. Review all monthly financial, program activity, audit reports and management reviews conducted and direct necessary corrective actions. Authorize and approve all expenditures of the HRA in accordance with applicable laws and regulations.
- Develop and follow up on applications for funding of assisted housing programs from HUD.
- Prepare reports and independently represent the HRA at City Council, County Board meetings, meetings with various State and Federal Agencies, and elected officials, etc., where Agency business is being conducted or where issues of interest to the HRA are being discussed.
- Communicate with local, state, and federal officials as required and appears before appropriate boards, commissions and committees to present Agency objectives and programs; develop and maintain relationships with the Department of Housing and Urban Development (HUD), City Departments, Governmental Agencies

Commented [GW1]: Include a comment regarding overall responsibility for the agency budget.

and other public housing agencies and organizations. Assure that governmental and public relations activities create a favorable image of the Agency on a national, state and local level.

- Serve as Executive Director, through Shared Services Agreements, for the Crow Wing County HRA and the Crosby HRA.

Minimum Qualifications

Bachelor's degree in business, real estate, public administration or related field required plus eight years' experience in housing management, community development, public administration or a closely related field. Public Housing Manager (PHM) Certification and Section 8 Housing Manager Certification required, or the ability to become certified within one year of employment. National Development Council (NDC) Housing Development Finance Professional (HDFP) Certification required or the ability to become certified within one year of employment. Possession of a valid driver's license and access to reliable transportation.

Commented [GW2]: Is this a statutory requirement or agency determined?

Commented [GW3]: What is the reason for this requirement?

Knowledge, Skills and Abilities

- Knowledge of Tax Increment Financing and bonds.
- Ability to structure complex development and redevelopment deals.
- Strong organizational abilities including planning, delegating, program development and task facilitation.
- Ability to convey a vision of the Brainerd HRA strategic plan to staff, board and partners.
- Knowledge of grant writing and other fundraising strategies.
- Skills to collaborate with partners and funders.
- Strong written and oral communication skills.
- Demonstrated ability to oversee and collaborate with staff.
- Strong public speaking ability.
- Ability to demonstrate sensitivity to the problems and concerns of resident groups and the needs of special interest groups.
- Prior skills in budgeting, personnel management and public relations.
- Proven leadership ability, the skills necessary to provide management consultation, guidance and advice to officials on a broad range of public housing programs.

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing this job, the employee is required to talk, hear, have eyesight and have mobility enough to operate a variety of office machines, operate a vehicle and work in buildings with stairs and elevators. The employee frequently is required to bend/stoop, reach above shoulder level, push and pull. The employee is occasionally required to squat, crawl, climb, kneel and carry/lift up to 24 lbs.

This job description does not constitute an employment agreement or binding contract and is subject to change by the employer as the needs of the employer and requirements of the job change.

December 4, 2019

Sent via email only

Ms. Jennifer Bergman, Executive Director
Brainerd HRA
324 East River Road
Brainerd, MN 56401

Dear Ms. Bergman,

Thank you for the opportunity to submit a proposal to assist the Brainerd HRA with a search for your next Executive Director. Our firm has extensive experience with local governments, and we thoroughly understand the complexities faced by Boards in Minnesota.

The attached proposal includes several elements that set us apart in our approach to providing this service. Highlights include:

- **Knowledge:** Our firm comprehensively understands county government in Minnesota, and our consultants are former Administrators with significant experience.
- **Communication:** Gary will be on site multiple times throughout the search process and will provide weekly email updates to the Board throughout the process.
- **Brochure/Profile:** We develop a detailed, professional profile to present the organization in the most positive manner. We will use a modified version of the attached Brainerd profile.
- **Experience:** DDA has conducted more Minnesota city and county executive searches in the last five years than any other firm, by a wide margin. Because of this experience, we know a significant number of potential candidates.
- **Adherence to deadlines:** When a deadline is established, we will meet it.
- **Background check process:** Instead of doing a comprehensive background check on a single finalist, we do a comprehensive background and reference check on all finalists interviewed by the Board. This is all included in the price.
- **Individualized Approach:** We listen and customize the process to meet your individual needs- no cookie cutter approach for us.

Thank you for your consideration.

Sincerely,



Gary Weiers
DDA Human Resources, Inc.

Enclosures

DDA HUMAN RESOURCES, INC.



PROPOSAL FOR THE BRAINERD HRA **EXECUTIVE DIRECTOR SEARCH**

DECEMBER 4, 2019



CONTENTS OF THE PROPOSAL

◆ Description of the Firm	◆ Process Details
◆ Approach to the Process	◆ Fees
◆ Service Team	◆ Assurance
◆ Timeline	◆ References

DESCRIPTION OF THE FIRM

David Drown Associates (DDA) is a full-service consulting firm with more than 20 years working with local governments providing a full range of fiscal and economic development services, along with compensation and classification services and executive searches, to over 450 government clients throughout Minnesota. Over these years, we have gotten to know local government well, and we have worked hard to keep our services up-to-date to meet the ever-changing needs of our clients.

In 2013, we expanded our scope to provide human resources services — we started with executive recruitment and organizational studies and more recently added classification and compensation studies. In 2017, because of growth in our human resource service area, a new Human Resource affiliate company was created. DDA Human Resources Inc. currently employs seven individuals serving cities, counties, and special districts throughout Minnesota. The vast majority of our consultants are recent practitioners, having served as Administrators or Human Resource Managers. In addition, the scope and breadth of experience levels we bring to this project is second to none.

We take great pride in providing the best service at a fair and equitable price. We think you will find that our small company is nimble, efficient, and personable. We know and understand local government, and that will always guide our work.

APPROACH TO THE PROCESS

Our approach to this search will be to focus on finding the best fit for the Brainerd HRA. This is accomplished, first and foremost, by listening to what you are saying, understanding your goals and objectives, and building the search process off of that foundation.

After gathering background information, we comprehensively advertise the position and make sure that the posting gets into the hands of prospective candidates. In some cases, those persons are not active job seekers, so we will make every effort to find those folks through direct outreach efforts. After the posting closes, an analysis of candidates will be completed so that, when the semifinalists are presented to the HRA, you will be confident that these people are the best matches from the submitted applications.

After finalists are selected, these candidates will be fully researched, and all necessary hiring information will be available prior to the Board making a decision.

Communication with the Board is a high priority. In addition to our Consultant Gary Weiers being on site regularly, the Board will receive weekly email updates, and he will always be available for questions.

SERVICE TEAM

Gary Weiers

Gary joined DDA in 2013 and has conducted over 70 executive searches and numerous organizational studies. Gary's search work has taken him to all parts of the state. Prior to joining DDA, Gary had over 20 years of county government management experience, the last 11 years as County Administrator in Rice County. Prior to becoming Administrator, Gary served as the Social Service Department Director in Rice County and worked as a Social Service Supervisor in Mower County and Sherburne County. Gary received his bachelor's degree from the University of St. Thomas and has honed his skills by working his way up from an entry level social worker position to be the head of a \$50 million organization with over 350 employees.

In addition to conducting executive searches, Gary has done work with communities on sharing services, organizational analysis, strategic planning, and other management related work.

Gary will be the lead Consultant on this project.

Liza Donabauer

Liza came to DDA with both private and public-sector experience. With a background in construction and finance administration, her passion for public sector work led her to Wright County where she provided support to the HR Department, County Administrator, and Commissioners. While pursuing her MBA, Liza entered city management for Clearwater, Kansas, and then later moved to Arlington, Minnesota.

During her four years in Arlington as a City Administrator, Liza completed a reorganization of the administration department, developed an orientation and capital planning process for two new councils, conducted compensation studies for several departments, engaged in a strategic planning session, and took part in developing a leadership curriculum for up and coming leaders in Sibley County. Her work has centered on human resource management, strong community participation, and leadership development.

Since joining DDA, Liza has assisted with several Administrator searches as well as assisting with Compensation and Classification Studies.

Liza will assist with reference checking.

Liz Foster

Liz is an Assistant Consultant that provides support and assistance within our Human Resources Division. Since joining DDA in 2015, Liz has been involved in numerous executive searches and other HR projects.

Some of Liz's duties include community research, creating position profiles, assembling interview materials for our clients, and providing general administrative support to our consultants.

TENTATIVE TIMELINE

ITEM	TASK	COMPLETION DATE
Decision by Board to proceed		December 5, 2019 Special Meeting
Information gathering	<ul style="list-style-type: none"> ◆ Gather all pertinent background information ◆ Gather salary information and review or develop job description ◆ Meet with members of the Board 	December 10, 2019
Professional profile	<ul style="list-style-type: none"> ◆ Develop position profile and advertisement 	December 23, 2019
Approve position profile	<ul style="list-style-type: none"> ◆ HRA approves profile, job description, salary range, and hiring process 	December 30, 2019 Special Meeting
Candidate recruitment	<ul style="list-style-type: none"> ◆ Post position upon approval of profile ◆ Comprehensively advertise ◆ Email and phone calls to prospective candidates 	January 6, 2020– February 3, 2020
Screening of applicants	DDA will review and rank applicants based on job related criteria and select semifinalists	February 4, 2020
Selection of finalists	<ul style="list-style-type: none"> ◆ DDA selects finalists for interviews ◆ DDA will notify candidates not selected as finalists 	February 6, 2020
Background check of all finalists selected for interviews	<ul style="list-style-type: none"> ◆ Includes: <ul style="list-style-type: none"> • Criminal background: county, state, national • Sex offender registry • Social Security number verification • Employment and education verification • Motor vehicle and credit check • Employment reference checks 	February 20, 2020
Personality Index	DDA will administer a work-related personality index to all finalists.	February 20, 2020
Finalist Packet	DDA will provide the Board information including: <ul style="list-style-type: none"> • Summary of references • Results of background checks • Personality index reports • Resumes, etc. 	February 20, 2020
Interviews	DDA will prepare all interview materials and be present at all interviews and other functions. It is recommended that interviews be at a special meeting	February 26, 2020
Decision	Board will select candidate for offer	February 26, 2020
Offer and agreement	DDA will negotiate agreement with selected person	February 27, 2020
Projected start date	New Executive Director begins	March 23, 2020
Follow up	DDA will follow up periodically with the new Executive Director	March 2021

PROCESS DETAILS

Step 1: Information Gathering

DDA will gather and assemble background information pertaining to the organization and position. In addition, Gary will meet with Board members to discuss the position structure, candidate attributes, experience, and other important qualifications. A group meeting with staff will also take place if needed. At the same time, the job description will be reviewed, and, if needed, we will gather relevant comparative salary information for consideration by the Board. We will quickly develop a comprehensive understanding of the organization and position.

Step 2: Development of Position Profile

Based on the information received from the Board and others, DDA will develop a professional position profile that is customized to present the Brainerd HRA in the most positive manner and provides prospective candidates with meaningful information. For this position, we will use a modified version of the profile recently use for the City of Brainerd. That document is attached for your review.

Step 3: Advertisement and Recruitment

DDA will comprehensively advertise the position and make direct contact with possible candidates who are not active job seekers. Some of the places the position will be advertised include: Association of Minnesota Counties, League of Minnesota Cities, International City/County Management Association, Minnesota Association of City/County Managers, and municipal associations in Iowa, Wisconsin, North Dakota, and South Dakota. In addition, the posting will be shared with professional networks through the MN Private Schools Consortium, MN State Universities, and many other colleges and universities. Other advertising will be done through the National Association of Housing and Redevelopment Officials (NAHRO), Public Housing Authorities Directors Association (PHADA), the Council of Large Public Housing Authorities (CLPHA), and Nan McKay and Associates, Inc. Local advertising will be done as per direction from the organization. Regular communication with candidates will occur throughout the process.

The simple DDA online application process will be used unless the organization prefers to use an existing organization methodology.

Step 4: Selection

After the DDA selects finalists, DDA will complete comprehensive background screenings including criminal history, civil court history, verification of recent employment, verification of education, driver's license review, credit check, and other items. Along with background checking all finalists, DDA will check employment references on each person. In addition, DDA will administer a personality profile measuring verbal reasoning, mathematical and logical reasoning, and overall mental aptitude.

About a week prior to the final interview process, the Board will have access to each candidates application materials, video interview, background check results, reference information, a work personality report, and an intellectual profile on each person.

Early in the search process, Gary will discuss interview possibilities including staff participation options and possibilities for community involvement through a meet and greet event, interview, or other function. Prior to interviews, Gary will prepare questions and then facilitate all interviews and other activities the Board determines appropriate. Our goal is to make the process smooth and painless so the Board can focus all its energy on finding the right person for the job.

Step 5: Offer

After interviews are complete, we will assist the Board with deliberations and facilitate the offer to the selected candidate. We will negotiate the terms with the candidate based on the parameters established by the Board.

Step 6: Follow Up

DDA will make periodic contact with the new Executive Director for at least the first year of employment.

LIST OF SEARCH CLIENTS FROM THE PAST TWO YEARS

Entity	Type of Search	Entity	Type of Search
City of Staples, MN	Public Works Director	City of Scandia, MN	Administrator
Mahnomen County, MN	Administrator	City of Sleepy Eye, MN	Manager
Albert Lea HRA, MN	Executive Director	City of Albert Lea, MN	Manager
Sherburne County, MN	Administrator	City of Waseca, MN	Finance Director
Murray County, MN	Administrator	City of Plainview, MN	Public Works Director
City of Montevideo, MN	Police Chief	City of Montevideo, MN	Manager
Kitchigami Regional Library System	Director	City of Melrose, MN	Administrator
City of Dundas, MN	Administrator	City of Maple Lake, MN	Administrator/Clerk/Treasurer
Brown County, MN	Administrator	City of New Ulm, MN	Manager
City of Olivia, MN	Police Chief	City of Sleepy Eye, MN	Manager
City of Blooming Prairie, MN	Administrator	Albert Lea EDA, MN	Executive Director
City of Prior Lake, MN	Manager	Yellow Medicine County, MN	Administrator
Mower County, MN	Administrator	City of Dodge Center, MN	Administrator
City of Brainerd, MN	Community Development Director	City of Winsted, MN	Administrator
City of Springfield, MN	Manager	Todd County, MN	Coordinator
Houston County, MN	Administrator	City of Waseca, MN	Manager
Crow Wing County, MN	Human Resource Director	City of Hector, MN	Administrator
City of Wadena, MN	Administrator	City of Mountain Lake, MN	Administrator
City of Lake City, MN	Administrator	Wadena County, MN	Coordinator
City of Breezy Point, MN	Administrator/Clerk/Treasurer	Rice County, MN	Chief Financial Officer
City of Plainview, MN	Administrator	City of Redwood Falls, MN	Chief of Police
City of Faribault, MN	Administrator	City of Brainerd, MN	Administrator

In addition to the specific references listed on the following page, The Brainerd HRA is encouraged to speak with any of the entities listed above.

DDA is currently conducting searches for the Cities of New Brighton, St. James, and Kasson, Minnesota, as well as Cook, Hennepin, Isanti, and Waseca Counties.

FEES

The fee for the search process is \$13,000. This all-inclusive fee covers professional services and all expenses including travel, advertising, background checks on all finalists, etc.

Because of the exclusive partnership between DDA and Sourcewell, Sourcewell will cover \$6,500 of the cost of the search. The Brainerd HRA's share would be \$6,500.

REFERENCES

Steve Jacob

Commissioner, Winona County

Administrator Search

Phone Number: 507-534-2554

Email: sjacob@co.winona.mn.us

Jeff Docken

Commissioner, Rice County

Administrator and CFO Searches

Phone Number: 507-339-9711

Email: jdocken@co.rice.mn.us

Royal Ross

Council Member, City of Faribault

Administrator Search

Phone Number: 507-456-2932

Email: rross@ci.faribault.mn.us

Gordy Wagner

Commissioner, Pope County

Coordinator Search

Phone Number: 320-815-3211

Email: gordy.wagner@co.pope.mn.us

Sara Folsted

Administrator, Rice County

Administrator and CFO Searches

Phone Number: 507-332-6121

Email: sfolsted@co.rice.mn.us

Ed Menk

Mayor, City of Brainerd

Administrator Search

Phone Number: 218-829-7266

Email: emenk@ci.brainerd.mn.us

DDA HUMAN RESOURCES, INC.

BRAINERD POSITION PROFILE





BRAINERD MINNESOTA

POSITION: CITY ADMINISTRATOR

LOCATION: CITY OF BRAINERD, MINNESOTA

POPULATION: 13,732

2020 STARTING SALARY RANGE: \$110,988 TO \$127,649



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The Community

Nestled in the heart of the Lakes Country is the City of Brainerd, Minnesota. The City is located just north of the geographical center of the state and is the county seat of Crow Wing County. Brainerd is the principal City of the Brainerd Micropolitan Area. Brainerd is also one of the largest cities in central Minnesota and is home to 13,732 residents who enjoy all this City has to offer. In fact, 57.8% of the Brainerd population is under the age of 39 indicating a growing and vibrant community.



Brainerd was founded in 1870 when the Northern Pacific Railroad's survey determined that its Mississippi River crossing should be located there. Originally named "The Crossing," it was organized as a City three years later, and the community was given the maiden name of Ann Eliza (Brainerd) Smith, wife of the Northern Pacific's first president, John Gregory Smith. As the City grew, it attained prominence as the railroad and wood products center in north central Minnesota. Extensive railroad shops, yards, and sawmills dominated the City's industrial makeup for many years.

Today, Brainerd is known for being a vacation destination. Surrounded by lakes and wildlife, Brainerd has much to offer its residents and visitors including exceptional recreational amenities, a solid education system, top-notch healthcare, and an unbeatable quality of life.

Economic Development



The City of Brainerd partners with a number of entities that seek to help the community thrive. The Brainerd Lakes Area Economic Development Corporation (BLAEDC) is a community-driven, non-profit organization created to preserve and enhance the area's economic base by expanding business, building community, and growing jobs. The Brainerd Lakes Chamber of Commerce works to help businesses connect with people, organizations, and other businesses, advocates on behalf of business interests regarding government concerns at

the local, state, and national levels, and promotes business growth through marketing and educational programs. The City of Brainerd Economic Development Authority also works to promote economic efforts throughout the City.

The City of Brainerd is a growing and active commercial base with significant retail along the Washington Street and nearby State Highway 371 corridors. The City also owns three industrial parks encompassing 57 acres of land, much of which is shovel ready. The Burlington Northern/Santa Fe Railroad (BNSF) still operates a yard near Brainerd's downtown which recently underwent a nearly \$2 million improvement project that resulted in improvements to the face of the City while retaining its historic appeal.

The workforce in Brainerd tends to be educated, loyal, skilled, and diverse. Some of the major employers include Essentia Health, Brainerd School District, Crow Wing County, BNSF Railroad, and Ascensus.

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Education

Public education in Brainerd is provided by Brainerd Public Schools ISD 181 which enrolls over 6,334 students and just completed a Comprehensive Long Range Facilities Plan. Members of the community recently showed their support for the District by passing a \$205 million school referendum which will improve the elementary schools, Early Childhood facilities, the secondary schools and alternative education facilities, and will add a Performing Arts Center and competition size swimming pool.



Brainerd Public Schools has six elementary schools, a free public Montessori charter school, (K-6) one middle school, one high school, and three alternative programming sites. Four of the elementary schools and the high school are located in Brainerd. In 2014, all six of the District's elementary schools were awarded the National Blue Ribbon Award. Brainerd High School (BHS) is a comprehensive, public, four-year high school. The BHS South Campus houses students in 9th grade, while students in grades 10-12 are housed at the North Campus.

There are also private school options in the City of Brainerd including the Oak Street Christian School, a Seventh-day Adventist School, as well as the St. Francis of the Lakes Catholic School.

Opportunities for higher education can also be found right in the City. Central Lakes College is one of the 31 Minnesota State Colleges and Universities. It is a comprehensive community and technical college serving approximately 6,000 students per year. The Brainerd Campus dates back to 1938. A branch of the College of St. Scholastica is also located on the Central Lakes College Campus. St. Scholastica offers a variety of accelerated undergraduate and graduate degree programs.



Healthcare

Comprehensive healthcare for the whole family can be found right in the City of Brainerd. Essentia Health Brainerd Clinic, one of Essentia Health's many Catholic facilities, provides a wide range of medical specialties, as well as in-house ancillary patient-care services.

Essentia Health- St. Joseph's Medical Center is a 162-bed nonprofit community hospital with more than 1,000 employees and over 100 physicians representing 21 specialties making St. Joseph's the largest hospital in north-central Minnesota.



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Recreational Opportunities

Considered part of Minnesota's playground, the City of Brainerd is overflowing with opportunities for recreational fun.

With over 450 lakes in the Brainerd Lakes Area, folks can enjoy fishing, water sports, or just relaxing on one of the many beaches. Gull Lake is one of the largest and most popular lakes in the area. Brainerd is home to the Minnesota School of Diving where residents and visitors can spend the day scuba diving in historic mine pits that are now filled with water and full of a wide variety of fish. Brainerd is also the host of the Brainerd Jaycees \$150,000 Ice Fishing Extravaganza, the largest ice fishing contest in the world. This winter event generates over \$1 million in revenue for area businesses and over \$150,000 for area charities annually.



Outdoor enthusiasts have access to hundreds of miles of ATV trails, scenic bike routes, including the famous Paul



Bunyan State Trail, as well as many miles of horseback, hiking, and cross county skiing trails. The area also offers some of the most acclaimed and challenging Minnesota golf courses and has been rated a top fifty world golf destination. The City offers a clean, well-maintained park system for its residents and visitors where folks can enjoy camping, ball diamonds, playground equipment, hockey rinks, basketball, pickle ball, tennis courts, pavilions, and much more.

Racing fans can enjoy watching the races at the North Central Speedway or the Brainerd International Raceway, the largest speedway in the northern Midwest. This track hosts exciting races throughout the summer including the NHRA Lucas Oil Nationals.



Animal enthusiasts can visit the new Safari North Wildlife Park and view wildlife exhibits, feed animals, ride camels, or pet the animals in the barnyard petting zoo. For birdwatchers, the Northland Arboretum offers over 20 miles of trails, scenic gardens, picnic areas, and over 136 bird species frequenting the Arboretum. Hunters are also offered ample opportunity to hunt for small game, ruffed grouse, and whitetail deer.



There is no shortage of arts and culture opportunities throughout the City. Brainerd is home to The Crossing Arts Alliance, located in Downtown Brainerd, The Brainerd Minnesota Cultural Arts Series, located at Central Lakes College, and The Stage North Theatre Company, with performances at the historic Franklin Arts Center. The City is also home to the Lakes Area Music Festival which serves as a worldwide hub for connecting classical music performers and audiences. The arts community will also be enhanced

following the construction of the new Performing Arts Center.

Brainerd offers an excellent variety of dining options whether you are looking for lakeside dining and entertainment, fast food, or fine dining. Craft beer enthusiasts can find locally crafted beer in a unique and historic environment.

Brainerd also offers exciting events throughout the year including the 4th of July Celebration, Arbor Day Celebration, Bike Safety Clinic, Disc Golf Tournament, Easter Egg Hunt, Great Pumpkin Festival, Kids Fishing Clinic, and the annual Skating Party at Gregory Park.

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The Organization

The Brainerd City Council is the governing body of the City. The City boasts a progressive and stable Council that manages and controls all finances and properties of the City and its departments. Under the authority of the City's home rule Charter, they have the power and authority to make, enact, ordain, establish, publish, enforce, order, modify, amend, and repeal all ordinances, resolutions, rules, by-laws, and regulations for the governance of the City. The Administration office includes the City Administrator's office and the office of the Mayor. The Mayor is the chief executive officer for the City of Brainerd. The daily affairs of the City of Brainerd are administered through the City Administrator as the chief administrative officer of the City.



The City is fortunate to have a strong management team and good staff. The departments of the City of Brainerd work together to provide basic municipal services such as administration, finance, park maintenance and recreation programs, street maintenance, fire service, police protection, planning and development oversight, building inspections, engineering and street design, and transit services. The City owns the Brainerd Public Library and jointly owns the Brainerd Lakes Regional Airport with Crow Wing County. The airport features commercial air service, general aviation, hangar space, and available land for private hangar construction and aviation-related business development. The Brainerd Public Utilities is under the direction of the Public Utility Commission. The Commission is governed by the City Council.

Organizational Chart



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Budget Information (Includes General, Public Safety, Parks & Recreation, and Streets)

	2017 Actual	2018 Actual	2019 Budget
REVENUES			
Property Taxes	2,078,595	2,298,862	2,674,021
Other Taxes	289,138	305,175	265,500
Intergovernmental	4,639,521	4,828,894	4,862,007
Charges for Services	884,550	883,523	906,459
Licenses & Permits	391,487	538,283	492,015
Fines & Forfeits	175,813	211,354	148,000
Special Assessments	46,971	63,351	39,400
Interest	10,759	12,304	10,000
Other Revenue	886,766	1,006,952	916,683
TOTAL REVENUES	9,403,600	10,148,698	10,314,085
EXPENDITURES			
General Government	2,134,642	2,258,922	2,660,836
Police	3,293,376	3,509,695	3,786,840
Fire	1,001,259	1,007,837	1,050,505
Misdemeanor Prosecutor	190,689	190,731	192,940
Animal Control	58,191	46,878	71,860
Parks—all programs	1,037,069	1,105,500	1,126,444
Street	908,303	1,126,600	1,009,696
TOTAL EXPENDITURES	8,623,529	9,246,162	9,899,121
OTHER SOURCES (USES)			
Transfer In (Out)	(752,616)	(415,246)	(399,964)
Other Sources (Uses)	-	-	-
TOTAL OTHER SOURCES (USES)	(752,616)	(415,246)	(399,964)
EXPENDITURES AND OTHER SOURCES (USES)	27,456	487,290	15,000
Fund Balance—Jan 1st	3,518,940	3,546,395	4,033,685
Fund Balance—Dec 31st	3,546,395	4,033,685	4,048,685
<i>Unassigned—Dec 31st</i>	<i>3,475,845</i>	<i>3,861,936</i>	
EXPENDITURES			
Personnel Services	6,060,777	6,334,650	6,792,633
Supplies	361,990	439,636	447,800
Services	1,756,231	2,023,033	2,201,657
Other	444,531	448,843	457,031
TOTAL EXPENDITURES	8,623,529	9,246,162	9,899,121

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Administrator Core Duties

- ◆ Serves as chief administrative officer of the City; administers policies and directives of the Council.
- ◆ Coordinates activities of the City Council and keeps Council members informed; prepares agendas and supporting materials for Council meetings and makes presentations and recommendations; attends Council meetings.
- ◆ Advises the Council of financial conditions and current and future City needs; prepares a variety of studies, reports, and related information for decision-making purposes.
- ◆ Prepares, presents, and administers the annual budget and capital improvement plan; directs short and long term strategic and financial planning processes.
- ◆ Manages and supervises City departments and operations to achieve goals and objectives within available resources established by the Council.
- ◆ Oversees and coordinates the establishment and implementation of economic development policies and programs; participates in determining and recommending priorities for community development programs including tax increment financing, revolving loan fund, etc.
- ◆ Administers all personnel policies and actions; recommends and/or participates in hiring employees; directs the evaluation of employee performance.
- ◆ Represents the Council in negotiations with the City's recognized bargaining units and oversees contract administration.
- ◆ Interprets and enforces local, state, or federal laws, ordinances, policies, and rules related to local government; prepares ordinances, resolutions, and policies for Council approval.
- ◆ Supervises purchasing for the City including the collection of estimates, quotations, and sealed bids; approves purchases and recommends the award of contracts.
- ◆ Represents the City at meetings and official functions as appropriate.
- ◆ Responds to concerns, issues, complaints, and questions from the public and employees; mediates disputes and resolves issues as appropriate.
- ◆ Performs other duties as assigned or apparent.



Desired Attributes

- ◆ Be highly motivated and enthusiastic.
- ◆ Be a proven manager who has well developed organizational management skills and abilities.
- ◆ Understand governing board processes, and be able to successfully achieve organizational outcomes within that framework.
- ◆ Be a skilled negotiator.
- ◆ Have the ability to enhance organizational relationships that bring people together around common goals.
- ◆ Be skilled in team development.
- ◆ Understand and appreciate the value and importance of downtown vitality in a medium sized community.
- ◆ Understand public finance and budgeting.
- ◆ Demonstrate listening skills by understanding and appreciating other opinions and perspectives.
- ◆ Be a uniter.
- ◆ Have the ability to strategically and appropriately delegate.
- ◆ Be open to input from leadership staff.
- ◆ Be open and honest in all interactions with customers, staff, and Councilors.
- ◆ Have impeccable character.
- ◆ Have a customer service orientation.
- ◆ Be self-confident.
- ◆ Be patient.
- ◆ Have a thick skin.
- ◆ Understand, appreciate, and value the unique characteristics and qualities of the Brainerd community.



Goals & Priorities

- ◆ Continue with implementation and maintenance of the pay for performance compensation system.
- ◆ Help oversee planned facility improvement projects at City Hall and other City properties.
- ◆ Assist the Council and other boards with prioritization of park improvement and development projects throughout the City.
- ◆ With the Council, build upon established organizational priorities.
- ◆ Help the staff and Council roll out goals established in the soon to be completed comprehensive plan.
- ◆ Assist with planning efforts pertaining to riverfront development.
- ◆ Devote time and energy to the development of relationships with the Council, staff, and community groups and organizations.



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Position Announcement

City Administrator: City of Brainerd, Minnesota

2020 Starting Salary Range: \$110,988 to \$127,649

Nestled in the heart of the Lakes Country is the City of Brainerd, Minnesota. Brainerd is one of the largest cities in central Minnesota and is home to 13,732 residents who enjoy all this City has to offer.

Qualifications for the position include a bachelor's degree in Public or Business Administration, or related field, and five years of management and supervisory experience in a governmental agency. Desired qualifications include a master's degree in Public or Business Administration, or related field, and demonstrated experience with strategic planning.

The position profile is available at: <https://www.ddahumanresources.com/active-searches>.

To apply, go to <https://daviddrown.hiringplatform.com/32305-brainerd-city-administrator/85164-application-form/en>, and complete the process by October 15, 2019. Finalists will be selected on November 4, 2019, and final interviews are scheduled for November 18 and 19, 2019.

Please direct questions to Gary Weiers at gary@daviddrown.com or 612-920-3320 x109.



DDA

Human Resources, Inc.
a David Drown Associates Company

DDA Human Resources, Inc.

Faribault Office

1327 Merrywood Court

Faribault, MN 55021

Phone: 612-920-3320 x109

Fax: 612-605-2375

gary@daviddrown.com

www.ddahumanresources.com

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To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: December 11, 2019
Re: Accounts Receivable Write-off

Per Brainerd HRA policy, when an account remains unpaid for 90 days following the tenant's move-out date with no repayment activity, the Finance Director shall obtain approval from the Board of Commissioners to write off those accounts. As such, we are requesting the approval to write off all balances outstanding at 12/31/2019 in Public Housing Accounts Receivable that remain unpaid 90 days following the tenant's move-out date. When feasible, these balances will be filed with the State of Minnesota for collection through the Revenue Recapture process. This process allows Housing Authorities to collect outstanding balances through any state return that the tenant is entitled.

Action Requested: A board motion is required to write off uncollectible Accounts Receivable for 2019.

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To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: December 12, 2019
Re: Fund Balance Review and Discussion

The Fund Balance Policy establishes the following classifications for governmental funds:

1. **Nonspendable** – fund balance not expected to be converted to cash such as inventory or prepaid expenses.
2. **Restricted** – fund balance with constraints from an external source such as the City Revolving Loan funds.
3. **Committed** – fund balance constrained for a specific purpose by the HRA Board prior to year-end, such as the Housing Rehab (HR) funds committed by the Board.
4. **Assigned** – fund balance that is intended for a specific purpose by the Board, Executive Director or Finance Director. These funds are neither restricted nor committed, such as Downtown Redevelopment assigned by the Board.
5. **Unassigned** – General Fund balance that is available for any purpose.

The Board set the recommended unassigned fund balance to be maintained at eight to 10 months of General Fund operating expenses for the year.

The Board currently has funds committed for Housing Rehab and the Scattered Sites Replacement Program (SSRP). Staff recommends that we continue to commit funds to Housing Rehab but not SSRP at this time. The SSRP has been underutilized for the past two years and we are recommending a different use of those funds. We will still have this policy in place if there is a need for this program in the future.

It is recommended that the Board take action to commit funds for Housing Rehab, as it is a GASB 54 requirement that the Board commitments be established prior to year-end. The amount of the commitment will be determined after year-end when the calculation can be finalized.

The Board also has funds assigned for Downtown Redevelopment. Changes to assigned fund balance can be made after year-end and staff recommends the Board assign funds for Housing and Redevelopment Initiatives after year-end when the calculation can be finalized.

Action Requested: Approve Resolution No. 2019-11 to remove the commitment of funds for the Scattered Site Replacement Program (SSRP) and commit funds for Housing Rehab in an amount to be determined in the subsequent period after year-end financial statements are finalized.

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2019-11

RESOLUTION COMMITTING THE BRAINERD HRA FUND BALANCE.

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54, establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, the Governing Board is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; and

WHEREAS, the committed fund balance classification reflects amounts subject to internal constraints self-imposed by the Governing Board; and

WHEREAS, once the committed fund balance constraints are imposed, it requires the constraint to be removed by the Governing Board prior to redirecting the funds for other purposes; and

WHEREAS, the Governing Board has determined to commit funds in an amount to be determined in the subsequent period for Housing Rehab and to remove the commitment of funds for the Scattered Site Replacement Program (SSRP); and

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd agrees to commit funds in accordance with GASB Statement No. 54 and Board Policy as directed by the Committed classification and cannot be used for purposes other than directed above, unless the Governing Board adopts another resolution to remove or change the constraint.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd on this 18th day of December, 2019.

Chair

ATTEST:

Executive Director



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To: Brainerd HRA Board Members
From: Jennifer Bergman, Executive Director
Date: December 12, 2019
Re: Approve Lease Subsidy Agreement with Minnesota Makerspace, LLC

In 2017, the Brainerd Lakes Chamber of Commerce, in conjunction with Range Deluxe and several community partners, created the Destination Downtown Brainerd competition. The purpose of the program was to provide an incentive for a business to locate downtown Brainerd. We held the third and final competition in 2019 and decided to select three winners: grand prize, first runner up and second runner up. The Board agreed to provide a lease subsidy for all three finalists: \$8,000 for the grand prize winner and \$6,000 for runners up.

Minnesota Makerspace, LLC, was a runner up and the Brainerd HRA's contribution to this prize package was a lease subsidy for 50% of the rent or \$6,000, whichever is less, for one year. Minnesota Makerspace has chosen to locate their business at 217 South 7th Street owned by Pueringer Investments. The rent is \$1,600 monthly and the lease begins on January 1st, 2020.

The Brainerd HRA will provide a forgivable loan of up to \$6,000 at zero percent interest. The loan will be forgiven 20% per year and completely forgiven after five years. The Brainerd HRA will pay the subsidy directly to the property owner in the amount of \$500 per month.

Action Requested: Adopt Resolution No. 2019-12, approving a loan agreement between the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, and Minnesota Makerspace, LLC.

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FORGIVABLE LOAN AGREEMENT

This Forgivable Loan Agreement (“Agreement”) is made this 18 day of December, 2019, between Minnesota Makerspace, a Minnesota limited liability company ("Borrower") and Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota ("Lender").

RECITALS

A. In consideration for the loan contemplated by this Agreement, Borrower is executing and delivering to Lender this Forgivable Loan Agreement.

B. Lender agrees to loan to Borrower in the form of a lease subsidy the principal amount of up to \$6,000 (the “Loan”) to pay a portion of the rental payments made by the Borrower to its landlord, Pueringer Investments (the “Landlord”), to reimburse the Landlord for making certain building improvements to commercial space leased by the Borrower for the operation of its retail business in a building located at 217 South 7th Street - #18 & 19 (the “Property”) in the City of Brainerd, Minnesota (the “City”).

C. The Lender and Borrower have negotiated the terms of repayment or forgiveness of the Loan, and now desire to memorialize such terms in this Agreement.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, Lender agrees to loan to Borrower the sum not to exceed Six Thousand and no/100ths Dollars (\$6,000). The Loan shall be evidenced by a promissory note ("Note") payable by Borrower to Lender and substantially in the form of Exhibit A attached to this Agreement, which shall be dated as of the date of closing on the Loan (the “Loan Closing Date”). Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

2. Repayment or Forgiveness of Loan. The Loan shall be repaid or forgiven as follows:

(a) The Note shall not bear interest.

(b) The Loan shall be structured as a forgivable loan. The outstanding principal balance of the Loan shall be immediately due and payable upon (i) thirty (30) days after written notification by Lender to Borrower of the occurrence of an Event of Default as defined in this Agreement, and demand of payment according to Section 6 of this Agreement; or (ii) ten (10) days after the Borrower no longer operates its business at the Property. On each yearly anniversary of the Closing Date over a period of five (5) years, if no Event of Default occurs and if the Borrower continues to operate its business

at the Property, then 20% of principal amount outstanding on the Loan shall be forgiven. After five (5) years, if no Event of Default has occurred and if no Event of Default occurs and if the Borrower continues to operate its business at the Property, then the remaining principal balance of the Loan shall be forgiven.

3. Disbursement of Loan Proceeds.

(a) All Loan proceeds in an amount not to exceed \$6,000 shall be disbursed directly to Landlord in the form of monthly rent payments in accordance with the Commercial Lease, effective as of January 1, 2020 (the "Lease") between the Borrower and the Landlord. On the first day of each month, commencing January 1, 2020, and continuing until December 31, 2020, the Lender shall pay \$500 of the Borrower's monthly lease payment then due and owing to the Landlord under the Lease in a total amount not to exceed \$6,000.

(b) The disbursement of proceeds of the Loan will be made subject to the conditions precedent that prior to or as of the Loan Closing Date:

(i) The Lender has received from Borrower, without expense to Lender, executed copies of this Agreement and the Note;

(ii) No Event of Default under this Agreement shall have occurred and be continuing;

(iii) A fully executed copy of the Lease.

4. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not materially violate or conflict with any applicable provision of law and do not and will not materially violate or conflict with, or cause any default or event of default to occur under, any material agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of Lender shall, with reasonable advance notice, have access to and the right to inspect, copy, audit, and examine all such books, records, and other

documents of Borrower pertaining to the Loan until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) Borrower warrants that to the best of its knowledge, it has fully complied with all applicable state and federal laws reasonably relevant to this Agreement and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to take any necessary action to comply with the state or federal law in question.

5. Business Subsidy. Pursuant to Minnesota Statutes, Section 116J.993, subd. 3(21), the Loan does not constitute a business subsidy because the assistance is a business loan of less than \$150,000.

6. Event of Default by Borrower. The following shall be Events of Default under this Agreement:

(a) failure to pay any principal of the Loan if and when due;

(b) any representation or warranty made by Borrower herein or in the Note is false when made;

(c) Borrower files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, or is adjudged a bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(d) any material breach or failure of Borrower to perform any material term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Event of Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder).

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by Borrower and after provision by Lender of written notice and subject to the applicable limitations described in Section 6, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

- (a) declare the principal amount of the Loan thereon to be immediately due and payable upon providing written notice to Borrower;
- (b) suspend its performance under this Agreement;
- (c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.

In addition to any other amounts due on the Loan, and without waiving any other right of Lender under any this Agreement or any other instrument securing the Loan applicable documents, Borrower shall pay to Lender a late fee of \$250 for any payment not received in full by Lender within 30 calendar days of the date on which it is due.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all reasonable attorneys' fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests of Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) Borrower shall and does hereby agree to indemnify against and to hold Lender, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

(c) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which Borrower is entitled under law.

10. Miscellaneous.

(a) Waiver. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) Assignment. This Agreement shall be binding upon Borrower and its

successors and assigns and shall inure to the benefit of Lender and its successors and assigns. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender; except that if such assignment is made to an affiliate or subsidiary of Borrower, Borrower may assign any of its rights or obligations to such affiliate or subsidiary upon written notice to the Lender.

(c) Governing Law. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: Housing and Redevelopment Authority in and for the City of
 Brainerd, Minnesota
 324 East River Road
 Brainerd, MN 56401

To Borrower: Minnesota Makerspace, LLC
 Trevor S. Kruse
 30407 Papago Circle
 Breezy Point, MN, 56472

 Christopher M. Smith
 1512 Pine Street
 Brainerd, MN 56401

(f) Termination. If the first disbursement of the Loan is not disbursed pursuant to this Agreement by January 1, 2020, this Agreement shall terminate and neither party shall have any further obligation to the other, except that if the Loan is not disbursed because Borrower has failed to use its best efforts to comply with the conditions set forth in Section 3 of this Agreement then Borrower shall pay to Lender all reasonable attorneys fees, costs, and expenses incurred by Lender in connection with this Agreement and the Note.

(g) Entire Agreement. This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Loan.

(h) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
BRainerd, MINNESOTA

By: _____

Its Chair

By: _____

Its Executive Director

**[SIGNATURE PAGE TO FORGIVABLE LOAN AGREEMENT – HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR
THE CITY OF BRAINERD, MINNESOTA]**

MINNESOTA MAKERSPACE, LLC

By: _____

Title: _____

By: _____

Title: _____

[SIGNATURE PAGE TO FORGIVABLE LOAN AGREEMENT – MINNESOTA MAKERSPACE, LLC]

EXHIBIT A
PROMISSORY NOTE

Principal Amount: \$6,000

Interest Rate: 0.0%

_____, 2019

MINNESOTA MAKERSPACE, a Minnesota limited liability company (“Maker”), for value received, hereby promises to pay to the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota or its assigns (“Holder”), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Six Thousand and no/100ths Dollars (\$6,000), in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of this Note is payable as follows:

1. As provided in the Forgivable Loan Agreement between Maker and Lender dated as of December 18, 2019 (“Forgivable Loan Agreement”), this Note shall not bear interest.

2. The outstanding principal balance of the Note shall be immediately due and payable upon (i) thirty (30) days after written notification by Lender to Maker of the occurrence of an Event of Default as defined in the Forgivable Loan Agreement, and demand of payment according to Section 6 of Forgivable Loan Agreement; or (ii) ten (10) days after the Maker no longer operates its business at the Property. On each yearly anniversary of the Closing Date (as defined in the Forgivable Loan Agreement) over a period of five (5) years, if no Event of Default occurs and if the Maker continues to operate its business at the Property, then 20% of the principal amount outstanding on the Loan shall be forgiven. After five (5) years, if no Event of Default has occurred and if the Maker continues to operate its business at the Property, then the remaining principal balance of the Note shall be forgiven.

3. The Maker shall have the right to prepay the principal of this Note, in whole or in part, on any date.

4. This Note is given pursuant to the Forgivable Loan Agreement of even date herewith. If any such security is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Forgivable Loan Agreement or any other instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the

Forgivable Loan Agreement or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, and in the Forgivable Loan Agreement or any other instrument securing this Note shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the
_____ day of _____, 2019.

MINNESOTA MAKERSPACE, LLC

By: _____

Title: _____

[SIGNATURE PAGE FOR PROMISSORY NOTE – MINNESOTA MAKERSPACE, LLC]

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2019-12

RESOLUTION APPROVING A LOAN AGREEMENT
BETWEEN THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF BRAINERD,
MINNESOTA AND MINNESOTA MAKERSPACE,
LLC

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota (the "Authority") as follows:

Section 1. Recitals.

1.1. The Authority is a housing and redevelopment authority within the meaning of Minnesota Statutes, Section 469.001 through 469.047, as amended (the "HRA Act").

1.2. The Act provides the Authority with the power to take certain actions to remove, prevent, or reduce blight, blighting factors, or the causes of blight.

1.3. The Authority is authorized to make loans to any person or entity to carry out any purpose the Authority may carry out under the HRA Act pursuant to Minnesota Statutes, Section 469.192.

1.4. The Authority and Minnesota Makerspace, LLC (the "Borrower") desire to enter into a loan agreement (the "Loan Agreement") for a forgivable loan to be used to make monthly rent subsidy payments to be made to the Borrower's landlord to reimburse the landlord for costs undertaken in improving and rehabilitating property (the "Property") located in the downtown area of the City of Brainerd (the "Loan") to prepare the Property for the operation of the Borrower's retail business.

1.5. Pursuant to the Loan Agreement, the Authority will loan to the Borrower the sum of \$6,000, evidenced by a promissory note (the "Note") to be executed and delivered to the Authority by the Borrower.

1.6. The terms of the Loan Agreement and Note provide that a portion of the principal amount outstanding on the Loan will be forgiven each year the Borrower remains in business at the Property over a period of 5 years.

1.7. The provision of the Loan by the Authority to the Borrower will help redevelop a building and prevent blight within the City's downtown in accordance with the Authority's powers under the HRA Act.

Section 2. Loan Agreement and Note Approved.

2.01. The Authority hereby approves the provision of the Loan to the Borrower and the Loan Agreement and the Note in substantially the form presented to the Board, and authorizes execution of the Loan Agreement and all documents prepared in connection therewith, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the Amendment by such officials shall be conclusive evidence of approval.

Approved this 18th day of December, 2019, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota.

Chair

ATTEST:

Executive Director



To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: December 11, 2019
Re: Consider Tax Forfeited Property Assignment Request

In late 2018, Galilee Ministries of Minnesota, a local non-profit organization, acquired 1201 Pine Street through our Tax Forfeited Property Policy. The Purchase and Development Agreement (PDA) requires that minimum improvements be substantially completed within 12 months which has not happened. Tom DeMers, president of Galilee Ministries, has since been deployed overseas and indicated that they would like to donate the property to Lakes Area Habitat for Humanity (LAHFH).

LAHFH executive director Kevin Pelkey has indicated they would be interested in the parcel but their 2020 build schedule is full and they would not be able to complete the minimum improvements until 2021. The PDA would need to be assigned to LAHFH with an amendment extending the construction time should the HRA consent.

We have had a conversation with our attorney, Martha Ingram, who stated that Galilee Ministries does have the authority under the PDA to transfer it to another developer with the approval of the Brainerd HRA Board. Staff recommends approving assignment of the PDA to LAHFH and extending the construction timeline for completion of the minimum improvements to the end of 2021.

Action Requested: Approve assigning the Purchase and Development Agreement from Galilee Ministries to Lakes Area Habitat for Humanity and allow staff to work with attorney Martha Ingram to complete the assignment if approved.

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To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: December 11, 2019
Re: December Financial Report

Please find attached the financial information for November 2019.

2020 HUD Budget

HUD is currently operating under a Continuing Resolution (CR) until December 20th which carries forward FY 2019 funding levels. If Congress does not finalize the funding allocations between the appropriations bills for FY 2020 before the December break, this CR could continue until mid-to-late spring before we have a finalized budget.

Estimated 2020 HCV Proration

HUD recently released estimated HCV HAP and Admin Fee prorations for 2020. Estimated HAP prorations are 99% with an inflation factor of 3.1%. This nets to 102.1% of 2019 HAP expenditures as the calculation for our 2020 funding. Our 2020 budget was estimated at 100% funding of 2019 expenditures, so this will help reduce the anticipated HAP deficit. Admin Fees are estimated to be funded between 78% and 81%.

Action Requested: Motion for approval of payments as presented.

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November 2019 Operating Account Balances

Property/Program	November 2018	October 2019	November 2019
General Fund	\$297,635.71	\$261,406.76	\$256,054.91
Brainerd Revolving Loan Program	\$99,077.00	\$99,077.00	\$99,077.00
SSRP	\$12,010.80	\$12,010.80	\$12,010.80
Housing Rehab Program	\$32,060.56	\$68,036.78	\$116,874.45
Bridges	\$16,295.05	\$7,457.53	\$8,166.93
Crow Wing County HRA	\$635,821.06	\$517,536.87	\$514,565.14
Public Housing	\$720,630.19	\$721,308.26	\$655,362.78
Brainerd South	\$30,501.85	\$55,857.80	\$54,300.45
Housing Choice Voucher	\$20,773.43	\$38,922.52	\$20,215.77
Total	\$1,864,805.65	\$1,781,614.32	\$1,736,628.23

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Brainerd Housing & Redevelopment Authority

2019 Ratios (and December, 2018)

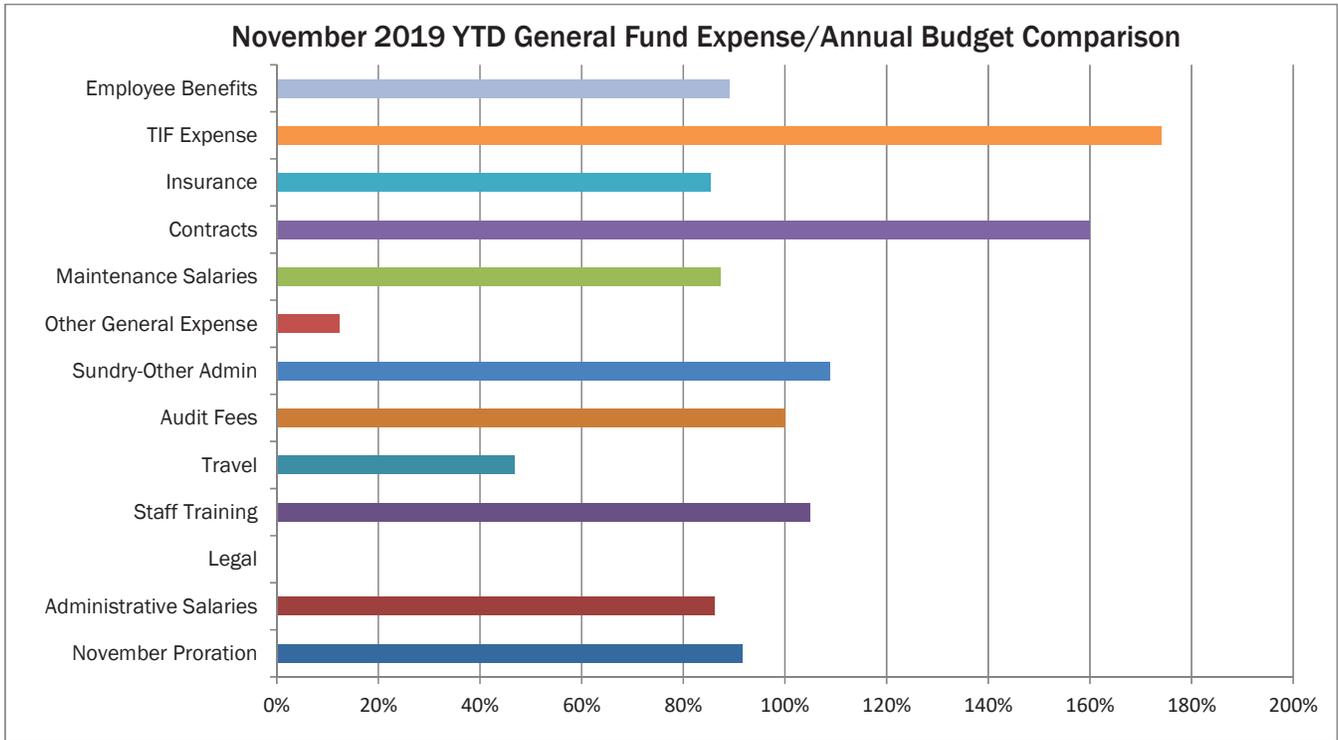
FASS Ratios	Max Pts	Scoring	Dec 2018	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
			After YE JE, B4 audit											
Quick Ratio	12	QR <1 =0-, QR >2 =12	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Months Expended Net Assets	11	MENA <1.0= 0, ME >4 =11	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 =2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Points	25		25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00

MASS Ratios	Max Pts	Scoring												
Occupancy	16	O <90% =0, O >98% =16	16.00	12.00	12.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Tenant Accounts Receivable	5	TAR <1.5%=5, TAR >2.5% =0	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Points	25		25.00	16.00	16.00	20.00	22.00	22.00						

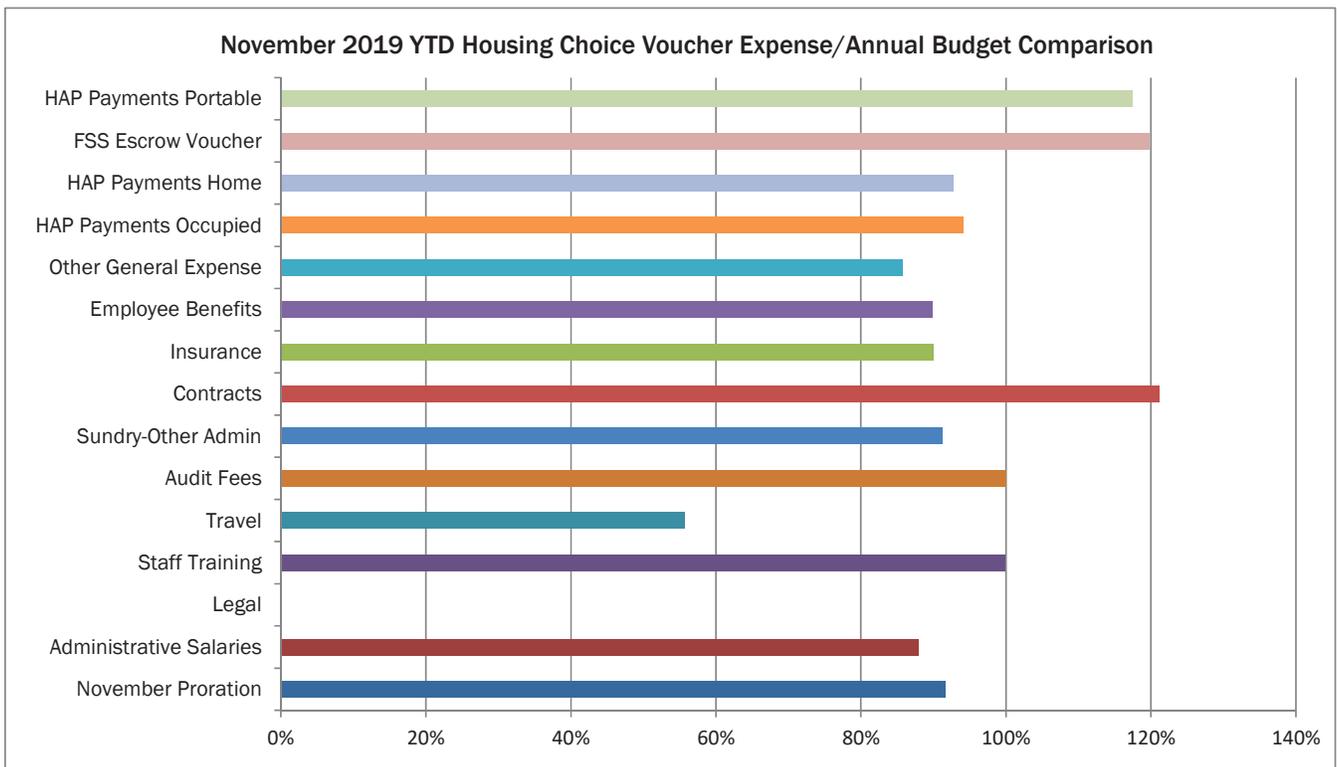
Total of Above Ratios	50		50	41	41	45	47	47						
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MASS Ratios	Max Pts	Scoring												
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Occupancy Rate	5	OR <93% = 0, OR >96% =5 Must have 5 points or Capital Fund Troubled	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Points	10		10.0											

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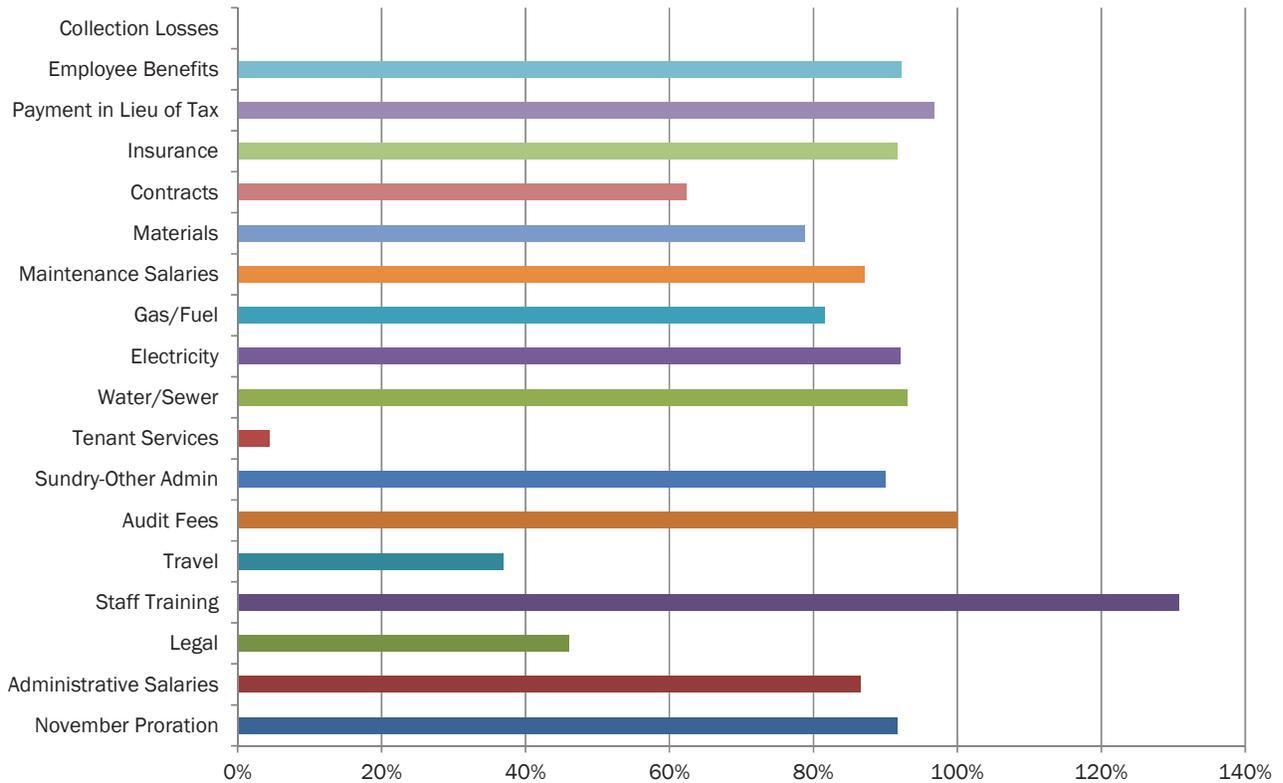


TIF Expense - CWC Reporting
 Contracts: Purchased cloud backup system hardware and anti-virus.
 Training: Spring NAHRO Conference and Government Finance Training
 Sundry-Other Admin-Office Supplies (Computers) and Advertising (Hsg Rehab Spec.) for Year.



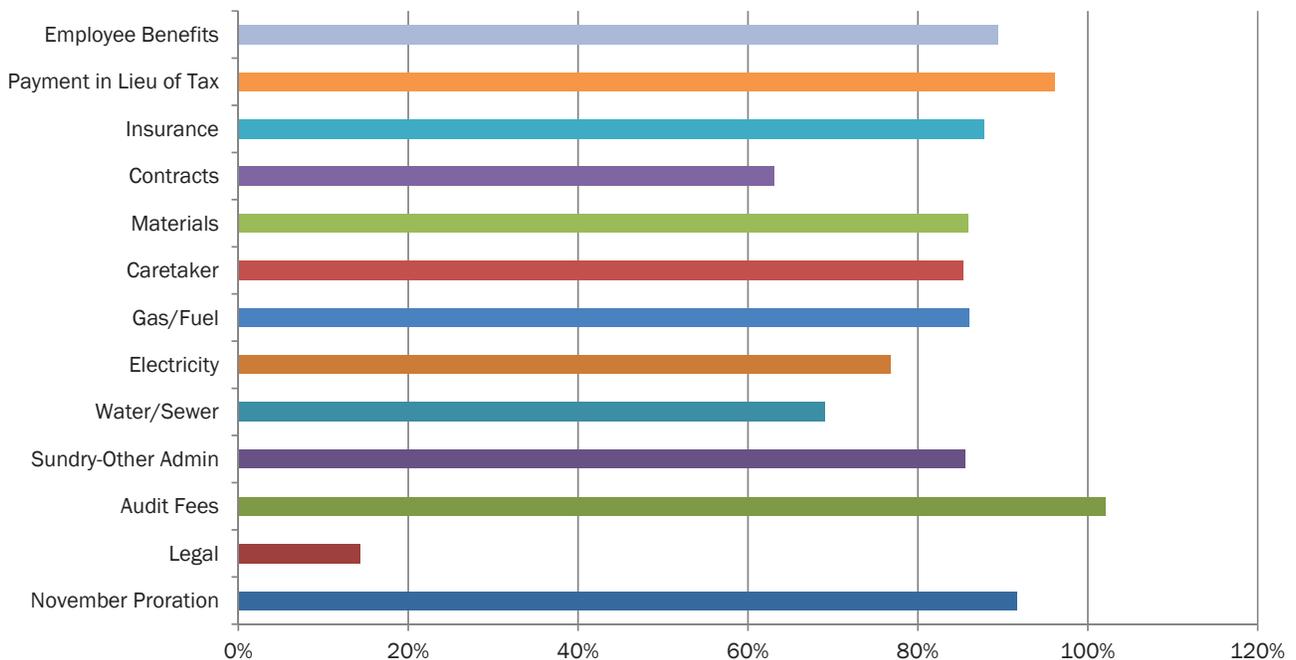
Contracts: Utility Allowance Rate Study.

November 2019 YTD Public Housing Expense/Annual Budget Comparison



Training: Procurement Training, Spring NAHRO, National NAHRO and ROSS Training-New Orleans.

November 2019 YTD Brainerd South Expense/Annual Budget Comparison



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Brainerd HRA
General Fund Operating Statement
November, 2019

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	Current Period	Current Year	Year To Date Budget	Variance
General Fund Operating INCOME				
Management Fees	-14,081.38	-156,141.23	-154,916.63	-1,224.60
Other Income	-1,572.92	-74,186.18	-81,579.62	7,393.44
Loan Interest Revenue	0.00	0.00	-4,583.37	4,583.37
TOTAL INCOME	-15,654.30	-230,327.41	-241,079.62	10,752.21
EXPENSE				
Administrative				
Administrative Salaries	12,180.13	137,529.68	146,190.00	-8,660.32
Legal	0.00	0.00	1,833.37	-1,833.37
Staff Training	0.00	4,196.54	3,666.63	529.91
Travel	20.59	327.74	641.63	-313.89
Auditing Fees	0.00	6,700.00	6,700.00	0.00
Sundry-Other Admin	1,063.63	6,166.36	5,188.37	977.99
Total Administration	13,264.35	154,920.32	164,220.00	-9,299.68
Maintenance				
Maintenance Salaries	876.96	9,939.66	10,431.63	-491.97
Contracts	94.45	1,278.97	733.37	545.60
Total Maintenance	971.41	11,218.63	11,165.00	53.63
General				
TIF Expense	0.00	173.80	91.63	82.17
Insurance	50.00	3,532.70	3,795.00	-262.30
Employee Benefits	5,494.04	69,325.02	71,371.96	-2,046.94
Other General Expense	680.00	3,180.00	23,833.37	-20,653.37
Total General	6,224.04	76,211.52	99,091.96	-22,880.44
TOTAL EXPENSE	20,459.80	242,350.47	274,476.96	-32,126.49
Net Income/Loss	4,805.50	12,023.06	33,397.34	-21,374.28

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**Brainerd HRA
 HCV Operating Statement
 November, 2019**

Page: 1
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	Current Period	Current Year	Year To Date Budget	Variance
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-119,845.00	-1,314,906.00	-1,225,555.87	-89,350.13
Admin Fees Earned	-20,443.00	-240,068.00	-234,162.50	-5,905.50
Interest Income	0.00	-168.02	0.00	-168.02
Other Income	-790.62	-10,791.37	-7,956.63	-2,834.74
TOTAL INCOME	-141,078.62	-1,565,933.39	-1,467,675.00	-98,258.39
EXPENSE				
Administrative				
Administrative Salaries	11,551.12	130,173.30	135,740.00	-5,566.70
Legal	0.00	0.00	275.00	-275.00
Staff Training	41.20	7,585.19	6,966.63	618.56
Travel	397.01	2,201.58	3,630.00	-1,428.42
Accounting & Audit Fees	0.00	3,500.00	3,500.00	0.00
Sundry-Other Admin	1,348.05	4,883.45	4,904.13	-20.68
Total Administration	13,337.38	148,343.52	155,015.76	-6,672.24
Maintenance				
Contracts	179.44	3,632.70	2,750.00	882.70
Total Maintenance	179.44	3,632.70	2,750.00	882.70
General				
Insurance	420.48	4,625.32	4,711.63	-86.31
Employee Benefits	6,053.14	74,635.58	86,304.13	-11,668.55
Other General Expense	180.65	2,230.26	2,383.37	-153.11
Total General	6,654.27	81,491.16	93,399.13	-11,907.97
HAP Payments				
HAP Payments Occupied	110,681.00	1,195,290.00	1,164,056.63	31,233.37
HAP Payments Home	3,168.00	39,820.00	39,389.13	430.87
FSS Escrow Voucher	1,805.00	21,017.00	16,078.37	4,938.63
HAP Payments Portable	3,806.00	39,915.00	31,175.87	8,739.13
Total HAP	119,460.00	1,296,042.00	1,250,700.00	45,342.00
TOTAL EXPENSE	139,631.09	1,529,509.38	1,501,864.89	27,644.49
Net Income/Loss	-1,447.53	-36,424.01	34,189.89	-70,613.90

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**Brainerd HRA
 Public Housing Operating Statement
 November, 2019**

Page: 4
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	Current Period	Current Year	Year To Date Budget	Variance
Public Housing Operating INCOME				
Dwelling Rental	-61,590.00	-670,473.00	-663,639.13	-6,833.87
Excess Utilities	-3.84	-3,369.42	-2,841.63	-527.79
Operating Subsidy	-20,592.00	-238,301.00	-223,419.13	-14,881.87
Investment Interest	-34.11	230.77	476.63	-245.86
Other Income	-6,051.71	-148,772.01	-161,452.50	12,680.49
Other Income Tenants	-1,764.80	-23,809.24	-29,553.37	5,744.13
Capital Fund Income	0.00	-122,348.00	-60,500.00	-61,848.00
Laundry Income	-1,179.00	-17,819.25	-21,248.37	3,429.12
TOTAL INCOME	-91,215.46	-1,224,661.15	-1,162,177.50	-62,483.65
EXPENSE				
Administrative				
Administrative Salaries	23,036.79	263,896.71	279,473.37	-15,576.66
Legal	0.00	2,300.00	4,583.37	-2,283.37
Staff Training	147.92	14,392.83	10,083.37	4,309.46
Travel	21.46	737.56	1,833.37	-1,095.81
Accounting & Audit Fees	2,250.00	10,550.00	10,550.00	0.00
Sundry-Other Admin	1,487.05	16,872.47	17,182.99	-310.52
Total Administration	26,943.22	308,749.57	323,706.47	-14,956.90
Rec Public and Other	222.04	222.04	4,537.50	-4,315.46
Total Tenant Services	222.04	222.04	4,537.50	-4,315.46
Utilities				
Water/Sewer	5,522.85	57,734.30	56,833.48	900.82
Electricity	6,355.31	66,681.64	66,357.50	324.14
Gas/Fuel	1,251.16	30,489.58	34,237.50	-3,747.92
Total Utilities	13,129.32	154,905.52	157,428.48	-2,522.96
Maintenance				
Labor	14,675.99	168,438.73	177,292.50	-8,853.77
Materials	723.89	22,084.55	25,666.63	-3,582.08
Contracts	12,073.60	107,768.49	158,354.13	-50,585.64
Total Maintenance	27,473.48	298,291.77	361,313.26	-63,021.49
General				
Insurance	6,607.34	72,697.73	72,673.26	24.47
Payment in Lieu of Tax	2,332.19	25,153.29	23,833.37	1,319.92
Employee Benefits	15,993.32	195,840.22	194,590.00	1,250.22
Collection Losses	0.00	0.00	7,700.00	-7,700.00
Total General	24,932.85	293,691.24	298,796.63	-5,105.39
TOTAL EXPENSE	92,700.91	1,055,860.14	1,145,782.34	-89,922.20
Net Income/Loss	1,485.45	-168,801.01	-16,395.16	-152,405.85



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**Brainerd South Operating Statement
 November, 2019**

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	Current Period	Current Year	Year To Date Budget	Variance
Brainerd South Operating				
INCOME				
Dwelling Rental	-20,076.00	-220,009.00	-210,906.63	-9,102.37
Rental Supplement	-2,785.00	-36,771.00	-39,829.13	3,058.13
Investment Interest	-570.17	-1,622.88	0.00	-1,622.88
Other Income	-2,000.00	-28,414.28	-29,287.50	873.22
Laundry Income	-722.00	-7,395.55	-7,846.63	451.08
TOTAL INCOME	-26,153.17	-294,212.71	-287,869.89	-6,342.82
EXPENSE				
Administrative				
Legal	0.00	43.00	275.00	-232.00
Accounting & Audit Fees	0.00	4,950.00	4,850.00	100.00
Sundry-Other Admin	3,483.35	42,129.23	45,164.35	-3,035.12
Total Administration	3,483.35	47,122.23	50,289.35	-3,167.12
Utilities				
Water	1,120.51	9,811.61	13,016.63	-3,205.02
Electricity	371.78	4,221.80	5,041.63	-819.83
Gas/Fuel	787.60	12,908.97	13,750.00	-841.03
Total Utilities	2,279.89	26,942.38	31,808.26	-4,865.88
Maintenance				
Labor	919.02	9,730.24	10,450.00	-719.76
Materials	1,379.74	17,277.30	18,424.89	-1,147.59
Contracts	2,154.06	47,267.31	68,704.13	-21,436.82
Total Maintenance	4,452.82	74,274.85	97,579.02	-23,304.17
General				
Insurance	2,692.21	29,417.92	30,726.63	-1,308.71
Payment in Lieu of Tax	868.50	9,319.48	8,891.63	427.85
Employee Benefits	101.68	1,118.38	1,145.87	-27.49
Total General	3,662.39	39,855.78	40,764.13	-908.35
TOTAL EXPENSE	13,878.45	188,195.24	220,440.76	-32,245.52
Net Income/Loss	-12,274.72	-106,017.47	-67,429.13	-38,588.34

**November 2019
Prior Year Comparative Statements**

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**Brainerd HRA
 General Fund Operating Statement
 November, 2019**

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	YTD 2019	YTD 2019 Budget	YTD 2018	YTD 2017
General Fund Operating INCOME				
Management Fees	-156,141.23	-154,916.63	-155,607.59	-156,058.64
Other Income	-74,186.18	-81,579.62	-146,397.99	-84,401.08
Loan Interest Revenue	0.00	-4,583.37	0.00	0.00
TOTAL INCOME	-230,327.41	-241,079.62	-302,005.58	-240,459.72
EXPENSE				
Administrative				
Administrative Salaries	137,529.68	146,190.00	133,360.16	132,092.38
Legal	0.00	1,833.37	2,466.00	209.79
Staff Training	4,196.54	3,666.63	2,317.84	2,741.25
Travel	327.74	641.63	540.09	274.46
Auditing Fees	6,700.00	6,700.00	6,700.00	6,700.00
Sundry-Other Admin	6,166.36	5,188.37	4,507.23	4,701.73
Total Administration	154,920.32	164,220.00	149,891.32	146,719.61
Maintenance				
Maintenance Salaries	9,939.66	10,431.63	11,022.53	9,541.46
Contracts	1,278.97	733.37	1,067.08	620.49
Total Maintenance	11,218.63	11,165.00	12,089.61	10,161.95
General				
TIF Expense	173.80	91.63	3,011.32	2,746.98
Insurance	3,532.70	3,795.00	3,570.85	2,741.35
Employee Benefits	69,325.02	71,371.96	68,530.22	66,184.02
Other General Expense	3,180.00	23,833.37	4,790.57	2,344.80
Total General	76,211.52	99,091.96	80,325.74	77,977.47
TOTAL EXPENSE	242,350.47	274,476.96	242,306.67	234,859.03
Net Income/Loss	12,023.06	33,397.34	-59,698.91	-5,600.69

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**Brainerd HRA
 HCV Operating Statement
 November, 2019**

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	YTD 2019	YTD 2019 Budget	YTD 2018	YTD 2017
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-1,314,906.00	-1,225,555.87	-1,235,152.00	-1,141,261.00
Admin Fees Earned	-240,068.00	-234,162.50	-222,093.00	-200,719.00
Interest Income	-168.02	0.00	-76.03	-12.95
Other Income	-10,791.37	-7,956.63	-11,681.28	-13,604.82
TOTAL INCOME	-1,565,933.39	-1,467,675.00	-1,469,002.31	-1,355,597.77
EXPENSE				
Administrative				
Administrative Salaries	130,173.30	135,740.00	120,870.96	125,330.75
Legal	0.00	275.00	596.80	314.81
Staff Training	7,585.19	6,966.63	5,083.88	3,310.70
Travel	2,201.58	3,630.00	1,577.19	3,199.58
Accounting & Audit Fees	3,500.00	3,500.00	3,500.00	3,500.00
Sundry-Other Admin	4,883.45	4,904.13	4,162.51	4,757.70
Total Administration	148,343.52	155,015.76	135,791.34	140,413.54
Maintenance				
Contracts	3,632.70	2,750.00	3,237.10	2,847.47
Total Maintenance	3,632.70	2,750.00	3,237.10	2,847.47
General				
Insurance	4,625.32	4,711.63	4,434.39	3,886.67
Employee Benefits	74,635.58	86,304.13	68,108.59	69,314.72
Other General Expense	2,230.26	2,383.37	2,281.50	2,726.88
Total General	81,491.16	93,399.13	74,824.48	75,928.27
HAP Payments				
HAP Payments Occupied	1,195,290.00	1,164,056.63	1,146,299.00	1,126,510.00
HAP Payments Home	39,820.00	39,389.13	39,487.00	25,713.00
FSS Escrow Voucher	21,017.00	16,078.37	14,642.00	17,619.00
HAP Payments Portable	39,915.00	31,175.87	32,589.00	42,706.22
Total HAP	1,296,042.00	1,250,700.00	1,233,017.00	1,212,548.22
TOTAL EXPENSE	1,529,509.38	1,501,864.89	1,446,869.92	1,431,737.50
Net Income/Loss	-36,424.01	34,189.89	-22,132.39	76,139.73



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**Brainerd HRA
 Public Housing Operating Statement
 November, 2019**

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	YTD 2019	YTD 2019 Budget	YTD 2018	YTD 2017
Public Housing Operating INCOME				
Dwelling Rental	-670,473.00	-663,639.13	-647,525.50	-642,261.00
Excess Utilities	-3,369.42	-2,841.63	-2,998.00	-3,012.00
Operating Subsidy	-238,301.00	-223,419.13	-223,921.00	-222,988.00
Investment Interest	230.77	476.63	458.17	526.68
Other Income	-148,772.01	-161,452.50	-154,366.87	-156,082.86
Other Income Tenants	-23,809.24	-29,553.37	-66,622.83	-59,865.77
Capital Fund Income	-122,348.00	-60,500.00	-368,130.00	-184,261.00
Laundry Income	-17,819.25	-21,248.37	-19,122.50	-21,614.25
TOTAL INCOME	-1,224,661.15	-1,162,177.50	-1,482,228.53	-1,580,056.50
EXPENSE				
Administrative				
Administrative Salaries	263,896.71	279,473.37	257,998.09	242,749.04
Legal	2,300.00	4,583.37	3,011.39	4,186.10
Staff Training	14,392.83	10,083.37	10,913.45	6,804.17
Travel	737.56	1,833.37	662.96	1,705.69
Accounting & Audit Fees	10,550.00	10,550.00	10,400.00	10,200.00
Sundry-Other Admin	16,872.47	17,182.99	18,125.36	12,128.83
Total Administration	308,749.57	323,706.47	301,111.25	277,773.83
Rec Public and Other	222.04	4,537.50	469.02	191.86
Total Tenant Services	222.04	4,537.50	469.02	191.86
Utilities				
Water/Sewer	57,734.30	56,833.48	52,553.44	50,898.01
Electricity	66,681.64	66,357.50	66,738.01	59,776.04
Gas/Fuel	30,489.58	34,237.50	31,803.17	24,300.02
Total Utilities	154,905.52	157,428.48	151,094.62	134,974.07
Maintenance				
Labor	168,438.73	177,292.50	170,918.57	159,345.63
Materials	22,084.55	25,666.63	22,959.03	17,575.33
Contracts	107,768.49	158,354.13	108,671.15	173,841.35
Total Maintenance	298,291.77	361,313.26	302,548.75	350,762.31
General				
Insurance	72,697.73	72,673.26	63,603.28	56,046.11
Payment in Lieu of Tax	25,153.29	23,833.37	24,223.22	24,491.06
Employee Benefits	195,840.22	194,590.00	192,826.30	183,476.71
Collection Losses	0.00	7,700.00	0.00	0.00
Total General	293,691.24	298,796.63	280,652.80	265,097.07
TOTAL EXPENSE	1,055,860.14	1,145,782.34	1,035,876.44	1,028,799.14
Net Income/Loss	-168,801.01	-16,395.16	-446,352.09	-551,257.36



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**Brainerd South Operating Statement
 November, 2019**

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	YTD 2019	YTD 2019 Budget	YTD 2018	YTD 2017
Brainerd South Operating				
INCOME				
Dwelling Rental	-220,009.00	-210,906.63	-212,288.00	-210,433.00
Rental Supplement	-36,771.00	-39,829.13	-36,462.00	-43,136.00
Investment Interest	-1,622.88	0.00	125.63	115.92
Other Income	-28,414.28	-29,287.50	-28,731.52	-30,381.98
Laundry Income	-7,395.55	-7,846.63	-7,668.00	-7,757.00
TOTAL INCOME	-294,212.71	-287,869.89	-285,121.46	-291,614.55
EXPENSE				
Administrative				
Legal	43.00	275.00	150.00	468.35
Accounting & Audit Fees	4,950.00	4,850.00	4,850.00	4,850.00
Sundry-Other Admin	42,129.23	45,164.35	41,315.14	42,147.86
Total Administration	47,122.23	50,289.35	46,315.14	47,466.21
Utilities				
Water	9,811.61	13,016.63	10,337.63	12,762.19
Electricity	4,221.80	5,041.63	4,766.64	4,432.77
Gas/Fuel	12,908.97	13,750.00	13,297.25	11,413.78
Total Utilities	26,942.38	31,808.26	28,401.52	28,608.74
Maintenance				
Labor	9,730.24	10,450.00	9,993.72	7,989.16
Materials	17,277.30	18,424.89	15,668.18	17,170.57
Contracts	47,267.31	68,704.13	51,070.09	50,663.96
Total Maintenance	74,274.85	97,579.02	76,731.99	75,823.69
General				
Insurance	29,417.92	30,726.63	28,593.72	26,982.20
Payment in Lieu of Tax	9,319.48	8,891.63	9,151.77	8,715.15
Employee Benefits	1,118.38	1,145.87	1,118.38	901.26
Total General	39,855.78	40,764.13	38,863.87	36,598.61
TOTAL EXPENSE	188,195.24	220,440.76	190,312.52	188,497.25
Net Income/Loss	-106,017.47	-67,429.13	-94,808.94	-103,117.30

Brainerd Housing Authority Payment Summary Report November 2019

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
11/7/2019	669	Carrie Burrell	\$293.48
11/7/2019	670	Dudley Gangestad	\$107.01
11/7/2019	671	John Schommer	\$163.56
11/7/2019	672	Keri Weitalla	\$24.94
11/7/2019	673	Ryan Barnett	\$133.40
11/7/2019	674	Shannon Fortune	\$25.05
11/21/2019	675	Jennifer Bergman	\$159.54
11/7/2019	1551	Minnesota State Retirement System	\$800.00
11/7/2019	1552	Electronic Federal Tax Payment System	\$8,318.46
11/7/2019	1553	MN Dept of Revenue	\$1,947.66
11/7/2019	1554	Health Savings Accounts	\$1,083.32
11/7/2019	1555	Security Benefit	\$4,025.40
11/1/2019	1556	EBSO	\$22,623.78
11/1/2019	1557	Ash Properties	\$500.00
11/21/2019	1558	Minnesota State Retirement System	\$800.00
11/21/2019	1559	Electronic Federal Tax Payment System	\$8,452.53
11/21/2019	1560	Health Savings Accounts	\$1,083.32
11/21/2019	1561	Security Benefit	\$4,077.40
11/21/2019	*1564	MN Dept of Revenue	\$1,963.70
11/7/2019	22934	Ace Hardware	\$90.52
11/7/2019	22935	Adam's Pest Control, Inc.	\$94.50
11/7/2019	22936	AmeriPride Linen & Apparel Svcs	\$418.31
11/7/2019	22937	Atlas Abstract & Title	\$150.00
11/7/2019	22938	Baker Tilly Municipal Advisors, LLC	\$750.00
11/7/2019	22939	Brainerd Public Utilities	\$12,874.24
11/7/2019	22940	Capital One Commercial	\$180.53
11/7/2019	22941	CenterPoint Energy	\$2,038.76
11/7/2019	22942	CliftonLarsonAllen LLP	\$2,250.00
11/7/2019	22943	Culligan	\$121.70
11/7/2019	22944	Home Depot Credit Services	\$119.21
11/7/2019	22945	Judy Robinson	\$400.00
11/7/2019	22946	Kennedy & Graven, Chartered	\$371.75
11/7/2019	22947	Life Insurance Company of North America	\$86.69
11/7/2019	22948	MN Elevator, Inc.	\$1,241.50
11/7/2019	22949	Marco, Inc.	\$3,062.84
11/7/2019	22950	Midwest Playscapes Inc.	\$10,856.00
11/7/2019	22951	Mike Jones	\$72.21
11/7/2019	22952	Miller Testing & Consulting LLC	\$900.00
11/7/2019	22953	NCRC NAHRO	\$75.00
11/7/2019	22954	Office Shop	\$376.55
11/7/2019	22955	Paper Storm	\$377.78
11/7/2019	22956	Paul Drake Tree Service	\$600.00
11/7/2019	22957	Rental History Reports	\$200.00
11/7/2019	22958	Strike Painting & Finishing	\$570.00
11/7/2019	22959	Sun Life Financial	\$290.26
11/7/2019	22960	Terry Quick	\$194.88
11/7/2019	22961	Verizon Wireless	\$315.99
11/7/2019	22962	West Central Flooring	\$1,211.88
11/21/2019	22963	Adam's Pest Control, Inc.	\$94.50
11/21/2019	22964	American Door Works	\$50.97
11/21/2019	22965	Association of Minnesota Counties	\$75.00
11/21/2019	22966	Brainerd Chamber of Commerce	\$180.00



Brainerd Housing Authority Payment Summary Report November 2019

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
11/21/2019	22967	Brainerd Public Utilities	\$650.21
11/21/2019	22968	CTCIT	\$500.00
11/21/2019	22969	CTC	\$2,483.25
11/21/2019	22970	Dacotah Paper Co	\$130.85
11/21/2019	22971	Dearborn National	\$216.12
11/21/2019	22972	Diverse Enterprises, LLC	\$133.18
11/21/2019	22973	HDS Inc.	\$170.00
11/21/2019	22974	HealthPartners	\$864.53
11/21/2019	22975	Holden Electric Company Inc	\$1,890.40
11/21/2019	22976	Housing Auth Risk Retention Group	\$18,873.00
11/21/2019	22977	Housing Insurance Svc Inc.	\$60,431.70
11/21/2019	22978	Jobs HQ	\$394.00
11/21/2019	22979	Lakes Area Professional Services	\$24,000.00
11/21/2019	22980	Tenant Refund	\$422.61
11/21/2019	22981	Nisswa Sanitation	\$2,246.78
11/21/2019	22982	PDQ Supply Inc.	\$413.61
11/21/2019	22983	Roto-Rooter Sewer & Drain Service	\$362.00
11/21/2019	22984	Void	\$0.00
11/21/2019	22985	Todd Herron	\$1,377.94
		*1562-1563 will be used in December-staff error	
		Report Total	\$212,834.30



To: Brainerd HRA Board Members
From: Tania Eller, Rental Assistance Manager
Date: December 14, 2019
Re: HCV Programs Report

HCV Report

Please see Attachment 8a.

Our Unit Months Leased (UML) through November was 99% and HAP utilization was 91%.

FYI Vouchers

Nick Vogel from DSH reached out to us strongly encouraging us to apply for FYI (Foster Youth to Independence) vouchers. FYI is a HUD program that targets youth ages 18–24 who have left foster care or will leave foster care within 90 days. These youth must be homeless or risk of becoming homeless. FYI participants are referred to the HRA from the PCWA (Public Child Welfare Agency) and supportive services are tied to the eligible youth. When we receive a referral from PCWA, we submit the request to HUD for approval of the voucher. There is no application deadline. Participants can be on FYI rental assistance for a maximum of 36 months. The maximum number of vouchers we can request is 25 per year.

Bridges Report

Please see Attachment 8b.

Family Self-Sufficiency (FSS) Report

Please see Attachment 8c.

We are still waiting to hear if we were funded for the grant and anticipate announcements to be released by the end of the year.

No Action Requested; Discussion Items

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November Housing Choice Voucher Programs (HCV)

<u>Voucher Allocation</u>	320
November Move-ins	18
November Move-outs	3
November Vouchers - looking for housing	33
November Vouchers - first day of month	322
Average Vouchers to date	315
Unit Months Leased	99%
HAP Utilization through 11/30/2019	91%

Reasons For Leaving Program

Shop Mode (looking for housing)	2
Over Income 6 Months	1

Payments

Housing Assistance Payment (HAP)	\$118,875
November HUD Administrative Fee	\$15,390

Port Out Vouchers

	5
St. Cloud (1), Clay (1) Flager (1) Dakota (1)	\$3,806

Homeownership

	9
Homeownership HAP	\$3,168

Annual Average Income

\$14,075

Length of Time on Program

< 1 year	26%
< 2 years	11%
< 3 years	15%
< 4 years	5%
< 5 years	5%
> 5 years	39%

Demographics

Elderly Households	77
Disabled/Handicapped Households	160
Families with Children	1356

Waiting List Total

177

Crow Wing County Preference	68
Non Preference	109



Average HAP Payment \$354

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Bridges Report from November 2019

Currently

- » Waiting list: 0
- » Tenants leased up in units: 15
- » Tenants in Shop Mode: 1
- » Participants issued a voucher & searching for a unit: 0
- » Notified: 0
- » Participants receiving HCV voucher: 0
- » Participants giving up Bridges voucher: 0

Tenants' Residing Counties

- » Cass County: 0
- » Morrison: 3
- » Aitkin: 1
- » Crow Wing: 13
- » Todd: 0
- » Wadena: 0

Total HAP payment: \$5,438.00

Family Self-Sufficiency Report from November 2019

Currently:

- » Active FSS participants: 29
- » Tenants going OFF for month: 0
- » Tenants going ON for month: 0
- » Tenants start ESCROWING: 0
- » Total number of FSS participants escrowing monthly: 10
- » Total amount of escrow: \$1,805.00
- » Total escrow: \$27,303.86

Summary:

We still have not heard anything from HUD on FSS award announcements. HUD was anticipating announcing the funding award at the end of December.



To: Brainerd HRA Board Members
From: Shannon Fortune, Housing Manager
Date: December 4, 2019
Re: Public Housing Report

Vacancy Report for November 2019

Please see Attachment 9a.

Monthly Property Performance Report for November 2019

Please see Attachment 9b.

Resident Handbook Update

The Resident Handbooks for North Star, Valley Trail, and Scattered Site units have all been updated and a copy provided to each tenant for review. A 30-day review and comment period ends December 31st and the updated handbooks go into effect on January 1st, 2020. Most of the revisions were related to updating contact information, clarifying ambiguous sections, and applying consistent formatting throughout the document. The section covering options for rent payment was updated to reflect the no cash policy beginning January 1st. To help answer questions tenants may have, a resident meeting has been scheduled for Wednesday, December 18th.

ROSS Program Updates

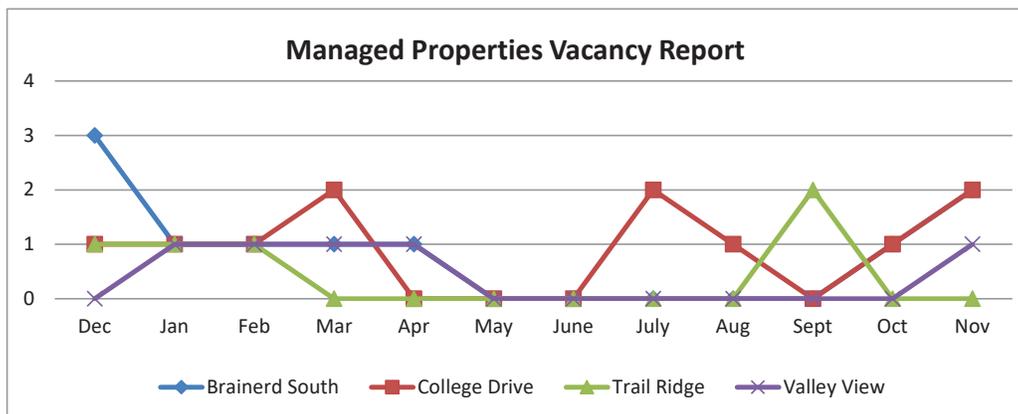
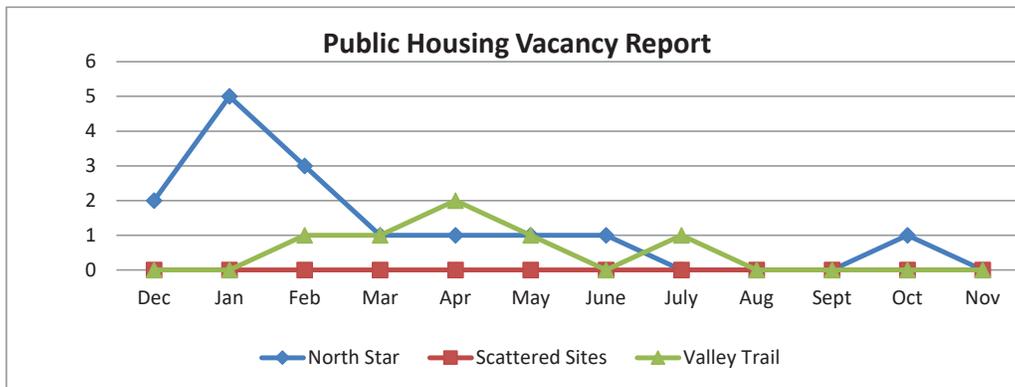
- » Erik enrolled one new program participant this month and has been doing casual outreach with several residents that are expected to enroll in the next several weeks.
- » In conjunction with the tenant handbook Q&A meeting, Erik has reached out to representatives from local financial institutions to get representatives or at least information on new account options for any “unbanked” residents that may need assistance.
- » Outreach and program activities in the past month have included attending a “Client-Centered Practices & Engaging Difficult Clients” seminar, connecting with the American Legion to facilitate delivery of Thanksgiving meals, attending a state-wide meeting of ROSS Coordinators, working with the Resident Council to provide leadership and organizational training, and collaborating with UofM Extension office and Crow Wing Energized to organize a diabetes prevention and management seminar series.
- » The Senior Nutrition Assistance program is still going strong with an average of 25 residents receiving food boxes each month and there were six participants in the nutrition seminar that is scheduled to coincide with the food box distribution.

No Action Requested; Discussion Items

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Brainerd HRA 2019 Vacancy Report

	Public Housing				Section 236 Brainerd South	Tax Credit - DW Jones		
	North Star	Scattered Sites	Valley Trail	Total PH Vac/%		College Drive	Trail Ridge	Valley View
# units	162	16	25	203	60	24	18	20
Jan 31	5	0	0	5	1	1	1	1
Jan %	3.09%	0.00%	0.00%	2.46%	1.67%	4.17%	5.56%	5.00%
Feb 28	3	0	1	4	1	1	1	1
Feb %	1.85%	0.00%	4.00%	1.97%	1.67%	4.17%	5.56%	5.00%
March 31	1	0	1	2	1	2	0	1
March %	0.62%	0.00%	4.00%	0.99%	1.67%	8.33%	0.00%	5.00%
April 30	1	0	2	3	1	0	0	1
April %	0.62%	0.00%	8.00%	1.48%	1.67%	0.00%	0.00%	5.00%
May 31	1	0	1	2	0	0	0	0
May %	0.62%	0.00%	4.00%	0.99%	0.00%	0.00%	0.00%	0.00%
June 30	1	0	0	1	0	0	0	0
June %	0.62%	0.00%	0.00%	0.49%	0.00%	0.00%	0.00%	0.00%
July 31	0	0	1	1	0	2	0	0
July %	0.00%	0.00%	4.00%	0.49%	0.00%	8.33%	0.00%	0.00%
Aug 31	0	0	0	0	0	1	0	0
Aug %	0.00%	0.00%	0.00%	0.00%	0.00%	4.17%	0.00%	0.00%
Sept 30	0	0	0	0	0	0	2	0
Sept %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.11%	0.00%
Oct 31	1	0	0	1	1	1	0	0
Oct %	0.62%	0.00%	0.00%	0.49%	1.67%	4.17%	0.00%	0.00%
Nov 30	0	0	0	0	2	2	0	1
Nov %	0.00%	0.00%	0.00%	0.00%	3.33%	8.33%	0.00%	5.00%
Dec 31	0	0	0	0	0	0	0	0
Dec %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	13	0	6	19	7	10	4	5
%	0.73%	0.00%	2.18%	0.85%	1.06%	3.79%	2.02%	2.27%



Brainerd Housing and Redevelopment Authority

Monthly Property Performance Report November 2019

1. Property Narrative

2. Physical Occupancy

Unit Size	Total Units	Occupied Units	Mod Rehab	Make Ready	Vacant Units	Percent Occupied
North Star	162	162	n/a	n/a	0	100%
Valley Trail	25	25	n/a	n/a	0	100%
Scattered Sites	16	16	n/a	n/a	0	100%
TOTAL	203	203	0	0	0	100%

3. Customer Traffic

Applications Requested	43
Applications Placed on PH Wait List	12
Applications Denied on PH Wait List	5

4. Waiting List

Unit Size	# of Units	Total # on Wait List	Notified	Screening	Denied
1 bdrm	160	106	0	2	0
2 bdrm	14	33	0	0	0
3 bdrm	24	44	0	0	0
4 bdrm	5	3	0	0	0
TOTAL	203	186	0	2	0

5. Move-Ins and Move Outs

	This Month	Year-to-Date
Move-Ins	3	35
Move-Outs	1	24

6. Lists of Vacant Units and Unit Status

Unit	Unit Size	Anticipated Lease Date	Applicant Approved?
None			

7. Recertifications

Interim Recertifications	11
Annual Recertifications	3
Completed for this month	14

8. Annual Unit Inspections

Total units to be inspected this year	203
Number completed start of month	203
Number inspected for the month	0
Number completed year-to-date	203
Total left to be inspected this year	0
Have all building system inspections been completed?	In Process
If yes, please enter date	n/a

9. Lease Enforcements

Lease warnings/violations issued	3
30-day lease terminations	0

10. Evictions

Resident	Reason	Summons Date	Judgment Action
None			

11. Non-Emergency Work Orders

Beginning Balance	1
Received	82
Closed	81
Ending Balance	2
Total Completed Work Orders for Year	1037

12. Emergency Work Orders

	This Month	Year-to-Date
Requested	3	14
Completed within 24 hours	3	14
Percent completed within 24 hours	100%	100%

13. Rent Collection

	This Month
Rent Charges	61,818
Other Charges	693
Total New Charges	62,511
Arrears, tenants in possession	300

Accounts Receivable

Current Tenant Accounts Receivable (Rent)	196
Current Rent Charges	61,818
Current Rent Collections	61,622
Accounts Receivable Rate	0%
Collection Rate	100%

Collections - Prior 12 Month Period

Prior Tenants Accounts Receivable (Rent)	4,521
Prior Rent Charges	736,255
Collection Rate	99%



To: Brainerd HRA Board Members
From: Jennifer Bergman, Executive Director
Date: December 12, 2019
Re: Executive Director Report

Homeless Shelter Discussion

A group of partners and parishioners throughout the County have convened several meetings and focus groups to continue the discussion of the homeless population in Crow Wing County and potential solutions. They have formed a short-term group and a long-term group. The HRA continues to be at the table for these discussions. The Initiative Foundation has pledged \$10,000 for assistance with these efforts.

Housing Trust Fund

The CWC HRA authorized staff to forward the ordinance establishing a housing trust fund in Crow Wing County to the County Board (see Attachment 10a). The County Board will review and discuss the ordinance at their January Committee of the Whole meeting. It is anticipated to be approved at the February County Board meeting.

Housing Specialist

Karen, John and I interviewed five excellent candidates for the housing specialist position on December 11th. We have extended an offer to our top candidate and will report on this once the person has accepted the position.

No Action Requested; Discussion Item

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ORDINANCE NO. XX

**AN ORDINANCE ESTABLISHING A HOUSING TRUST FUND
IN CROW WING COUNTY**

Section 1: GENERAL PROVISIONS

1.1 Authority. This Ordinance is adopted pursuant to Minnesota Statutes, Section 462C.16.

1.2 Purpose. Pursuant to Minnesota Statutes, Section 462C.16, there is hereby created and established for the County of Crow Wing a fund to be known and denominated as the Crow Wing County Housing Trust Fund. The Trust Fund shall be 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. The Trust Fund shall provide loans and grants to property owners, homeowners, local units of government, for-profit housing developers, and non-profit housing developers for the acquisition, capital and soft costs necessary for the creation of new Affordable and Workforce Housing (both rental and owner-occupied). Projects funded by the Trust Fund shall be dispersed throughout the County.

Section 2: DEFINITIONS

2.1 “Affordable” means a housing unit that has an Affordable Housing Cost

2.2 “Affordable Housing Cost” means an amount satisfied by:

2.2.1 For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a moderate, low income or very low income household to purchase a home while paying no more than thirty percent (30%) of their gross household income.

2.2.2 For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allow a moderate, low income or very low income household to rent a unit while paying no more than thirty percent (30%) of their gross household income

2.3 “Area Median Income” means the income guidelines established and published annually by the U.S. Department of Housing and Urban Development.

2.4 “Assisted Unit” means a housing unit that is Affordable because of assistance from the Trust Fund.

2.5 “HRA” means the Housing and Redevelopment Authority in and for the County of Crow Wing.

- 2.6 “Workforce Housing” means owner-occupied or rental housing units that are provided to households with at least one member per unit who is gainfully employed at the time of entry into the unit.
- 2.7 “Grants Supervisor” means the Crow Wing County HRA Executive Director, or his or her designee.
- 2.8 “Low Income” means gross household income that is at or below eighty percent (80%) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
- 2.9 “Moderate Income” means gross household income that is at or below 115 percent (115%) of Area Median Income, but more than Eighty percent (80%) of Area Median Income.
- 2.10 “Project” may mean a single family house (attached or detached) or a multifamily property, either as owner-occupied property or rental property.
- 2.11 “Recipient” means any homeowner, for-profit, non-profit or local unit of government housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, local unit of government, joint venture, limited liability company or partnership, association or corporation.
- 2.12 “Trust Fund” means the Crow Wing County Housing Trust Fund.
- 2.13 “Very Low Income” means gross household income that is at or below fifty percent (50%) of Area Median Income.
- 2.14 “Permanent Source of Funding” means once funds are allocated to the Trust those funds can only be expended for purposes outlined in section (4) of this document.
- 2.15 “Assisted Unit” means a housing unit that is Affordable because of assistance from the Trust Fund.

Section 3: TRUST FUND ACCOUNT; SOURCE OF TRUST FUNDS

- 3.1 A. There is also hereby established a Crow Wing County Trust Fund Account, to be maintained by the HRA. All funds received by the HRA on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.
- 3.2 The Trust Fund shall consist of funds derived from the following, but not limited to:
- 3.2.1 Private cash contributions designated for the Trust Fund;
 - 3.2.2 Payments in lieu of participation in current or future Affordable housing programs;
 - 3.2.3 Grants or loans from the federal or state government;
 - 3.2.4 Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.
 - 3.2.5 Budgeted payments made by the HRA’s tax levy fund as approved by County Board.
 - 3.2.6 Employer based funds and matches.

- 3.2.7 Other sources to be considered; local or regional utility companies, specific county departments, specific county program funds (revolving loan fund).
- 3.2.8 Application Fees – Projects applying for funds.
- 3.3 The Trust Fund may consist of funds derived from any other source, including but not limited to the following:
 - 3.3.1 Tax Increment returned to the County after decertification of a TIF district.
 - 3.3.2 Any other appropriations as determined from time to time by action of the HRA or County Board.

Section 4: TRUST FUND DISTRIBUTIONS

4.1 The Trust Fund is to function as a resource to fund loans and grants in strict accordance with this Section. The Trust Fund shall be administered by the Executive Director of the HRA. No disbursements over \$50,000 may be made from the Trust Fund Account without the prior approval of the HRA’s board of commissioners.

4.2 Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units and administrative fees not to exceed 10 percent. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted Units; preserving Affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.

4.3 All projects exceeding \$50,000 considered for funding will be reviewed by the HRA staff, and the Executive Director shall submit staff comments and recommendations to the HRA’s board of commissioners, prior to HRA action.

4.4 The HRA shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the County on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.

Section 5: TERM OF AFFORDABILITY

5.1 The minimum term of affordability for an Assisted Unit shall be fifteen (15) years. The HRA shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longest period possible.

5.2 Assisted Units shall be deed-restricted to ensure long term affordability.

5.3 The HRA will enter into loan agreements with the Recipients of the Trust Fund monies. Each loan agreement will clearly state the conditions and requirements for the Recipient’s use of

Trust Fund monies, including the term of compliance, transfer or sale requirements and other requirements as specified.

5.4 In those cases where an Assisted Unit is sold or transferred prior to the expiration of the agreed-upon term, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the Trust Fund the original amount of the loan or grant.

5.5 The HRA shall enforce all debt and lien instruments to the fullest extent of the law. The HRA may recommend debt settlement offers, if it is determined to be in the best interest of the Trust Fund.

Section 6: SEVERABILITY

6.1 If any provision of this Ordinance or the application thereof is held invalid, said invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application and for this purpose, the provisions of the Ordinance are severable.

Section 7: EFFECTIVE DATE

7.1 This Ordinance shall be in effect from and after the date of its passage by the Crow Wing County Board of Commissioners and publication according to Minnesota Statutes.

Attachment A

Housing Trust Fund Funding Priorities

Adopted by Crow Wing County Board of Commissioners on _____, 2020

1. Single Family New Home Construction

- a. Affordability GAP Financing provided to the homebuyer in the form of a low or no interest, forgivable or deferred mortgage loan to be repaid upon the satisfaction of the first mortgage.
- b. Value GAP Financing provided to the developer to bring the sale price of the home to the appraised value.

2. Single Family Rehabilitation

- a. A low or no interest deferred or forgivable loan provided to a homeowner to assist in renovation of their primary residence. Homeowner financial contribution dependent on homeowner income.
- b. A grant given to an income qualified home owner to assist in the renovation of their primary residence. Homeowner financial contribution dependent on homeowner income.

3. Rental Rehabilitation

- a. A low or no interest deferred or forgivable loan provided to a property owner to assist in the renovation of rental property owned by the applicant.
- b. Assisted unit/s will be monitored annually for tenant income compliance.
- c. Property owner agrees to comply with income restrictions for at least 15 years.
- d. Property owner will be required to contribute a percentage of the project costs.

4. Multifamily Construction

- a. Affordability GAP Financing provided to the developer in the form of a low or no interest, forgivable or deferred mortgage loan to be repaid upon the satisfaction of the first mortgage.
- b. Preference will be given to projects not located in a Tax Increment District whose project expenditure period has not expired.

5. Down Payment Assistance

- a. A grant, low or no interest forgivable or deferred loan provided to a homeowner to assist in purchase of their primary residence. Homeowner financial contribution dependent on homeowner income.

6. Rental Assistance

7. Homebuyer Counseling Services

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To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: December 12, 2019
Re: Rehab Programs Report

NE BRAINERD SCDP

Address	Type of Rehab	Units	Status
707 Laurel St.	Commercial	1	In Construction
707 Laurel St.	Mixed-use	9	DEED is reviewing
212 1 st Ave. NE	Owner-occupied	1	In Construction
612 2 nd Ave. NE	Owner-occupied	1	In Construction
201 & 203 B St.	Rental	2	Work Write-up
419 3 rd Ave. NE	Rental	3	Work Write-up
726 4 th Ave. NE	Rental	3	Application Phase

Emily SCDP

- » 4 Owner-occupied projects are in construction
- » 1 application is being processed

FHLB AHP Application

Application for six units of rehab was submitted on May 31st. We will find out in December if we were funded.

MHFA

- » 5 projects are in construction
- » 2 projects are bidding
- » 1 project is in work write-up
- » 1 application is processing

BRAINERD OAKS/SERENE PINES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	35	25	6	6
Serene Pines	23	11	8	3	3
Dalmar Estates	7	1	1	0	1

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

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