



BOARD OF COMMISSIONERS MEETING
Wednesday, May 27, 2020 @ 1:00 p.m.
Remote Meeting via Webex Video/Teleconference

Join from your browser: <https://meetingsamer8.webex.com/meetingsamer8/j.php?MTID=m05d41d645427ef6669451eeaa78b62a0>

Join by phone: (408) 418-9388

Meeting number (access code): 126 081 9097

Meeting password: 1212

“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. Approve First Amendment to Purchase & Redevelopment Agreement for 1201 Pine Street *(Attachment 2)*
 - b. Consider Amendment to Tax Forfeited Property Policy *(Attachment 3)*
5. **New Business**
 - a. Approve Lease Subsidy Agreement with Crow Wing Food Co-op *(Attachment 4)*
 - b. Consider Termination of MOA with City of Brainerd for Administration of Revolving Loan Fund *(Attachment 5)*
 - c. Consider Destination Downtown Brainerd Coalition Request for Funding *(Attachment 6)*
6. **Bills and Communications**
 - a. Financial Report *(Attachment 7)*
 - b. HCV/Section 8 Report *(Attachment 8)*
 - c. Public Housing Report *(Attachment 9)*
 - d. Executive Director Report *(Attachment 10)*
 - e. Rehab Update *(Attachment 11)*
7. **Commissioner Comments**
8. **Adjourn**

Next Meeting: Wednesday, June 24, 2020

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Brainerd Housing and Redevelopment Authority BOARD MEETING MINUTES Wednesday, April 22, 2020

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 via Webex teleconference at 1:00 p.m., Wednesday, April 22nd, 2020.

1. **CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 1:00 p.m
2. **ROLL CALL:** Board members present via remote video conference include Commissioners Marlee Larson, Bekah Kent, Ashley Storm, Patrick Wussow, Eric Charpentier, and Gabe Johnson. Interim Executive Director/Finance Director Karen Young, Executive Assistant LeAnn Goltz, Rental Assistance Manager Tania Eller, Housing Manager Shannon Fortune, Rehab Coordinator John Schommer, and Mary Reed with CliftonLarsonAllen were also present.
3. **Presentation:** Mary Reedy from CliftonLarsonAllen (CLA) presented a summary of the 2019 audit and provided the full report to the Board. The report expressed an unmodified opinion with no findings, misstatements, or compliance issues.
4. **READING AND APPROVAL OF MINUTES:**

Commissioner Wussow moved to approve the minutes from the regular meeting on March 25th, 2020. Commissioner Charpentier seconded the motion. Through roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.

Commissioner Johnson moved to approve the minutes from the emergency meeting held on April 6th, 2020. Commissioner Kent seconded the motion. Through roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.

5. **UNFINISHED BUSINESS:**
6. **NEW BUSINESS:**
 - a. **Discussion on HUD Notice PIH 2020-05:** On March 27, 2020, President Trump signed the CARES Act into law, which further provides HUD with broad authority, in the context of the current public health emergency, to waive statutes and regulations for the Public Housing and HCV programs. The waivers implemented through this notice provide administrative relief and allow for alternative approaches to various aspects of PHA operations. HUD encourages PHAs to apply the waivers authorized in this notice based on local circumstances and needs.

PHAs are required to keep written documentation that record which waivers the PHA applied to their programs(s) and the effective dates. A PHA does not need to notify HUD or receive HUD approval to begin utilizing these waivers/alternative requirements. However, HUD may

subsequently require the PHA to provide information to HUD on the waivers used by the PHA and the date the PHA applied the waiver to its program(s). If a PHA chooses to apply any of the waivers provided for in this notice, the PHA is required to notify residents and owners of any impacts that the waiver and alternative requirement (where applicable) may have on them by whatever means it considers most effective as soon as practicable.

PHAs are not required to receive formal board approval to implement these waivers nor are they required to go through a public hearing process. These waivers can go into effect immediately as based on the local needs and conditions. Staff has gone through the Notice and selected the waivers that will currently benefit our programs for administrative relief with an effective date equal to the date of this Notice. The PHA may adopt the use of these waivers at any time throughout the period of availability as defined in the Notice.

7. **BILLS AND COMMUNICATIONS**

a. **Financial Report:**

CARES Act Supplemental Funding

The CARES Act appropriated supplemental funding for PHAs. Funding notices are anticipated to be released towards the end of April with the first round of funding being available at the beginning of May. For Operating Fund subsidies – this should amount to the equivalent of approximately two months of funding. For HCV HAP and Admin Fees – this should also amount to approximately two month of funding. Additional guidance is anticipated as these funds are made available.

Commissioner Wussow moved to approve the payments as presented, seconded by Commissioner Johnson. Via roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.

- b. **HCV/Section 8:** The Unit Months Leased (UML) through March was 100% and HAP utilization was 24%.

FYI Vouchers

Two families have completed the briefing process and should be issued a voucher shortly. The goal is to have those two lease up for May.

c. **Public Housing Report:**

Resident Commissioner Candidate Search

There were 16 self-nominations received for the position of Resident Commissioner. The election, initially slated to happen in May, will now be delayed until mid-June.

Ongoing COVID-19 Response

Most activities have continued, although with some modifications to allow for social distancing and minimized contact between residents and staff as well as between staff internally. Annual and interim recertifications are still being done using the drop boxes, mail, and email. Move-ins have continued, although thankfully there have only been two since the office was closed to the public, and we rely on a system of posted envelopes to exchange documents. In-unit work

orders are being evaluated on a case-by-case basis, with emergency and high priority tasks being assigned out to available maintenance staff and other tasks being temporarily postponed. Acquiring additional devices and software (i.e. Webex and Adobe) have allowed staff to stagger in-office time and complete many of their routine work tasks remotely. All common areas except the smoking area and the laundry room have been closed in the North Star Apartments. All tenant activities and educational events remain cancelled until further notice.

ROSS Program Updates

- Erik currently has 12 active participants in the ROSS program, including one newly enrolled in the past month. Before closing, Erik had created a resource packet related to healthy habits, hygiene practices, and general information on the COVID-19 virus. Of the 30 packets set out on a table outside his office, 12 have been taken. He also put out a new series of flyers and postcards with his email address and phone number to encourage continued engagement.
- There were no new outreach activities in March. All events and educational presentations for April have been postponed in response to guidance received related to slowing the spread of COVID-19.
- The Senior Nutrition Assistance program had 28 residents participating this past month. The nutrition seminars have been cancelled and will be resumed at a later date.
- Erik has been spending time resurrecting the ROSS Facebook page in an effort to provide as many options for contact to our tenants as possible.

d. Executive Director Report:

Executive Director Search

The job posting for the Executive Director position closed on April 15th. The hiring committee met with Gary Weiers on April 20th to determine the course of action for the next step. Gary suggested moving ahead with the video interview process since in-person interviews could not be held until sometime in May. The committee agreed and decided the video interviews would help them determine who they would want to bring in for a final interview. The hiring committee meets again on May 4th and interviews are scheduled for May 27th.

COVID-19 Update

Since approval of the Telework Policy on April 6th, most staff have moved to a remote work environment when possible. We have also established alternating schedules for each department to reduce possible exposure from being in the office during the same hours. Work with a closed door environment when in the office continues. Staff is also doing daily COVID-19 sanitizing and cleaning in the office building.

Maintenance staff is following a much reduced work schedule to limit the spread and are performing daily boiler checks, emergency work orders, and daily COVID-19 sanitizing/cleaning of the North Star.

Request for Technical Assistance (RFTA)

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

Trust Fund, and the affordable housing shortage in CWC.

Staff reached out to Sourcewell, their sister organization - Resource Training and Solutions, and MHP regarding available assistance with our initiatives. This RFTA through MHP seemed like the most viable resource for consulting services for our CWC HRA initiatives. Applications were due April 15th and funding notifications are anticipated towards the end of May.

We also reached out to our consultant from Redevelopment Resources, Kristen Fish-Peterson, to inquire if she would be available/willing to possibly contract for services to prepare a video narrated presentation of the Work Force Housing Study. This could be similar to the PowerPoint presentation that she gave at the CWC HRA board meeting. She provided a cost to prepare a presentation and a cost for virtual interactive presentations of the study. We discussed this with the CWC HRA Board and they suggested we revisit this option at the next meeting to evaluate where we are at with the COVID-19 circumstances.

Spring NAHRO Conference

Minnesota NAHRO has cancelled the physical spring conference. They are considering possibly offering a virtual conference.

- e. **Rehab Update:** An update on the current rehab projects was provided to the Board. Schommer reported that Level Contracting recently purchased five more lots in Brainerd Oaks with plans to purchase more in the near future.

8. **Commissioner Comments:** Nothing to report.

9. **Adjournment:**

Commissioner Johnson made a motion to adjourn the meeting. Commissioner Charpentier seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 1:48 p.m.



To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: May 18, 2020
Re: Approve First Amendment to Purchase & Redevelopment Agreement for 1201 Pine Street

At the January board meeting, the Board approved the transfer and assignment of the Master Purchase and Development Agreement to Lakes Area Habitat For Humanity from Galilee Ministries for the tax forfeited tract they purchased. When LAHFH agreed to accept the parcel, they indicated they would not be able to complete the minimum improvements until sometime in 2021. Attorney Martha Ingram informed us that we could not change the terms of the Purchase and Redevelopment Agreement when it was transferred and therefore she has drafted the amendment (see Attachment 2a) extending the deadline for LAHFH to complete minimum improvements by December 31, 2021.

Action Requested: Approve Resolution 2020-05 to approve amending the Purchase and Redevelopment Contract extending the deadline for minimum improvements until December 31, 2021.

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FIRST AMENDMENT TO PURCHASE AND REDEVELOPMENT AGREEMENT

This Amendment is made as of _____, 2020, by and between the Housing and Redevelopment Authority in and for the City of Brainerd, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”) and Lakes Area Habitat for Humanity, a Minnesota nonprofit corporation (the “Developer”).

WHEREAS, the Authority and Galilee Ministries of Minnesota (the “Assignor”) entered into that certain Purchase and Redevelopment Agreement dated as of September 10, 2018 (the “Agreement”), recorded in the office of the Crow Wing County Recorder on December 12, 2018 as Document No. A912413, providing, among other things, for the conveyance of certain property legally described as **Lots 11 and 12, Block 6, SECOND ADDITION TO THE CITY OF BRAINERD, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota** (the “Property”), and the construction of certain improvements (the “Minimum Improvements”) on the Property; and

WHEREAS, the Property was conveyed to the Assignor by quitclaim deed dated December 3, 2018 and recorded in the office of the Crow Wing County Recorder on December 12, 2018 as Document No. A912414;

WHEREAS, due to unanticipated delays subsequent to closing on the conveyance of the Property, the Assignor has been unable to complete the construction of the Minimum Improvements on the Property, and has assigned the Agreement to the Developer in an Assignment and Assumption of Purchase and Redevelopment Agreement dated as of January 22, 2020, to which the Authority has consented, and which has been recorded in the office of the Crow Wing County Recorder on March 10, 2020 as Document No. 929926; and

WHEREAS, the Assignor has conveyed the Property to the Developer by warranty deed on March 13, 2020, which deed was recorded in the office of the Crow Wing County Recorder on April 3, 2020 as Document No. 930574, and Developer is the fee title holder of the Property; and

WHEREAS, the Authority and the Developer have determined to amend the Agreement to provide for a later completion date for construction of the Improvements.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Amendment to Section 15B. of the Agreement. Section 15B. of the Agreement is amended as follows:

Construction of the Minimum Improvements on the Property must be substantially completed by December 31, 2021.

2. Miscellaneous. Except as amended by this Amendment, the Agreement shall remain in full force and effect.

(Remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the day and year first above written.

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
BRAINERD**

By _____
Its Chair

By _____
Its Interim Executive Director

STATE OF MINNESOTA)
) SS
COUNTY OF CROW WING)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, the Chair of the Housing and Redevelopment Authority in and for the City of Brainerd, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF CROW WING)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, the Interim Executive Director of the Housing and Redevelopment Authority in and for the City of Brainerd, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

Notary Public

Authority Signature Page to First Amendment to Purchase and Redevelopment Agreement

LAKES AREA HABITAT FOR HUMANITY, INC.

By _____
Its _____

STATE OF MINNESOTA)
) SS
COUNTY OF CROW WING)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, the _____ of Lakes Area Habitat for Humanity, Inc., a nonprofit corporation under the laws of Minnesota, on behalf of the corporation.

Notary Public

THIS DOCUMENT DRAFTED BY:

Kennedy & Graven, Chartered
470 US Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Developer Signature Page to First Amendment to Purchase and Redevelopment Agreement

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2020-05

RESOLUTION APPROVING A FIRST AMENDMENT OF A
PURCHASE AND REDEVELOPMENT AGREEMENT
BETWEEN THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF BRAINERD AND
LAKES AREA HABITAT FOR HUMANITY

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

Section 1. Recitals.

1.01. The Authority currently administers its Redevelopment Project No. 1 within the City of Brainerd (the "City"), pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended.

1.02. Pursuant to a duly noticed public hearing on the sale of Authority property, the Authority and Galilee Ministries of Minnesota (the "Buyer") executed a Purchase and Redevelopment Agreement, dated as of September 10, 2018 (the "Agreement"), providing for the conveyance by the Authority to the Buyer of certain property located at 1201 Pine Street within the City, legally described as follows:

Lots 11 and 12, Block 6, SECOND ADDITION TO THE CITY OF BRAINERD, according to the recorded plat thereof on file in the office of the County Recorder in and for Crow Wing County, Minnesota (the "Property")

and for the construction by the Buyer of a single-family home (the "Minimum Improvements") on the Property.

1.03. Subsequent to closing on conveyance of the Property, the Buyer determined that it was unable to construct the Minimum Improvements, assigned the Agreement to Lakes Area Habitat for Humanity (the "Developer") with the consent of the Authority, and conveyed the Property to the Developer.

1.04. The Authority and the Developer have negotiated and propose to execute a First Amendment to the Agreement (the "First Amendment") to extend the deadline for the construction of the Minimum Improvements.

Section 2. First Amendment Approved.

2.01. The First Amendment as presented to the Board is hereby in all respects approved, 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 First Amendment by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the First Amendment and any documents referenced therein requiring execution by the Authority, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd this __ day of _____, 2020.

Chair

ATTEST:

Secretary



To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: May 20, 2020
Re: Consider Amendment to Tax Forfeited Property Policy

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

In considering the recommendation, we reviewed the policy and found a couple of areas that should be changed to coincide more accurately with the County's policy (as currently proposed) and the way the most recent sales worked out.

We incorporated these changes and asked Attorney Martha Ingram from Kennedy and Graven to review and recommend the best way to offer the properties at \$0 plus costs. One concern from Martha is that the County policy does not specify the acquisition price of \$1 by the HRA. Her concern is that this leaves the HRA in a position of not having a set acquisition price as we negotiate with a developer. We updated our policy to accommodate this scenario of not having the acquisition price to the HRA set in policy. Staff will review significant changes at the meeting.

Action Requested: Consider Resolution 2020-06 amending the Brainerd HRA Tax Forfeited Hold Policy and Sales Procedure.

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2020-06

RESOLUTION AMENDING THE BRAINERD HRA TAX FORFEITED PROPERTY
HOLD POLICY AND SALES PROCEDURE.

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

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

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

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

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

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

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd this ___ day of May, 2020.

Chair

ATTEST:

Secretary

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To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: May 18, 2020
Re: Approve Lease Subsidy Agreement with Crow Wing Food Co-op

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 in 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 the runners-up.

Crow Wing Food Co-op was the grand prize winner and the Brainerd HRA's contribution to this prize package was a lease subsidy for 50% of the rent or \$8,000, whichever is less for one year. Crow Wing Food Co-op has chosen to locate their business at 624 Laurel Street owned by Smith Commercial Properties LLC. The rent is \$2,000 monthly and the lease began on April 1, 2020.

The Brainerd HRA will provide a forgivable loan of up to \$8,000 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 \$900 per month for the first four months and \$550 per month for the remaining eight months beginning on June 1, 2020.

Action Requested: Adopt Resolution No. 2020-07 approving a loan agreement between the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, and Crow Wing Food Co-op.

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FORGIVABLE LOAN AGREEMENT

This Forgivable Loan Agreement (“Agreement”) is made this 27 day of May, 2020, between Crow Wing Food Co-op (“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 \$8,000 (the “Loan”) to pay a portion of the rental payments made by the Borrower to its landlord, Smith Commercial Properties LLC (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 624 Laurel Street (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 Eight Thousand and no/100ths Dollars (\$8,000). 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 \$8,000 shall be disbursed directly to Landlord in the form of monthly rent payments in accordance with the Commercial Lease, effective as of April 1, 2020 (the "Lease") between the Borrower and the Landlord. On the first day of each month, commencing June 1, 2020, and continuing until September 31, 2020, the Lender shall pay \$900 of the Borrower's monthly lease payment then due and owing to the Landlord under the Lease. On the first day of each month, commencing October 1, 2020, and continuing until May 31, 2021, the Lender shall pay \$550 of the Borrower's monthly lease payment then due and owing to the Landlord under the Lease in a total amount not to exceed \$8,000.

(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: Crow Wing Food Co-op
624 Laurel Street
Brainerd, MN 56401

(f) Termination. If the first disbursement of the Loan is not disbursed pursuant to this Agreement by June 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 Interim Executive Director

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

Crow Wing Food Co-op

By: _____

Title: _____

By: _____

Title: _____

[SIGNATURE PAGE TO FORGIVABLE LOAN AGREEMENT – CROW WING FOOD CO-OP]

EXHIBIT A**PROMISSORY NOTE**

Principal Amount: \$8,000

Interest Rate: 0.0% _____, 2020

CROW WING FOOD CO-OP ("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 Eight Thousand and no/100ths Dollars (\$8,000), 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 May 27, 2020 ("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 _____, 2020.

CROW WING FOOD CO-OP

By: _____

Title: _____

By: _____

Title: _____

[SIGNATURE PAGE FOR PROMISSORY NOTE – CROW WING FOOD CO-OP]

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BRAINERD

RESOLUTION NO. 2020-07

RESOLUTION APPROVING A LOAN AGREEMENT
BETWEEN THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF BRAINERD,
MINNESOTA AND CROW WING FOOD CO-OP

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 Crow Wing Food Co-op (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 \$8,000, 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 Interim Executive Director, provided that execution of the Amendment by such officials shall be conclusive evidence of approval.

Approved this 27th day of May, 2020, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota.

Secretary/Treasurer

ATTEST:

Interim Executive Director



To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: May 21, 2020
Re: Consider Termination of MOA with City of Brainerd for Administration of Revolving Loan Fund

Attachment 5a is a request from the City of Brainerd for the termination of the Memorandum of Agreement between the HRA and the City of Brainerd for the administration of the City of Brainerd Revolving Loan Program.

There have been no loans made from these funds since entering into this Agreement in April 2018. As such, staff is recommending that we accept the request to terminate the MOA associated with the administration of the Revolving Loan Program and also waive the 60-day notice requirement in the MOA. Per the agreement, within 30 days after termination of this Agreement, the Brainerd HRA shall deliver to the City an accounting of the Program funds and the entire cash balance of the Program funds in our possession.

We initially received \$100,000 from the City and have expended \$874 in legal fees to Kennedy & Graven and \$49 in postage expense. The cash balance at this time is \$99,077 that would be returned to the City of Brainerd.

Action Requested: Consider Termination of MOA with City of Brainerd for Administration of Revolving Loan Fund and Return of Cash Balance of \$99,077 to the City of Brainerd.

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MEMO

TO: HRA Board Members

FROM: City Administrator Jennifer Bergman

DATE: May 21, 2020

RE: MOA between City of Brainerd and HRA for Administration of Revolving Loan Fund



In April of 2018, the City and the HRA entered into a Memorandum of Agreement (MOA) for the HRA, on behalf of the City, to administer the City's Revolving Loan Program. The City of Brainerd transferred \$100,000 from a former housing grant to the HRA for the program. The MOA renewed annually unless either of the parties provided a 60-day notice of its intent to terminate the Agreement.

The Brainerd EDA commission met on May 7, 2020 to discuss a Brainerd Economic Recovery Program. The Revolving Loan funds were identified as a source of funds that could be used to help businesses in our community.

At the May 18, 2020 council meeting the City Council did pass a motion to authorizing written notice to be sent to the HRA terminating the MOA associated with the administration of the City of Brainerd's Revolving Loan program. In addition, the Council is requesting the HRA to waive the 60-day notice requirement in the MOA, and for the HRA to return the funds as soon as they are able in order to put the money to use as soon as possible.

We value the continued relationship with the Brainerd HRA and we hope to partner on future programs.

/clh

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MEMORANDUM OF AGREEMENT

This Agreement, entered into this day of_, 2018, between the City of Brainerd, a Minnesota municipal corporation (“City”) 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 (“Brainerd HRA”), describes the terms and conditions by which services shall be provided to the City by the Brainerd HRA.

I. Scope of Services:

On behalf of the City, the Brainerd HRA will administer the City of Brainerd Revolving Loan Program (the “Program”) outlined in the Brainerd Revolving Loan Program Guidelines attached hereto as Exhibit A. The Brainerd HRA shall:

- a. Accept and screen applications to determine eligibility for the Program;
- b. Review proposed terms
- c. Present eligible loan applications to the Brainerd HRA Board of Commissioners for formal approval
- d. Prepare and execute loan documentation
- e. Oversee the construction of the project
- f. Disburse funds to the contractor
- g. Obtain necessary documents including lien waivers, completion certificates, etc.
- h. Service outstanding loans
- i. Provide quarterly reports to the City

II. Compensation

In consideration for performance of the Services, the Brainerd HRA shall be entitled to receive compensation as follows: a loan origination fee of \$500 will be charged to the borrower at the time of closing on any loan under the Program (provided that loans to assist property owners in correcting code violations shall not be subject to any origination fee), which shall be retained by the Brainerd HRA.

III. Term

The term of this Agreement is from May 1, 2018 to April 30, 2019. This agreement shall automatically renew for successive one-year terms thereafter unless one of the parties hereto provides at least 60 days’ notice of its intent to terminate this Agreement at the end of the then current term. However, either party may terminate this Agreement for any reason upon sixty (60) days’ written notice. Within thirty (30) days after termination of this Agreement, the Brainerd HRA shall deliver to the City (i) an accounting of all Program funds and outstanding loans and (ii) the entire cash balance of Program funds in the Brainerd HRA’s possession. The Brainerd HRA shall forward to the City all repayments of loans outstanding at the time of termination of this Agreement upon receipt of such repayments.

520833v2 MNI BR230-16

IV. Data Practices

The parties and their employees, agents, successors and assigns must comply with the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) as it applies to certain data provided to the Brainerd HRA under this Agreement and as it applies to certain data created, collected, received, stored, used, maintained, or disseminated by the Brainerd HRA pursuant to this Agreement. If the Brainerd HRA receives a request to release data pursuant to this Section 4, the Brainerd HRA shall notify City staff immediately and consult as to how the Brainerd HRA should respond to the request. The Brainerd HRA's response shall comply with applicable law.

V. Assignability

This Agreement shall not be assignable by either party without the prior written consent of the non-assigning party. The Brainerd HRA shall not enter into subcontracts for the performance of services described in this Agreement without the prior written approval of the City.

VI. Compliance With Applicable Law

The parties shall comply with applicable federal, state and local laws, and applicable rules, regulations, and standards established by any agency of such governmental units, which are now or hereafter promulgated insofar as they relate to the Brainerd HRA's performance of the provisions of this Agreement.

VII. Governing Law; Jurisdiction; Venue

The Agreement shall be governed by the laws of the State of Minnesota, without regard to its conflict of laws rules. For the purpose of resolving conflicts related to or arising out of this Agreement, the parties expressly agree that venue shall be exclusively in the State of Minnesota, County of Crow Wing. The parties hereby expressly consent to the exclusive personal jurisdiction of the federal and state courts located in the State of Minnesota, regardless of the citizenship or residency of either party at the time of the commencement of any legal proceeding.

VIII. Indemnification

To the fullest extent permitted by law, the parties will indemnify, protect and hold each other harmless from and against any and all liabilities, claims demands, losses, damages, costs and expenses (including attorneys' fees) arising out of or relating to the performance of work under the Agreement; but only to the extent caused in whole or in part by the negligent acts, errors or omissions of the parties' subcontractor(s), or anyone directly or indirectly employed or hired by each party or anyone for whose acts such party may be liable. The parties agree this indemnity obligation shall survive the completion or termination of this Agreement.

IX. Audit

The Brainerd HRA shall maintain complete and accurate records with respect to costs incurred and services performed under this Agreement for a period of at least six (6) years after the termination of this Agreement. Pursuant to Minnesota Statutes, Section 16C.05, subd. 5, the Brainerd HRA shall allow the City or other persons or agencies authorized by the City, including the Legislative or State Auditor, access to such records during reasonable hours, including all books, records, documents, and accounting procedures and practices of the Brainerd HRA relevant to the subject matter of the Agreement, for purposes of audit.

X. Entire Agreement

This Agreement constitutes the entire agreement between the parties. This Agreement may be amended only by written agreement of both the City and the Brainerd HRA.

XI. Survival

The provisions of this Agreement which, by their terms, impose obligations that are continuing in nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this Agreement, including, without limitation, the following clauses: Sections IV (Data Practices); VII (Governing Law; Jurisdiction; Venue); VIII (Indemnification); and IX (Audit).

XII. Nondiscrimination

In connection with the execution of this Agreement, the parties agree that they will comply with Minnesota Statutes, Section 363A.08, to not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age. The parties and all of their subcontractors (if any) will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to factors stated in Minnesota Statutes, Section 363A.08. Such actions shall include, but not be limited to, the following: hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileged of employment. For purposes of the Agreement, non-affiliated title companies shall not be considered an agent or a subcontractor of either party.

(The remainder of this page is intentionally left blank.)

In witness whereof, the parties have executed this Agreement on the day of the year first written above.

City of Brainerd

By:

Its:

Housing and Redevelopment Authority in and for the City of Brainerd

By:

Its:



To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: May 21, 2020
Re: Consider Destination Downtown Brainerd Coalition Request for Funding

We were contacted by Mary Devine-Johnson on behalf of the Destination Downtown Brainerd Coalition with a request to consider supporting the organization's efforts toward a thriving Downtown Brainerd.

The attached letter provides more information about their request and their current projects and initiatives.

I have reached out to Attorney Martha Ingram with Kennedy & Graven in preparation for this discussion regarding this funding request to ensure that we are supporting this initiative for the purpose of revitalizing downtown and assisting with the elimination of blight. Her suggestion was that should the HRA choose to fund these initiatives, a suggested way to execute this would be through a contract with DDBC for the services on behalf of the HRA as outlined in the letter.

Action Requested: Consider Destination Downtown Brainerd Coalition Request for Funding.

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May 20, 2020

Brainerd HRA
324 East River Road
Brainerd, MN 56401

To the Members of the HRA Commission:

I am submitting this letter on behalf of the Destination Downtown Brainerd Coalition (DDBC). The DDBC was established in 2019 as a non-profit organization committed to the preservation and promotion of a vibrant downtown for all. We believe when our downtown thrives, our community grows stronger. The group is made-up of downtown Brainerd business owners who often work with like-minded organizations, businesses, and individuals to accomplish our goals.

We are seeking funds to assist with several projects that would enhance the beauty and comfort of downtown Brainerd, as well as attract more residents, locals, and tourists to downtown through advertising, marketing, and events. We know the Brainerd HRA is committed to being the leader in redeveloping downtown Brainerd; we would like to present the following opportunities for funding consideration and/or partnership.

- 1.) Light post banners. The light posts in downtown Brainerd are equipped to hold banners on alternating posts but it has been a long while since they have been utilized. We want to purchase three sets of banners for 15 light posts. The banners will be 24" x 36" and would be printed on both sides. The first set would be for Spring/Summer and the second set would be for the Winter Holidays season; both would be made of durable material and reusable for many years. The third set would be used January–April; it is a fun series that would feature artwork from ISD 181 students who create images based on a theme and would change every year. Imagine driving or walking downtown and seeing your student's artwork up on the streets! Each set will cost \$2,880 so \$8,640 total. In addition, the light posts require new hardware for the banners which will cost \$555 (or \$37 per pole). We are hoping to work with the City of Brainerd on the installation of the banners.
- 2.) Cigarette recycling containers. We would like to purchase and maintain six cigarette recycling containers. The containers would be installed in locations that have been identified as collecting large amounts of litter, primarily heavily trafficked sidewalks on Laurel Street, the flowers pots, and landscaping beds. We hope to work with the City of Brainerd on the installation of the containers. We will organize volunteers to empty the containers. The cost to order the containers and custom stickers is \$573.64.

We understand this is a BIG ask of an organization that does not know much about us. We are not a membership-dues organization, not yet anyway, and do not feel like it's the right time to ask businesses and individuals to sponsor these initiatives which was our plan before the world changed in mid-March. We would really like to make an impact and an impression on the community with these projects which would really help promote our organization and downtown Brainerd.

We welcome your feedback and questions and hope that you will consider funding one, part or all of these initiatives. We would also like to ask for your consideration for future years and would like to know how to best develop a mutually beneficial partnership with the HRA.

Thank you for your time and consideration. Together we can re-develop downtown Brainerd and make it a vibrant downtown for all.

Respectfully submitted,

Brenda Billman-Arndt
President, Destination Downtown Brainerd Coalition
Owner, Purple Fern Bath Company

DDBC Board Members:

Marie Kirsch, Knotty Pine Bakery

Sarah Shaw, Sage on Laurel

Chris Smith, MN Makerspace

Rylie Weber, 612 Station

HollyRose McKnight, Open City Thrift

Mary Devine Johnson, Visit Brainerd

Sue Schmidt, Brainerd Lakes Chamber of Commerce

Yvette Campbell, Bremer Bank



To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: May 20, 2020
Re: May Financial Report

Please find attached the financial information for April 2020.

2020 Capital Fund Program Grant (CFP)

We received our 2020 CFP obligation from HUD. The award of \$379,530 is the highest allocation that we have received in the 20-year history of funding and almost \$24,000 more than last year.

CARES Act Supplemental Funding

The CARES Act provided additional funding to prevent, prepare for, and respond to coronavirus, including to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. We received clarification that any current eligible expenses are also allowed in addition to the coronavirus related expenses.

The supplemental funding amounts were announced for PHAs and we received an additional \$42,091 in Public Housing Operating Funds and an additional \$38,332 in HCV Admin Fees. The funds can only be used for eligible expenses back to March 27th and expire at the end of the year.

Action Requested: Motion for approval of payments as presented.

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Brainerd Housing & Redevelopment Authority

2020 Ratios (and December, 2019)

| FASS Ratios | Max Pts | Scoring | Dec 2019 After YE JE, B4 audit | Jan | Feb | Mar | Apr |
|-------------------------------|-----------|----------------------------|--------------------------------------|--------------|--------------|--------------|--------------|
| Quick Ratio | 12 | QR <1 = 0-, QR >2 = 12 | 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 |
| Debt Svc Coverage | 2 | DSC < 1 = 0, DSC >1.25 = 2 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Total Points | 25 | | 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 | 16.00 | 16.00 | 16.00 | 16.00 |
| Tenant Accounts Receivable | 5 | TAR <1.5% = 5, TAR >2.5% = 0 | 5.00 | 0.00 | 2.00 | 2.00 | 5.00 |
| Accounts Payable | 4 | AP < .75 = 4, AP >1.5 = 0 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Total Points | 25 | | 25.00 | 20.00 | 22.00 | 22.00 | 25.00 |
| Total of Above Ratios | 50 | | 50 | 45 | 47 | 47 | 50 |

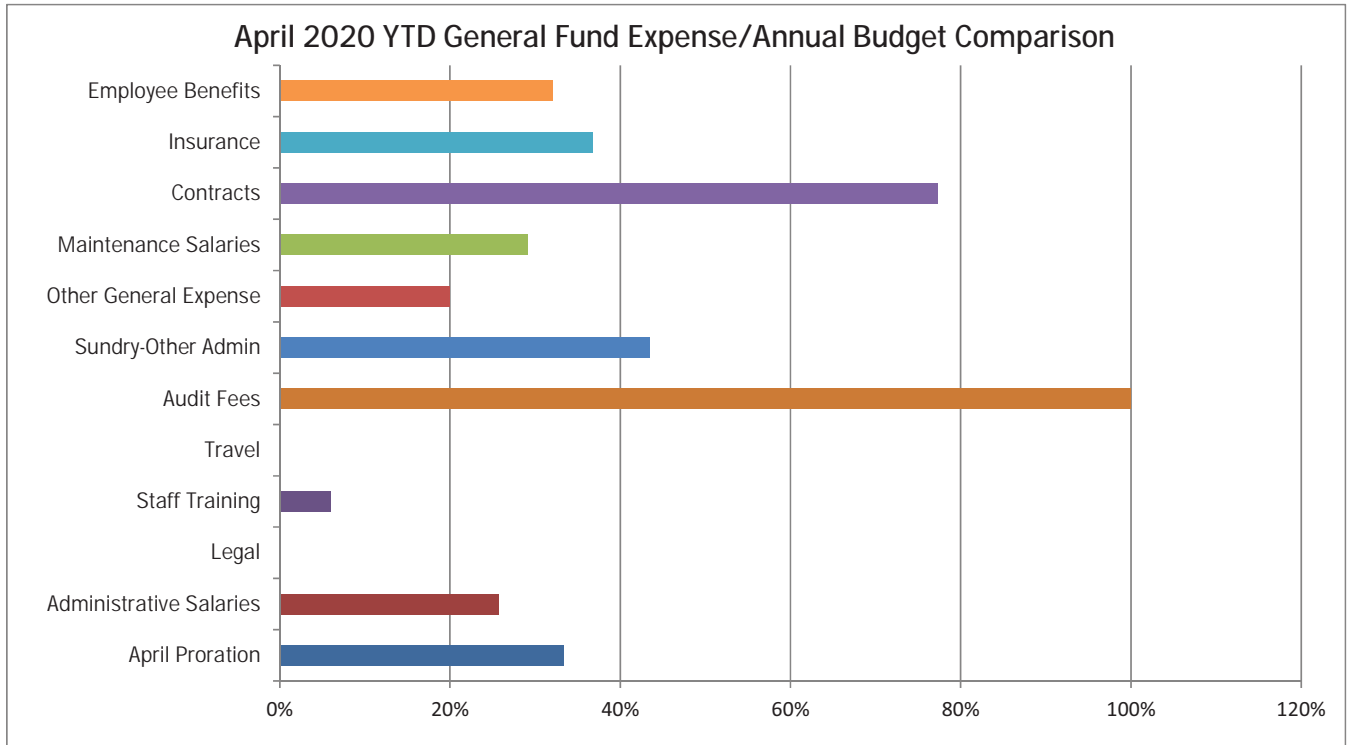
| MASS Ratios | Max Pts | Scoring | | | | | |
|-----------------------------|-----------|---|-------------|-------------|-------------|-------------|-------------|
| Timeliness of Obligation | 5 | >90% at OED = 5 <90% at OED = 0 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Occupancy Rate | 5 | OR <93% = 0,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

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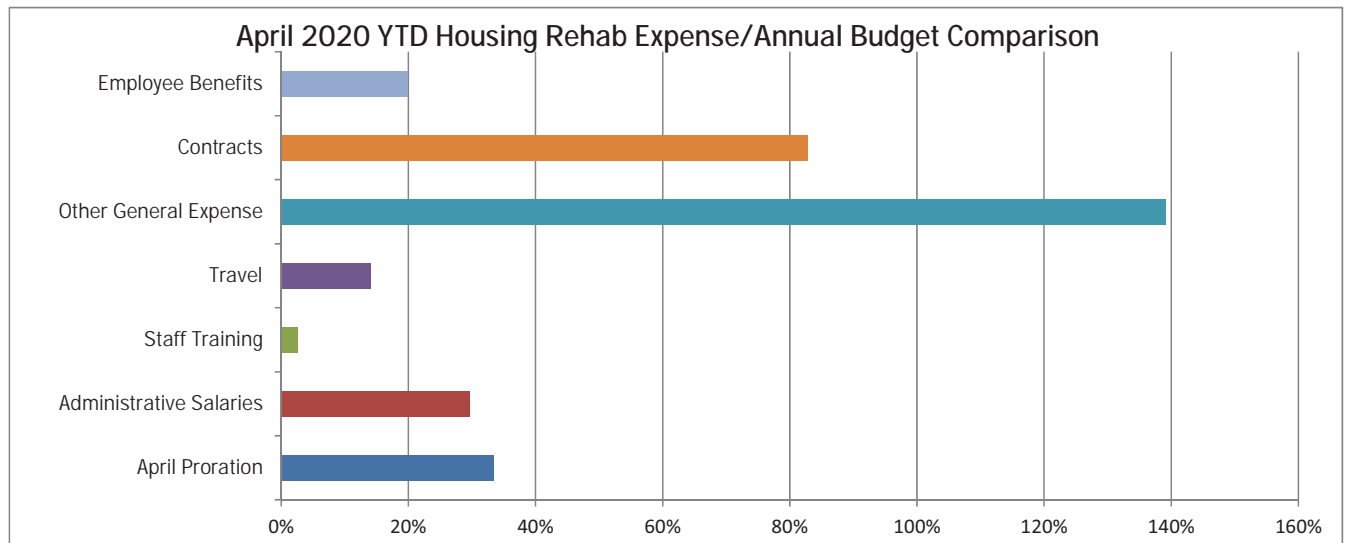
April 2020 Operating Account Balances

| Property/Program | April 2019 | March 2020 | April 2020 |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| General Fund | \$236,714.08 | \$277,126.06 | \$282,265.61 |
| Brainerd Revolving Loan Program | \$99,077.00 | \$99,077.00 | \$99,077.00 |
| Housing Rehab Program | \$12,087.69 | \$72,396.65 | \$68,478.53 |
| Bridges | \$12,553.69 | \$1,775.96 | \$2,355.96 |
| Crow Wing County HRA | \$521,225.74 | \$462,638.63 | \$451,275.64 |
| Public Housing | \$638,695.50 | \$652,990.63 | \$666,334.89 |
| Brainerd South | \$23,692.82 | \$40,082.08 | \$45,178.78 |
| Housing Choice Voucher | \$11,166.69 | \$41,041.47 | \$66,254.39 |
| Total | \$1,555,213.21 | \$1,647,128.48 | \$1,681,220.80 |

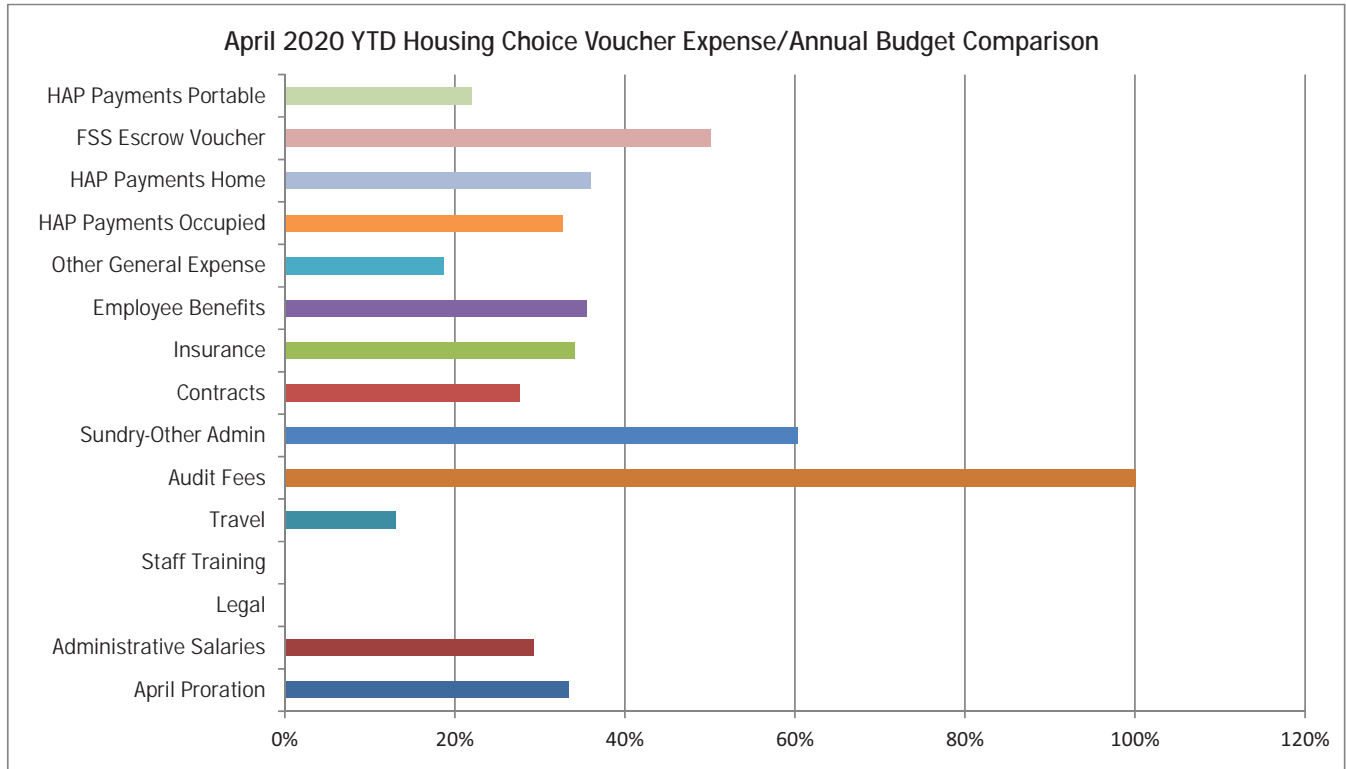
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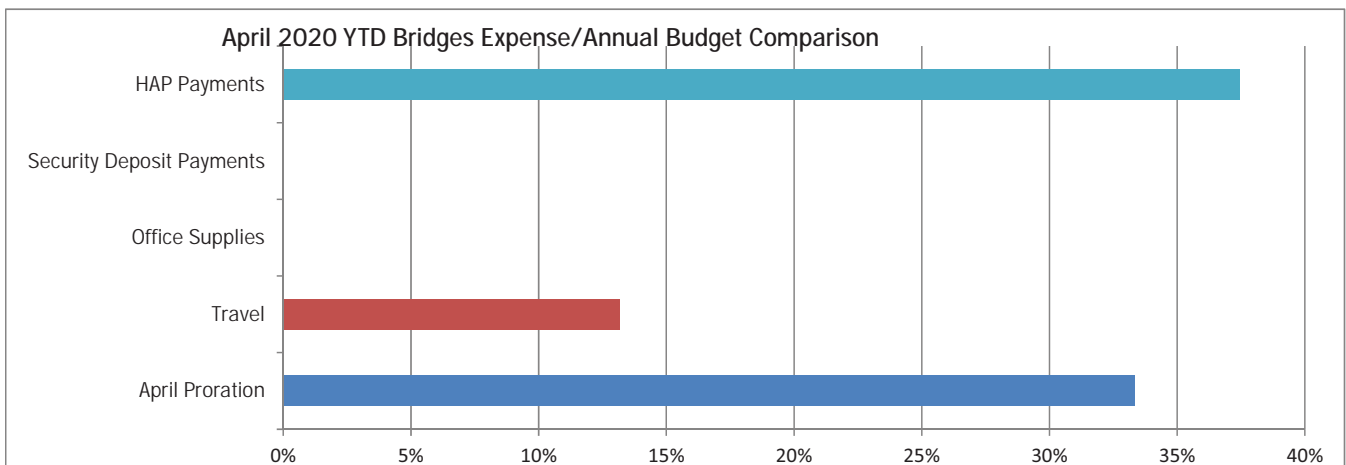
Contracts: Annual subscription to cloud back up and antivirus software.
 Sundry-Other Admin: Purchase of tablets and laptops for staff to work remotely.
 Audit: All of yearly budgeted audit fees incurred in the first 3 months of the year.

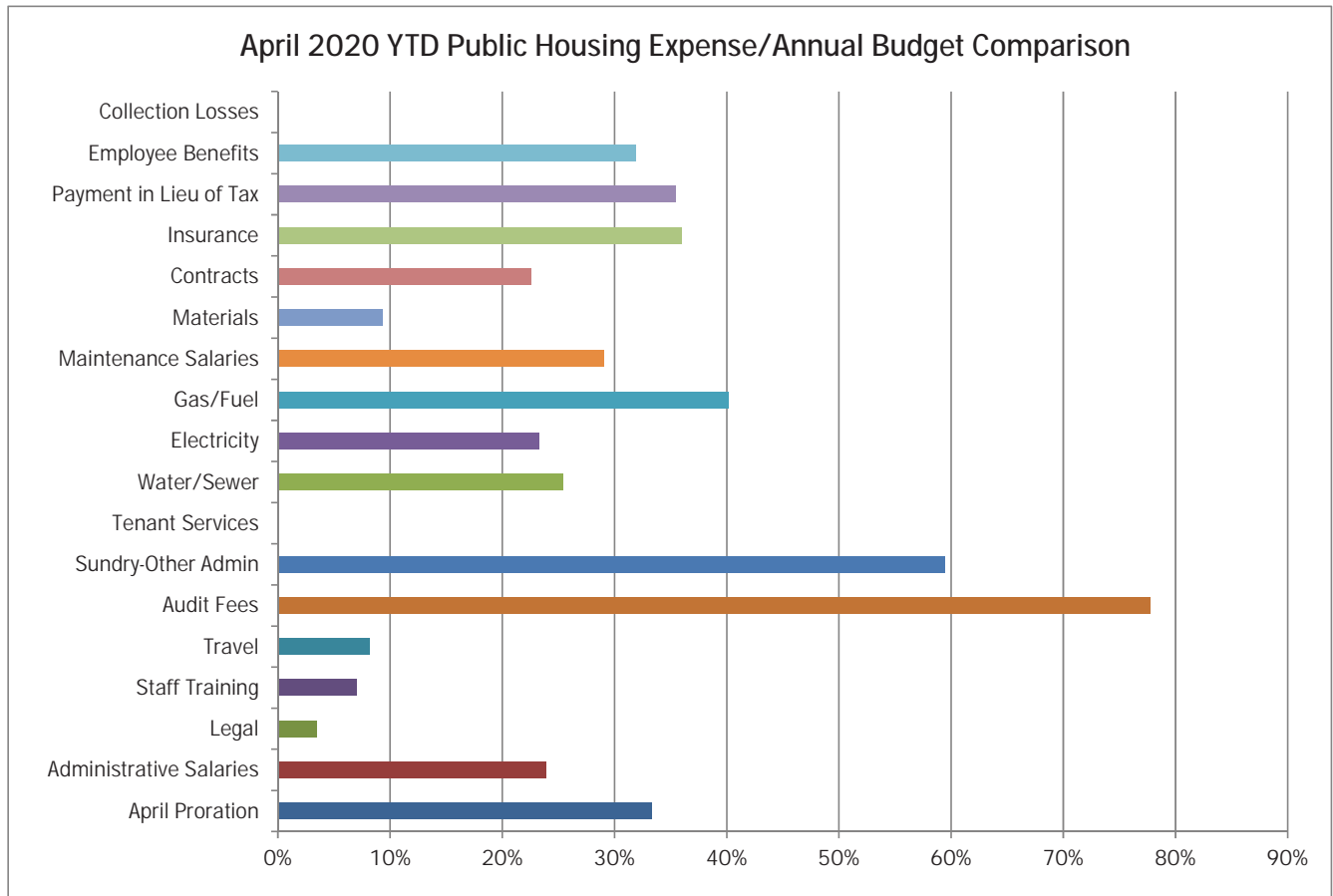


Contracts: 7 MHFA loans in process or completed thru April.
 Other General Expense: Setup of rehab specialist office and new desktop computer for rehab. Purchased an additional laptop and tablet for staff to work remotely.



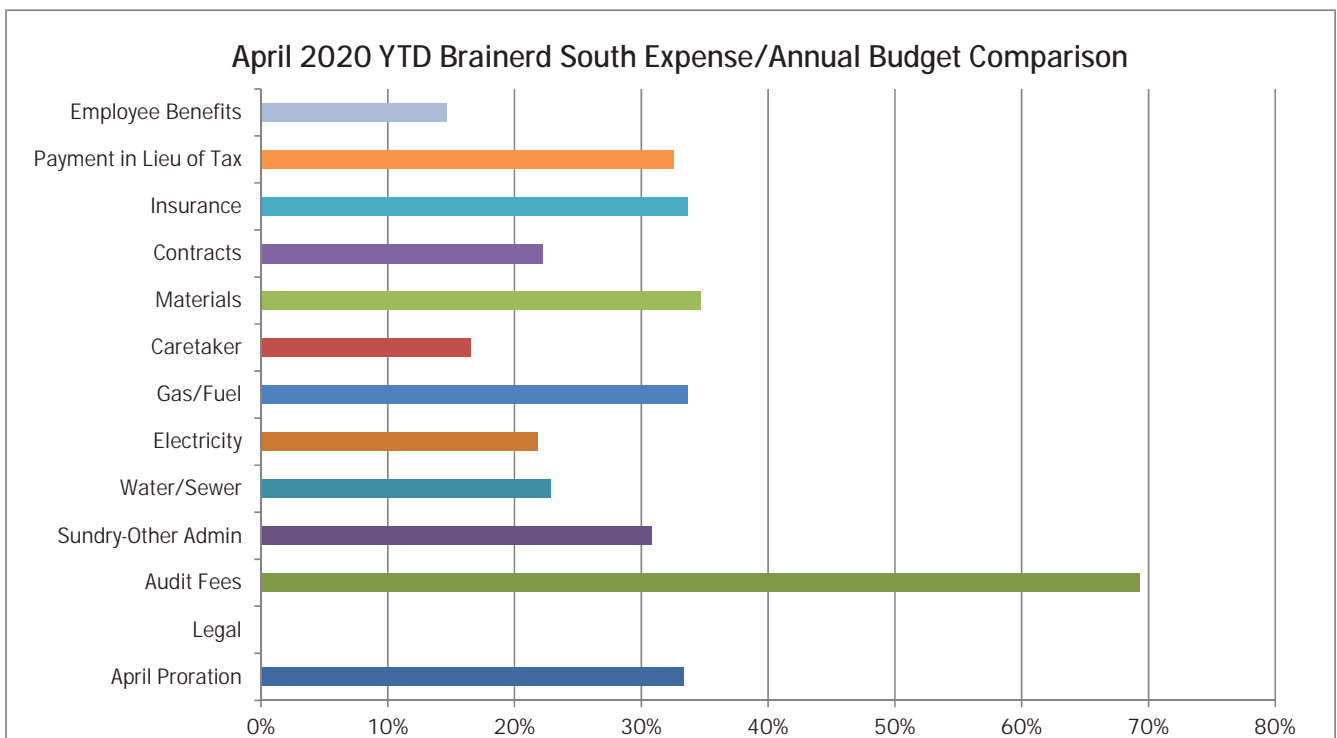
Sundry-Other Admin: Purchased postage for the year in January. Purchased 2 tablets for staff to work remotely.





Gas/Fuel: Higher cost monthly in winter months.

Sundry-Other Admin: Purchased postage for the year in January. Purchased 2 new desktop computers and 2 tablets to work remotely for staff.



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Date: 5/20/2020
Time: 6:59:57 AM
roberta

**Brainerd HRA
General Fund Operating Statement
April, 2020**

Page: 1
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| | Current Period | Current Year | Year To Date Budget | Variance |
|-------------------------------|-------------------|-------------------|---------------------|-------------------|
| General Fund Operating | | | | |
| INCOME | | | | |
| Management Fees | -18,752.87 | -57,613.18 | -56,333.32 | -1,279.86 |
| Interest Income | -125.38 | -1,031.08 | -883.32 | -147.76 |
| Other Income | -12,843.28 | -13,152.36 | -9,083.32 | -4,069.04 |
| TOTAL INCOME | -31,721.53 | -71,796.62 | -66,299.96 | -5,496.66 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 12,911.29 | 47,247.36 | 61,330.00 | -14,082.64 |
| Legal | 0.00 | 0.00 | 666.68 | -666.68 |
| Staff Training | 207.38 | 238.63 | 1,333.32 | -1,094.69 |
| Travel | 0.00 | 0.00 | 200.00 | -200.00 |
| Auditing Fees | 0.00 | 6,700.00 | 5,025.00 | 1,675.00 |
| Sundry-Other Admin | 1,253.68 | 2,652.79 | 2,033.32 | 619.47 |
| Total Administration | 14,372.35 | 56,838.78 | 70,588.32 | -13,749.54 |
| Maintenance | | | | |
| Maintenance Salaries | 902.56 | 3,409.18 | 3,903.32 | -494.14 |
| Contracts | 546.11 | 965.91 | 416.68 | 549.23 |
| Total Maintenance | 1,448.67 | 4,375.09 | 4,320.00 | 55.09 |
| General | | | | |
| TIF Expense | 0.00 | 0.00 | 43.32 | -43.32 |
| Insurance | 442.87 | 1,838.73 | 1,665.00 | 173.73 |
| Employee Benefits | 7,608.75 | 28,668.51 | 29,848.36 | -1,179.85 |
| Other General Expense | 1,500.00 | 5,000.00 | 8,366.68 | -3,366.68 |
| Total General | 9,551.62 | 35,507.24 | 39,923.36 | -4,416.12 |
| TOTAL EXPENSE | 25,372.64 | 96,721.11 | 114,831.68 | -18,110.57 |
| Net Income/Loss | -6,348.89 | 24,924.49 | 48,531.72 | -23,607.23 |

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Housing Rehab Operating Statement
April, 2020

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| | Current Period | Current Year | Year To Date Budget | Variance |
|---------------------------------------|-------------------|-------------------|---------------------|------------------|
| Housing Rehab Operating INCOME | | | | |
| Other Income | -10,000.00 | -79,558.76 | -80,000.00 | 441.24 |
| Grant Admin Revenue | -2,045.93 | -2,045.93 | -13,030.00 | 10,984.07 |
| TOTAL INCOME | -12,045.93 | -81,604.69 | -93,030.00 | 11,425.31 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 6,946.40 | 27,949.57 | 31,486.68 | -3,537.11 |
| Staff Training | 145.60 | 154.80 | 1,999.96 | -1,845.16 |
| Travel | 65.56 | 196.68 | 466.68 | -270.00 |
| Other Admin Exp | 1,826.12 | 3,965.36 | 950.04 | 3,015.32 |
| Total Administration | 8,983.68 | 32,266.41 | 34,903.36 | -2,636.95 |
| Maintenance | | | | |
| Contracts | 4,084.00 | 89,887.06 | 36,200.00 | 53,687.06 |
| Total Maintenance | 4,084.00 | 89,887.06 | 36,200.00 | 53,687.06 |
| General | | | | |
| Insurance | 86.12 | 496.47 | 0.00 | 496.47 |
| Employee Benefits | 2,810.25 | 10,238.37 | 17,091.64 | -6,853.27 |
| Total General | 2,896.37 | 10,734.84 | 17,091.64 | -6,356.80 |
| TOTAL EXPENSE | 15,964.05 | 132,888.31 | 88,195.00 | 44,693.31 |
| Net Income/Loss | 3,918.12 | 51,283.62 | -4,835.00 | 56,118.62 |

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**Brainerd HRA
HCV Operating Statement
April, 2020**

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| | Current Period | Current Year | Year To Date Budget | Variance |
|--|--------------------|--------------------|---------------------|-------------------|
| Housing Choice Voucher Operating INCOME | | | | |
| HUD HAP Received | -127,168.00 | -488,059.00 | -470,636.68 | -17,422.32 |
| Admin Fees Earned | -25,593.67 | -88,482.68 | -83,043.32 | -5,439.36 |
| Interest Income | -11.43 | -77.21 | -50.00 | -27.21 |
| Other Income | -1,111.00 | -7,895.44 | -3,716.68 | -4,178.76 |
| TOTAL INCOME | -153,884.10 | -584,514.33 | -557,446.68 | -27,067.65 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 10,793.04 | 41,068.88 | 46,770.00 | -5,701.12 |
| Legal | 0.00 | 0.00 | 100.00 | -100.00 |
| Staff Training | 0.00 | 0.00 | 2,086.68 | -2,086.68 |
| Travel | 65.55 | 324.88 | 833.32 | -508.44 |
| Accounting & Audit Fees | 0.00 | 3,500.00 | 1,166.68 | 2,333.32 |
| Sundry-Other Admin | 1,657.66 | 3,105.27 | 1,716.60 | 1,388.67 |
| Total Administration | 12,516.25 | 47,999.03 | 52,673.28 | -4,674.25 |
| Maintenance | | | | |
| Contracts | 536.59 | 967.12 | 1,166.68 | -199.56 |
| Total Maintenance | 536.59 | 967.12 | 1,166.68 | -199.56 |
| General | | | | |
| Insurance | 470.80 | 1,868.40 | 1,826.64 | 41.76 |
| Employee Benefits | 7,796.41 | 29,329.10 | 27,550.04 | 1,779.06 |
| Collection Losses | 0.00 | 2,302.00 | 0.00 | 2,302.00 |
| Other General Expense | 108.39 | 505.82 | 900.00 | -394.18 |
| Total General | 8,375.60 | 34,005.32 | 30,276.68 | 3,728.64 |
| HAP Payments | | | | |
| HAP Payments Occupied | 107,747.00 | 436,434.00 | 445,490.00 | -9,056.00 |
| HAP Payments - Port In | -120.00 | 0.00 | 0.00 | 0.00 |
| HAP Payments Home | 3,502.00 | 15,503.00 | 14,370.00 | 1,133.00 |
| FSS Escrow Voucher | 1,869.00 | 7,203.00 | 4,790.00 | 2,413.00 |
| HAP Payments Portable | 1,910.00 | 9,471.00 | 14,370.00 | -4,899.00 |
| Total HAP | 114,908.00 | 468,611.00 | 479,020.00 | -10,409.00 |
| TOTAL EXPENSE | 136,336.44 | 551,582.47 | 563,136.64 | -11,554.17 |
| Net Income/Loss | -17,547.66 | -32,931.86 | 5,689.96 | -38,621.82 |

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Bridges Program
Bridges Operating Statement
April, 2020

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| | Current Period | Current Year | Year To Date Budget | Variance |
|---------------------------------|------------------|-------------------|---------------------|------------------|
| Bridges Operating INCOME | | | | |
| HAP Received MHFA | -5,310.00 | -20,733.00 | -20,273.32 | -459.68 |
| Admin Revenue | -600.00 | -2,400.00 | -2,600.00 | 200.00 |
| Operating Transfer | 0.00 | 0.00 | 2,350.00 | -2,350.00 |
| Total Income | -5,910.00 | -23,133.00 | -20,523.32 | -2,609.68 |
| EXPENSE | | | | |
| Administrative | | | | |
| Travel | 0.00 | 59.23 | 150.00 | -90.77 |
| Office Supplies | 0.00 | 0.00 | 100.00 | -100.00 |
| Total Administration | 0.00 | 59.23 | 250.00 | -190.77 |
| General | | | | |
| Security Deposit Pmts | 0.00 | 0.00 | 2,026.68 | -2,026.68 |
| HAP Payment to Landlords | 5,330.00 | 20,509.00 | 18,246.68 | 2,262.32 |
| Total General | 5,330.00 | 20,509.00 | 20,273.36 | 235.64 |
| TOTAL EXPENSE | 5,330.00 | 20,568.23 | 20,523.36 | 44.87 |
| Net Income/Loss | -580.00 | -2,564.77 | 0.04 | -2,564.81 |

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**Brainerd HRA
Public Housing Operating Statement
April, 2020**

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| | Current Period | Current Year | Year To Date Budget | Variance |
|--|--------------------|--------------------|---------------------|-------------------|
| Public Housing Operating INCOME | | | | |
| Dwelling Rental | -59,336.00 | -245,273.00 | -246,686.68 | 1,413.68 |
| Excess Utilities | 0.00 | 0.00 | -1,033.32 | 1,033.32 |
| Operating Subsidy | -27,160.00 | -84,445.00 | -83,213.32 | -1,231.68 |
| Investment Interest | -139.61 | -1,297.65 | -2,136.68 | 839.03 |
| Other Income | -7,065.41 | -49,813.76 | -61,403.32 | 11,589.56 |
| Other Income Tenants | -435.00 | -6,592.83 | -9,333.32 | 2,740.49 |
| Capital Fund Income | -24,408.36 | -24,408.36 | -22,000.00 | -2,408.36 |
| Laundry Income | -1,399.00 | -5,894.00 | -7,133.32 | 1,239.32 |
| TOTAL INCOME | -119,943.38 | -417,724.60 | -432,939.96 | 15,215.36 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 18,030.07 | 74,372.61 | 103,860.00 | -29,487.39 |
| Legal | 0.00 | 132.50 | 1,266.68 | -1,134.18 |
| Staff Training | 622.17 | 984.32 | 4,666.68 | -3,682.36 |
| Travel | 14.38 | 164.23 | 666.68 | -502.45 |
| Accounting & Audit Fees | 6,400.00 | 8,200.00 | 7,915.00 | 285.00 |
| Sundry-Other Admin | 3,684.19 | 11,044.73 | 6,191.72 | 4,853.01 |
| Total Administration | 28,750.81 | 94,898.39 | 124,566.76 | -29,668.37 |
| Rec Public and Other | 0.00 | 0.00 | 1,650.00 | -1,650.00 |
| Total Tenant Services | 0.00 | 0.00 | 1,650.00 | -1,650.00 |
| Utilities | | | | |
| Water/Sewer | 5,919.02 | 16,374.91 | 21,453.32 | -5,078.41 |
| Electricity | 5,558.61 | 17,569.18 | 25,156.64 | -7,587.46 |
| Gas/Fuel | 3,855.69 | 15,800.82 | 13,116.68 | 2,684.14 |
| Total Utilities | 15,333.32 | 49,744.91 | 59,726.64 | -9,981.73 |
| Maintenance | | | | |
| Labor | 15,439.07 | 58,875.26 | 67,520.00 | -8,644.74 |
| Materials | 593.62 | 2,617.60 | 9,333.32 | -6,715.72 |
| Contracts | 10,124.14 | 37,941.26 | 56,050.00 | -18,108.74 |
| Total Maintenance | 26,156.83 | 99,434.12 | 132,903.32 | -33,469.20 |
| General | | | | |
| Insurance | 7,540.70 | 30,320.21 | 28,080.00 | 2,240.21 |
| Payment in Lieu of Tax | 2,103.75 | 9,332.83 | 8,776.68 | 556.15 |
| Employee Benefits | 19,372.42 | 75,413.83 | 78,906.68 | -3,492.85 |
| Collection Losses | 0.00 | 0.00 | 2,666.68 | -2,666.68 |
| Total General | 29,016.87 | 115,066.87 | 118,430.04 | -3,363.17 |
| TOTAL EXPENSE | 99,257.83 | 359,144.29 | 437,276.76 | -78,132.47 |
| Net Income/Loss | -20,685.55 | -58,580.31 | 4,336.80 | -62,917.11 |

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Brainerd South Operating Statement
April, 2020

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| | Current Period | Current Year | Year To Date Budget | Variance |
|---------------------------------|-------------------|--------------------|---------------------|-------------------|
| Brainerd South Operating | | | | |
| INCOME | | | | |
| Dwelling Rental | -20,690.00 | -82,389.00 | -79,560.00 | -2,829.00 |
| Rental Supplement | -4,293.00 | -15,619.00 | -14,403.32 | -1,215.68 |
| Investment Interest | -11.16 | -1,536.24 | -2,666.68 | 1,130.44 |
| Other Income | -2,050.00 | -8,336.83 | -10,406.68 | 2,069.85 |
| Laundry Income | -803.75 | -2,794.25 | -2,733.32 | -60.93 |
| TOTAL INCOME | -27,847.91 | -110,675.32 | -109,770.00 | -905.32 |
| EXPENSE | | | | |
| Administrative | | | | |
| Legal | 0.00 | 0.00 | 100.00 | -100.00 |
| Accounting & Audit Fees | 0.00 | 3,465.00 | 5,000.00 | -1,535.00 |
| Sundry-Other Admin | 6,932.40 | 15,255.01 | 16,526.68 | -1,271.67 |
| Total Administration | 6,932.40 | 18,720.01 | 21,626.68 | -2,906.67 |
| Utilities | | | | |
| Water | 1,171.99 | 3,385.24 | 4,946.68 | -1,561.44 |
| Electricity | 473.46 | 1,415.54 | 2,166.68 | -751.14 |
| Gas/Fuel | 1,624.15 | 5,889.81 | 5,833.32 | 56.49 |
| Total Utilities | 3,269.60 | 10,690.59 | 12,946.68 | -2,256.09 |
| Maintenance | | | | |
| Labor | 1,158.06 | 1,802.42 | 3,633.32 | -1,830.90 |
| Materials | 3,178.48 | 7,274.22 | 6,666.68 | 607.54 |
| Contracts | 2,227.79 | 14,833.81 | 22,583.40 | -7,749.59 |
| Total Maintenance | 6,564.33 | 23,910.45 | 32,883.40 | -8,972.95 |
| General | | | | |
| Insurance | 2,969.14 | 11,131.46 | 11,019.96 | 111.50 |
| Payment in Lieu of Tax | 826.31 | 3,414.94 | 3,500.00 | -85.06 |
| Employee Benefits | 119.04 | 178.56 | 406.68 | -228.12 |
| Total General | 3,914.49 | 14,724.96 | 14,926.64 | -201.68 |
| TOTAL EXPENSE | 20,680.82 | 68,046.01 | 82,383.40 | -14,337.39 |
| Net Income/Loss | -7,167.09 | -42,629.31 | -27,386.60 | -15,242.71 |

**April 2020
Prior Year Comparative Statements**

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**Brainerd HRA
General Fund Operating Statement
April, 2020**

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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund Operating INCOME | | | | |
| Management Fees | -57,613.18 | -56,333.32 | -56,767.10 | -56,443.58 |
| Interest Income | -1,031.08 | -883.32 | 0.00 | 0.00 |
| Other Income | -13,152.36 | -9,083.32 | -122.04 | -15,499.80 |
| TOTAL INCOME | -71,796.62 | -66,299.96 | -56,889.14 | -71,943.38 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 47,247.36 | 61,330.00 | 46,658.84 | 50,620.33 |
| Legal | 0.00 | 666.68 | 0.00 | 1,007.00 |
| Staff Training | 238.63 | 1,333.32 | 2,368.86 | 516.11 |
| Travel | 0.00 | 200.00 | 250.02 | 89.89 |
| Auditing Fees | 6,700.00 | 5,025.00 | 6,700.00 | 6,700.00 |
| Sundry-Other Admin | 2,652.79 | 2,033.32 | 2,666.97 | 1,584.64 |
| Total Administration | 56,838.78 | 70,588.32 | 58,644.69 | 60,517.97 |
| Maintenance | | | | |
| Maintenance Salaries | 3,409.18 | 3,903.32 | 3,372.46 | 3,326.12 |
| Contracts | 965.91 | 416.68 | 749.19 | 374.69 |
| Total Maintenance | 4,375.09 | 4,320.00 | 4,121.65 | 3,700.81 |
| General | | | | |
| TIF Expense | 0.00 | 43.32 | 30.00 | 0.00 |
| Insurance | 1,838.73 | 1,665.00 | 1,393.08 | 1,298.90 |
| Employee Benefits | 28,668.51 | 29,848.36 | 26,817.16 | 28,994.81 |
| Other General Expense | 5,000.00 | 8,366.68 | 2,000.00 | 46.00 |
| Total General | 35,507.24 | 39,923.36 | 30,240.24 | 30,762.49 |
| TOTAL EXPENSE | 96,721.11 | 114,831.68 | 93,006.58 | 94,981.27 |
| Net Income/Loss | 24,924.49 | 48,531.72 | 36,117.44 | 23,037.89 |

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Housing Rehab Proj Operating PY
Housing Rehab Operating Statement
April, 2020

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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Housing Rehab Operating INCOME | | | | |
| Other Income | -79,558.76 | -80,000.00 | -10,000.00 | -26,086.39 |
| Grant Admin Revenue | -2,045.93 | -13,030.00 | 0.00 | -236.54 |
| TOTAL INCOME | -81,604.69 | -93,030.00 | -10,000.00 | -26,322.93 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 27,949.57 | 31,486.68 | 16,199.05 | 15,928.93 |
| Staff Training | 154.80 | 1,999.96 | 1,418.56 | 839.99 |
| Travel | 196.68 | 466.68 | 16.82 | 45.78 |
| Other Admin Exp | 3,965.36 | 950.04 | 1,780.42 | 1,605.09 |
| Total Administration | 32,266.41 | 34,903.36 | 19,414.85 | 18,419.79 |
| Maintenance | | | | |
| Contracts | 89,887.06 | 36,200.00 | 213.00 | 322.00 |
| Total Maintenance | 89,887.06 | 36,200.00 | 213.00 | 322.00 |
| General | | | | |
| Insurance | 496.47 | 0.00 | 257.47 | 270.19 |
| Employee Benefits | 10,238.37 | 17,091.64 | 7,695.49 | 7,353.72 |
| Total General | 10,734.84 | 17,091.64 | 7,952.96 | 7,623.91 |
| TOTAL EXPENSE | 132,888.31 | 88,195.00 | 27,580.81 | 26,365.70 |
| Net Income/Loss | 51,283.62 | -4,835.00 | 17,580.81 | 42.77 |

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**Brainerd HRA
HCV Operating Statement
April, 2020**

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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|--|--------------------|--------------------|--------------------|--------------------|
| Housing Choice Voucher Operating INCOME | | | | |
| HUD HAP Received | -488,059.00 | -470,636.68 | -468,372.00 | -449,089.00 |
| Admin Fees Earned | -88,482.68 | -83,043.32 | -95,722.00 | -74,895.00 |
| Interest Income | -77.21 | -50.00 | -86.49 | -3.79 |
| Other Income | -7,895.44 | -3,716.68 | -5,113.63 | -1,428.69 |
| TOTAL INCOME | -584,514.33 | -557,446.68 | -569,294.12 | -525,416.48 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 41,068.88 | 46,770.00 | 43,619.91 | 42,597.66 |
| Legal | 0.00 | 100.00 | 0.00 | 0.00 |
| Staff Training | 0.00 | 2,086.68 | 3,367.26 | 935.50 |
| Travel | 324.88 | 833.32 | 613.25 | 530.08 |
| Accounting & Audit Fees | 3,500.00 | 1,166.68 | 3,500.00 | 3,500.00 |
| Sundry-Other Admin | 3,105.27 | 1,716.60 | 2,075.47 | 1,311.65 |
| Total Administration | 47,999.03 | 52,673.28 | 53,175.89 | 48,874.89 |
| Maintenance | | | | |
| Contracts | 967.12 | 1,166.68 | 879.18 | 438.79 |
| Total Maintenance | 967.12 | 1,166.68 | 879.18 | 438.79 |
| General | | | | |
| Insurance | 1,868.40 | 1,826.64 | 1,681.94 | 1,613.36 |
| Employee Benefits | 29,329.10 | 27,550.04 | 27,641.44 | 27,532.92 |
| Collection Losses | 2,302.00 | 0.00 | 0.00 | 0.00 |
| Other General Expense | 505.82 | 900.00 | 851.34 | 842.40 |
| Total General | 34,005.32 | 30,276.68 | 30,174.72 | 29,988.68 |
| HAP Payments | | | | |
| HAP Payments Occupied | 436,434.00 | 445,490.00 | 440,758.00 | 418,164.00 |
| HAP Payments Home | 15,503.00 | 14,370.00 | 15,666.00 | 12,658.00 |
| FSS Escrow Voucher | 7,203.00 | 4,790.00 | 6,543.00 | 8,006.00 |
| HAP Payments Portable | 9,471.00 | 14,370.00 | 14,524.00 | 12,081.00 |
| Total HAP | 468,611.00 | 479,020.00 | 477,491.00 | 450,909.00 |
| TOTAL EXPENSE | 551,582.47 | 563,136.64 | 561,720.79 | 530,211.36 |
| Net Income/Loss | -32,931.86 | 5,689.96 | -7,573.33 | 4,794.88 |

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Bridges Program PY
Bridges Operating Statement
April, 2020

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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Bridges Operating INCOME | | | | |
| HAP Received MHFA | -20,733.00 | -20,273.32 | -25,083.00 | -25,067.00 |
| Admin Revenue | -2,400.00 | -2,600.00 | -2,550.00 | -2,750.00 |
| Operating Transfer | 0.00 | 2,350.00 | 0.00 | 0.00 |
| Total Income | -23,133.00 | -20,523.32 | -27,633.00 | -27,817.00 |
| EXPENSE | | | | |
| Administrative | | | | |
| Travel | 59.23 | 150.00 | 104.98 | 52.97 |
| Office Supplies | 0.00 | 100.00 | 0.00 | 0.00 |
| Total Administration | 59.23 | 250.00 | 104.98 | 52.97 |
| General | | | | |
| Security Deposit Pmts | 0.00 | 2,026.68 | 3,146.00 | 475.00 |
| HAP Payment to Landlords | 20,509.00 | 18,246.68 | 21,937.00 | 24,592.00 |
| Total General | 20,509.00 | 20,273.36 | 25,083.00 | 25,067.00 |
| TOTAL EXPENSE | 20,568.23 | 20,523.36 | 25,187.98 | 25,119.97 |
| Net Income/Loss | -2,564.77 | 0.04 | -2,445.02 | -2,697.03 |

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**Brainerd HRA
Public Housing Operating Statement
April, 2020**

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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|--|--------------------|--------------------|--------------------|--------------------|
| Public Housing Operating INCOME | | | | |
| Dwelling Rental | -245,273.00 | -246,686.68 | -241,387.00 | -227,895.50 |
| Excess Utilities | 0.00 | -1,033.32 | 0.00 | 0.00 |
| Operating Subsidy | -84,445.00 | -83,213.32 | -73,537.00 | -78,134.00 |
| Investment Interest | -1,297.65 | -2,136.68 | 163.66 | 159.08 |
| Other Income | -49,813.76 | -61,403.32 | -38,602.09 | -50,030.67 |
| Other Income Tenants | -6,592.83 | -9,333.32 | -7,247.09 | -22,052.34 |
| Capital Fund Income | -24,408.36 | -22,000.00 | -122,348.00 | -66,000.00 |
| Laundry Income | -5,894.00 | -7,133.32 | -6,916.00 | -7,002.00 |
| TOTAL INCOME | -417,724.60 | -432,939.96 | -489,873.52 | -450,955.43 |
| EXPENSE | | | | |
| Administrative | | | | |
| Administrative Salaries | 74,372.61 | 103,860.00 | 92,078.30 | 81,841.64 |
| Legal | 132.50 | 1,266.68 | 0.00 | 404.19 |
| Staff Training | 984.32 | 4,666.68 | 4,374.03 | 3,497.32 |
| Travel | 164.23 | 666.68 | 390.14 | 252.14 |
| Accounting & Audit Fees | 8,200.00 | 7,915.00 | 6,300.00 | 7,400.00 |
| Sundry-Other Admin | 11,044.73 | 6,191.72 | 9,621.98 | 5,441.64 |
| Total Administration | 94,898.39 | 124,566.76 | 112,764.45 | 98,836.93 |
| Rec Public and Other | 0.00 | 1,650.00 | 0.00 | 95.14 |
| Total Tenant Services | 0.00 | 1,650.00 | 0.00 | 95.14 |
| Utilities | | | | |
| Water/Sewer | 16,374.91 | 21,453.32 | 16,112.04 | 15,288.10 |
| Electricity | 17,569.18 | 25,156.64 | 18,496.03 | 17,978.93 |
| Gas/Fuel | 15,800.82 | 13,116.68 | 24,557.85 | 25,266.94 |
| Total Utilities | 49,744.91 | 59,726.64 | 59,165.92 | 58,533.97 |
| Maintenance | | | | |
| Labor | 58,875.26 | 67,520.00 | 57,535.32 | 56,499.35 |
| Materials | 2,617.60 | 9,333.32 | 3,200.64 | 8,336.64 |
| Contracts | 37,941.26 | 56,050.00 | 38,496.92 | 61,939.82 |
| Total Maintenance | 99,434.12 | 132,903.32 | 99,232.88 | 126,775.81 |
| General | | | | |
| Insurance | 30,320.21 | 28,080.00 | 26,429.34 | 23,111.98 |
| Payment in Lieu of Tax | 9,332.83 | 8,776.68 | 8,999.57 | 7,973.52 |
| Employee Benefits | 75,413.83 | 78,906.68 | 72,970.34 | 73,883.28 |
| Collection Losses | 0.00 | 2,666.68 | 0.00 | 0.00 |
| Total General | 115,066.87 | 118,430.04 | 108,399.25 | 104,968.78 |
| TOTAL EXPENSE | 359,144.29 | 437,276.76 | 379,562.50 | 389,210.63 |
| Net Income/Loss | -58,580.31 | 4,336.80 | -110,311.02 | -61,744.80 |

Date: 5/20/2020
Time: 7:01:07 AM
roberta

Brainerd South Operating Statement
April, 2020

Page: 1
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| | YTD 2020 | YTD 2020 Budget | YTD 2019 | YTD 2018 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Brainerd South Operating | | | | |
| INCOME | | | | |
| Dwelling Rental | -82,389.00 | -79,560.00 | -77,995.00 | -77,181.00 |
| Rental Supplement | -15,619.00 | -14,403.32 | -14,459.00 | -13,582.00 |
| Investment Interest | -1,536.24 | -2,666.68 | 30.32 | 34.09 |
| Other Income | -8,336.83 | -10,406.68 | -12,066.90 | -9,476.24 |
| Laundry Income | -2,794.25 | -2,733.32 | -2,400.25 | -2,365.25 |
| TOTAL INCOME | -110,675.32 | -109,770.00 | -106,890.83 | -102,667.97 |
| EXPENSE | | | | |
| Administrative | | | | |
| Legal | 0.00 | 100.00 | 0.00 | 0.00 |
| Accounting & Audit Fees | 3,465.00 | 5,000.00 | 3,450.00 | 4,600.00 |
| Sundry-Other Admin | 15,255.01 | 16,526.68 | 14,798.78 | 14,202.75 |
| Total Administration | 18,720.01 | 21,626.68 | 18,248.78 | 18,802.75 |
| Utilities | | | | |
| Water | 3,385.24 | 4,946.68 | 1,760.77 | 3,743.37 |
| Electricity | 1,415.54 | 2,166.68 | 1,464.10 | 2,305.77 |
| Gas/Fuel | 5,889.81 | 5,833.32 | 9,006.93 | 9,118.44 |
| Total Utilities | 10,690.59 | 12,946.68 | 12,231.80 | 15,167.58 |
| Maintenance | | | | |
| Labor | 1,802.42 | 3,633.32 | 3,471.84 | 3,457.80 |
| Materials | 7,274.22 | 6,666.68 | 5,237.06 | 5,573.52 |
| Contracts | 14,833.81 | 22,583.40 | 16,130.05 | 18,662.25 |
| Total Maintenance | 23,910.45 | 32,883.40 | 24,838.95 | 27,693.57 |
| General | | | | |
| Insurance | 11,131.46 | 11,019.96 | 10,667.08 | 10,217.39 |
| Payment in Lieu of Tax | 3,414.94 | 3,500.00 | 3,135.75 | 3,024.65 |
| Employee Benefits | 178.56 | 406.68 | 406.68 | 406.68 |
| Total General | 14,724.96 | 14,926.64 | 14,209.51 | 13,648.72 |
| TOTAL EXPENSE | 68,046.01 | 82,383.40 | 69,529.04 | 75,312.62 |
| Net Income/Loss | -42,629.31 | -27,386.60 | -37,361.79 | -27,355.35 |

Brainerd Housing and Redevelopment Authority

Payment Summary Report

April 2020

| Payment Date | Payment Number | Remit to Vendor | Total Check Amt |
|--------------|----------------|---------------------------------------|-----------------|
| 4/9/2020 | 708 | Dudley Gangestad | \$29.90 |
| 4/9/2020 | 709 | Erik Warner | \$14.38 |
| 4/9/2020 | 710 | John Schommer | \$64.98 |
| 4/9/2020 | 711 | Keri Woitalla | \$33.38 |
| 4/9/2020 | 712 | Mike Jones | \$40.83 |
| 4/9/2020 | 713 | Roberta Piekarski | \$806.37 |
| 4/9/2020 | 714 | Roxanne Hurt | \$146.18 |
| 4/9/2020 | 715 | Ryan Barnett | \$65.55 |
| 4/9/2020 | 716 | Shannon Fortune | \$293.65 |
| 4/9/2020 | 717 | Terry Quick | \$101.21 |
| 4/9/2020 | 1626 | Minnesota State Retirement System | \$530.00 |
| 4/9/2020 | 1627 | Electronic Federal Tax Payment System | \$7,048.13 |
| 4/9/2020 | 1628 | MN Dept of Revenue | \$1,174.84 |
| 4/9/2020 | 1629 | Health Savings Accounts | \$1,206.38 |
| 4/9/2020 | 1630 | Security Benefit | \$3,942.32 |
| 4/2/2020 | 1631 | Void | \$0.00 |
| 4/1/2020 | 1632 | Ash Properties | \$500.00 |
| 4/1/2020 | 1633 | JJC Properties LLC | \$500.00 |
| 4/1/2020 | 1634 | Pueringer Investments | \$500.00 |
| 4/2/2020 | 1635 | EBSO | \$23,312.23 |
| 4/23/2020 | 1636 | Minnesota State Retirement System | \$530.00 |
| 4/23/2020 | 1637 | Electronic Federal Tax Payment System | \$7,237.93 |
| 4/23/2020 | 1638 | MN Dept of Revenue | \$1,194.41 |
| 4/23/2020 | 1639 | Health Savings Accounts | \$1,206.38 |
| 4/23/2020 | 1640 | Security Benefit | \$3,997.08 |
| 4/1/2020 | *1650 | Health Savings Accounts | \$7,625.00 |
| 4/9/2020 | 23227 | Adam's Pest Control, Inc. | \$94.50 |
| 4/9/2020 | 23228 | AmeriPride Linen & Apparel Svcs | \$521.78 |
| 4/9/2020 | 23229 | Brainerd Public Utilities | \$11,072.67 |
| 4/9/2020 | 23230 | Void | \$0.00 |
| 4/9/2020 | 23231 | Capital One Commercial | \$824.41 |
| 4/9/2020 | 23232 | CenterPoint Energy | \$5,479.84 |
| 4/9/2020 | 23233 | CliftonLarsonAllen LLP | \$6,400.00 |
| 4/9/2020 | 23234 | Climate Makers Acquisition, Inc. | \$623.88 |
| 4/9/2020 | 23235 | College Drive Townhouses | \$1,652.56 |
| 4/9/2020 | 23236 | Crow Wing Cty Recorder's Office | \$92.00 |
| 4/9/2020 | 23237 | Crow Wing Cty Recorder's Office | \$92.00 |
| 4/9/2020 | 23238 | Culligan | \$143.50 |
| 4/9/2020 | 23239 | Hillyard / Hutchinson | \$246.40 |
| 4/9/2020 | 23240 | Holden Electric Company Inc | \$3,880.15 |
| 4/9/2020 | 23241 | Home Depot Credit Services | \$31.04 |
| 4/9/2020 | 23242 | Kennedy & Graven, Chartered | \$38.10 |
| 4/9/2020 | 23243 | Lakes Area Professional Services | \$3,900.00 |

| | | | |
|-----------|----------------------|--|--------------|
| 4/9/2020 | 23244 | Lakes Printing Inc. | \$125.15 |
| 4/9/2020 | 23245 | Life Insurance Company of North America | \$57.58 |
| 4/9/2020 | 23246 | MN Chapter NAHRO | \$408.00 |
| 4/9/2020 | 23247 | MN Elevator, Inc. | \$771.68 |
| 4/9/2020 | 23248 | Office Shop | \$298.65 |
| 4/9/2020 | 23249 | Rental History Reports | \$107.00 |
| 4/9/2020 | 23250 | Sun Life Financial | \$271.60 |
| 4/9/2020 | 23251 | TKDA | \$11,449.91 |
| 4/9/2020 | 23252 | Trail Ridge Townhomes | \$1,106.00 |
| 4/9/2020 | 23253 | Verizon Wireless | \$313.98 |
| 4/9/2020 | 23254 | Viking Electric Supply, Inc | \$102.00 |
| 4/9/2020 | 23255 | West Central Flooring | \$534.97 |
| 4/21/2020 | 23256 | Tenant Refund | \$140.33 |
| 4/23/2020 | 23257 | Avesis Third Party Admininstrators | \$15.59 |
| 4/23/2020 | 23258 | Brainerd Public Utilities | \$2,595.41 |
| 4/23/2020 | 23259 | Bremer Bank Credit Card | \$8,327.49 |
| 4/23/2020 | 23260 | CDW-Government | \$1,746.36 |
| 4/23/2020 | 23261 | CTCIT | \$595.00 |
| 4/23/2020 | 23262 | CTC | \$2,572.17 |
| 4/23/2020 | 23263 | Dacotah Paper Co | \$749.20 |
| 4/23/2020 | 23264 | Dearborn National | \$200.69 |
| 4/23/2020 | 23265 | HealthPartners | \$834.05 |
| 4/23/2020 | 23266 | League of Minnesota Cities | \$262.00 |
| 4/23/2020 | 23267 | MN Dept of Labor and Industry | \$200.00 |
| 4/23/2020 | 23268 | Nisswa Sanitation | \$2,348.81 |
| 4/23/2020 | 23269 | Postmaster | \$225.00 |
| 4/23/2020 | 23270 | ServiceMaster of Brainerd | \$2,229.52 |
| 4/23/2020 | 23271 | TKDA | \$1,824.45 |
| | | | |
| | *ACH Out of Sequence | Entered After Month Closed & May Transactions Posted | |
| | | | |
| | | | |
| | | Report Total | \$137,606.55 |



To: Brainerd HRA Board Members
From: Tania Eller, Rental Assistance Manager
Date: May 15, 2020
Re: HCV Programs Report

HCV Report

Please see the Attachment 8a. Our Unit Months Leased (UML) through April was 99% and HAP utilization through April was 32%.

We are still notifying to keep our numbers above 95%. We notified 70 families on March 14th. We plan to follow the same process we used in April when we notified 30 families to keep client contact to a minimum.

Bridges Report

Please see Attachment 8b.

Family Self-Sufficiency (FSS) Report

Please see Attachment 8c.

No Action Requested; Discussion Items

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APRIL Housing Choice Voucher Programs (HCV)

| | |
|--------------------------------------|-----|
| <u>Voucher Allocation</u> | 320 |
| April Move-ins | 3 |
| April Move-outs | 4 |
| April Vouchers - looking for housing | 16 |
| April Vouchers - first day of month | 312 |
| Average Vouchers to date | 318 |
| Unit Months Leased | 99% |
| HAP Utilization through 4/30/2020 | 32% |

Reasons For Leaving Program

| | |
|------------------|---|
| Voluntarily Left | 3 |
| Terminated | 1 |

Payments

| | |
|----------------------------------|-----------|
| Housing Assistance Payment (HAP) | \$116,111 |
| April HUD Administrative Fee | \$15,283 |

Port Out Vouchers

| | |
|-------------------------|---------|
| | 3 |
| St. Cloud (2), Clay (1) | \$1,910 |

Homeownership

| | |
|-------------------|---------|
| | 9 |
| Homeownership HAP | \$3,502 |

| | |
|-------------------------------------|----------|
| <u>Annual Average Income</u> | \$13,303 |
|-------------------------------------|----------|

Length of Time on Program

| | |
|-----------|-----|
| < 1 year | 22% |
| < 2 years | 16% |
| < 3 years | 11% |
| < 4 years | 6% |
| < 5 years | 6% |
| > 5 years | 39% |

Demographics

| | |
|---------------------------------|-----|
| Elderly Households | 77 |
| Disabled/Handicapped Households | 157 |
| Families with Children | 128 |

Waiting List Total

| | |
|-----------------------------|----|
| | 88 |
| Crow Wing County Preference | 31 |
| Non Preference | 57 |

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Bridges Report from April 2020

Currently

- » Waiting list: 0
- » Tenants leased up in units: 12
- » Tenants in Shop Mode: 2
- » Participants issued a voucher & searching for a unit: 1
- » Notified: 0
- » Participants receiving HCV voucher: 0
- » Participants giving up Bridges voucher: 0

Tenants' Residing Counties

- » Cass County: 2
- » Morrison: 2
- » Aitkin: 1
- » Crow Wing: 12
- » Todd: 0
- » Wadena: 0

Total HAP payment: \$5,310.00

Family Self-Sufficiency Report from April 2020

Currently:

- » Active FSS participants: 30
- » Tenants going OFF for month: 1
- » Tenants going ON for month: 1
- » Tenants start ESCROWING: 1
- » Total number of FSS participants escrowing monthly: 11
- » Total amount of escrow: \$1,869.00
- » Total escrow: \$33,964.59

Summary:

We had one participant give up her Section 8 Voucher and was paid out her escrow in the amount of \$537.08.



To: Brainerd HRA Board Members
From: Shannon Fortune, Housing Manager
Date: May 19, 2020
Re: Public Housing Report

Vacancy Report for April 2020

Please see Attachment 9a.

Monthly Property Performance Report for April 2020

Please see Attachment 9b.

Resident Commissioner Candidate Search

Candidate informational packets have been sent out to the 16 individuals that self-nominated for the Resident Commissioner position. The packets are due back June 1st. From the candidate questionnaires, a summary packet will be compiled and then posted on the website. An election is tentatively scheduled for early July.

Fire Unit

On the evening of May 4th there was a small electrical fire in the exhaust fan at one of the scattered site units. The fire department responded very quickly and thankfully there was only minor damage and no injuries. Red Cross put the household in a hotel for the night. Based on the repair work schedule, it was determined that it would be easiest to keep the household in a hotel for one week to allow for all necessary trades to complete work in the unit. The cleaning aspect of the work has taken the longest, with a partial delay due to the tenant herself not being ready. The Service Master team has been very accommodating and patient through this process and we anticipate the last cleaning tasks to be wrapped up by May 20th.

Ongoing COVID-19 Response

Work orders are still being considered on a case-by-case/priority basis, additional cleaning and sanitizing tasks have continued, common areas still remain closed, educational activities and gatherings are still cancelled. Move-ins have continued using an extremely limited contact model, as have interim and annual recertifications. As an example of how the team has adapted to the “new normal” without sacrificing productivity, all residents in the North Star Apartments are entering the final stages of their annual recertification process, which happens every year at this time. The process has been slightly different, but is still on track to be completed timely.

ROSS Program Updates

- » Erik currently has 14 active participants in the ROSS program, including one newly enrolled in the past month.
- » As reported last month, prior to going to a “contactless model” of tenant service, Erik created a COVID-19 resource packet with community resources, contact information, healthy tips and tricks, hygiene best practices and other helpful information. A total of 16 packets have been taken from the display rack.
- » There were no new outreach activities in April. All events and educational presentations for April remain cancelled or postponed. Once he is able to again offer educational events and activities, Erik plans on hosting a seminar related to Renter’s Insurance.

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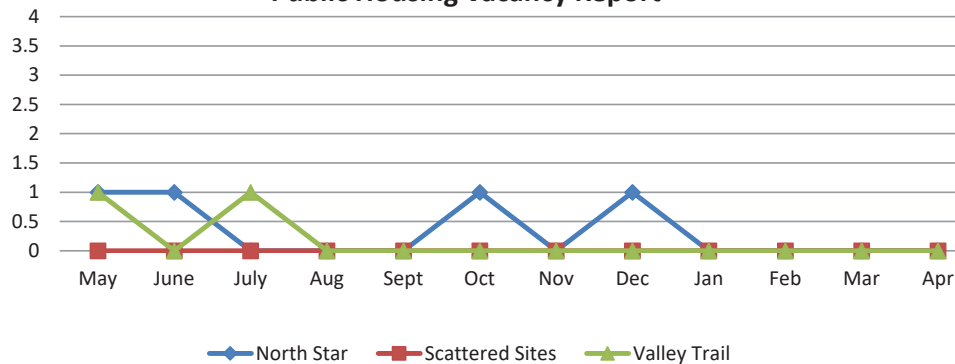
- » The Senior Nutrition Assistance program had 27 residents participating this past month. The nutrition seminars have been cancelled and will be resumed at a later date. Deliveries are done directly to the apartments to prevent tenants from needing to congregate.
- » Facebook Stats:
 - Erik made 11 new posts on the ROSS Facebook page this past month. His posts focused on renter's insurance, how to confirm and track processing of economic stimulus payments, pop-up produce pantry dates and locations, and easy recipes to try while in quarantine. These posts reached a total of 50 people!
 - There are currently 10 followers of the ROSS Facebook page. Erik is trying to get more tenants involved in sharing and commenting on the page, and will keep encouraging interactive feedback.

No Action Requested; Discussion Items

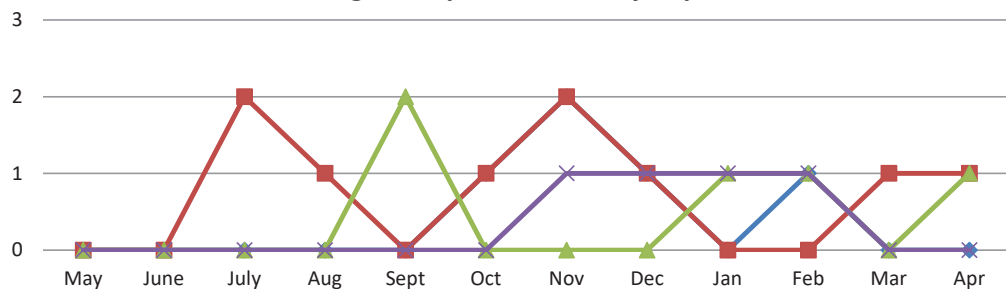
Brainerd HRA 2020 Vacancy Report

| | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Jan % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.56% | 5.00% |
| Feb 28 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 1 |
| Feb % | 0.00% | 0.00% | 0.00% | 0.00% | 1.67% | 0.00% | 5.56% | 5.00% |
| March 31 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| March % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.17% | 0.00% | 0.00% |
| April 30 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| April % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.17% | 5.56% | 0.00% |
| May 31 | | | | 0 | | | | |
| May % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| June 30 | | | | 0 | | | | |
| June % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| July 31 | | | | 0 | | | | |
| July % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Aug 31 | | | | 0 | | | | |
| Aug % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sept 30 | | | | 0 | | | | |
| Sept % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Oct 31 | | | | 0 | | | | |
| Oct % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Nov 30 | | | | 0 | | | | |
| Nov % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Dec 31 | | | | 0 | | | | |
| Dec % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total | 0 | 0 | 0 | 0 | 1 | 2 | 3 | 2 |
| % | 0.00% | 0.00% | 0.00% | 0.00% | 0.42% | 2.08% | 4.17% | 2.50% |

Public Housing Vacancy Report



Managed Properties Vacancy Report



Brainerd Housing and Redevelopment Authority

Monthly Property Performance Report April 2020

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 | 27 |
| Applications Placed on PH Wait List | 16 |
| Applications Denied on PH Wait List | 0 |

4. Waiting List

| Unit Size | # of Units | Total # on Wait List | Notified | Screening | Denied |
|--------------|------------|----------------------|----------|-----------|----------|
| 1 bdrm | 160 | 70 | 1 | 1 | 0 |
| 2 bdrm | 14 | 31 | 0 | 0 | 0 |
| 3 bdrm | 24 | 17 | 0 | 0 | 0 |
| 4 bdrm | 5 | 3 | 0 | 0 | 0 |
| TOTAL | 203 | 121 | 1 | 1 | 0 |

5. Move-Ins and Move Outs

| | This Month | Year-to-Date |
|-----------|------------|--------------|
| Move-Ins | 1 | 11 |
| Move-Outs | 2 | 10 |

6. Lists of Vacant Units and Unit Status

| Unit | Unit Size | Anticipated Lease Date | Applicant Approved? |
|------|-----------|------------------------|---------------------|
| None | | | |

7. Recertifications

| | |
|--------------------------|----|
| Interim Recertifications | 14 |
| Annual Recertifications | 4 |
| Completed for this month | 18 |

8. Annual Unit Inspections

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

9. Lease Enforcements

| | |
|----------------------------------|---|
| Lease warnings/violations issued | 2 |
| 30-day lease terminations | 0 |

10. Evictions

| Resident | Reason | Summons Date | Judgment Action |
|----------|--------|--------------|-----------------|
| None | | | |

11. Non-Emergency Work Orders

| | |
|--------------------------------------|-----|
| Beginning Balance | 0 |
| Received | 51 |
| Closed | 49 |
| Ending Balance | 2 |
| Total Completed Work Orders for Year | 339 |

12. Emergency Work Orders

| | This Month | Year-to-Date |
|-----------------------------------|------------|--------------|
| Requested | 1 | 2 |
| Completed within 24 hours | 1 | 2 |
| Percent completed within 24 hours | n/a | 100% |

13. Rent Collection

| | This Month |
|--------------------------------|------------|
| Rent Charges | 59,871 |
| Other Charges | 425 |
| Total New Charges | 60,296 |
| Arrears, tenants in possession | 80 |

Accounts Receivable

| | |
|---|--------|
| Current Tenant Accounts Receivable (Rent) | 0 |
| Current Rent Charges | 59,871 |
| Current Rent Collections | 59,871 |
| Accounts Receivable Rate | 0% |
| Collection Rate | 100% |

Collections - Prior 12 Month Period

| | |
|--|---------|
| Prior Tenants Accounts Receivable (Rent) | 741 |
| Prior Rent Charges | 741,070 |
| Collection Rate | 100% |



To: Brainerd HRA Board Members
From: Karen Young, Interim Executive Director
Date: May 21, 2020
Re: Executive Director Report

COVID-19 Update

On May 13th, Governor Walz issued Emergency Executive Order 20-56. As a Critical Business, this EO did not change the parameters in which we are operating. Staff is continuing to work remotely when feasible and our offices are still closed to the public. We purchased masks for all of our staff and we are wearing them in the office when not at our desks and in public. We have plexi-glass installed at the front desk and permanent tempered glass on order to be installed within the next month. We are looking into an intercom system that could be installed at the office front door to work in tandem with the door mechanism to possibly screen visitors prior to allowing them entrance into our building.

A big concern is that our vestibule and waiting area have very limited occupancy while still accommodating social distancing. Tania notified 70 families for the HCV program and staff do not feel that we could safely accommodate the traffic that would occur should we open our offices to the public at this time. Our recommendation will be to continue to operate with our offices closed to the public for the time being until we have measures in place to control traffic in our limited space. We will continue to monitor and adjust to our local circumstances.

Request for Technical Assistance (RFTA)

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

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

CWC HRA Tax Forfeit Property Policy (TFP)

The CWC HRA Board took action at their May meeting amending the CWC HRA Tax Forfeit Property Policy and Sales Procedure to reflect a reduced acquisition price to developers of 0% of the assessed market value as recommended in the Workforce Housing Study.

CWC HRA Housing Trust Fund (HTF) Guidelines

The CWC HRA Board also took action adopting the Housing Trust Fund Guidelines as presented by staff. These guidelines present the four different programs that can be funded by the HTF. They consist of:

1. Workforce Housing Assistance Program
2. Homebuyer Assistance Program
3. Rehabilitation Assistance Program
4. New Construction/Development Financing Program

(continues on opposite side)

CWC HRA Tax Forfeit Property Policy (TFP) Application

Staff received an application from a developer interested in acquiring 143 tracts of land in Breezy Point through the CWC HRA TFP. Staff has requested that the tracts be put on hold by the County and taken off of their tax forfeit property list. We are waiting for additional information from the developer regarding his plans for the tracts of land.

No Action Requested; Discussion Item



To: Brainerd HRA Board Members
From: John Schommer, Rehab Coordinator
Date: May 18, 2020
Re: Rehab Programs Report

NE BRAINERD SCDP

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

Emily SCDP

- » 4 Owner-occupied projects are complete
- » 1 project is in construction
- » 1 project is in bidding
- » 1 project is in work write-up
- » 1 project is in the application phase

MHFA

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

BRAINERD OAKS/SERENE PINES

| Development | Total | # Sold to Developer | # Sold to End Buyer | For Sale | In Construction |
|----------------|-------|---------------------|---------------------|----------|-----------------|
| Brainerd Oaks | 81* | 40 | 35 | 0 | 4 |
| Serene Pines | 23 | 11 | 11 | 0 | 3 |
| Dalmar Estates | 7 | 1 | 1 | 0 | 1 |

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

SCDP Preliminary Proposal

We are working with Loren Larson, the mayor for the City of Garrison, to try to determine if we have enough manufactured and stick built homeowners that have a need and would be interested in rehab to have a competitive preliminary proposal. We met Wednesday, May 13th, and came to the conclusion that the city needs to see if they have capacity for the grant

(continues on opposite side)

FHLB

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

No Action Requested; Discussion Item