



Brainerd Board of Commissioners Meeting

Wednesday, August 24th @ 1:00pm

Brainerd City Hall Council Chambers & Via WebEx Conference

501 Laurel Street, Brainerd, MN 56401

Join from browser:

<https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=mbcf84d1754e580172b6e3b68a1013467>

Join by phone: 415-655-0001 / Meeting number (access code): 2554 824 5090 / Meeting password mqMG6MGnm43

*"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. REVIEW AND APPROVE AGENDA**
- 4. READING AND APPROVAL OF MINUTES** *(Attachment 1) Pg. 3*
 - a. Approval of Minutes from Regular Board Meeting on July 27th, 2022**
- 5. UNFINISHED BUSINESS**
 - a. TIF District Assessment** *(Attachment 2)*
- 6. NEW BUSINESS**
 - a. 2023 Preliminary General Fund Budget Filing with the City of Brainerd** *(Attachment 3) Pg. 9*
- 7. BILLS & COMMUNICATIONS**
 - a. Financial Report** *(Attachment 4) Pg. 13*
 - b. HCV Report** *(Attachment 5) Pg. 41*
 - c. Housing Management Report** *(Attachment 6) Pg. 47*
 - d. Rehab Programs Report** *(Attachment 7) Pg. 55*
 - e. Executive Director Report** *(Attachment 8) Pg. 57*
- 8. COMMISSIONER COMMENTS**
- 9. NEXT MEETING: Wed. September 28th, 2022**
- 10. ADJOURN**

Gabe Johnson, Chair, term expiring 12/31/22
Rebekah Kent-Ehlebracht, Vice Chair, term expiring 12/31/23
Michael Duval, Secretary/Treasurer, term expiring 12/31/25
Marlee Larson, Commissioner, term expiring 12/31/24
Wayne Erickson, Commissioner, term expiring 12/31/25
Kevin Yeager, Commissioner, term expiring 12/31/22
Janet Decker, Resident Commissioner, term expiring 12/31/26

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Brainerd HRA BOARD MEETING MINUTES

Wednesday, July 27th 2022 @ 1:00pm

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 in person at City Hall Council Chambers and via Webex video/teleconference at 1:00 p.m., Wednesday, July 27th, 2022.

1. **CALL TO ORDER:** Chair Johnson called the meeting to order at 1:00 p.m.
2. **ROLL CALL:** Present: Commissioners Gabe Johnson, Wayne Erickson, Kevin Yeager, Marlee Larson, Janet Decker. Absent: Michael Duval & Rebekah Kent-Ehlebracht.

Others present: Executive Director Eric Charpentier, Housing Manager Shannon Fortune, Rental Assistance Manager Tania Eller, Rehab & Maintenance Director John Schommer, Rehab Administrative Specialist Kristin Miller, & Patsy Rajala ROSS Coordinator.

3. **REVIEW AND APPROVE AGENDA:**

Moved and seconded by Commissioners Erickson and Yeager to approve the agenda as presented for the July 27th, 2022, board meeting. Through a vote all commissioners were in favor, and none were opposed. The agenda was approved.

4. **READING AND APPROVAL OF MINUTES:**
 - a. Approval of minutes from Regular Board Meeting on June 22nd, 2022

Moved and seconded by Commissioners Larson and Yeager to approve the minutes from the June 22nd, 2022, board meeting. Through a vote, all commissioners were in favor, and none were opposed. The minutes were approved.

5. **UNFINISHED BUSINESS:**

6. **NEW BUSINESS:**

- a. **Statement of Capital Fund Significant Amendment**

As part of the documentation required by HUD for the acceptance of the 2022 Capital Fund Program (CFP) grant, each PHA must submit a written statement defining the criteria used for determining a significant amendment or modification to the CFP 5-Year Action Plan. This statement must include HUD language defining a significant amendment and also the criteria established by the PHA.

Attached is the Statement of Capital Fund Significant Amendment which defines what the Brainerd HRA considers as a significant amendment to the 5-Year Action Plan:

- The addition of non-emergency Public Housing CFP work items (items not included in the current CFP Annual Statement or CFP 5-Year Action Plan) when dollar amount exceeds 50% of the Capital Fund Budget.

By setting the threshold at 50% of the Capital Fund Budget, this would require the addition of a non-emergency work item greater than this dollar amount to go through a public hearing and public comment. This threshold determines what the board considers to be significant.

Commissioner Yeager made a motion to Approval of the Statement of Capital Fund Significant Amendment. Commissioner Erickson seconded the motion. Through a vote, all commissioners were in favor, and none were opposed. The motion was approved.

7. **BILLS & COMMUNICATIONS:**

a. **Financial Report:**

Charpentier presented the Financial Reports and supporting information.

General Fund Tax Levy

Reflected in the June General Fund Financial Statements is the deposit of \$51,210.11 in Property Tax Revenue (levy). The second deposit of \$26,898.90 was deposited in July for total first half deposits of \$78,109.01. The total levy amount for 2022 is \$147,996. The second half property tax settlement will be in December.

Preliminary General Fund Budget

HUD recently announced our 2022 CFP grant funding in the amount of \$481,535. This is the highest annual amount of funding that we have received in the history of this program. These funds will be primarily used for capital improvements to our Public Housing properties.

CWC HRA Budget

The 2023 budget for CWC HRA will be presented to the CWC HRA Board at their August 4th special meeting. The CWC Budget Committee meeting is tentatively scheduled for presentation on August 9th.

Crosby HRA Audit

The Crosby HRA audit fieldwork was completed during the week of June 13th. The audit was clean with no findings.

Commissioner Larson moved to approve the payments as presented. Commissioner Erickson seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion carried.

b. **HCV Report:**

Eller presented HCV reports and supporting information.

HCV Report

Please see the attached reports.

Our Unit Months Leased (UML) through May is 96% and HAP utilization through June is 44%.

Bridges Report

Please see the attached report.

We have 8 families on our program with a monthly HAP payment of \$3,407.

Family Self-Sufficiency (FSS) Report

Please see the attached report.

We have 30 families on our program. We have 11 families currently escrowing a total of \$3,352 per month.

HUD is updating the regulations for the FSS program and is requiring all agencies to update their FSS Action Plans. We are unable to enroll any new participants until the plan has been approved. The deadline to submit the FSS Action Plan to HUD is September 22, 2022. We are waiting on additional guidance that HUD intends to share with agencies to assist with drafting a new Action Plan.

Foster Youth Initiative (FYI) Report

Please see the attached report.

We have 2 families leased up with a total HAP payment of \$480.

c. Housing Management Report:

Fortune presented her reports and supporting documents.

Vacancy Report for June 2022 Report was presented.

Monthly Property Performance Report for June 2022 Report was presented.

Emergency Safety & Security Grant Application

We submitted an application for HUD Emergency Safety & Security Grant (ESSG) funds to put toward updated exterior and interior doors. We currently have a blend of physical locks and keyless entry systems, which are reaching end-of-useable life resulting in frequent service calls and loss of functionality. The funds are expected to be awarded later in 2022.

Valley Trail (Public Housing) Garage Fire

There was a small fire, contained to the garage, in one of the Valley Trail townhomes. There were no injuries and fire damage was localized to the garage, with minimal smoke/soot in the front areas of the house. The family was relocated to a hotel for two nights while we worked to get the unit secured. Service Master has completed the clean-up inside the house and the RFP process for the garage rebuild has begun.

ROSS Program Updates

- Patsy Rajala started as our new ROSS Coordinator on Jul-18th. She will be spending the first few weeks familiarizing herself with the ROSS program and identifying training that will be helpful to her in this new position.
- The ROSS annual data and the FY18 3-year grant close out documents were both submitted timely in June.
- 11 active participants in the ROSS program; 0 newly enrolled participants; 0 exited participants.
- 0 new contact with non-enrolled residents for more limited resource/referral work.
- Food Program Participation
 - SNAP Food Boxes: 27 residents; shelf-stable box; elderly tenants only.
 - Catholic Charities: 11 residents; 180 frozen meals (10 - 30 each); elderly tenants only.
- Activities Recap:

- There was no nutrition seminar in June.
- Facebook Stats:
 - There were no new posts on the ROSS Facebook page this past month.

d. Rehab Programs Report:

Schommer presented his reports and supporting information.

Emily SCDP

8 Owner occupied projects complete
2 Projects are in construction

Garrison SCDP (Owner-Occupied/Commercial Rehab)

1 Owner Occupied Rehab Project paperwork signing scheduled
1 Owner Occupied Rehab project out for bid
1 Owner Occupied Application is in process
1 Commercial Rehab project is waiting for asbestos test 7/15/22
4 Commercial Application in collection of documents

Jenkins SCDP (Owner-Occupied)

1 Owner Occupied Rehab out for Bidding
1 Owner Occupied Rehab Scope of Work Write-up Process
4 Owner Occupied Rehab Applications mailed

MHFA

1 Project completing this week
4 Projects are in construction
2 Completed Paperwork Signing
3 Applications are in process
2 Applications mailed out

Housing Trust Fund

1 Down Payment Assistance Closed 7/7/22
1 Owner Occupied Rehab Scheduling Paperwork Signing
2 Owner Occupied Rehab Out for Bidding
1 Owner Occupied Rehab Scheduled for Lead Assessment
2 Owner Occupied Rehab Applications Mailed
1 Rental Rehab Application in Review (Collecting documents)
3 Rental Rehab Applications Mailed

Brainerd Oaks/Serene Pines/Dalmar Estates

5 lots selling May 18th 2-Brainerd Oaks & 3 Serene Pines

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	64	57	0	9
Serene Pines	23	16	16	1	0
Dalmar Estates	7	3	1	0	2

**Originally 83 lots, 2 have been merged/combined into a single parcel*

e. Executive Director Report:

Charpentier presented his reports and supporting information.

DEED Mainstreet Revitalization Program - Update

At our June meeting the board approved the use of up to \$20,000 of board designated funds to go towards matching grants for allowable projects within the River to Rail corridor. I had the opportunity to sit in on the EDA sub-committee meeting in late June to discuss how our funding will fit into this initiative. The Initiative Foundation and DEED were scheduled to have their contract signed the week of July 18th which will allow the applications to be opened as soon as the week of July 25th with an approximate 45-day window for applications to be submitted. I will keep the board updated as to what projects we are able to help with the matching dollars, which will become clearer in September.

Tax Forfeit Property Purchase

The Crow Wing County board authorized the transfer of 3 parcels to the Brainerd HRA at their board meeting on July 12th. We are still working with City staff to clarify the large assessment on the property and the purchaser will then likely be approaching the City to request that the assessments on these parcels be waived.

Scattered Site Garage Fire

As Shannon mentioned in her report, there was a structure fire on July 6th at one of our scattered site homes. The fire was contained to the garage only and the Brainerd Fire Department was on scene within 3 minutes of the call coming in to 911. Thank you to Shannon and John for being on site right away and to Shannon for coordinating accommodations for the family while they needed to be displaced. We are very thankful for the quick response from the fire department as well as the construction of the firewall between the garage and the main living structure.

Update on Downtown TIF District

In February I spoke to the board about the possibility of a new purchaser of the building in our downtown TIF district and that they would be interested in potentially paying off our outstanding bond debt if the board would consider eliminating the tax assessment agreement that was entered into by the HRA and the initial developer. This board had instructed us to have the purchaser fill out a TIF application along with the fee so that we could enlist the help of our financial advisors to analyze if this was fiscally prudent. The purchaser did move forward with purchasing this building in Mid-July prior to submitting the TIF application, and has included the bond debt payment in that transaction. We did receive a check to pay off the remaining bond debt on July 20th, we are currently holding that check in escrow. Our legal bond counsel has advised that we hold the check in escrow until we have received the TIF application and fee and have had the financial analysis completed and brought back to this board to discuss this proposed agreement. I am currently working with the new purchaser of the building to move this to the next step and will have another update at the board meeting.

8. Commissioner Comments: None at this time

9. ADJOURN:

Commissioner Yeager made a motion to adjourn the meeting. Commissioner Erickson seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion was approved, and meeting was adjourned at 1:31 p.m.

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Memo

To: Eric Charpentier, Brainerd HRA
Karen Young, Brainerd HRA

From: Mikaela Huot, Director

Date: August 24, 2022

Subject: Financial Analysis of TIF 1-1 (Downtown TIF) to Include Early Payoff of TIF Revenue Note and Removal of Assessment Agreement

Background

The Brainerd HRA established Tax Increment Financing (TIF) Redevelopment District No. 1-1 (Downtown TIF Project) in 2005 that included property located at 410 S 6th in Brainerd, otherwise referred to as the SEH building. There are 4 parcels included within the development identified as follows:

- PID: 41241113
- PID: 41241112
- PID: 41241110
- PID: 41241111

There is a Minimum Assessment Agreement (the "Agreement") in place that was entered into by the HRA and the investment group when the project was initially completed. Based on the terms of the Agreement, the current assessed value for the 4 parcels is \$2,562,100. The current assessed value of the property would generate approximately \$45,747 of tax increment revenues for taxes payable 2022. The Agreement also includes a provision that minimum annual taxable values include a 3% annual inflator.

The HRA issued a Tax Increment Revenue Note in 2005 in the principal amount of \$753,000 to facilitate redevelopment of the project site with the expectation that annual tax increment revenues generated from the new building would support annual debt service payments. The annual tax increment revenues generated by the project (approximately \$44-\$45k) are collected by the HRA for repayment of the TIF Revenue Note. It is our understanding that the tax increment generated by the development has not been sufficient to support repayment of the debt service and the HRA has been pledging a portion of its annual levy to support the annual shortfall (approximately \$12,000/annually plus additional accrued interest on the unpaid interfund loan).

Developer Request

Since the district was created, the current property owner has been considering a possible sale. The HRA was initially approached by the owner of the building with a perspective buyer in early 2022. At the time, the issue for the potential buyer had been agreeing to maintain the terms of the Assessment Agreement due to the higher tax level the minimum value was generating. The potential buyer had been willing to pay off the bonds outright with their financing package, allowing the HRA to continue

collecting increment until the district decertifies as of December 31, 2031 to recoup all or a portion of the annual shortfall payments made in prior years.

Since initial conversations, the owner reached a purchase agreement with a perspective buyer and the property has now been sold. The buyer of the property has requested the Minimum Assessment Agreement be terminated between the HRA, County and property owner with the expectation that the taxable value and required property taxes would decrease.

At the time of sale, the buyer provided the HRA with a check for remaining debt payoff in the amount of \$266,000 (outstanding principal balance prior to August 1, 2022 debt payment). The check has remained in escrow to allow for analysis of the potential implications for early debt payoff and potential termination of the Assessment Agreement.

Financial Analysis

The remaining principal due on the obligation is \$266,000 prior to the August 1, 2022 payment. After the August 1 payment principal is made, the outstanding balance will be \$248,000. Additional interest will continue to accrue as the debt service principal remains unpaid and until the next payment date of February 1, 2023 (and continued semi-annual debt service payments). As of December 31, 2021, the HRA has an outstanding interfund loan amount of \$229,461 that includes both accrued interfund loan interest (\$69,505) and prior years' annual shortfall payments pledging a portion of the annual HRA levy (\$159,956) to support debt service. The HRA allocated an approximate additional \$10,000 to make the August 1 principal and interest payments with an estimated fund balance close to \$169k as of December 31, 2022.

Should the Assessment Agreement be terminated, the County assessor's office has estimated the current taxable value of the property would be closer to \$978,800 (\$154,200 land \$824,600 building values). For comparison purposes, assuming termination of the Assessment Agreement and the property being reassessed at the lower value, the estimated increment available would be approximately \$12,208 for 2023/2024, as opposed to an estimated increment of \$49,052 if the Agreement were to remain.

The table on the following page illustrates two scenarios the HRA may consider regarding the remaining terms of the TIF District and Assessment Agreement and recouping previous HRA funds that were used to support debt repayment. The underlying assumption is that the HRA would use the available tax increment revenues generated by the district to repay the HRA levy payments made in prior (and potential future) years. A summary of the scenarios is as follows:

- 1) Column 1: Assessment Agreement remains. Results in no changes to current terms including annual tax increment revenues, debt service payments and no cash payments from the buyer. Projected balance as of December 31, 2031 assuming HRA levy repayment only (and no additional accrued interest is accrued or paid) is estimated to be \$22,940.
- 2) Column 2: Assessment Agreement terminates. Results in reduction in taxable value based on initial information provided by County Assessor (Reduction from \$2.5M to \$978k taxable value), reduction in annual tax increment revenues, cash payment of \$266,000 from the buyer to pay outstanding principal as of July 1, 2022 – and prior to August 1 principal payment due of \$18,000 – and debt service paid in full as of 12/31/22. Projected balance as of December 31, 2031 assuming HRA levy repayment only (and no additional accrued interest is repaid) estimated to be \$12,201.

The projected fund balances as of December 31, 2031 when the tax increment district is required to be decertified and tax increment revenues will no longer be collected as estimated for the two scenarios is listed below:

Projected Balance as of 12/31/31	22,940	12,201
Plus Unpaid Interfund Loan Interest *	(181,600)	(143,238)
Total Outstanding Liability with Interest	(158,661)	(131,037)
<i>* included within unpaid interfund loan interest</i>		

If we were to compare the projected ending fund balance if the Assessment Agreement were to remain over the life of the district and the interfund loan interest is not paid, the projected fund balance would be \$22,940 and \$(166,063), respectively, with the inclusion of unpaid accrued interest on the annual HRA levy shortfall payments. Assuming a similar calculation but the Agreement terminates with the \$266,000 buyer payment for full payoff of the TIF obligation, the projected fund balance would be \$12,201 and \$(133,155), respectively, with the inclusion of unpaid accrued interest on the annual HRA levy shortfall payments. The table below provides additional details on the calculations:

	Assessment Agreement Remains	Assessment Agreement Terminates
Current Taxable Value	2,562,100	978,800
Current Tax Capacity	50,492	18,826
Base Tax Capacity	7,298	7,298
	43,194	11,528
Frozen Tax Rate	105.910%	105.910%
Annual Increment	45,747	12,209
Future Increment (Collection 2022-2031)	536,913	209,297
Developer Payment for Bond Payoff	-	266,000
Future Debt Payments (2022-2031)	(354,018)	(303,140)
Future Interfund Loan Interest Payments *	-	-
Subtotal Future Activities	182,895	172,157
Prior Years Shortfall Levy Supplement	(159,956)	(159,956)
Prior Years Interfund Loan Interest *	-	-
Outstanding Liabilities	(159,956)	(159,956)
Projected Balance as of 12/31/31	22,940	12,201
Plus Unpaid Interfund Loan Interest *	(181,600)	(143,238)
Total Outstanding Liability with Interest	(158,661)	(131,037)
<i>* included within unpaid interfund loan interest</i>		

Included with the above and potential additional options the HRA may consider include the following:

- 1) Do nothing (do not accept payment of \$266,000 and terms of agreement remain)
 - a. (Column 1)
- 2) Terminate Assessment Agreement and accept payment of \$266,000 with nothing further
 - a. (Column 2)
- 3) Terminate Assessment Agreement, accept payment and request additional payment to offset future estimated difference in outstanding balance

- 4) Modify Assessment Agreement to reflect taxable value that allows for full repayment of HRA levy payments made for annual shortfalls
- 5) Terminate Assessment Agreement, accept payment of \$266,000 and include annual shortfall payment provisions in the event annual tax increments received are less than what is required to repay HRA levy payments made for annual shortfalls.

Not directly calculated within the analysis but a contributing factor to the difference in projected ending fund balances between the 2 scenarios with termination of the Agreement is the relief of the HRA's levy contribution of up to \$12,000 per year through 2027. Assuming the Agreement is terminated and the HRA accepts the developer's payment, the debt will be paid in full with no further obligation to allocate a portion of the future levies to make debt service payments. With the Assessment Agreement terminating, the HRA will be able to collect all future tax increments generated by the District to repay the interfund loan obligations (annual levy shortfall payments plus unpaid accrued interest) over the remaining life through December 31, 2031. Subject to actual collection of tax increment revenues over the remaining 9 years, the outstanding combined interfund loan balance (levy shortfall payments plus unpaid accrued interest) is projected to be less with termination of the Agreement as compared to the Agreement remaining.

Thank you for the opportunity to be of assistance to the Brainerd HRA. Please contact me at 651-368-2533 or mikaela.huot@bakertilly.com with any questions or to discuss.

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CITY OF BRAINERD, MINNESOTA
TAX INCREMENT FINANCING DISTRICT NO. 1-1

Downtown Project
SUMMARY OF CASH FLOW - MINIMUM ASSESSMENT AGREEMENT REMAINS

Collect Year	Mature Year	Estimated Increment	Less: Admin. Expenses	Total Increment	Debt Obligations	Pay-GO Obligations	Interfund Interest	Total Obligations	Average Investment Earnings	Annual Surplus (Deficit)	Transfers In/Out	FUND BALANCE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2019	02/01/20											
2020	02/01/21											(142,111)
2021	02/01/22	44,005	0	44,005	53,437	0	8,416	61,853	3	(17,845)	0	(159,956)
2022	02/01/23	45,747	0	45,747	55,140	0	0	55,140	0	(9,393)	0	(169,349)
2023	02/01/24	47,375	0	47,375	56,565	0	0	56,565	0	(9,190)	0	(178,539)
2024	02/01/25	49,052	0	49,052	58,711	0	0	58,711	0	(9,659)	0	(188,198)
2025	02/01/26	50,779	0	50,779	59,510	0	0	59,510	0	(8,731)	0	(196,929)
2026	02/01/27	52,558	0	52,558	61,995	0	0	61,995	0	(9,437)	0	(206,365)
2027	02/01/28	54,391	0	54,391	62,097	0	0	62,097	0	(7,707)	0	(214,072)
2028	02/01/29	56,278	0	56,278	0	0	0	0	0	56,278	0	(157,794)
2029	02/01/30	58,222	0	58,222	0	0	0	0	0	58,222	0	(99,572)
2030	02/01/31	60,224	0	60,224	0	0	0	0	0	60,224	0	(39,347)
2031	02/01/32	62,287	0	62,287	0	0	0	0	0	62,287		22,940
		580,918	0	580,918	407,454	0	8,416	415,870	3	165,051	0	

CITY OF BRAINERD, MINNESOTA
TAX INCREMENT FINANCING DISTRICT NO. 1-1

Downtown Project
SUMMARY OF CASH FLOW - MINIMUM ASSESSMENT AGREEMENT IS TERMINATED

Collect Year	Mature Year	Estimated Increment	Less: Admin. Expenses	Total Increment	Debt Obligations	Pay-GO Obligations	Interfund Interest	Total Obligations	Average Investment Earnings	Annual Surplus (Deficit)	Transfers In/Out	FUND BALANCE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2019	02/01/20											(142,111)
2020	02/01/21											(159,956)
2021	02/01/22	44,005	0	44,005	53,437	0	8,416	61,853	3	(17,845)	0	(159,956)
2022	02/01/23	45,747	0	45,747	303,140	0	0	303,140	0	(257,393)	266,000	(151,349)
2023	02/01/24	47,375	0	47,375	0	0	0	0	0	47,375	0	(103,974)
2024	02/01/25	12,209	0	12,209	0	0	0	0	0	12,209	0	(91,765)
2025	02/01/26	12,831	0	12,831	0	0	0	0	0	12,831	0	(78,934)
2026	02/01/27	13,472	0	13,472	0	0	0	0	0	13,472	0	(65,462)
2027	02/01/28	14,132	0	14,132	0	0	0	0	0	14,132	0	(51,330)
2028	02/01/29	14,811	0	14,811	0	0	0	0	0	14,811	0	(36,518)
2029	02/01/30	15,512	0	15,512	0	0	0	0	0	15,512	0	(21,007)
2030	02/01/31	16,233	0	16,233	0	0	0	0	0	16,233	0	(4,774)
2031	02/01/32	16,975	0	16,975	0	0	0	0	0	16,975		12,201
		253,302	0	253,302	356,577	0	8,416	364,993	3	(111,688)	266,000	



To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: August 18, 2022
Re: 2023 Preliminary General Fund Budget Filing with City

For the August board meeting each year, staff is directed to prepare a letter to the Mayor and City requesting the full HRA levy of .0185 percent of the estimated market value.

Per Minnesota State Statute, the authority shall each year formulate and file a budget in accordance with the budget procedure of the City in the same manner as required of executive departments of the City, or if no budgets are required to be filed, by August 1.

To meet this requirement, staff prepared the attached preliminary General Fund budget to be filed with the City. This budget is based on estimates and assumptions that will change before the final budget is presented to the Board in November.

Action Requested: Authorize staff to file the attached General Fund budget with the City.

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2023 Brainerd HRA General Fund Budget

Revenues

- City Tax Levy - .0185% of estimated taxable market value.
- Management Fees – Management of Brainerd South Apartments, Crosby HRA and CWC HRA.
- TIF Revenue – Tax Increment for Downtown TIF District.
- Operating Transfer – Admin Fee for Bridges Program.
- SCDP Admin Fee – Anticipated admin for SCDP reimbursements for Garrison and Jenkins grant.
- Other Income – \$204,000 six Minnesota Housing Loans (2022 budgeted five loans), \$20,000 developer fees (2022 budgeted \$10,000), one \$5,000 Tax Forfeit Property lot sale and \$1,000 Misc (2022 budgeted \$500).

Expenditures

- Salaries – Staff allocated salaries with 4% increase (staff allocation changes based on time tracking).
- Employee Benefits – Staff benefits with estimated 4.3% increase to health insurance.
- Travel – For Housing Rehab and General Fund.
- Staff Training – Based on staff trainings per salary allocations.
- Audit Cost – General Fund portion of audit.
- Legal – Legal for Tax Forfeit Property lot sale and General Fund initiatives.
- Other Administrative – 3-year average for Office Supplies, Sundry, Publications, Membership, Advertising and Postage.
- Contract Costs – Costs related to six MHFA loans and recurring technology contracts.

General Expenditures

- TIF Expense – Downtown TIF reporting to CWC.
- Debt Service – Downtown TIF district debt service.
- Other Programs – Other General Fund initiatives as determined by Board.

Designated Fund Balance

- Fund Balance would not be used for other initiatives as determined by the Board.

General Fund Comparative Budget

Brainerd Housing Authority
324 E River Rd
Brainerd, MN 56401

Fiscal Year 12/31/2023

Account Title	2022 YTD Actual	2022 Budget	2023 Budget	Difference	% Difference
Revenues:					
City Tax Levy	78,109	147,996	155,981	7,985	5%
Investment Interest	45	50	50	0	0%
Management Fees	172,158	292,000	304,770	12,770	4%
TIF Revenue	35,921	44,160	45,750	1,590	4%
Operating Transfer	0	6,750	6,750	0	0%
SCDP Admin Fee	0	8,000	25,000	17,000	213%
Other Income	139,498	169,750	230,000	60,250	35%
Interfund Loan Interest	0	5,000	9,250	4,250	85%
Total Revenues	425,732	673,706	777,551	103,845	15%
Expenditures:					
Administrative					
Salaries	138,243	266,800	309,935	43,135	16%
Employee Benefits	61,639	121,840	131,855	10,015	8%
Travel	477	1,600	1,500	(100)	-6%
Staff Training	892	10,000	10,000	0	0%
Audit Cost	6,900	6,900	7,950	1,050	15%
Legal	1,175	7,000	7,200	200	3%
Other Administrative Costs	7,951	10,720	14,270	3,550	33%
Contract Costs	98,863	143,570	188,770	45,200	31%
Total Administrative	316,140	568,430	671,480	103,050	18%
General Expenditures					
TIF Expense	155	230	255	25	11%
Insurance	2,692	6,655	7,640	985	15%
Debt Service	55,116	55,140	56,570	1,430	3%
Other Programs	3,950	25,500	25,500	0	0%
Interfund Loan Interest	0	5,000	9,250	4,250	85%
Total General Expenditures	61,912	92,525	99,215	2,440	3%
Total Expenditures	378,052	660,955	770,695	105,490	16%
Cash Flow	47,680	12,751	6,856	(1,645)	
Designated Fund Balance	0	0	0	0	
Cash Flow from Operations	47,680	12,751	6,856	(1,645)	



To: Brainerd HRA Board Members
From: Karen Young, Finance Director
Date: August 18, 2022
Re: August Financial Report

Please find attached the financial information for July 2022.

General Fund Tax Levy

Reflected in the July General Fund Financial Statements is the deposit of \$26,898.90 in Property Tax Revenue (levy) for total first half deposits of \$78,109.01. The total levy amount for 2022 is \$147,996. The second half property tax settlement will be in December.

CWC HRA Budget

The 2023 budget for CWC HRA was presented to the CWC HRA Board at their August 4th meeting. The CWC HRA Commissioners approved the budget option with a total levy request of \$748,320. This is a levy increase of \$18,820 (2.58%) with the intent to fund the Housing Trust Fund at the same level for another year and to fund increasing operating costs. The management fee amount to the Brainerd HRA for the Shared Services Agreement was increased by 8.5% to cover estimated increases to wages, benefits, and over-head costs.

Sales Tax Refund

In July we received a \$35,490.47 Sales Tax Refund primarily for sales tax paid on the North Star boiler project and also flooring materials. Under MN Statute we are allowed to file for a sales tax refund for construction materials purchased by our contractors for qualified low-income housing projects.

Action Requested: Motion for approval of payments as presented.

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Brainerd Housing & Redevelopment Authority

2022 Ratios (and December, 2021)

FASS Ratios	Max Pts	Scoring	Dec 2021 After YE JE, B4 audit	Jan	Feb	Mar	Apr	May	June	July
Quick Ratio	12	QR <1 =0-, QR >2 =12	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Months Expended Net Assets	11	MENA <1.0= 0, ME >4 =11	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 =2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Points	25		25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00

MASS Ratios	Max Pts	Scoring								
Occupancy	16	O <90% =0, O >98% =16	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Tenant Accounts Receivable	5	TAR <20%=5, TAR >40% =0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Points	25		25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Total of Above Ratios	50		50.00	50	50	50	50	50	50	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	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	5.00	5.00	5.00
Total Points	10	Capital Fund Troubled	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

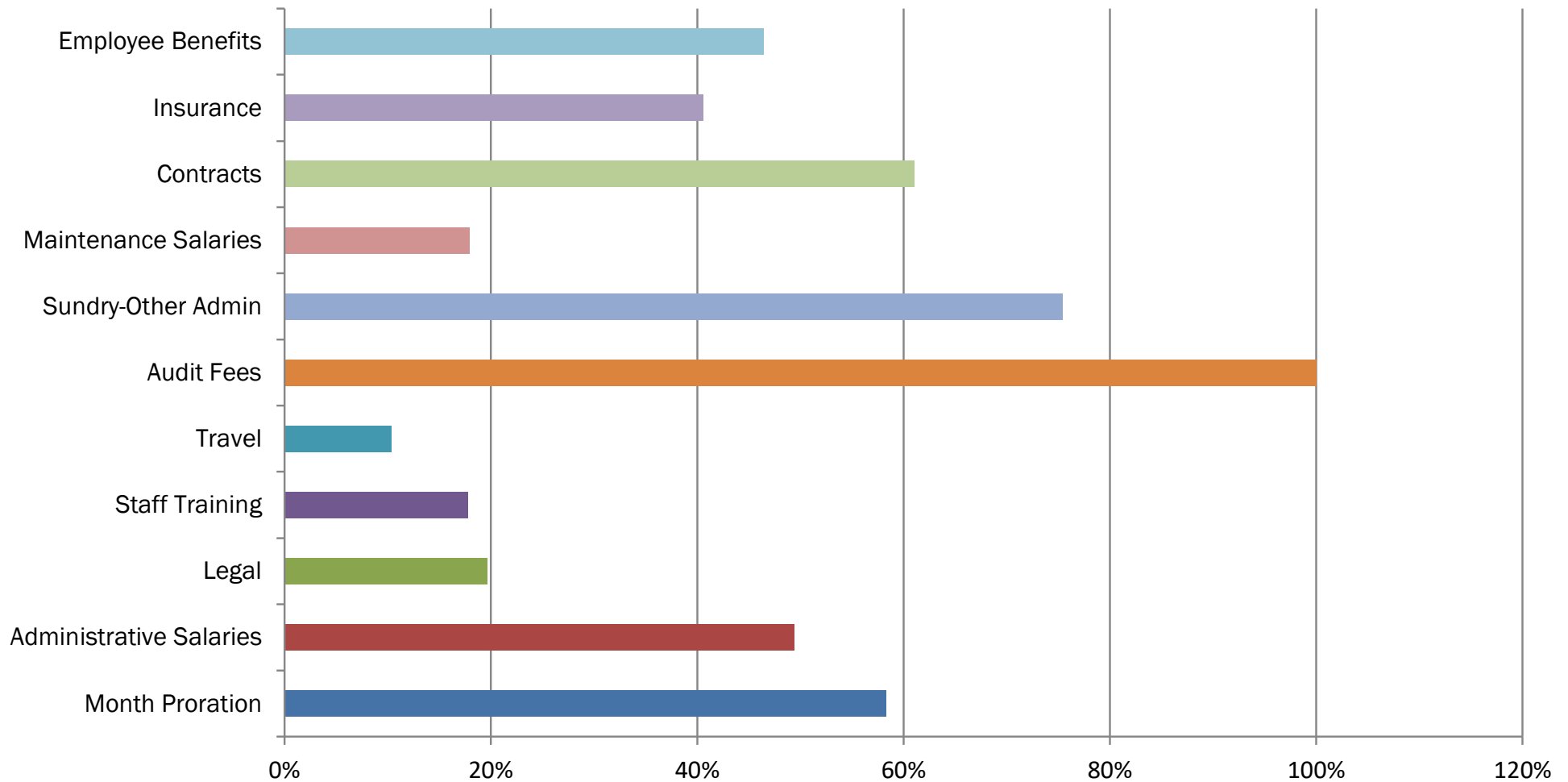
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July 2022 Operating Account Balances

Property/Program	July 2021	June 2022	July 2022
General Fund	\$362,803.84	\$427,563.58	\$461,362.33
Housing Rehab Program	\$58,798.66	\$143,004.01	\$187,120.84
Bridges	\$3,040.12	-\$546.27	\$3,818.97
Crow Wing County HRA	\$1,393,089.78	\$1,685,939.46	\$1,815,750.30
Public Housing	\$721,143.68	\$727,414.03	\$796,242.47
Brainerd South	\$56,517.31	\$52,963.90	\$66,256.87
Housing Choice Voucher	\$20,836.60	\$53,857.06	\$75,837.33
Total	\$2,616,229.99	\$3,090,195.77	\$3,406,389.11

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July 2022 YTD General Fund Expense/Annual Budget Comparison

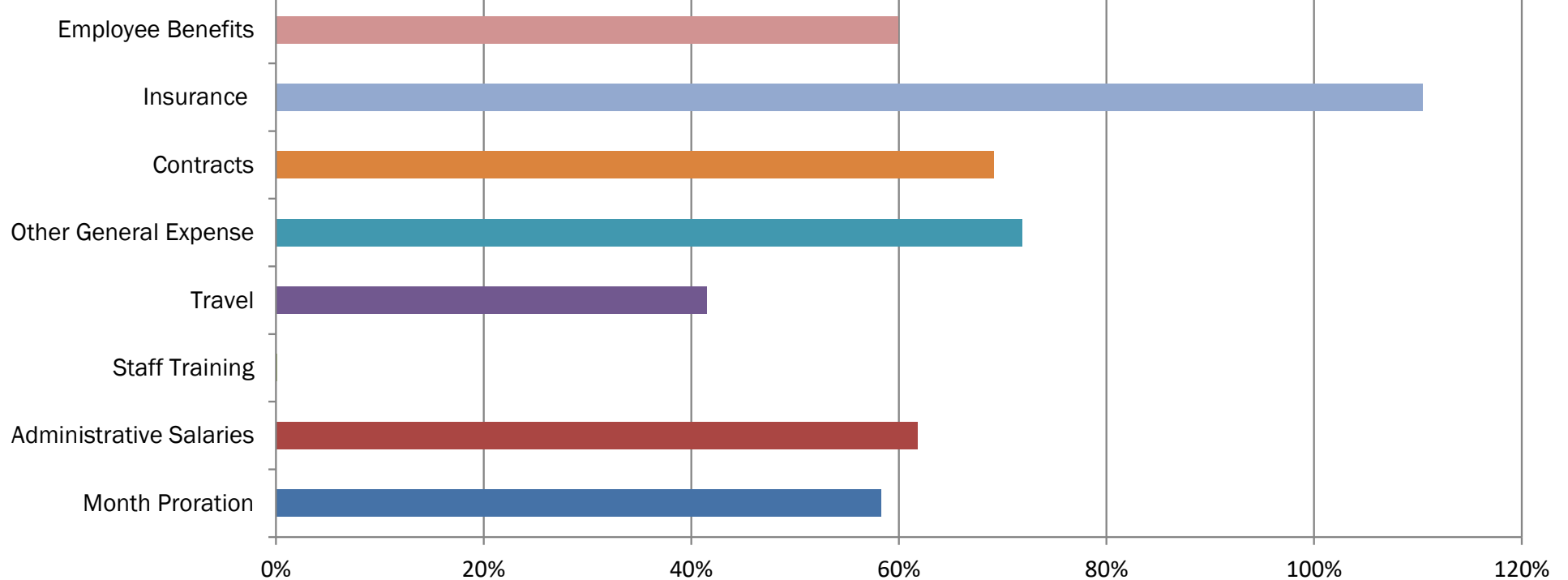


Sundry-Other Admin: Advertising, Office Supplies, BLAHDC Annual Reporting.

Audit Fees: Audit was completed.

Contracts: Quarterly billing for City HR services.

July 2022 YTD Housing Rehab Expense/Annual Budget Comparison

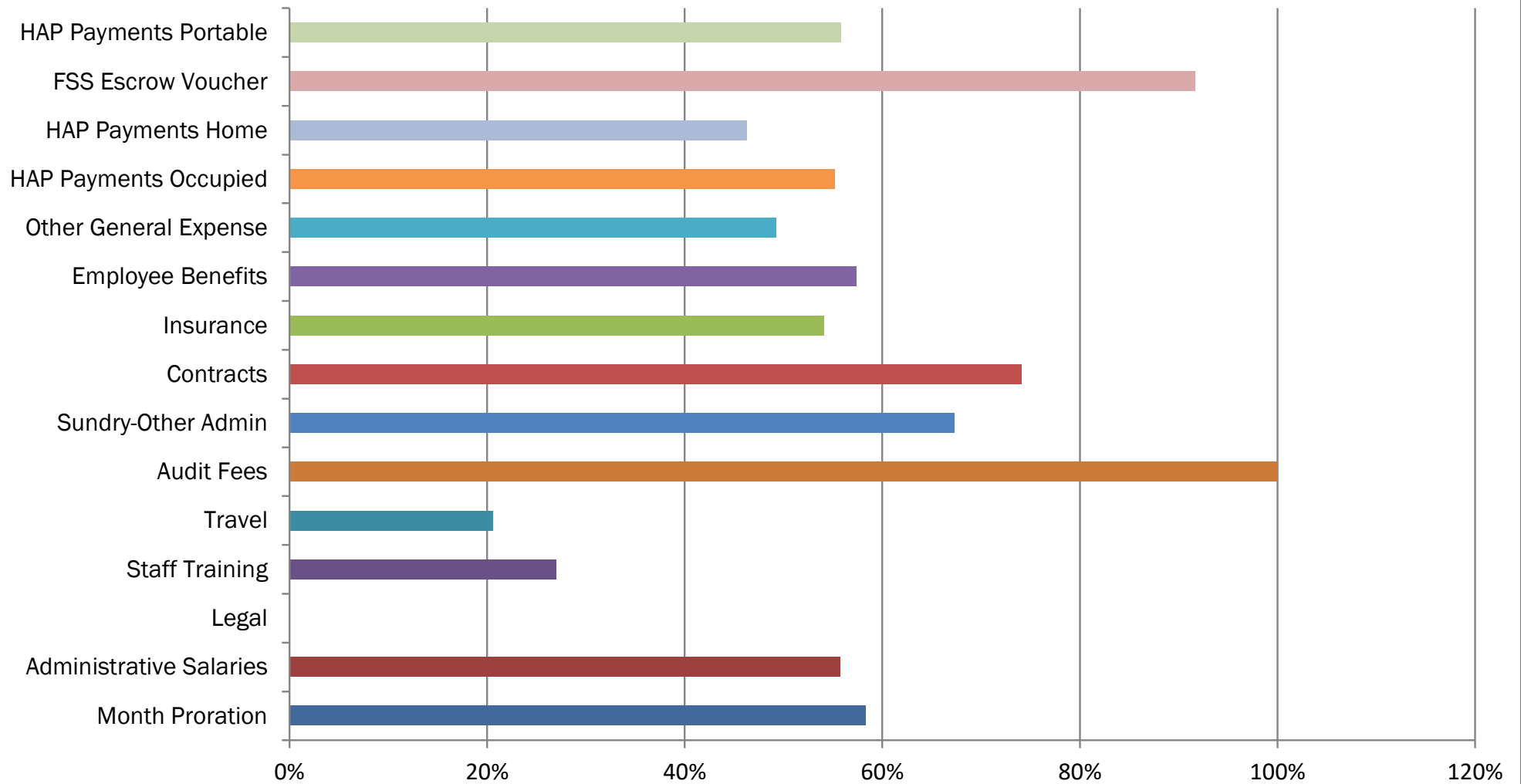


Other General Expense: Happy software purchased for rehab department.

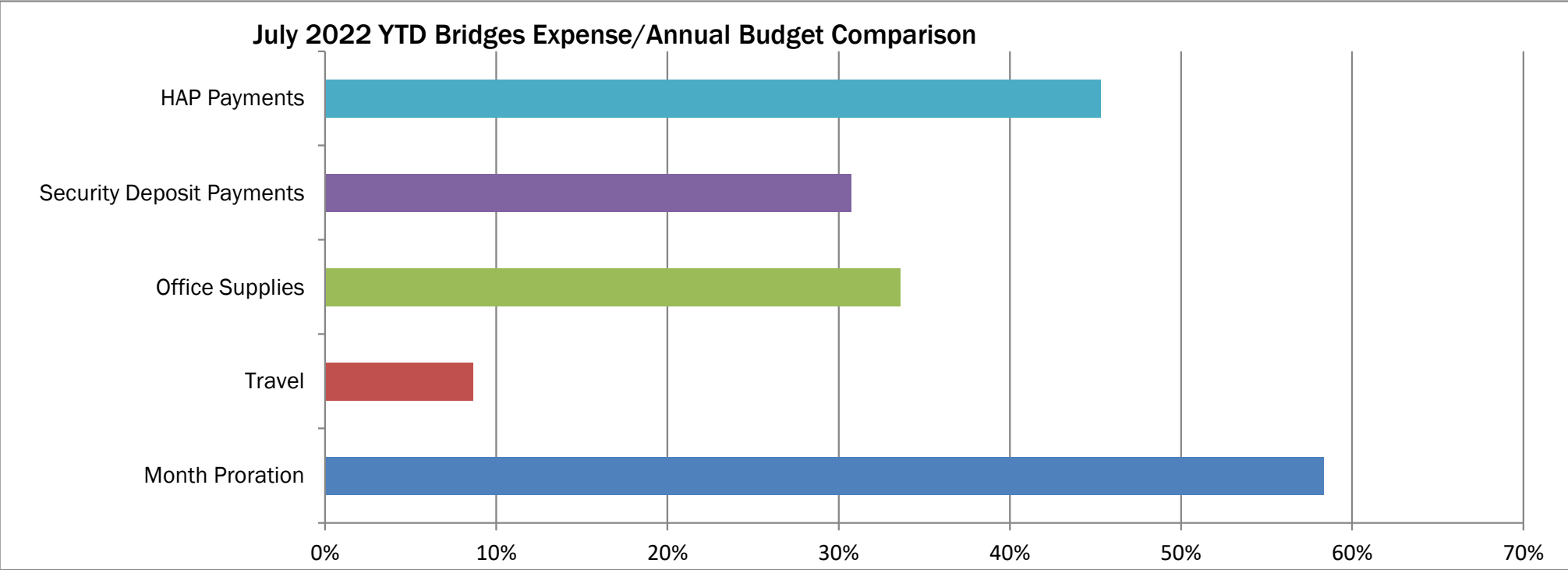
Insurance: Worker's Comp insurance annual premium paid in February.

Contracts: Completed more MHFA Loans than budgeted.

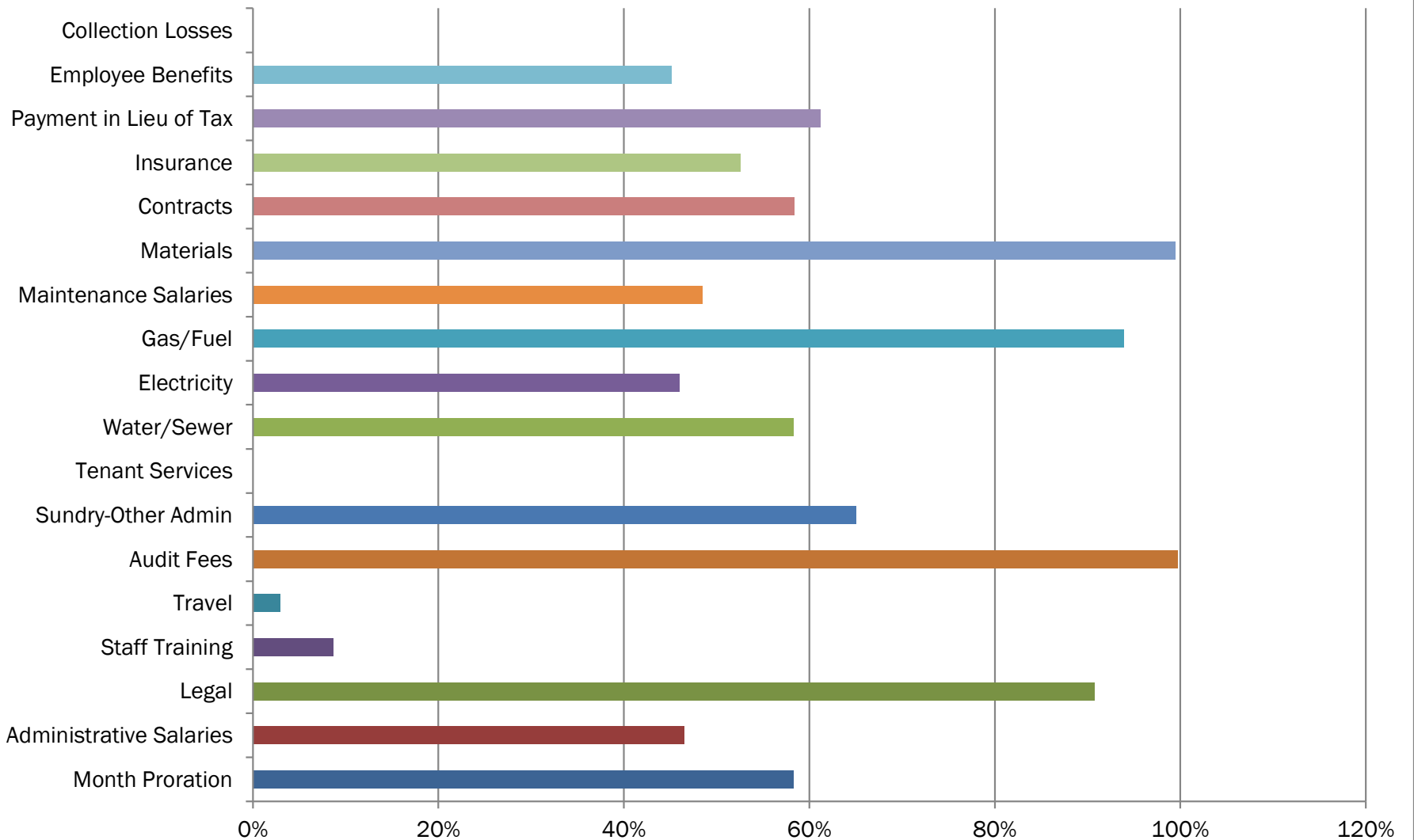
July 2022 YTD Housing Choice Voucher Expense/Annual Budget Comparison



Sundry-Other Admin: Office Supplies, Advertising, Postage
 Contracts: A study was conducted to update utility allowance for 2022.
 Audit Fees: Audit was completed.



July 2022 YTD Public Housing Expense/Annual Budget Comparison

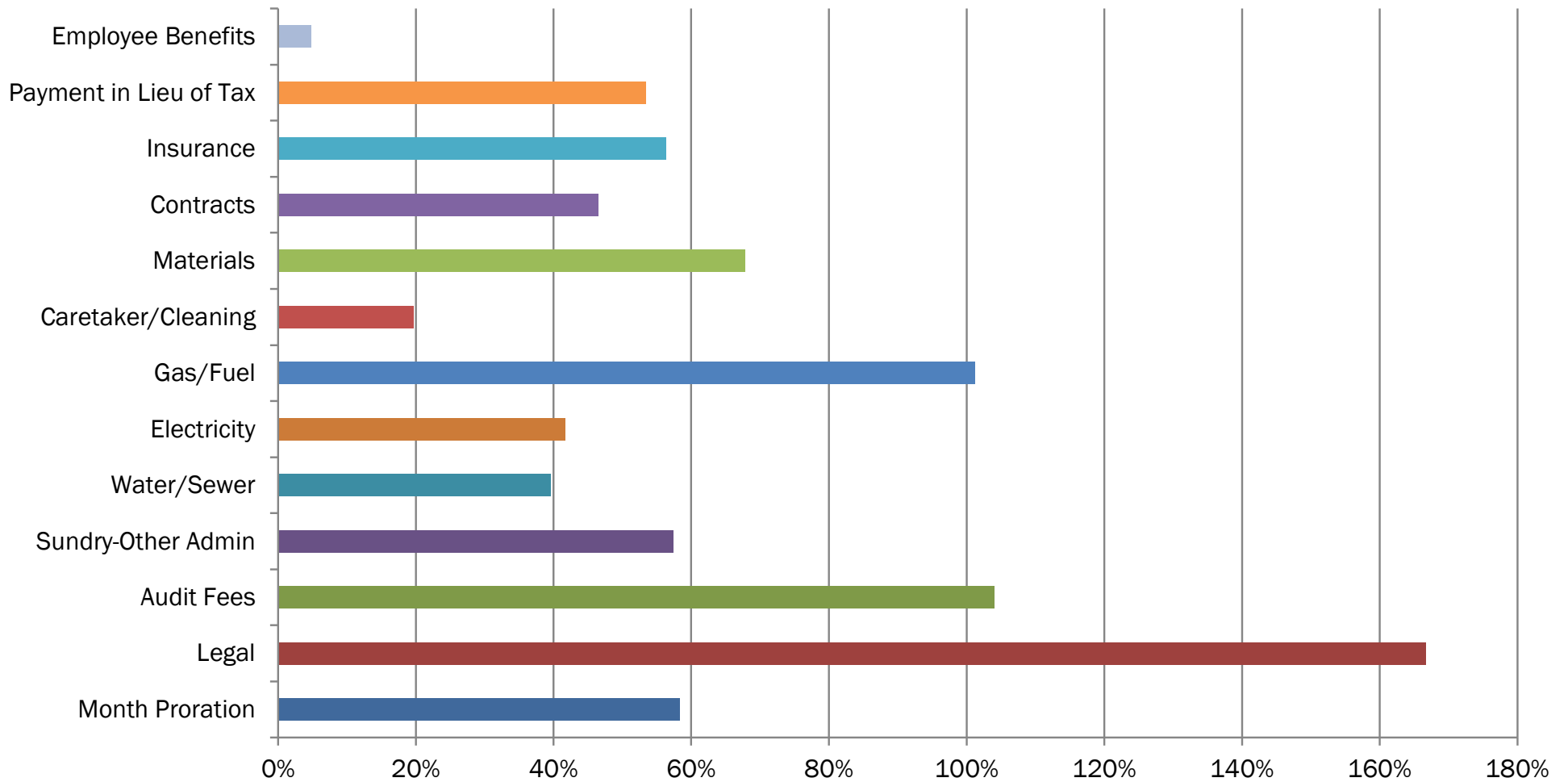


Materials: Purchase of refrigerators.

Sundry-Other Admin: Advertising, annual NAHRO membership.

Legal: Review and updated service and construction contracts.

July 2022 YTD Brainerd South Expense/Annual Budget Comparison



Audit Fees: Audit was completed.

Legal: Assistance with human resource issues.

**Brainerd HRA
General Fund Operating Statement
July, 2022**

	Current Period	Current Year	Year To Date Budget	Variance
General Fund Operating INCOME				
Management Fees	-14,656.26	-102,158.18	-100,333.31	-1,824.87
Interest Income	-21.04	-44.96	-29.19	-15.77
Other Income	-26,898.90	-101,290.59	-89,391.62	-11,898.97
TOTAL INCOME	-41,576.20	-203,493.73	-189,754.12	-13,739.61
EXPENSE				
Administrative				
Administrative Salaries	13,163.68	86,042.09	101,537.94	-15,495.85
Legal	0.00	491.05	1,458.31	-967.26
Staff Training	0.00	887.07	2,916.69	-2,029.62
Travel	57.34	62.04	350.00	-287.96
Auditing Fees	0.00	6,900.00	6,900.00	0.00
Sundry-Other Admin	238.76	5,314.32	4,270.74	1,043.58
Total Administration	13,459.78	99,696.57	117,433.68	-17,737.11
Maintenance				
Maintenance Salaries	0.00	2,092.65	6,825.00	-4,732.35
Contracts	122.02	5,231.46	4,999.19	232.27
Total Maintenance	122.02	7,324.11	11,824.19	-4,500.08
General				
TIF Expense	0.00	30.00	75.81	-45.81
Insurance	356.61	2,496.27	3,590.37	-1,094.10
Employee Benefits	5,856.98	39,141.85	49,183.75	-10,041.90
Other General Expense	1,952.50	3,949.60	14,583.31	-10,633.71
Total General	8,166.09	45,617.72	67,433.24	-21,815.52
TOTAL EXPENSE	21,747.89	152,638.40	196,691.11	-44,052.71
Net Income/Loss	-19,828.31	-50,855.33	6,936.99	-57,792.32

Housing Rehab Operating Statement
July, 2022

	Current Period	Current Year	Year To Date Budget	Variance
Housing Rehab Operating INCOME				
Other Income	-86,908.20	-185,316.80	-159,979.19	-25,337.61
Grant Admin Revenue	0.00	0.00	-2,400.00	2,400.00
TOTAL INCOME	-86,908.20	-185,316.80	-162,379.19	-22,937.61
EXPENSE				
Administrative				
Administrative Salaries	5,962.88	50,107.80	47,270.44	2,837.36
Legal	0.00	200.00	0.00	200.00
Staff Training	0.00	5.27	2,916.69	-2,911.42
Travel	86.01	414.85	583.31	-168.46
Other Admin Exp	94.48	2,636.57	2,199.12	437.45
Total Administration	6,143.37	53,364.49	52,969.56	394.93
Maintenance				
Contracts	33,750.00	93,335.00	78,750.00	14,585.00
Total Maintenance	33,750.00	93,335.00	78,750.00	14,585.00
General				
Insurance	0.00	552.29	291.69	260.60
Employee Benefits	2,898.00	22,497.61	21,889.63	607.98
Total General	2,898.00	23,049.90	22,181.32	868.58
TOTAL EXPENSE	42,791.37	169,749.39	153,900.88	15,848.51
Net Income/Loss	-44,116.83	-15,567.41	-8,478.31	-7,089.10

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**Brainerd HRA
HCV Operating Statement
July, 2022**

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	Current Period	Current Year	Year To Date Budget	Variance
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-115,351.00	-782,227.00	-864,441.69	82,214.69
Admin Fees Earned	-25,737.84	-186,588.04	-165,246.69	-21,341.35
Interest Income	-1.99	-3.34	0.00	-3.34
Other Income	0.00	-15,130.33	-17,500.00	2,369.67
TOTAL INCOME	-141,090.83	-983,948.71	-1,047,188.38	63,239.67
EXPENSE				
Administrative				
Administrative Salaries	15,463.98	109,068.19	114,205.00	-5,136.81
Legal	0.00	0.00	291.69	-291.69
Staff Training	700.00	1,349.71	2,916.69	-1,566.98
Travel	67.87	515.41	1,458.31	-942.90
Accounting & Audit Fees	0.00	3,650.00	3,650.00	0.00
Sundry-Other Admin	156.60	3,666.75	3,570.74	96.01
Total Administration	16,388.45	118,250.06	126,092.43	-7,842.37
Maintenance				
Contracts	122.03	6,933.77	5,460.00	1,473.77
Total Maintenance	122.03	6,933.77	5,460.00	1,473.77
General				
Insurance	509.03	3,563.21	3,841.18	-277.97
Employee Benefits	8,199.08	58,612.17	59,564.12	-951.95
Collection Losses	0.00	1,973.00	0.00	1,973.00
Other General Expense	139.74	787.86	933.31	-145.45
Total General	8,847.85	64,936.24	64,338.61	597.63
HAP Payments				
HAP Payments Occupied	110,518.00	760,570.00	803,933.06	-43,363.06
HAP Payments Home	3,265.00	20,557.00	25,932.69	-5,375.69
FSS Escrow Voucher	4,956.00	27,162.99	17,286.50	9,876.49
HAP Payments Portable	3,144.00	16,556.00	17,289.44	-733.44
Total HAP	121,883.00	824,845.99	864,441.69	-39,595.70
TOTAL EXPENSE	147,241.33	1,014,966.06	1,060,332.73	-45,366.67
Net Income/Loss	6,150.50	31,017.35	13,144.35	17,873.00

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Bridges Program
Bridges Operating Statement
July, 2022

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	Current Period	Current Year	Year To Date Budget	Variance
Bridges Operating INCOME				
HAP Received MHFA	-6,905.00	-26,302.00	-34,329.19	8,027.19
Admin Revenue	-960.00	-3,840.00	-4,200.00	360.00
Total Income	-7,865.00	-30,142.00	-38,529.19	8,387.19
EXPENSE				
Administrative				
Travel	1.76	34.55	233.31	-198.76
Office Supplies	0.00	16.80	29.19	-12.39
Total Administration	1.76	51.35	262.50	-211.15
General				
Security Deposit Pmts	0.00	790.00	1,499.19	-709.19
HAP Payment to Landlords	3,498.00	25,512.00	32,830.00	-7,318.00
Total General	3,498.00	26,302.00	34,329.19	-8,027.19
TOTAL EXPENSE	3,499.76	26,353.35	34,591.69	-8,238.34
Net Income/Loss	-4,365.24	-3,788.65	-3,937.50	148.85

**Brainerd HRA
Public Housing Operating Statement
July, 2022**

	Current Period	Current Year	Year To Date Budget	Variance
Public Housing Operating INCOME				
Dwelling Rental Excess	-71,157.00	-464,312.00	-459,894.19	-4,417.81
Utilities Operating	-776.00	-2,248.00	-2,160.00	-88.00
Subsidy Investment	-27,062.00	-188,303.00	-192,500.00	4,197.00
Interest Other Income	9.15	227.76	0.00	227.76
Other Income Tenants	-15,695.89	-87,932.91	-107,671.69	19,738.78
Capital Fund Income	-995.00	-16,788.93	-11,404.19	-5,384.74
Laundry Income	0.00	0.00	-38,500.00	38,500.00
TOTAL INCOME	-1,430.25	-12,858.07	-11,141.69	-1,716.38
	-117,106.99	-772,215.15	-823,271.76	51,056.61
EXPENSE				
Administrative				
Administrative Salaries	21,906.46	155,795.13	195,364.19	-39,569.06
Legal	1,836.00	3,628.82	2,333.31	1,295.51
Staff Training	0.00	1,214.04	8,166.69	-6,952.65
Travel	28.08	29.25	583.31	-554.06
Accounting & Audit Fees	2,100.00	11,541.51	11,575.00	-33.49
Sundry-Other Admin	961.88	13,378.22	12,799.12	579.10
Total Administration	26,832.42	185,586.97	230,821.62	-45,234.65
Tenant Services				
Rec Public and Other	0.00	0.00	2,887.50	-2,887.50
Total Tenant Services	0.00	0.00	2,887.50	-2,887.50
Utilities				
Water/Sewer	7,629.66	44,299.60	44,298.31	1.29
Electricity	7,711.97	36,996.96	46,876.69	-9,879.73
Gas/Fuel	1,710.96	39,897.05	24,771.25	15,125.80
Total Utilities	17,052.59	121,193.61	115,946.25	5,247.36
Maintenance				
Labor	11,247.24	109,437.78	131,681.69	-22,243.91
Materials	978.57	29,844.85	17,500.00	12,344.85
Contracts	9,896.08	106,322.03	106,254.12	67.91
Total Maintenance	22,121.89	245,604.66	255,435.81	-9,831.15
General				
Insurance	8,292.79	58,049.53	64,365.00	-6,315.47
Payment in Lieu of Tax	2,738.43	17,130.11	16,333.31	796.80
Employee Benefits	13,931.12	117,825.07	152,290.88	-34,465.81
Collection Losses	0.00	0.00	2,450.00	-2,450.00
Other General Expense	0.00	1,000.00	0.00	1,000.00
Total General	24,962.34	194,004.71	235,439.19	-41,434.48
TOTAL EXPENSE	90,969.24	746,389.95	840,530.37	-94,140.42
Net Income/Loss	-26,137.75	-25,825.20	17,258.61	-43,083.81

Brainerd South Operating Statement
July, 2022

	Current Period	Current Year	Year To Date Budget	Variance
Brainerd South Operating				
INCOME				
Dwelling Rental	-21,484.00	-149,822.00	-143,056.69	-6,765.31
Rental Supplement	-5,153.00	-33,199.00	-29,575.00	-3,624.00
Investment Interest	-67.29	-41.43	0.00	-41.43
Other Income	-1,995.00	-15,158.54	-15,516.69	358.15
Laundry Income	-620.75	-4,477.50	-5,063.31	585.81
TOTAL INCOME	-29,320.04	-202,698.47	-193,211.69	-9,486.78
EXPENSE				
Administrative				
Legal	0.00	8,333.45	2,916.69	5,416.76
Accounting & Audit Fees	0.00	5,512.50	5,300.00	212.50
Sundry-Other Admin	3,598.94	27,110.53	27,556.69	-446.16
Total Administration	3,598.94	40,956.48	35,773.38	5,183.10
Utilities				
Water	0.00	6,472.59	9,531.69	-3,059.10
Electricity	16.95	2,414.95	3,383.31	-968.36
Gas/Fuel	914.57	18,056.30	10,406.69	7,649.61
Total Utilities	931.52	26,943.84	23,321.69	3,622.15
Maintenance				
Labor	1,187.65	3,801.51	11,258.31	-7,456.80
Materials	1,334.30	12,267.99	14,408.38	-2,140.39
Contracts	3,304.32	31,853.13	39,958.31	-8,105.18
Total Maintenance	5,826.27	47,922.63	65,625.00	-17,702.37
General				
Insurance	2,883.68	20,185.43	20,883.31	-697.88
Payment in Lieu of Tax	1,018.30	5,881.10	6,416.69	-535.59
Employee Benefits	0.00	59.63	729.19	-669.56
Total General	3,901.98	26,126.16	28,029.19	-1,903.03
TOTAL EXPENSE	14,258.71	141,949.11	152,749.26	-10,800.15
Net Income/Loss	-15,061.33	-60,749.36	-40,462.43	-20,286.93



July 2022 Prior Year Comparative Operating Statements

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**Brainerd HRA
General Fund Operating Statement
July, 2022**

	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
General Fund Operating INCOME				
Management Fees	-102,158.18	-100,333.31	-101,399.65	-100,886.44
Interest Income	-44.96	-29.19	-23.93	-1,155.49
Other Income	-101,290.59	-89,391.62	-107,008.84	-85,514.10
TOTAL INCOME	-203,493.73	-189,754.12	-211,661.42	-187,556.03
EXPENSE				
Administrative				
Administrative Salaries	86,042.09	101,537.94	91,688.86	107,710.65
Legal	491.05	1,458.31	0.00	2,501.00
Staff Training	887.07	2,916.69	96.25	238.63
Travel	62.04	350.00	1.12	0.00
Auditing Fees	6,900.00	6,900.00	6,900.00	6,700.00
Sundry-Other Admin	5,314.32	4,270.74	3,998.23	4,079.04
Total Administration	99,696.57	117,433.68	102,684.46	121,229.32
Maintenance				
Maintenance Salaries	2,092.65	6,825.00	2,740.77	6,558.14
Contracts	5,231.46	4,999.19	1,455.04	1,430.96
Total Maintenance	7,324.11	11,824.19	4,195.81	7,989.10
General				
TIF Expense	30.00	75.81	30.00	0.00
Insurance	2,496.27	3,590.37	3,623.26	3,234.60
Employee Benefits	39,141.85	49,183.75	43,268.29	51,789.63
Other General Expense	3,949.60	14,583.31	3,750.00	11,300.00
Total General	45,617.72	67,433.24	50,671.55	66,324.23
TOTAL EXPENSE	152,638.40	196,691.11	157,551.82	195,542.65
Net Income/Loss	-50,855.33	6,936.99	-54,109.60	7,986.62

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Housing Rehab Proj Operating PY
Housing Rehab Operating Statement
July, 2022

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	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
Housing Rehab Operating INCOME				
Other Income	-185,316.80	-159,979.19	-70,187.50	-109,560.49
Grant Admin Revenue	0.00	-2,400.00	0.00	-4,707.34
TOTAL INCOME	-185,316.80	-162,379.19	-70,187.50	-114,267.83
EXPENSE				
Administrative				
Administrative Salaries	50,107.80	47,270.44	51,020.03	52,237.27
Legal	200.00	0.00	0.00	0.00
Staff Training	5.27	2,916.69	0.00	154.80
Travel	414.85	583.31	427.28	558.96
Other Admin Exp	2,636.57	2,199.12	2,761.74	4,255.71
Total Administration	53,364.49	52,969.56	54,209.05	57,206.74
Maintenance				
Contracts	93,335.00	78,750.00	41,199.88	111,586.55
Total Maintenance	93,335.00	78,750.00	41,199.88	111,586.55
General				
Insurance	552.29	291.69	507.32	496.47
Employee Benefits	22,497.61	21,889.63	19,507.79	18,179.74
Total General	23,049.90	22,181.32	20,015.11	18,676.21
TOTAL EXPENSE	169,749.39	153,900.88	115,424.04	187,469.50
Net Income/Loss	-15,567.41	-8,478.31	45,236.54	73,201.67

**Brainerd HRA
HCV Operating Statement
July, 2022**

	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
Housing Choice Voucher Operating INCOME				
HUD HAP Received	-782,227.00	-864,441.69	-878,032.00	-857,598.00
Admin Fees Earned	-186,588.04	-165,246.69	-159,428.02	-193,132.69
Interest Income	-3.34	0.00	-1.28	-93.15
Other Income	-15,130.33	-17,500.00	-20,707.52	-11,920.55
TOTAL INCOME	-983,948.71	-1,047,188.38	-1,058,168.82	-1,062,744.39
EXPENSE				
Administrative				
Administrative Salaries	109,068.19	114,205.00	96,137.30	78,844.52
Legal	0.00	291.69	0.00	366.00
Staff Training	1,349.71	2,916.69	404.00	674.00
Travel	515.41	1,458.31	57.68	324.88
Accounting & Audit Fees	3,650.00	3,650.00	3,650.00	3,500.00
Sundry-Other Admin	3,666.75	3,570.74	2,323.37	3,890.82
Total Administration	118,250.06	126,092.43	102,572.35	87,600.22
Maintenance				
Contracts	6,933.77	5,460.00	4,187.25	3,486.08
Total Maintenance	6,933.77	5,460.00	4,187.25	3,486.08
General				
Insurance	3,563.21	3,841.18	3,644.70	3,731.88
Employee Benefits	58,612.17	59,564.12	54,301.95	50,042.72
Collection Losses	1,973.00	0.00	2,174.00	2,302.00
Other General Expense	787.86	933.31	699.72	695.23
Total General	64,936.24	64,338.61	60,820.37	56,771.83
HAP Payments				
HAP Payments Occupied	760,570.00	803,933.06	798,715.00	770,992.00
HAP Payments Home	20,557.00	25,932.69	21,993.00	26,576.00
FSS Escrow Voucher	27,162.99	17,286.50	14,537.00	11,933.00
HAP Payments Portable	16,556.00	17,289.44	18,499.00	13,138.00
Total HAP	824,845.99	864,441.69	853,744.00	822,639.00
TOTAL EXPENSE	1,014,966.06	1,060,332.73	1,021,323.97	970,497.13
Net Income/Loss	31,017.35	13,144.35	-36,844.85	-92,247.26

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Bridges Program PY
Bridges Operating Statement
July, 2022

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	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
Bridges Operating INCOME				
HAP Received MHFA	-26,302.00	-34,329.19	-28,282.00	-30,948.00
Admin Revenue	-3,840.00	-4,200.00	-3,030.00	-3,600.00
Total Income	-30,142.00	-38,529.19	-28,083.00	-34,548.00
EXPENSE				
Administrative				
Travel	34.55	233.31	42.56	59.23
Office Supplies	16.80	29.19	0.00	0.00
Total Administration	51.35	262.50	42.56	59.23
General				
Security Deposit Pmts	790.00	1,499.19	500.00	0.00
HAP Payment to Landlords	25,512.00	32,830.00	27,782.00	30,724.00
Total General	26,302.00	34,329.19	28,282.00	30,724.00
TOTAL EXPENSE	26,353.35	34,591.69	28,324.56	30,783.23
Net Income/Loss	-3,788.65	-3,937.50	241.56	-3,764.77

**Brainerd HRA
Public Housing Operating Statement
July, 2022**

	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
Public Housing Operating INCOME				
Dwelling Rental	-464,312.00	-459,894.19	-437,176.00	-428,954.00
Excess Utilities	-2,248.00	-2,160.00	-2,184.00	-2,132.48
Operating Subsidy	-188,303.00	-192,500.00	-218,080.00	-155,009.00
Investment Interest	227.76	0.00	346.21	-1,458.41
Other Income	-87,932.91	-107,671.69	-84,688.12	-90,092.53
Other Income Tenants	-16,788.93	-11,404.19	-9,503.75	-9,904.58
Capital Fund Income	0.00	-38,500.00	-73,470.80	-24,408.36
Laundry Income	-12,858.07	-11,141.69	-11,322.75	-10,440.25
TOTAL INCOME	-772,215.15	-823,271.76	-836,079.21	-722,399.61
EXPENSE				
Administrative				
Administrative Salaries	155,795.13	195,364.19	168,281.49	156,145.69
Legal	3,628.82	2,333.31	3,157.24	885.50
Staff Training	1,214.04	8,166.69	1,086.75	1,223.32
Travel	29.25	583.31	8.40	172.28
Accounting & Audit Fees	11,541.51	11,575.00	9,212.50	8,700.00
Sundry-Other Admin	13,378.22	12,799.12	12,174.92	13,391.18
Total Administration	185,586.97	230,821.62	193,921.30	180,517.97
Tenant Services				
Rec Public and Other	0.00	2,887.50	0.00	0.00
Total Tenant Services	0.00	2,887.50	0.00	0.00
Utilities				
Water/Sewer	44,299.60	44,298.31	39,488.70	35,001.19
Electricity	36,996.96	46,876.69	35,432.14	36,350.79
Gas/Fuel	39,897.05	24,771.25	25,677.36	21,460.35
Total Utilities	121,193.61	115,946.25	100,598.20	92,812.33
Maintenance				
Labor	109,437.78	131,681.69	97,144.99	115,253.39
Materials	29,844.85	17,500.00	7,797.39	7,305.89
Contracts	106,322.03	106,254.12	98,163.18	81,597.07
Total Maintenance	245,604.66	255,435.81	203,105.56	204,156.35
General				
Insurance	58,049.53	64,365.00	60,476.78	53,099.72
Payment in Lieu of Tax	17,130.11	16,333.31	16,510.62	16,602.64
Employee Benefits	117,825.07	152,290.88	129,346.16	131,173.68
Collection Losses	0.00	2,450.00	0.00	0.00
Other General Expense	1,000.00	0.00	1,000.00	1,000.00
Total General	194,004.71	235,439.19	207,333.56	201,876.04
TOTAL EXPENSE	746,389.95	840,530.37	704,958.62	679,362.69
Net Income/Loss	-25,825.20	17,258.61	-131,120.59	-43,036.92

Brainerd South Operating Statement
July, 2022

	YTD 2022	YTD 2022 Budget	YTD 2021	YTD 2020
Brainerd South Operating				
INCOME				
Dwelling Rental	-149,822.00	-143,056.69	-146,760.00	-143,638.00
Rental Supplement	-33,199.00	-29,575.00	-29,644.00	-28,622.00
Investment Interest	-41.43	0.00	67.61	-2,071.44
Other Income	-15,158.54	-15,516.69	-15,167.07	-14,101.83
Laundry Income	-4,477.50	-5,063.31	-4,127.50	-5,028.00
TOTAL INCOME	-202,698.47	-193,211.69	-195,630.96	-193,453.57
EXPENSE				
Administrative				
Legal	8,333.45	2,916.69	8,552.24	0.00
Accounting & Audit Fees	5,512.50	5,300.00	5,250.00	4,961.25
Sundry-Other Admin	27,110.53	27,556.69	29,797.40	28,853.38
Total Administration	40,956.48	35,773.38	43,599.64	33,814.63
Utilities				
Water	6,472.59	9,531.69	8,229.90	8,119.20
Electricity	2,414.95	3,383.31	2,602.53	2,598.97
Gas/Fuel	18,056.30	10,406.69	10,991.64	9,096.57
Total Utilities	26,943.84	23,321.69	21,824.07	19,814.74
Maintenance				
Labor	3,801.51	11,258.31	8,959.10	5,876.54
Materials	12,267.99	14,408.38	12,948.58	14,115.00
Contracts	31,853.13	39,958.31	29,376.27	26,090.43
Total Maintenance	47,922.63	65,625.00	51,283.95	46,081.97
General				
Insurance	20,185.43	20,883.31	19,930.09	19,296.43
Payment in Lieu of Tax	5,881.10	6,416.69	6,000.24	5,970.92
Employee Benefits	59.63	729.19	882.00	535.67
Total General	26,126.16	28,029.19	26,812.33	25,803.02
TOTAL EXPENSE	141,949.11	152,749.26	143,519.99	125,514.36
Net Income/Loss	-60,749.36	-40,462.43	-52,110.97	-67,939.21

Brainerd Housing and Redevelopment Authority
Payment Summary Report
July 2022

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
7/15/2022	908	Carrie Burrell	\$8.22
7/15/2022	909	Eric Charpentier	\$112.32
7/15/2022	910	John Schommer	\$179.04
7/15/2022	911	Keri Weitalla	\$95.12
7/15/2022	912	Nancy Thull	\$18.14
7/15/2022	913	Ryan Barnett	\$38.03
7/15/2022	914	Shannon Fortune	\$22.64
7/15/2022	915	Big River Group, LLC	\$3,905.00
7/14/2022	2015	Harpers Payroll Service	\$86.87
7/14/2022	2016	Minnesota State Retirement System	\$786.00
7/14/2022	2017	Harpers Payroll Service	\$8,634.40
7/14/2022	2018	Health Savings Accounts	\$3,349.39
7/14/2022	2019	Security Benefit	\$4,037.59
7/5/2022	2020	90 Degree Benefits Inc.	\$21,409.28
7/28/2022	2021	Harpers Payroll Service	\$89.56
7/28/2022	2022	Minnesota State Retirement System	\$786.00
7/28/2022	2023	Harpers Payroll Service	\$8,805.48
7/28/2022	2024	Health Savings Accounts	\$932.72
7/28/2022	2025	Security Benefit	\$4,037.59
7/14/2022	24746	Aramark Uniform Services	\$323.66
7/14/2022	24747	Atlas Abstract & Title	\$100.00
7/14/2022	24748	Brainerd Public Utilities	\$14,585.26
7/14/2022	24749	CTCIT	\$720.00
7/14/2022	24750	Capital One Commercial	\$547.63
7/14/2022	24751	CenturyLink	\$45.22
7/14/2022	24752	City of Brainerd	\$344.65
7/14/2022	24753	CliftonLarsonAllen LLP	\$2,100.00
7/14/2022	24754	Crow Wing Cty Recorder's Office	\$46.00
7/14/2022	24755	Culligan	\$117.50
7/14/2022	24756	Dearborn National	\$181.44
7/14/2022	24757	Forum Communications Company	\$300.00
7/14/2022	24758	Handyman's, Inc.	\$432.57
7/14/2022	24759	Jingco Contracting	\$33,100.00
7/14/2022	24760	Kennedy & Graven, Chartered	\$2,375.00
7/14/2022	24761	Kristin Miller	\$16.40
7/14/2022	24762	MN Elevator, Inc.	\$826.64
7/14/2022	24763	MRI Software LLC	\$75.00
7/14/2022	24764	Mike Jones	\$69.03
7/14/2022	24765	Minnesota Department of Employment &	\$1,095.03
7/14/2022	24766	Minnesota Revenue	\$307.83
7/14/2022	24767	Nisswa Sanitation	\$285.36
7/14/2022	24768	Office Shop	\$875.40
7/14/2022	24769	Paper Storm	\$26.00
7/14/2022	24770	Pike Plumbing & Heating, Inc	\$702.00
7/14/2022	24771	Rasinski Total Door Service, LLC	\$800.50
7/14/2022	24772	Tenant Refund	\$377.00
7/14/2022	24773	Synchrony Bank (Mills Fleet Farm)	\$70.00
7/14/2022	24774	Turf & More	\$1,125.00
7/14/2022	24775	VSP	\$36.60
7/14/2022	24776	Visa	\$28.00
7/14/2022	24777	Wex Health	\$8.00
7/14/2022	24778	Yde's Major Appliance	\$49.95
7/28/2022	24779	Atlas Abstract & Title	\$100.00
7/28/2022	24780	Brainerd Public Utilities	\$892.32
7/28/2022	24781	Bremer Bank Credit Card	\$1,956.21
7/28/2022	24782	CTC	\$2,505.48
7/28/2022	24783	CenterPoint Energy	\$2,625.53
7/28/2022	24784	CenturyLink	\$45.22
7/28/2022	24785	Void	\$0.00
7/28/2022	24786	Dacotah Paper Co	\$2,906.82
7/28/2022	24787	Delta Dental	\$618.58
7/28/2022	24788	Granite Pest Control, LLC	\$576.00
7/28/2022	24789	Holden Electric Company Inc	\$233.50
7/28/2022	24790	Kennedy & Graven, Chartered	\$1,836.00

Brainerd Housing and Redevelopment Authority
Payment Summary Report
July 2022

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
7/28/2022	24791	Life Insurance Company of North America	\$57.45
7/28/2022	24792	Nan McKay & Associates Inc	\$700.00
7/28/2022	24793	The Hartford	\$302.93
7/28/2022	24794	Thelen Heating and Roofing, Inc.	\$145.00
7/28/2022	24795	U.S. Bank	\$27,232.44
		Report Total	\$162,205.54



To: Brainerd HRA Board Members
From: Tania Eller, Rental Assistance Manager
Date: August 16, 2022
RE: Housing Choice Voucher Programs Report

HCV Report

Please see the attached reports.

Our Unit Months Leased (UML) through July is 96% and HAP utilization through July is 51%.

HUD has released new guidance on the use of HCV administrative fees to include housing search activities. We are working with Penmac Staffing to hire a Housing Coordinator to provide housing search assistance. This is currently a temporary position with the goal of helping increase our voucher utilization.

Bridges Report

Please see the attached report.

We have 8 families on our program with a monthly HAP payment of \$3,498.

Family Self-Sufficiency (FSS) Report

Please see the attached report.

We have 31 families on our program. We have 14 families currently escrowing a total of \$4,956 per month.

HUD has released the NOFO for the FSS grant. Due October 3rd. The grant funds the salary and benefits of the FSS Coordinator.

Foster Youth Initiative (FYI) Report

Please see the attached report.

We have 2 families leased up with a total HAP payment of \$480.

Per HUD regulation, we have returned two of our four FYI vouchers. The two returned were not being utilized, and we did not have any youth identified to use them. HUD has accepted these vouchers back effective January 1, 2022. This will decrease our total vouchers from 324 to 322 for 2022 and should help us with our overall utilization since these two were not filled.

No Action Requested; Discussion Items

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July Housing Choice Voucher Programs (HCV)

<u>Voucher Allocation</u>	322
July Move-ins	7
July Move-outs	1
July Vouchers - looking for housing	39
July Vouchers - first day of month	312
Average Vouchers to date	311
Unit Months Leased	96%
HAP Utilization through 7/31/2022	51%

Reasons For Leaving Program

Voluntarily Left	1
Terminated	0

Payments

Housing Assistance Payment (HAP)	\$122,448
July HUD Administrative Fee	\$19,050

Port Out Vouchers

	4
St. Cloud HRA (3)	\$3,338

Homeownership

	8
Homeownership HAP	\$3,268

FYI Vouchers

	2
FYI Vouchers HAP	\$480

Length of Time on Program

< 1 year	22%
< 2 years	11%
< 3 years	12%
< 4 years	8%
< 5 years	9%
> 5 years	39%

Demographics

Elderly Households	105
Disabled/Handicapped Households	161
Families with Children	113
Average Annual Income	\$15,133
Average HAP	\$374

Waiting List Total

	84
Crow Wing County Preference	36
Non Preference	48

HUD-52681-B Report

Vouchers

May 2022

Jun 2022

Jul 2022

Voucher Units - First of the Month

Rental Assistance Component 1 (RAD1)	0	0	0
Rental Assistance Component 2 (RAD2)	0	0	0
Litigation	0	0	0
Homeownership	8	8	8
New This Month	0	0	0
Moving To Work	0	0	0
One Year Mainstream - MTW	0	0	0
Family Unification - Non MTW	2	2	2
Non-Elderly Disabled - Non MTW	0	0	0
Portable Vouchers Paid	3	4	4
HOPE VI	0	0	0
Tenant Protection	0	0	0
Enhanced Vouchers	0	0	0
VASH Vouchers	0	0	0
All Other Vouchers	293	295	298
Total Under lease as of first of month	306	309	312
Total Under lease as of end of month	306	310	312
Total Issued as of end of month	53	37	39
5 Year Mainstream	0	0	0

Voucher HAP Expenses - First of the Month

Rental Assistance Component 1 (RAD1) HAP	0	0	0
Rental Assistance Component 2 (RAD2) HAP	0	0	0
Litigation HAP	0	0	0
Homeownership HAP	2,671	3,295	3,265
Moving To Work HAP	0	0	0
One Year Mainstream - MTW HAP	0	0	0
Family Unification - Non MTW HAP	480	480	480
Non-Elderly Disabled - Non MTW HAP	0	0	0
Portable Voucher Paid HAP	3,144	3,338	3,338
HOPE VI HAP	0	0	0
Tenant Protection HAP	0	0	0
VASH HAP	0	0	0
All Other Vouchers HAP	108,251	110,388	110,409
Abated HAP	0	0	0
Total All Voucher HAP Expense for 1st of month	114,546	117,501	117,492
FSS Escrow Deposits	4,276	3,640	4,956
FSS Escrow Forfeitures	0	0	0
All Voucher HAP Expense After 1st of Month	0	85	0
5 Year Mainstream HAP	0	0	0

Regular Portable Administered

Portable Units Administered	0	0	0
Portable HAP	0	0	0

Other Activities

Number of Hard to House Families Leased	0	0	0
Number of Vouchers Covered by Project-Based HAPs	0	0	0

Bridges Program

July 2022

Summary

- Tenants leased up in units: 8
- Participants issued a Voucher & searching for a unit: 9
- Notified: 3
- Participants receiving HCV voucher: 0
- Participants giving up Bridges voucher: 0
- Tenants' Residing Counties:
 - Cass County: 0
 - Morrison: 0
 - Aitkin: 0
 - Crow Wing: 8
 - Todd:
 - Wadena:

Total HAP Payment: \$3,498.00

Additional Info: Continue to notify, applicants struggling to lease up due to no housing and background barriers.

Family Self-Sufficiency Program

July 2022

Summary

- Active FSS participants: 31
- Tenants going OFF for month: 1
- Tenants going ON for month: 0
- New tenants ESCROWING: 2
- Total number of FSS participants escrowing monthly: 14
- Total amount of escrow: \$4,956.00
- Total combined amount of monthly escrow: \$65,487.50

Update: The FSS action plan will be added to September board meeting for approval. Submission date to HUD is now September 30th. HUD reported that they will not be scoring PHA's for FY 2021 due to PHAs not being able to enroll new participants until their Action Plan is approved by HUD. HUD must have all Action Plans approved by November 30th, 2021.

HUD also released the FSS FY2022 NOFA application and I will be submitting that application also next month to get board approval. The deadline for the FY 2022 application is Oct. 3rd.

Foster Youth to Independence Program July 2022

Summary

- Active FYI participants: 2
- Searching for a unit: 0
- Working on getting a voucher: 0
- Declined voucher: 0
- Gave up voucher: 0

Additional Info: no additional information to report



To: Brainerd HRA Board Members
 From: Shannon Fortune, Housing Manager
 Date: Aug-17--2022
 Re: Housing Management Report

Vacancy Report for July 2022

Please see attachment.

Monthly Property Performance Report for July 2022

Please see attachment.

Section 3 Program Compliance.

HUD has recently updated their guidance related to compliance with Section 3 requirements. For background information, Section 3 is the provision of the Housing and Urban Development Act of 1968 that directs employment and contracting opportunities to low and very low income communities. (See attached brochure for more detailed information.) Housing Authorities are required to document their Section 3 related efforts, either quantitatively or qualitatively. We will be providing periodic updates to the Board on our outreach and compliance activities.

Initial efforts to encourage Section 3 participation include the following initiatives:

- Section 3 brochures are included with all HCV briefing packets & Public Housing new move-in folders
- New FSS and ROSS program enrollees will be given information related to the Section 3 program with an opportunity to opt-in for additional follow-up and resources on how they may benefit from participation.
- Job opportunities from Section 3 participating vendors are being posted on the ROSS bulletin board in the North Star building.
- Section 3 information is featured as a slide in the presentation of useful notifications being played on a display monitor in the community lounge area in the North Star building.
- Section 3 information has been uploaded to our website and will be featured in upcoming posts in our Facebook pages,
- Staff from HCV, Public Housing, ROSS, and Finance plan to meet quarterly to continue brainstorming ways to increase program awareness and evaluating the efficacy of previous efforts.

Revenue Recapture Program Audit

An audit of the Minnesota Revenue Recapture program has been concluded and we are pleased to report that we did well. Our auditor reviewed 5 current claims in detail, our notification letter formats, and our internal processes related to oversight of the program. As a result, we modified our notification letter and made some adjustments to increase in-office efficiency and tracking. As a point of interest, so far in 2022 we have intercepted \$19,357.37 through our participation in the Revenue Recapture program.

ROSS Program Updates

- 11 active participants in the ROSS program; 1 newly enrolled participants; 0 exited participants.
- 5 new contact with non-enrolled residents for more limited resource/referral work.
- Food Program Participation
 - SNAP Food Boxes: 27 residents; shelf-stable box; elderly tenants only.
- Activities Recap:
 - 15 residents participated in the “Let’s Ask Law Enforcement” presentation hosted in conjunction with 2 officers from Brainerd Police Department.
- Facebook Stats:
 - ROSS Facebook page posts are temporarily on hold while we strategize on our goals for this platform.

North Star Furniture Replacement Project

Replacement furniture for the 1st floor waiting area and the 2nd floor community lounge space arrived and was installed. We have received quite a few positive comments from tenants in the building.

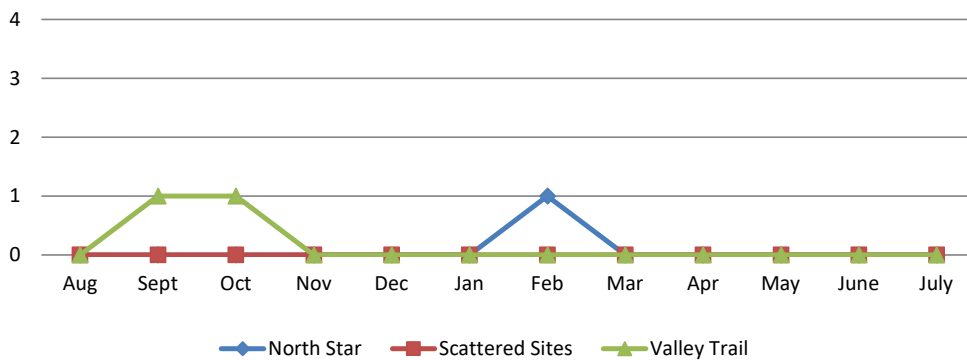


No Action Requested; Discussion Items

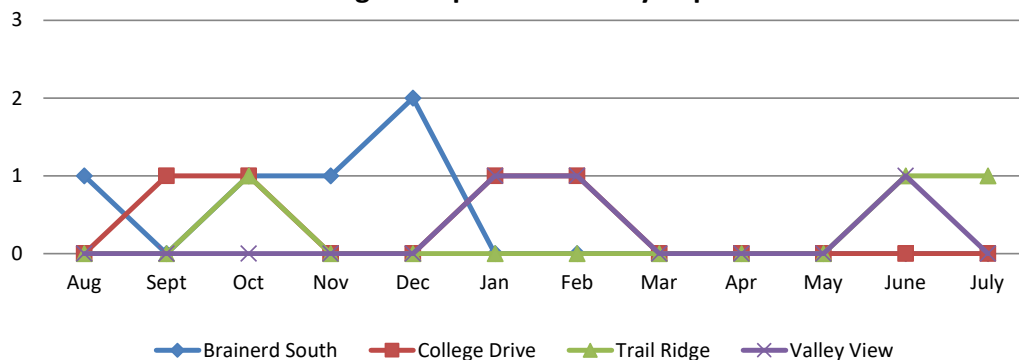
Brainerd HRA 2022 Vacancy Report

	Public Housing				Section 236	Tax Credit - DW Jones		
	North Star	Scattered Sites	Valley Trail	Total PH Vac/%	Brainerd South	College Drive	Trail Ridge	Valley View
# units	162	16	25	203	60	24	18	20
Jan 31	0	0	0	0	0	1	0	1
Jan %	0.00%	0.00%	0.00%	0.00%	0.00%	4.17%	0.00%	5.00%
Feb 28	1	0	0	1	0	1	0	1
Feb %	0.62%	0.00%	0.00%	0.49%	0.00%	4.17%	0.00%	5.00%
March 31	0	0	0	0	0	0	0	0
March %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
April 30	0	0	0	0	0	0	0	0
April %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
May 31	0	0	0	0	0	0	0	0
May %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
June 30	0	0	0	0	0	0	1	1
June %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.56%	5.00%
July 31	0	0	0	0	0	0	1	0
July %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.56%	0.00%
Aug 31								
Aug %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sept 30								
Sept %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 31								
Oct %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nov 30								
Nov %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dec 31								
Vacancies	1	0	0	1	0	2	2	3
%	0.09%	0.00%	0.00%	0.07%	0.00%	1.19%	1.59%	2.14%

Public Housing Vacancy Report



Managed Properties Vacancy Report



Brainerd Housing and Redevelopment Authority

Monthly Property Performance Report

July 2022

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	47
Applications Placed on PH Wait List	13
Applications Denied on PH Wait List	10

4. Waiting List

Unit Size	# of Units	Total # on Wait List	Notified	Screening	Denied
1 bdrm	160	101	0	0	0
2 bdrm	14	19	0	0	0
3 bdrm	24	16	0	0	0
4 bdrm	5	4	0	0	0
TOTAL	203	140	0	0	0

5. Move-Ins and Move Outs

	This Month	Year-to-Date
Move-Ins	0	7
Move-Outs	3	7

6. Lists of Vacant Units and Unit Status

Unit	Unit Size	Anticipated Lease Date	Applicant Approved?
None			

7. Recertifications

Interim Recertifications	7
Annual Recertifications	166
Completed for this month	173

8. Annual Unit Inspections

Total units to be inspected this year	203
Number completed start of month	0
Number inspected for the month	162
Number completed year-to-date	162
Total left to be inspected this year	41
Have all building system inspections been completed?	In Process
If yes, please enter date	n/a

9. Lease Enforcements

Lease warnings/violations issued	10
30-day lease terminations	2

10. Evictions

Resident	Reason	Summons Date	Judgment Action
NS#702	Smoking	7/20 & 7/27	Eviction (9/30 V.)
NS#809	Program Fraud	7/20 & 7/29	Eviction; Writ Served

11. Non-Emergency Work Orders

Beginning Balance	4
Received	79
Closed	72
Ending Balance	11
Total Completed Work Orders for Year	602

12. Emergency Work Orders

	This Month	Year-to-Date
Requested	3	6
Completed within 24 hours	3	6
Percent completed within 24 hours	100%	100%

13. Rent Collection

	This Month
Rent Charges	72,036
Other Charges	1,714
Total New Charges	73,750
Arrears, tenants in possession	847

Accounts Receivable

Current Tenant Accounts Receivable (Rent)	649
Current Rent Charges	72,036
Current Rent Collections	71,387
Accounts Receivable Rate	1%
Collection Rate	99%

Collections - Prior 12 Month Period

Prior Tenants Accounts Receivable (Rent)	4,742
Prior Rent Charges	786,397
Collection Rate	99%

potentially misrepresented themselves. In such situations, HUD will request documentation to verify the businesses' eligibility. Businesses that are found to have misrepresented themselves will be removed from the Section 3 Business Registry and penalized (see HUD's Section 3 Business Registry webpage for more information).

To search for Section 3 businesses in your community, register your business, or learn more about HUD's Section 3 Business Registry, please visit: www.hud.gov/Sec3biz

SECTION 3 AND HUD-FUNDED CONTRACTS

Section 3 requirements provide preference but not a guarantee to Section 3 residents and Section 3 businesses when new jobs, training, or contracting opportunities are created as a result of HUD funds. Section 3 residents and businesses are not entitled to jobs or contracts simply because they meet the eligibility criteria. Section 3 residents and businesses may need to demonstrate that they have the ability to perform successfully under the terms and conditions of proposed contracts and meet the qualifications for jobs or contracts they are seeking.

Section 3 residents or businesses that believe that they have been denied employment, training, or contracting opportunities associated with HUD-funded projects are encouraged to file a complaint with HUD at the appropriate Regional Office of Fair Housing and Equal Opportunity (FHEO). A copy of the Section 3 Complaint Form (HUD-958) and a list of FHEO Regional Offices can be found online at: www.hud.gov/Section3



U.S. Department of Housing and Urban Development



www.hud.gov/Section3

HUD Form 972-English



WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood improvement, and individual self-sufficiency.

HUD investments in local communities represent one of the largest sources of federal funding, and the expenditure of these funds typically results in new contracts and jobs. The Section 3 requirements stipulate that local low-income persons, and businesses that substantially employ those persons, receive priority consideration for a percentage of new training, employment, and contracting opportunities that are created from certain HUD funds.

Please visit www.hud.gov/section3 for more information on the requirements of Section 3.

WHAT IS A SECTION 3 BUSINESS?

If your business meets one of the following criteria, you may be eligible to receive priority consideration when bidding on certain HUD-funded contracts or subcontracts:

1. It is at least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

- 3) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

WHO ARE SECTION 3 RESIDENTS?

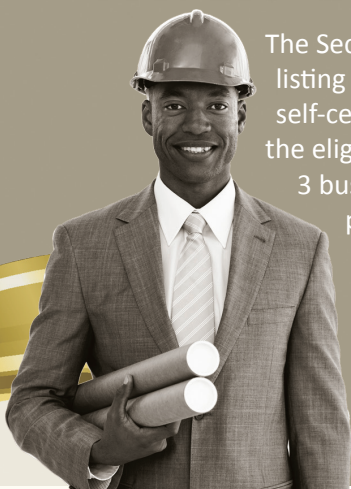
If you meet one of the following criteria, you may be eligible to receive priority consideration when applying for certain HUD-funded jobs and training opportunities:

- 1) A resident of public housing or Section 8-assisted housing;
- 2) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
- 3) A YouthBuild participant.

To determine income eligibility in your community visit: <http://www.huduser.org/portal/datasets/il.html>

WHAT IS THE SECTION 3 BUSINESS REGISTRY?

The Section 3 Business Registry is a listing of businesses that have self-certified that they meet one of the eligibility criteria of a Section 3 business, and have submitted publicly available information about their firm (i.e. business name, address, type of services provided, etc.) to be included HUD's online database.



The Section 3 Business Registry will be used by Public Housing Authorities (PHAs); State, County, and local government agencies; property owners; developers; contractors; and others as a resource for finding local Section 3 businesses to be notified about HUD-funded contracting opportunities. Section 3 residents are also encouraged to use the registry to locate Section 3 businesses that may have new HUD-funded jobs as a result of recently awarded HUD-funded contracts.

HUD will maintain the Section 3 Business Registry to assist agencies that receive HUD funds with meeting their Section 3 obligations. However, HUD does not verify information submitted by businesses and does not endorse the services they provide. Therefore, grantees and other users should perform due diligence to confirm eligibility before awarding contracts to firms in the Section 3 Business Registry.

Contact HUD at sec3biz@hud.gov if you believe firms in HUD's Section 3 Business Registry have

continued



To: Brainerd HRA Board Members
From: Kristin A. Miller, Rehab Administrative Specialist
Date: August 18, 2022
Re: Rehab Programs Report

Emily SCDP

9 Owner occupied projects are complete
1 Scheduling Final Walk through for the morning of 8/24/22

Garrison SCDP

1 Scheduling Final Walk through for the morning of 8/23/22
1 Owner Occupied Rehab project bid
1 Owner Occupied Application being delivered
1 Commercial Rehab project received contractor list ready to bid
4 Commercial Application in collection of documents

Jenkins SCDP

1 Owner Occupied Rehab out for Bidding
1 Owner Occupied Rehab Scope of Work Write-up Process
2 Owner Occupied Rehab Applications mailed

MHFA

4 Projects are in construction
1 Project is out for bid
2 Completed Paperwork Signing
2 Applications are in process

Housing Trust Fund

1 Down Payment Assistance Closed 7/7/22
1 Owner Occupied Rehab Paperwork Signed 7/27/22
3 Owner Occupied Rehab Out for Bidding
1 Owner Occupied Rehab Application in Review (Collecting documents)
1 Rental Rehab Application in Review (Collecting documents)

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	64	57	0	8
Serene Pines	23	16	16	0	0
Dalmar Estates	7	3	1	0	2

**Originally 83 lots, 2 have been merged/combined into a single parcel*



To: Brainerd HRA Board Members

From: Eric Charpentier, Executive Director

Date: August 18th, 2022

Re: Executive Director Report

Tax Forfeit Property Purchase

On August 15th, the Brainerd City Council agreed to not recertify the nuisance assessments on the 3 parcel ID #'s 41250768, 41191554 & 41191555. Further, the City Council has agreed to satisfy the outstanding mortgage on parcel ID 41250768 in the amount of \$12,000, from a previous CDBG loan on the property. With this action taken now we will schedule a public hearing for our September meeting regarding the proposed sale of these parcels through the Tax Forfeit Property Policy to Lakes Area Habitat for Humanity.

Redevelopment Opportunities

The former Thrifty White building is scheduled to be purchased on 8/22 by an interested developer. We are working with the developer to offer insights on financing that is available should they move forward with their redevelopment plans. This would potentially include partial funding through the Crow Wing County Housing Trust Fund. This is an exciting opportunity for the downtown district and for the City as a whole.

Presentation to Sertoma Group

I was given the opportunity to speak to the noon Sertoma group on August 10th. It is always a pleasure to speak to our service organizations to give them insight into our programs and what it is that we do here. A staff member from Habitat for Humanity that is in the Sertoma group reached out to me with this opportunity.

Update on Downtown TIF District

We have been working with our financial advisors at Baker Tilly to analyze the financial implications of accepting the bond payment from the purchase of the building located at 416 S 6th St in lieu of terminating the property tax assessment agreement that the HRA holds on the property. The HRA has been supplementing the shortfall on our bond payments via our general fund levy dollars since 2005 with the goal of being paid back throughout the life of the district which expires in 2031. We spoke with our advisors on 8/18 as we had some questions for them regarding their analysis on the draft report that they had prepared for us. The advisors are still waiting for some information from the County Assessor's office before finalizing their report and analysis. We will be setting up a meeting between the purchaser, our financial advisors, and staff to discuss possible options to address any shortfalls prior to bringing this back to the board with a recommendation.

September Meeting Location

Staff is wondering if we could schedule an upcoming board meeting in our office on East River Road and allow for time after the meeting to give a tour of our Northstar Apartment building for those commissioners that would be interested. We would like to show the board the boiler and water heater system that was installed last year as well as upgrades to our laundry room facility and community space on the 2nd floor. If the board agrees, I would suggest we move the September board meeting to our office and plan on going on a quick tour of the building.

No Action Requested; Discussion Items