

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, February 13, 2018

Jinx Ferrari Meeting Room

**(Located on 2nd floor of the Historic Courthouse,
326 Laurel Street, Brainerd, MN)**

AGENDA ITEM

1. **Roll Call** (*Commissioner Goble will be present using the interactive technology of Skype. Her physical location will be Queen Valley Resort, 50 Oro Viejo Dr. Site #67, Queen Valley, AZ.*)
2. **Call to Order**
3. **Review and Approve Minutes** (*Attachment 1*)
4. **Review and Approve Financial Statements** (*Attachment 2*)
5. **Old Business**
 - a. Review Assigned Fund Balance (*Attachment 3*)
6. **New Business**
 - a. Educational Topic: Housing Rehab Programs (*Attachment 4*)
7. **Reports**
 - a. Executive Director (*Attachment 5*)
 - b. Brainerd HRA
 - c. BLAEDC
 - d. CWC
8. **Meeting Agenda Topics for March 13, 2018**
9. **Adjourn**

2018 Officers and Commissioners

Chair – Craig Nathan/District 4 (12-31-20)

Vice Chair – Theresa Goble/District 1 (12-31-22)

Secretary – Sharon Magnan/District 3 (12-31-19)

Commissioner – David Kennedy/District 2 (12-31-18)

Commissioner – Michael Aulie/District 5 (12-31-21)



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Minutes from Tuesday, January 9th, 2018
Crow Wing County
Housing and Redevelopment Authority
Board Meeting

1. **ROLL CALL:** Present at the meeting were Chair Craig Nathan, Commissioners Theresa Goble, Sharon Magnan, Mike Aulie, and David Kennedy; Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz. Also present: Tyler Glynn, Patrick Wussow, and Debby Erickson.

2. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 5:00 p.m.

Chair Nathan moved the annual meeting up

3. **ANNUAL MEETING:**

a. **Oath of Office:** There were no new board members.

b. **Election of Officers for 2018:**

Bergman asked for nominations for chair for 2018.

Commissioner Kennedy nominated Commissioner Nathan for board chair. Commissioner Magnan seconded the nomination. All commissioners voted in favor and none were opposed. The motion passed and Craig Nathan was as elected chair.

Chair Nathan moved to the chair seat and called for nominations for vice chair.

Commissioner Magnan nominated Commissioner Goble for vice chair, seconded by Commissioner Aulie. All commissioners voted in favor and none were opposed. The motion passed and Teresa Goble was elected as vice chair.

Chair Nathan called for nominations for secretary/treasurer.

Commissioner Aulie nominated Commissioner Magnan for secretary/treasurer, seconded by Chair Nathan. All commissioners voted in favor and none were opposed. The motion passed and Sharon Magnan was elected as secretary/treasurer.

c. **Review Bylaws:** The Board reviewed the current bylaws and had no proposed changes.

4. **REVIEW AND APPROVE MINUTES:**

Commissioner Magan made a motion to approve the minutes from the regular board meeting held on December 12, 2017. Commissioner Goble seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.



5. **REVIEW AND APPROVE FINANCIAL STATEMENTS:**

2017 Tax Revenue

Reflected in the December General Fund financial statements were the deposits of \$39,850.61 in property tax and other tax revenue. The tax revenue payments for 2017 totaled \$94,542.85.

2017 Audit

The 2017 audit is scheduled with CliftonLarsonAllen (CLA) during the week of February 5th.

Non-TIF Revolving Loan Funds

As per Resolution No. 2017-06, a check was issued to BLADC Unified Fund for the total Non-TIF Revolving Loan Funds of \$119,245.03. These funds will no longer be reflected on the financial statements and will be retained by BLAEDC.

CWC Local Income

At the May 9th, 2017, board meeting, the Board made a motion approving the allocation of \$20,000 from CWC Local Income to the City of Ironton for local support for their SCDP application if it was funded by DEED. The City of Ironton was funded for their SCDP application and requested the \$20,000 for utilization with the grant. The check was processed in December out of the CWC SCDP Cash Account.

Commissioner Kennedy made a motion to accept the December financial statements as presented. Commissioner Aulie seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

6. **OLD BUSINESS:**

- a. **Consider Tax Forfeited Property Policy:** In July of 2017, the CWC HRA considered a Tax Forfeited Policy; however, the Board had decided to table it at that time until further discussion with county staff.

A letter from Patrick Wussow was presented to the Board requesting the assistance of the CWC HRA to purchase a tax forfeited property located at 1201 Pine Street in Brainerd. There is approximately \$2,242.68 in assessments from the City of Brainerd and an additional \$4,822.83 in proposed assessments. Mr. Wussow asked that the CWC HRA request that the County convey the property to the CWC HRA and solicit proposals to sell the lot for the construction of a new single-family home.

Since there was a formal request to consider acquiring a tax forfeited property and no policy in place, the Board had a discussion about the Tax Forfeited Policy that they considered in July and reviewed a revised policy provided by staff. They requested that staff correct a mistake in the policy that referenced "Brainerd neighborhoods" so that it states "Crow Wing County neighborhoods."

Bergman reminded the Board that Crow Wing County has NOT yet approved this policy nor do they have their own. The next step is for them to establish their own that serves as a companion to the HRA policy.



Commissioner Aulie made a motion to approve the tax forfeited policy and sales procedure for the Crow Wing County HRA and to direct staff to work with the County to establish the tax forfeited policy that serves as its companion. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

Commissioner Kennedy posed the question of whether or not the Brainerd HRA could also assist Mr. Wussow. Mr. Wussow provided a response that they could but as the chair of the Brainerd HRA Board, a potential conflict of interest may exist.

The Board had a discussion and will revisit Mr. Wussow's request after the County's policy is in place.

7. NEW BUSINESS:

- a. **Authorize Participation in the Minnesota City Participation Program:** Minnesota Housing Finance Agency (MHFA) sells mortgage revenue bonds on behalf of cities to meet locally identified housing needs. The proceeds of these bonds provide below-market interest rate home mortgage loans for low- and moderate-income, first-time homebuyers. The Minnesota City Participation Program (MCP) provides cities throughout the state with a unique opportunity to easily access housing resources to meet the needs of their citizens.

Funds are available to local participating lenders to offer low interest loans to eligible home buyers. The funds are initially available to the specific community. Last year, Crow Wing County was allocated \$997,045 and used \$650,679, which was up significantly from 2016. After a period of time, the funds are put into a state-wide pool.

In order to participate in the MCP, an application must be submitted by Monday, January 15th.

This program provides another mortgage option for potential home buyers in Crow Wing County.

Commissioner Magnan made a motion to authorize the Executive Director to submit the 2018 Minnesota Cities Participation Program application to MFHA. Commissioner Goble seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. REPORTS:

- a. **Executive Director:** Bergman reported on the following items:

Deluxe Small Business Revolution – Main Street Program

Brainerd made the top 10 for the Deluxe Corporation's Small Business Revolution – Main Street Program. Representatives from Deluxe will be visiting all of the top 10 cities and Brainerd's has been scheduled for January 10th and 11th. There will be a reception at Roundhouse Brewery on January 10th from 5:30–7:30. Bergman encouraged the Board to attend. The winner will receive a prize package of \$500,000 that will assist 5–6 downtown businesses.



Emily SCDP Application

We were notified by the Department of Employment and Economic Development (DEED) that our Small Cities Development Program (SCDP) for owner-occupied rehab in Emily has received a “marginally competitive” designation. As a result, we have been invited to submit a full application to DEED, which is due on February 22nd.

- b. **Brainerd HRA:** The Brainerd HRA submitted a SCDP application for NE Brainerd and the former Iron Rail and received a score of marginally competitive. Bergman reported that they attempted to apply for Veterans Assistance Supportive Housing (VASH) Voucher, but in order to be considered, a letter of intent from the Veterans Administration (VA) was required. The VA would not provide a letter, because there were no homeless veterans listed on the Point In Time count. Staff will continue working to bring attention to this.
 - c. **BLAEDC:** Glynn informed the Board of a potential loan through BUF. The new owner of the old Brainerd Hotel is looking for financing for improvements to the property. Exact numbers have not been determined, but they are looking for creative financing, possibly TIF dollars. Improvements will include complete overhaul of the property and the goal is to be open by July.
 - d. **CWC:** The new Sheriff’s office is nearly completed. Erickson reported that CWC was successful in obtaining a grant from the State Historical Society to make needed repairs and improvements. She also reported that CWC received \$8 million in prepaid taxes, which is far more than expected. They were able to secure a CD with those prepaid tax dollars that will earn interest until the taxes are due in July.
9. **NEXT MEETING TOPICS:** Strategic Planning Goals Update, Educational Topic for the Board, Small Business Revolution Update, Possible Request from New Hotel for Financial Assistance.
10. **ADJOURNMENT:**

Commissioner Magnan made a motion to adjourn the meeting. Commissioner Aulie seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 5:54 p.m.





Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: February 6, 2018
Re: Review and Accept Financial Statements

Please find attached the financial information for January 2018.

2017 Audit

The 2017 audit is scheduled with CliftonLarsonAllen (CLA) during the week of February 5th.

Action Requested: Accept the January financial statements as submitted.

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Date/Time roberta
2/6/2018 9:02:53 AM

**Crow Wing County
CWC HRA Combined Balance Sheet
January, 2018**

Cumulative

ASSETS

556-000-1120.000 A/R Other - Dev	2,313.26
550-000-1121.000 Taxes Receivable	1,892.43
550-000-1129.210 Cash Gen Fund	210,207.63
550-001-1129.210 Cash CWC SCDP	26,325.59
551-002-1129.210 Cash RLF TIF	357,880.86
556-000-1129.210 Cash - Development	-2,313.26
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	6,874.30
550-000-1211.000 Prepaid Insurance	1,640.83
556-000-1450.000 Land Held for Resale	772,954.63
TOTAL ASSETS	<u>1,425,776.27</u>

LIABILITIES

550-000-2600.000 Def Inflow of Resources	-8,766.73
556-000-2600.000 Def Inflow of Res - Dev	-772,954.63
TOTAL LIABILITIES	<u>-781,721.36</u>

SURPLUS

550-000-2700-000 Net Income	109,309.89
550-000-2806.000 Retained Earnings	-753,364.80
TOTAL SURPLUS	<u>-644,054.91</u>

TOTAL LIABILITIES & SURPLUS

-1,425,776.27

Proof	0.00
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Crow Wing County
CWC HRA Combined Operating Stmt
January, 2018

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
556-000-3696.000 Development Revenue	0.00	0.00	-15,933.33	15,933.33
TOTAL INCOME	0.00	0.00	-15,933.33	15,933.33
EXPENSE				
550-000-4110.000 Administrative Salaries	375.00	375.00	375.00	0.00
550-000-4130.000 Legal	0.00	0.00	416.67	-416.67
550-000-4140.000 Staff Training	0.00	0.00	125.00	-125.00
550-000-4150.000 Travel	0.00	0.00	20.83	-20.83
550-000-4172.000 Management Fees	5,000.00	5,000.00	5,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	16.67	-16.67
550-000-4500.000 TIF Expense	0.00	0.00	50.00	-50.00
550-000-4510.000 Insurance	149.17	149.17	175.00	-25.83
550-000-4540.000 Employer FICA	28.70	28.70	29.17	-0.47
550-000-4590.000 Other General Expense	0.00	0.00	2,500.00	-2,500.00
556-000-4600.000 Development Expense	0.00	0.00	15,933.33	-15,933.33
TOTAL EXPENSE	5,552.87	5,552.87	24,641.67	-19,088.80
NET INCOME(-) OR LOSS	5,552.87	5,552.87	8,708.34	-3,155.47



**Crow Wing County HRA
January 2018 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
21492	1/4/2018	MCIT	2018 Insurance Renewal	\$1,790.00
21495	1/4/2018	Mike's Tree Company LLC	Snow Removal @ Serene Pines	\$17.50
Total				\$1,807.50



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Finance Director
 Date: February 8, 2018
 Re: Review Assigned Fund Balance

The intent of the Fund Balance Policy is to define the classifications of fund balance based on the constraints placed on the use of the current fund balance. Per GASB Statement No. 54, the following classifications are established for governmental funds.

1. **Nonspendable** - fund balance not expected to be converted to cash such as inventory or prepaid expenses.
2. **Restricted** - fund balance with constraints from an external source such as TIF Revolving Loan Funds.
3. **Committed** - fund balance constrained for a specific purpose by the HRA board prior to yearend.
4. **Assigned** - fund balance that is intended for a specific purpose by the board or Executive Director/ Finance Director. These funds are neither restricted nor committed.
5. **Unassigned** - General Fund balance that is available for any purpose.

The unassigned fund balance at 12/31/17 is approximately 13.75 months of General Fund operating expenses for the year. The Fund Balance Policy recommends eight to 12 months of expenses. The Board approved the 2018 General Fund budget with \$32,500 assigned as Budgeted Stabilization from Prior Year to utilize current fund balance to offset the 2018 budget shortfall. The Board also has funds assigned for Redevelopment and Housing Projects of \$123,000. To reach a targeted unassigned fund balance of 12 months, the Board would have to assign an additional \$11,000 to those initiatives.

Action Requested: Approve a motion to change the assigned fund balance amount for Redevelopment and Housing Projects to \$134,000.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: February 6, 2018
 Re: Educational Topic - Housing Rehab Programs

In the CWC HRA Strategic Plan, the Board asked staff to conduct monthly education on HRA programs and potential programs. We are going to start this month with an education on potential and existing rehab programs.

PROGRAMS CURRENTLY ADMINISTERED BY THE BRAINERD HRA/CWC HRA:

SCDP

The Department of Employment and Economic Development (DEED) solicits applications annually for the Small Cities Development Program (SCDP). These funds can be used for housing and rental rehabilitation. This is a very competitive program, which provides approximately \$13 million annually to cities with a population under 50,000 and counties with populations under 200,000. DEED typically receives twice as many applications than funds available (see Attachment 4a).

The Brainerd HRA has been successful in receiving funds for rehab programs in Southeast Brainerd, Downtown Brainerd, and Crosby. Below is a summary of each program.

SE Brainerd Owner-Occupied Home & Commercial Rehab—\$715,000 grant

TERMS:

The owner-occupied loans had a \$20,000 SCDP maximum with an affordability calculation to determine the owner's match. The commercial loans were 70/30 split with a \$30,000 SCDP maximum. Both were 10-year deferred loans.

- :: 34 owner-occupied rehabs completed
- :: 6 commercial rehabs completed

Downtown Brainerd Rental & Commercial Rehab—\$650,105 grant

TERMS:

The rental loans are 80/20 split with a \$20,000 SCDP maximum. The commercial loans are 70/30 split with a \$40,000 SCDP maximum. Both are 10-year deferred loans.

- :: 19 rental units complete
- :: 9 downtown commercial properties (4 completed to date)

Crosby Owner-Occupied Home Rehab—\$435,100 grant

TERMS:

The owner-occupied loans had \$20,000 SCDP maximum with an affordability calculation to determine the owner's match and were a 10-year deferred term.

- :: 21 owner-occupied rehabs completed



We are in the process of submitting applications for Northeast Brainerd and the City of Emily. Applications are due February 22nd and funding awards will be made in May.

MHFA Rehabilitation Loan Program

The Brainerd HRA is an authorized lender for Minnesota Housing's Rehabilitation Loan Program. This program provides a deferred loan up to \$27,000 for basic home improvements for very low income homeowners (see Attachment 4b). Because the income limits are so low, we have not had an eligible applicant in over two years. However, we continue to promote this program.

POTENTIAL PROGRAM AND FUNDING SOURCES:

There are a number of potential programs and funding sources that the Brainerd HRA/CWC HRA will be exploring in the upcoming years to see if we can add to our existing programs or create new ones.

Federal Home Loan Bank – Affordable Housing Programs (AHP)

The Affordable Housing Program is available through Federal Home Loan Bank (FHLB) for owner-occupied rehab. This is a competitive application and funds could be available for deferred loans up to \$15,000 for owner-occupied rehab for homeowners making at or below 80% of the area median income. We would need to partner with a member bank to submit the application. We have reached out to Brainerd Savings and Loan to see if they would be interested in supporting an application.

Minnesota Housing Fix Up Loan Program

The Fix Up Loan Program through Minnesota Housing offers a revolving loan up to \$50,000 for homeowners who make at or below \$104,000 annually (see Attachment 4c). This is a revolving loan with a current interest rate of 5.99% with up to a 20-year term. We are not currently a lender for this program but are eligible to become a lender. We continue to consider this program.

Community Homeownership Impact Fund

The Impact Fund is a competitive program available to cities, counties, and HRAs for several different single-family programs including rehabilitation. For rehab, the Impact Fund is typically used to write down the interest rate of the Fix Up Loan to make the product more affordable for lower-income families (see Attachment 4d).



Small Cities Development Program

Our Small Cities Development Program (SCDP) helps cities and counties with funding for housing, public infrastructure and commercial rehabilitation projects.

Overview

Projects must meet one of three federal objectives:

- Benefit people of low and moderate incomes
- Eliminate slum and blight conditions
- Eliminate an urgent threat to public health or safety

In addition, need, impact and cost effectiveness must be documented and the general public must be involved in the application process.

Cities with fewer than 50,000 residents and counties with fewer than 200,000 residents are eligible.

Eligibility	Apply	Forms	Consolidated Plans	Contacts
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Eligibility

Eligible Projects

State program rules subdivide grant funds into three general categories:

- 1) Housing Grants** - Funds are granted to local units of government, which, in turn, lend funds for the purpose of rehabilitating local housing stock. Loans may be used for owner-occupied, rental, single-family or multiple-family housing rehabilitation. Loan agreements may allow for deferred payments or immediate monthly payments. Interest rates may vary, and loan repayments are retained by grantees for the purpose of making additional rehabilitation loans. In all cases, housing funds must benefit low- and moderate-income persons.
- 2) Public Facility Grants** - Funds are granted for wastewater treatment projects, including collection systems and treatment plants; wells, water towers and distribution systems.
- 3) Comprehensive Grants** - Comprehensive projects frequently include housing and public facility activities described above. In addition, comprehensive projects may include an economic development activity, which consists of loans from the grant recipient to businesses for building, rehabilitation related to facade improvements, code violations, and health and safety issues. The most common economic development activity is rehabilitation of local commercial districts.

Maximum Available

The maximum grant award for a Single Purpose project is \$600,000. The maximum grant award for a Comprehensive project is \$1.4 million.

Other Funds Required

The amount of other funds required varies and is contingent upon the project type. However, the amount of leveraged resources plays a significant role in determining whether the project is funded.

Terms

The timeline to complete projects is normally 30 months, depending on project size and scope.

2017 Grant Awards

- [Project Award Summary \(/deed/assets/scdp-project-summaries-2017_tcm1045-304913.docx\)](#)
- [Project Award Summary Map \(/deed/assets/scdp-map-2017_tcm1045-304912.pdf\)](#)

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2017 AWARDED PROJECTS

SMALL CITIES DEVELOPMENT PROGRAM

AWARD DATE: JUNE 29, 2017

The City of Alvarado is awarded \$487,340. The funds to this grantee will be used for owner-occupied housing rehabilitation in the cities of Alvarado and Middle River.

The City of Benson is awarded \$638,250. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of Big Lake is awarded \$224,250. The funds to this grantee will be used for owner-occupied housing rehabilitation.

The City of Bovey is awarded \$524,400. The funds to this grantee will be used for owner-occupied housing rehabilitation in the cities of Bovey and Taconite.

The City of Breckenridge is awarded \$425,120. The funds to this grantee will be used for owner-occupied housing rehabilitation.

The City of Dalton is awarded \$1,051,400. The funds to this grantee will be used for owner-occupied housing rehabilitation, rental housing rehabilitation, and sewer line improvements.

The City of Dodge Center is awarded \$278,300. The funds to this grantee will be used for owner-occupied housing rehabilitation.

The City of Glenwood is awarded \$873,746. The funds to this grantee will be used for rental housing rehabilitation, commercial building rehabilitation, and a streetscape project.

The City of Grand Rapids is awarded \$878,720. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of Houston is awarded \$942,900. The funds to this grantee will be used for owner-occupied housing rehabilitation and a water treatment plant.

The City of Ironton is awarded \$561,530. The funds to this grantee will be used for owner-occupied housing rehabilitation, rental housing rehabilitation, and commercial building rehabilitation.

The City of Jackson is awarded \$531,875. The funds to this grantee will be used for owner-occupied housing rehabilitation.

The City of Kenyon is awarded \$655,320. The funds to this grantee will be used for owner-occupied housing rehabilitation, rental housing rehabilitation, and commercial building rehabilitation.

The City of La Crescent is awarded \$372,900. The funds to this grantee will be used for owner-occupied housing rehabilitation.

The City of Madison is awarded \$642,295. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.



The City of Maynard is awarded \$317,601. The funds to this grantee will be used for owner-occupied housing rehabilitation.

Mille Lacs County is awarded \$401,850. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation in the city of Isle and owner-occupied housing rehabilitation in the city of Wahkon.

The City of Minneota is awarded \$655,000. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of Montevideo is awarded \$716,000. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of New Prague is awarded \$295,600. The funds to this grantee will be used for owner-occupied housing rehabilitation and rental housing rehabilitation.

The City of Red Wing is awarded \$407,000. The funds to this grantee will be used for rental housing rehabilitation.

The City of Sandstone is awarded \$588,800. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of Vesta is awarded \$595,700. The funds to this grantee will be used for owner-occupied housing rehabilitation in the cities of Vesta, Lucan, and Morton.

The City of Waseca is awarded \$533,770. The funds to this grantee will be used for rental housing rehabilitation.

The City of Watertown is awarded \$511,750. The funds to this grantee will be used for owner-occupied housing rehabilitation and commercial building rehabilitation.

The City of Welcome is awarded \$481,505. The funds to this grantee will be used for owner-occupied housing rehabilitation and rental housing rehabilitation.



Minnesota Housing is a trusted state agency. We believe that housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

Whether you're just starting your home search or ready to tackle home improvements, we've got you covered. Learn more at www.mnhousing.gov.

Stay safe and secure in your home. We can help.

mn MINNESOTA HOUSING

Rehabilitation Loan Program



651.296.8215 | 800.710.8871

TTY 651.297.2361

mnhousing.solution@state.mn.us

www.mnhousing.gov

Minnesota Housing is neither an originator of loans nor a creditor and is not affiliated with any Lender. To find out if you are eligible, or to apply for a loan, please contact a participating Lender.



Minnesota Housing is a trusted state agency that works with local lenders to provide affordable home improvement loans.

The Rehabilitation Loan Program helps low-income homeowners finance important home repair projects.



How can the Rehabilitation Loan Program help me?

We'll help you afford the improvements and repairs you need to stay safe and secure in your home.

- Deferred loan up to \$27,000
- Loan term up to 15 years
- Loan is forgiven if you do not sell, transfer title, or cease to occupy the property during the loan term

What improvements can I make?

Make basic improvements to the safety, livability, energy efficiency and accessibility of your home. Here are some examples - ask your lender if your project is eligible.

- Electrical wiring
- Furnace or boiler replacement
- Windows and doors
- Siding and roofing
- Plumbing
- Septic system upgrades
- Water heater
- Mold and radon mitigation
- Lead-based paint hazards

Am I eligible?

You may be eligible if you:

- Own and occupy the property
- Are current with your mortgage payments and property tax payments
- Do not have assets exceeding \$25,000
- Have homeowner insurance at loan closing
- Meet our income limits (subject to change):

Household Size	Income Limit	Household Size	Income Limit
1 person	\$19,000	5 people	\$29,300
2 people	\$21,700	6 people	\$31,500
3 people	\$24,400	7 people	\$33,700
4 people	\$27,100	8 people	\$35,800

Contact a participating lender to learn more. Visit www.mnhousing.gov to find a lender near you.



Find a lender near you at www.mnhousing.gov or 651.296.8215

Minnesota Housing is a trusted state agency. We believe that housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

Whether you're just starting your home search or ready to tackle home improvements, we've got you covered. Learn more at www.mnhousing.gov.

Improve Your Home
We can make it affordable!

mn MINNESOTA HOUSING

Fix Up Loan Program



How do I get started?



1. Contact a Lender

Contact a Minnesota Housing participating lender to discuss your needs and learn more about which loan is right for you. Visit www.mnhousing.gov to search for a lender near you.



2. Get Bids

Obtain contractor bids or detailed materials estimates from a building supplier for work you will perform.



3. Mission Accomplished!

Finish up the paperwork with your lender, make your improvements, and celebrate your accomplishment.

651.296.8215 | 800.710.8871
 TTY 651.297.2361
mnhousing.solution@state.mn.us
www.mnhousing.gov

Minnesota Housing is neither an originator of loans nor a creditor and is not affiliated with any Lender. To find out if you are eligible, or to apply for a loan, please contact a participating Lender.



Minnesota Housing is a trusted state agency that works with local lenders to provide affordable home improvement loans.

From DIY projects to big remodels, a Fix Up loan will help you achieve your vision without breaking your budget!



How can a Minnesota Housing Fix Up loan help me?

You can make the home improvements, repairs and renovations you want, with financing you can afford.

- Affordable, fixed interest rates (see current rates at www.mnhousing.gov)
- Lower rates for eligible energy efficiency and accessibility improvements
- Loan amounts from \$2,000 to \$50,000
- Secured and unsecured loan options
- Higher loan-to-value ratio on secured loans than traditional loan products
- Repayment terms up to 20 years
- Hire a contractor or do the work yourself
- No prepayment penalty



Which loan is right for me?

Loan Type	Security Type	Maximum Loan Amount	Maximum Repayment Term
Secured	Secured by mortgage lien	\$50,000	10-20 years
Unsecured	No equity or mortgage lien required	\$15,000	10 years
Secured Energy	Secured by mortgage lien	\$15,000	10-20 years
Unsecured Energy*	No equity or mortgage lien required	\$15,000	10 years
Secured Accessibility	Secured by mortgage lien	\$15,000	10-20 years

*This project was made possible by a grant from the U.S. Department of Energy and the Minnesota Department of Commerce through the American Recovery and Reinvestment Act of 2009 (ARRA).



Find a lender near you at www.mnhousing.gov or 651.296.8215

What improvements can I make?

Here are some examples - ask your lender if your project is eligible.

General home repairs and remodeling

- Porches and decks
- Bathroom or kitchen remodels
- Finishing a basement
- Siding and roofing
- Mold and radon mitigation
- Basic garage, if none exists

Energy efficiency improvements

- Heating system and central air conditioning
- Windows
- Insulation, attic air sealing
- Water heater

Accessibility improvements

- Ramps
- House accessibility modifications
- Safety modifications

That sounds great! Am I eligible?

You may be eligible for a Fix Up loan if you:

- Own and occupy the property to be improved (single family homes, duplexes, triplexes and fourplexes are eligible)
- Meet minimum credit score requirements
- Have a gross household income of no more than \$104,000 (no income limit for eligible accessibility and energy efficiency improvements)



Community Homeownership Impact Fund

Learn how the Community Homeownership Impact Fund (Impact Fund) can help create and reinvest in affordable owner-occupied homes in your community!



The Impact Fund provides funding for developers and administrators of single-family, owner-occupied affordable and workforce housing activity in communities across Minnesota. Resources are available through a competitive Request for Proposal published each spring.

Eligible Applicants

- Cities
- Housing and Redevelopment Authorities
- For-profit and nonprofit organizations
- Indian tribes or tribal housing corporations
- Public Housing Agencies
- Joint powers boards

Income Limits

Household income cannot exceed 115% of greater of state or area median.

Eligible Use of Funds

All projects must supply or improve owner-occupied, single-family housing and comply with Green Communities Criteria. Eligible uses are:

- Acquisition, rehabilitation and resale of existing housing
- Owner-occupied rehabilitation
- New construction, including demolition or removal of existing structures with rebuild
- Reducing interest rates on Minnesota Housing home improvement loans through a Community Fix Up Initiative

Types of Funds Available

- **Interim Financing:** A short-term, low-interest bearing loan made to assist an administrator with acquiring, demolishing, rehabilitating or constructing owner-occupied housing.
- **Deferred Loans:** Interest-free deferred loan financing is available to help eligible homeowners bridge affordability gaps not covered by first-mortgage or other funding sources.
- **Grants:** Provided on a limited basis to bridge value gaps between a project's total development cost and its fair market value or for other eligible activities where recapture of loan funds proves infeasible or unaffordable.



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www.mnhousing.gov



General Selection Standards and Funding Priorities

- **Project feasibility:** The cost of developing or rehabilitating the proposed housing must be reasonable and economically viable given market conditions.
- **Community need:** The extent to which there is a well-defined community need for the housing activity in the Target Area based on local demographic, workforce, and economic factors.
- **Organization capacity:** The applicant's and applicant's partners' related housing experience is evaluated for capacity to undertake and complete the proposal.
- **Additional funding priorities** include:
 - Leverage for other financial and in-kind investments, including employer contributions;
 - Cost containment;
 - Non-duplication of an existing program or service;
 - Providing long-term housing affordability and housing affordable to the local workforce;
 - Addressing the housing needs of underserved populations;
 - Providing housing proximate to jobs, transportation, schools and services;
 - Providing housing investments in areas in need of community recovery.

Leveraging Minnesota Housing Home Improvement Programs

Make the most of the Impact Fund by leveraging our home improvement programs with your application. For more information, visit www.mnhousing.gov > Lenders & Homeownership Partners > Home Improvement Partners.

- **Fix Up Loans:** Minnesota Housing provides affordable home improvement loans through a statewide network of participating lenders that include banks, credit unions, and nonprofit organizations. Fix Up provides:
 - Loans for most basic remodeling, repairs and upgrades.
 - Loan options for homeowners with limited equity, including an unsecured loan option.
 - A lower interest rate and no income limit for basic energy conservation and accessibility improvements.
- **Community Fix Up Initiative:** A community partner joins with an approved lender to provide services and funds at a lower interest rate.
 - The approved lender originates these loans and sells them to Minnesota Housing.
 - Targeted to specific community needs
 - The Impact Fund or other leveraged resources supplied by the community partner can be used to write down the Community Fix Up interest rate.

Interested?

The Impact Fund can help create and reinvest in affordable owner-occupied homes in your community! To learn more about the program, visit www.mnhousing.gov > Lenders & Homeownership Partners > Community Development > Impact Fund, or contact a member of the Impact Fund Team:

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Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with Minnesota Housing programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.





Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: February 6, 2018
 Re: Executive Director Report

Deluxe Small Business Revolution – Main Street Program

Deluxe Corporation's Small Business Revolution will be announcing the Top 5 for the Main Street Makeover Program live on Facebook between 5:45 and 6:00 a.m. on February 13th. We are hoping that Brainerd will be selected. Once the Top 5 are announced, votes will be collected for one week. The city with the most votes will win the competition. Last year, Bristol Borough won with over 350,000 votes. If we are selected for the Top 5, we will send out information asking you to vote.

Tax Forfeited Property Policy

Staff is working with Crow Wing County staff to create the companion policy with the CWC HRA Tax Forfeited Policy. We will be attending the Committee of the Whole meeting on February 20th to discuss this policy.

Emily SCDP Application

We are working on the final application to DEED for the Small Cities Development Program application. We are requesting \$229,000 to rehabilitate 10 owner-occupied, single-family homes in the City of Emily. The Emily City Council will be holding a public hearing on February 13th and the final application is due to DEED on February 22nd.

Deerwood SCDP Application

Community Fundraising Solutions (CFS), on behalf of the City of Deerwood, will be submitting an application to DEED for a commercial, rental, and owner-occupied rehab program. They have requested \$8,000 from local income generated by prior SCDP grants currently held by Crow Wing County. These are funds that would be transferred to CWC HRA at the end of each fiscal year. Although we are not the decision maker on these funds until after 10/1 of each year, we anticipate that CWC staff will ask for our input and we would like to have a discussion with the Board regarding this.

Veterans/Service Member Housing

The landowner has enlisted a family member, Doug Arndt, to assist with the development. Mr. Arndt is a developer and has had success in other developments. We met on February 5th to start discussing next steps, and we have a meeting scheduled with Brainerd Public Utilities to begin discussions on the potential for sewer extension out to the North Long Lake property. Mr. Arndt plans to start with the platted subdivision in Nisswa and will be reaching out to single-family developers. We discussed the possibility of applying for grant funds through Minnesota Housing to provide down payment assistance for veterans, service members, and their families.

Goals Update

See attached 2017–18 CWC HRA Goals and Action Steps.



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2017-18 CWC HRA Goals and Action Steps Status Report		
Goal	Action Steps	Status
Goal 1: Create awareness and visibility of the Crow Wing County HRA through education and collaboration with partners.	Conduct monthly education on HRA programs and potential programs.	<i>First education session scheduled for 2/13/2018.</i>
	Educate our cities and townships on the CWC HRA.	<i>Presented to the Crosslake EDA; Met with City of Baxter.</i>
Goal 2: Explore funding or facilitate redevelopment projects.	Continue working on the veterans/service member project and secure developer.	<i>Met with new family representative to begin discussing next steps; Meeting with BPU to discuss sewer extension.</i>
Goal 3: Improve housing quality and availability in Crow Wing County.	Explore potential rehabilitation and other programs to improve the County's housing stock.	<i>Applied for SCDP owner-occupied rehab for Emily; Researched potential rehab programs and applications; Solicited proposal from CFS to survey all cities in CWC on their housing rehab needs.</i>
	Determine workforce housing needs and create programs to address the need.	

Updated 2/6/18

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