

Crow Wing County HRA Board Meeting
5:00 p.m. Tuesday, May 11th, 2021
Remote Meeting via Webex Video/Teleconference

Join from your browser: <https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m84d3b3d69df075439437b6a2991c83a9>

Join by phone: 415-655-0001

Meeting number (access code): 182 855 4916

Meeting password: 0511

“Our mission is to support the creation and preservation of affordable housing, economic development, and redevelopment projects towards a more vibrant Crow Wing County.”

AGENDA

1. CALL to ORDER
2. ROLL CALL
3. REVIEW and APPROVE MINUTES (*Attachment 1*).....[p.1](#)
4. REVIEW and ACCEPT FINANCIAL STATEMENTS (*Attachment 2*).....[p.5](#)
5. UNFINISHED BUSINESS
6. NEW BUSINESS
 - a. Purchase & Redevelopment Agreement Between CWC HRA and Level Contracting (*Attachment 3*).....[p.11](#)
7. REPORTS/UPDATES
 - a. Executive Director (*Attachment 4*).....[p.13](#)
 - b. Housing Trust Fund (*Attachment 5*).....[p.15](#)
 - c. Rehab Programs (*Attachment 6*).....[p.17](#)
 - d. BLAEDC/CREDI (*Attachment 7*).....[p.19](#)
 - e. CWC
8. HRA COMMISSIONER COMMENTS
9. NEXT MEETING AGENDA TOPICS: Tuesday, June 8th, 2021
10. ADJOURNMENT

CWC HRA Commissioners

Michael Aulie, Chair - District 5 (12-31-21)

Zach Tabatt, Vice Chair - District 3 (12-31-24)

Michael Morford, Secretary/Treasurer - District 2 (12-31-23)

Richard (George) Burton, Commissioner - District 1 (12-31-22)

Craig Nathan, Commissioner - District 4 (12-31-25)



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Crow Wing County HRA Board Meeting Minutes from Tuesday, April 13th, 2021

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held via Webex video/teleconference at 5:00 p.m., Tuesday, April 13th, 2021.

1. **CALL TO ORDER:** Chair Michael Aulie called the meeting to order at 5:00 p.m.
2. **ROLL CALL:** Present: Commissioners Craig Nathan, Michael Morford, Michael Aulie, and Richard (George) Burton. Absent: Zach Tabatt.

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Debbie Erickson with Crow Wing County, and Tyler Glynn with BLAEDC.

3. **AMENDMENT TO THE AGENDA:**

Moved and seconded by Commissioners Morford and Nathan to amend the agenda by adding the discussion of a appointing a new BUF representative from the Crow Wing County HRA Board to “New Business.” Through a roll call vote, all commissioners were in favor and none were opposed. The motion was approved.

4. **REVIEW and APPROVE MINUTES:**

Moved and seconded by Commissioners Nathan and Morford to approve the minutes from March 9th, 2021, board meeting. Through a roll call vote, all commissioners were in favor and none were opposed. The minutes were approved.

5. **REVIEW and ACCEPT FINANCIAL STATEMENTS:**

March Payments

A \$1,000 tax forfeit property maintenance and holding cost payment from a developer was refunded, as the project did not proceed forward. There was also a payment made to National Development Corporation (NDC) for training for John, which will be reimbursed from Minnesota Housing Partnership (MHP) upon completion as part of the technical assistance grant.

Level Contracting Closing

Reflected in the March financial statements is the closing that took place for the purchase of the two lots at Brainerd Oaks and one at Serene Pines for a total of \$25,270.38, as approved at the February meeting. Of this, \$6,900 for SAC/WAC/Park Fees and \$16,231.78 went to the City of Brainerd in lieu of assessments. Also received was a reimbursement for direct costs of \$1,846.10.

Commissioner Burton moved to accept the March financial statements as submitted with a second by Commissioner Nathan. Upon roll call, all commissioners voted in favor and none were opposed. The motion passed.

6. UNFINISHED BUSINESS:

- a. **Housing Trust Fund (HTF) Update:** Staff sent edits back to the legal team for final review of the rehab program documentation. This process should be finalized soon.

MidMinnesota Federal Credit Union is still reviewing the HTF program. Charpentier will follow up on next steps and to see if they are still interested in servicing these loans.

One application was submitted for rental rehab, but it cannot be processed until the owner provides updated financial information.

Charpentier is giving a general update to the Committee of the Whole on April 20th. He will provide information to CWC commissioners on the status of the HTF and share the HRA's progress towards getting funds out into the community.

7. NEW BUSINESS:

- a. **Approve Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting:** Level Contracting LLC would like to purchase four lots in Brainerd Oaks for a total purchase price of \$19,687.17. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution, both of which were provided to the board.

Moved and seconded by Commissioners Nathan and Morford to adopt Resolution No. 2021-04, approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC. Upon roll call, Commissioners Nathan, Morford, and Aulie voted in favor and Commissioner Burton abstained. The motion carried on a 3:1 vote.

- b. **Discussion on Appointing BUF Board Representative:** The board had a discussion about the need to appoint a representative from the CWC HRA Board to the BUF Board.

Commissioner Morford moved to nominate Commissioner Nathan to represent the Crow Wing County HRA as a board member on the BLAEDC Unified Fund Board, followed by a second from Commissioner Burton. Upon roll call, all commissioners voted in favor and none were opposed. The motion passed.

8. REPORTS:

- a. **Executive Director:**

Tax Forfeited Property Update

John assisted an individual who was interested in purchasing lots and had questions about the Tax Forfeited Property Policy. After speaking with the County and the HRA, this individual instead decided to purchase lots over the counter and did not need further help from the HRA.



The City of Brainerd requested that CWC HRA look into Lot 5 Block 3 of Serene Pines. This lot was not in a tax forfeited status when the development agreement was crafted for Brainerd Oakes, Dal Mar Estates and Serene Pines. This lot has since gone into forfeiture and the City has asked us to inquire with the current developer to see if they would be interested in purchasing this lot for development. Staff reached out to Level Contracting who did express interest in the lot. The HRA is awaiting a formal request and will work with an attorney to see about the best way to go forward by either amending the development agreement or having this parcel purchased through the tax forfeited policy.

b. Brainerd HRA/Rehab Programs:

NE Brainerd SCDP

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	Complete
212 1 st Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 nd Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	In Construction
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	In Construction
414 3 rd Ave. NE	Select Rental Properties	Rental	1	Complete
206 Gillis Ave. NE	Herbert & Robin J.	Owner-occupied	1	In Construction
721 2 nd Ave. NE	Darin K.	Owner-occupied	1	Complete
315 4 th Ave. NE	Wayne A.	Rental	3	Application Phase
113 B St. NE	Diana L.	Rental	1	Application Phase
310 1st Ave. NE	Diana L.	Rental	1	Application Phase
503 7th Ave. NE	Diana L.	Rental	1	Application Phase
414 4th Ave. NE	Diana L.	Rental	1	Application Phase

Emily SCDP

- » 7 owner-occupied projects are complete
- » 1 project is in construction
- » 1 application is in process

MHFA

- » 1 project is in construction
- » 1 project is in the inspection phase
- » 1 application is in process

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	49	44	3	8
Serene Pines	23	15	12	1	3
Dalmar Estates	7	1	1	0	0



- c. **BLAEDC/CREDI:** Glynn updated the board about current projects that are in the works including a potential airport expansion and assisting the YMCA with redevelopment and possibly a property purchase. BLAEDC held its annual meeting in March and also closed out the \$1.2 million CARES grants for the County.
- d. **CWC:** Erickson informed the board that unless there are unforeseen changes, county buildings will be open for public meetings on May 17th. The county public health department held some vaccination clinic trial runs and due to the increased availability of the vaccines, additional clinics will not be needed.

9. **COMMISSIONER COMMENTS:** County board meetings will be held in person starting May 17th.

10. **NEXT MEETING AGENDA TOPICS:** Virtual meeting on May 11th, 2021.

11. **ADJOURNMENT:**

Commissioner Burton moved to adjourn the meeting. Commissioner Nathan seconded the motion. The motion was approved and the meeting was adjourned at 6:06 p.m.





Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Karen Young, Finance Director
Date: May 4, 2021
Re: Review & Accept Financial Statements

Please find attached the financial information for April 2021.

Payments

In April, we processed another payment for National Development Corporation (NDC) training in the amount of \$1,425. This will be reimbursed from Minnesota Housing Partnership (MHP) upon completion by John.

Action Requested: Accept the April financial statements as submitted.

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Date/Time roberta
5/4/2021 1:21:33 PM

Crow Wing County
CWC HRA Combined Balance Sheet
April, 2021

Cumulative

ASSETS

550-000-1129.210 Cash Gen Fund	69,673.70
550-001-1129.210 Cash CWC SCDP	68,281.57
551-002-1129.210 Cash RLF TIF	373,260.16
556-000-1129.210 Cash Development Fund	-23.38
557-000-1129.210 Cash Tax Forf Property	-4,946.27
558-000-1129.210 Cash HTF	493,805.89
551-002-1141.000 Loans Rec RLF TIF	46,720.75
556-000-1450.000 Land Held for Resale	417,149.50
TOTAL ASSETS	<u>1,463,921.92</u>

LIABILITIES

550-000-2112.000 A/P Other	-225.00
556-000-2600.000 Def Inflow of Res - Dev	-417,149.50
TOTAL LIABILITIES	<u>-417,374.50</u>

SURPLUS

550-000-2700-000 Net Income	65,006.96
550-000-2806.000 Retained Earnings	-1,111,554.38
TOTAL SURPLUS	<u>-1,046,547.42</u>

TOTAL LIABILITIES & SURPLUS

-1,463,921.92

Proof	0.00
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Crow Wing County
CWC HRA Combined Operating Stmt
April, 2021

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3610.000 Investment Earnings	-4.57	-19.43	-166.68	147.25
550-000-3690.000 Other Revenue	0.00	0.00	-9,000.00	9,000.00
551-002-3610.000 RLF TIF Interest Rev	-246.92	-999.81	-1,520.00	520.19
556-000-3696.000 Development Revenue	0.00	-25,163.08	-63,733.32	38,570.24
557-000-3696.000 TFP Revenue	0.00	-500.00	-3,333.32	2,833.32
TOTAL INCOME	-251.49	-26,682.32	-77,753.32	51,071.00
EXPENSE				
550-000-4110.000 Administrative Salaries	225.00	1,050.00	1,500.00	-450.00
550-000-4130.000 Legal	64.00	2,950.00	3,333.32	-383.32
550-000-4140.000 Staff Training	1,425.00	2,565.00	1,766.68	798.32
550-000-4150.000 Travel	0.00	0.00	83.32	-83.32
550-000-4171.000 Auditing Fees	787.50	6,930.00	7,000.00	-70.00
550-000-4172.000 Management Fees	12,500.00	50,000.00	50,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	66.68	-66.68
550-000-4500.000 TIF Expense	0.00	30.00	200.00	-170.00
550-000-4510.000 Insurance	0.00	2,530.00	2,100.00	430.00
550-000-4540.000 Employer FICA	17.21	80.32	116.68	-36.36
550-000-4590.000 Other General Expense	367.50	367.50	46,000.00	-45,632.50
550-001-4600.000 CWC SCDP Expense	0.00	0.00	9,000.00	-9,000.00
556-000-4600.000 Development Expense	1,762.18	25,186.46	63,733.32	-38,546.86
557-000-4600.000 TFP Expense	0.00	0.00	3,333.32	-3,333.32
TOTAL EXPENSE	17,148.39	91,689.28	188,233.32	-96,544.04
NET INCOME(-) OR LOSS	16,896.90	65,006.96	110,480.00	-45,473.04



**Crow Wing County HRA
April 2021 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
805	4/9/2021	John Schommer	BO, SP & DE Mileage	\$15.68
810	4/22/2021	John Schommer	BO & SP Postage	\$7.70
23898	4/8/2021	Kennedy & Graven, Chartered	BLADC, BO & SP Legal Fees	\$1,802.80
23918	4/22/2021	CliftonLarsonAllen LLP	2020 CWC & HTF Audit Fees	\$1,155.00
23932	4/22/2021	Bremer Bank Credit Card	NDC Training	\$1,425.00
Total				\$4,406.18



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehab Coordinator
Date: May 6, 2021
Re: Purchase and Redevelopment Agreement Between CWC HRA and Level Contracting

On Thursday, May 6th, 2021, Level Contracting LLC requested to purchase four lots—two in Brainerd Oaks, one in Serene Pines, and one in Dalmar Estates with a total purchase price of \$42,230.51. Due to the late notice of their intent to purchase the lots, Attorney Martha Ingram from Kennedy & Graven is drafting the Purchase and Redevelopment Agreement and corresponding resolution, which we intend to provide at the meeting.

Action Requested: Discuss and consider the adoption of Resolution No. 2021-05, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Level Contracting LLC.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: Eric Charpentier, Executive Director
Date: May 11, 2021
Re: Executive Director Report

Brainerd Oaks/Serene Pines/Dal Mar Estates Development Agreement

Level Contracting LLC did formally express interest in Lot 5, block 3 of Serene Pines. We have reached out to Martha Ingram and her office to start the process of amending the development agreement to include this lot. We are working with the City of Brainerd to ensure that they will not re-certify the assessments on this lot and anticipate selling the lot to Level Contracting to ensure that a home will be built on it. We will be sending this to the personnel and finance committee at the City of Brainerd first for a recommendation to the whole council. After they have taken action, we will bring this back to this board along with a sale price and recommendation for you all to discuss.

Meeting with Pequot Lakes Housing Task Force

John and I recently met with some members of the Pequot Lakes Housing Task Force as well as their city administrator to share ideas and provide them feedback as they assess their current housing stock and make plans for the future of their community. This was a good discussion and we plan on touching base every 4-6 months as their community continues to delve into both new and rehab housing.

Action Requested:

No action needed, for informational purposes only

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Eric Charpentier, Executive Director
 Date: May 11, 2021
 Re: Housing Trust Fund Update

On April 20th, I gave an update to the Crow Wing County commissioners about the Housing Trust Fund and its progress. I felt that they were receptive to our update and were interested in where we are heading with the four programs. I explained that our program was geared towards affordability for homes and rental units and defined what affordable means in our eyes (paying no more than 30% of a family's gross income) and our targeted income levels (low- to moderate-income earners up to 115% of area median income). The commissioners did not have any questions for us at this time while two commissioners spoke of their support for the program.

I have traded messages with the director of mortgage services at MMFCU regarding servicing our loan portfolio for the fund. I will continue to try and reach Michelle to set up a meeting to continue down this path. We are hoping to get a servicer confirmed as soon as possible.

We have two applications that have been submitted to us for rental rehab. We are waiting on some updated information from both applicants and we are excited that we have these in our pipeline.

Finally, I met with the Brainerd Chamber of Commerce along with the Director of the Greater Lakes Association of Realtors (GLAR) to discuss the HTF. We had a general discussion on the state of housing in our county and what we are aiming to do with the Fund. The Chamber was excited to hear about the four programs we are offering and have offered their marketing expertise as we get closer to a full rollout of these programs. We will welcome their help in getting the workforce housing assistance program off of the ground.

Action Requested:

No action needed, for informational purposes only.

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: May 5, 2021
 Re: Rehab Programs Report

NE Brainerd SCDP

Address	Owner	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah H.S.	Mixed-use	9	Complete
212 1 st Ave. NE	Andrea B.	Owner-occupied	1	Complete
612 2 nd Ave. NE	Kelly R.	Owner-occupied	1	Complete
201 & 203 B St.	Travis B.	Rental	2	In Construction
215 Gillis Ave. NE	Cheri S.	Owner-occupied	1	In Construction
414 3 rd Ave. NE	Select Rental Properties	Rental	1	Complete
206 Gillis Ave. NE	Herbert & Robin J.	Owner-occupied	1	In Construction
721 2 nd Ave. NE	Darin K.	Owner-occupied	1	Complete
315 4 th Ave. NE	Wayne A.	Rental	3	Application Phase
113 B St. NE	Diana L.	Rental	1	Application Phase
507 2 nd Ave. NE	Bob L.	Owner-occupied	1	Application Phase

Emily SCDP

- » 7 owner-occupied projects are complete
- » 1 project is in construction

MHFA

- » 1 project is in construction
- » 1 project is in the inspection phase
- » 2 applications are in process

Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	53	47	1	4
Serene Pines	23	15	14	0	3
Dalmar Estates	7	1	1	0	0

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



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2021 CWC HRA - BLAEDC/CREDI Staff Time - MARCH



Date Range: 3/1/2021 - 3/31/2021

Project Group	Date	Comment	Hours	Billing Amount
Crow Wing County HRA				
CWC HRA - Redevelopment Projects				
	3/1/2021	communication with county staff regarding distribution of funds and BLAEDC's work to obtain final paperwork and report to Crow Wing County leadership	2.00	\$300.00
	3/1/2021	Meetings w/county leadership surrounding new grant funds to assist businesses and housing. Presentation to City of Breezy Point council and mayor around redevelopment concepts and housing.	4.00	\$600.00
	3/2/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses	2.50	\$375.00
	3/3/2021	Meeting w/city of Emily council and EDA concerning growth, redevelopment and housing for the city of Emily. State call to discuss housing opportunities in Crow Wing County.	3.50	\$525.00
	3/4/2021	Brainerd EDA meeting, presentation of shared services agreement with the city that focuses on redevelopment and blight for the city of Brainerd. Staff time to create reports and to review agreement with BLAEDC board of directors	2.00	\$300.00
	3/5/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses	2.50	\$375.00
	3/8/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses and provide information back to county to close out grant process	2.50	\$375.00
	3/9/2021	BLAEDC Annual Meeting which provides updates on everything we are doing, who we support along with speakers that provided updates to over 100 participants regarding county efforts, local efforts and the need for broadband in our county to assist business growth, relocation, redevelopment and to help individuals, schools and business succeed. Extensive staff time involved to set meeting and agenda.	5.50	\$825.00
	3/11/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses and provide information back to county to close out grant process	2.00	\$300.00
	3/11/2021	Meeting w/local leaders to discuss housing, daycare and redevelopment options for all of Crow Wing County. Meeting involved county elected officials and local leaders to discuss how we can impact the need for housing in CWC.	2.50	\$375.00
	3/12/2021	Meeting and tour of Deerwood Technologies in Deerwood to discuss redevelopment of a large portion of his building as this is space he is currently not using. Wanted to also discuss working with the city of Deerwood around road on his property.	2.50	\$375.00
	3/15/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses and provide information back to county to close out grant process, grant process has been closed and all documents have been received	3.50	\$525.00
	3/16/2021	email correspondence with Y leadership regarding the availability for property to redevelop in downtown Brainerd	2.00	\$300.00
	3/16/2021	Pequot Lakes EDC meeting, broad discussions around housing and potential redevelopment of existing industrial lot buildings. Meeting w/YMCA leadership to discuss purchase of local building near the YMCA for expansion and redevelopment	5.00	\$750.00
	3/18/2021	email correspondence with new owners of Brainerd Industrial Park building that will be redeveloped to fit the needs of 2 growing Crow Wing County businesses. Possible funding needs.	2.50	\$375.00
	3/19/2021	Meeting w/Brainerd airport leadership and BLAEDC staff to discuss expansion plans, but to discuss redevelopment uses of existing hangers and restaurant at the airport location. Airport did receive federal assistance through CARES act funding and would like to redevelop some of their property to fit the needs of a business	2.50	\$375.00
	3/22/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses and provide information back to county to close out grant process, grant process has been closed and all documents have been received, as missing documents were identified by county staff	2.50	\$375.00



3/23/2021	Crosslake EDA meeting to discuss available properties and discussion with local property owner about options for his building and how to market the property for ownership and redevelopment to fit that needs. Federal stimulus discussions with county leadership to determine greatest needs in CWC for soon to be released funds, staff feels that the need is high with property owners	4.50	\$875.00
3/24/2021	email correspondence with grant recipients and county staff to ensure all payments have been issued and documentation received for all local businesses and provide information back to county to close out grant process, grant process has been closed and all documents have been received, as missing documents were identified by county staff	2.00	\$300.00
3/24/2021	Virtual meeting w/Y leadership as discussions of redevelopment property in Brainerd. Expansion plans of Y need to include the purchase and redevelopment of this property. Meeting with current Brainerd business owner as he looks to redevelop a portion of his existing facility to move to a new line of work	3.00	\$450.00
3/25/2021	BLAEDC staff meeting w/Baxter city officials to discuss multiple properties for redevelopment along with plans to market existing city owned parcels.	2.00	\$300.00
3/29/2021	email communication with Y board and BLAEDC staff in regards to Brainerd property for redevelopment	2.50	\$375.00
CWC HRA - Redev Redevelopment Projects Total:		63.50	\$9,525.00
Crow Wing County HRA Total:		63.50	\$9,525.00
Grand Total		63.50	\$9,525.00

The staff time and details listed above have been reviewed and approved by BLAEDC's Executive Director, Tyler Glynn, upon submittal of this report.


 Tyler Glynn
 BLAEDC Executive Director

