



**Board Meeting Agenda**

**5:00 p.m. Tuesday, July 13, 2021**

**Crow Wing County Land Services Building, Pine/Maple Meeting Room  
322 Laurel St. Brainerd, MN 56401**

Join from browser:

<https://brainerdhra.my.webex.com/brainerdhra.my/j.php?MTID=m5ba1d6efdaa706a7eb20e56b3ca2bfda>

Join by phone: 415-655-0001

Meeting number (access code): 182 212 9597

Meeting password: 49785

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

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. REVIEW AND APPROVE MINUTES (Attachment 1)**
- 4. REVIEW and ACCEPT FINANCIAL STATEMENTS (Attachment 2)**
- 5. UNFINISHED BUSINESS**
- 6. NEW BUSINESS:**
- 7. REPORTS/UPDATES:**
  - a. Executive Director (Attachment 3)**
  - b. Housing Trust Fund (Attachment 4)**
  - c. Brainerd HRA/Rehab Programs (Attachment 5)**
  - d. BLAEDC/CREDI (Attachment 6)**
  - e. CWC**
- 8. HRA Commissioner Comments**
- 9. NEXT MEETING:** To Be Determined
- 10. ADJOURNMENT**

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Housing & Redevelopment Authority

## Crow Wing County HRA BOARD MEETING MINUTES June 8, 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 at the Crow Wing County Land Services Building, Pine/Maple Meeting Room and via Webex video/teleconference at 5:00 p.m., Tuesday, June 8th, 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 Aulie, Zach Tabatt and Richard (George) Burton. Absent: Michael Morford.

Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Rehab Coordinator John Schommer; Debby Erickson, Crow Wing County; and Tyler Glynn, BLAEDC.

### 3. REVIEW AND APPROVE MINUTES:

**Moved and seconded by Commissioners Burton and Tabatt to approve the minutes from the May 11th, 2021, board meeting. Through a roll call vote, all commissioners were in favor and none were opposed. The minutes were approved.**

### 4. REVIEW and ACCEPT FINANCIAL STATEMENTS:

#### Level Contracting Closing

Reflected in the May financial statements is the closing that took place for the purchase of the four lots at Brainerd Oaks for a total of \$19,687.17 as approved at the April meeting. Of this, \$9,200 went to the City for SAC/WAC/Park Fees, \$8,855.69 went to the City in lieu of assessments, and \$390 were for closing costs. We were reimbursed for direct costs of \$1,241.48. With this closing, 61% of the total lots have been purchased by the developer.

#### Minnesota Housing Partnership (MHP) Technical Assistance Grant

We received reimbursement of \$1,425 from MHP for the National Development Corporation (NDC) training that was processed in April.

**Commissioner Nathan moved to approve the May financial statements as submitted, followed by a second from Commissioner Tabatt. Upon roll call, all commissioners voted in favor of the motion and none were opposed. The motion carried.**

**5. UNFINISHED BUSINESS:** Nothing to report.

**6. NEW BUSINESS:** Nothing to report.

**7. REPORTS:**

**a. Executive Director:**

**Brainerd Oaks/Serene Pines/Dal Mar Estates Development Agreement**

We have received a list of steps needed to be taken to complete the process of adding Lot 5, Block 3 of Serene Pines into the Master Purchase and Redevelopment Agreement with Level Contracting LLC. We are reviewing the tax forfeiture proceedings of the lot before requesting that the County convey this lot to the Crow Wing County HRA with the intent that upon sale of this lot to Level Contracting that all net proceeds will go to the City of Brainerd as compensation for the City's waiver of the special assessments and a resolution by the City to waive its right to reinstate the special assessments levied against the lot.

Charpentier discussed with the board that he will be on vacation for two weeks in August. Staff recommended that the August meeting be changed to either the first or fourth Tuesday of the month depending on staff preparedness. The August meeting date will be set at the July meeting.

**b. Housing Trust Fund:**

I have had the opportunity to talk with the director of mortgage services with Mid MN Federal Credit Union and supplied her with more in-depth detail on our four trust fund programs. She has sent that info on to her team and we are anticipating hearing back from them with any questions on our programs before taking next steps in solidifying our partnership.

We are planning on having Minnesota Housing Partnership on site on June 24<sup>th</sup> as they continue to offer technical assistance to us regarding our programs. This will give their team an opportunity to visit some of the sites that we are looking at for potential development as well as work with our staff face to face. We are excited for this opportunity.

We continue to have interest in both our rehab program and the down payment assistance program. We will continue to process info from potential borrowers as they come in, but we do not have a fully completed application yet.

- c. **Brainerd HRA/Rehab Programs:** Updates on the rehab programs as well as the Brainerd Oaks/Serene Pines Developments were provided to the board.
- d. **BLAEDC/CREDI:** Glynn updated the board about current projects that are in the works for the BLAEDC Unified Fund (BUF) which include two projects in Brainerd and two projects in Crosby. They are also working with CWC on the American Relief Plan funding that will be received over the next several years.
- e. **CWC:** Erickson informed the board that all county buildings are open to the public with the exception of the jail. She discussed the \$12 million in American Relief Plan funding that the county will receive over the next several years. Approximately half of this funding is anticipated to be used for broadband expansion. The county is working on 2022 budgets and looking at construction projects and increased pricing and supply chain concerns.

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

**9. NEXT MEETING:** July 13, 2021.

**10. ADJOURNMENT:**

**Commissioner Burton made a motion to adjourn the meeting. Commissioner Tabatt seconded the motion. Upon roll call, all commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 5:40 p.m.**

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Housing & Redevelopment Authority

To: CWC HRA Board Members  
From: Karen Young, Finance Director  
Date: July 6, 2021  
Re: Review and Accept Financial Statements

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Please find the attached the financial information for June 2021.

**Level Contracting Closing**

Reflected in the June financial statements is the closing that took place for the purchase of the four lots - two at Brainerd Oaks, one lot in Serene Pines, and one lot in DalMar Estates for a total of \$42,230.51 as approved at the May meeting. Of this, \$9,200 went to the City for SAC/WAC/Park Fees, \$30,718.62 went to the City in lieu of assessments, and \$390 were for closing costs. We were reimbursed for direct costs of \$1,921.89. With this closing, 65% of the total lots have been purchased by the developer.

**Minnesota Housing Partnership (MHP) Technical Assistance Grant**

We received reimbursement of \$1,140 from MHP for the National Development Corporation (NDC) training that was processed in March.

**CWC HRA Levy**

Reflected in the June General Fund Financial Statements is the deposit of \$254,427.84 in Property Tax Revenue (levy). The second deposit of \$169,124.75 was deposited in July for total deposits of \$423,552.59. The total levy amount for 2021 is \$729,500. The second half property tax settlement will be in December.

**2022 Budget Preparation**

The 2022 budget will be presented for approval at our August meeting. Staff would like to have a discussion regarding the 2022 budget.

**Action Requested: Accept the June financial statements as submitted.**

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Date/Time karen  
7/7/2021 8:44:30 AM

**Crow Wing County  
CWC HRA Combined Balance Sheet  
June, 2021**

**Cumulative**

**ASSETS**

550-000-1129.210	Cash Gen Fund	301,103.61
550-001-1129.210	Cash CWC SCDP	68,281.57
551-002-1129.210	Cash RLF TIF	376,165.52
556-000-1129.210	Cash Development Fund	1,251.70
557-000-1129.210	Cash Tax Forf Property	-4,946.27
558-000-1129.210	Cash HTF	493,812.96
551-002-1141.000	Loans Rec RLF TIF	44,283.03
556-000-1450.000	Land Held for Resale	355,231.82
<b>TOTAL ASSETS</b>		<b><u>1,635,183.94</u></b>

**LIABILITIES**

550-000-2112.000	A/P Other	-225.00
556-000-2600.000	Def Inflow of Res - Dev	-355,231.82
<b>TOTAL LIABILITIES</b>		<b><u>-355,456.82</u></b>

**SURPLUS**

550-000-2700-000	Net Income	-168,172.74
550-000-2806.000	Retained Earnings	-1,111,554.38
<b>TOTAL SURPLUS</b>		<b><u>-1,279,727.12</u></b>

**TOTAL LIABILITIES & SURPLUS**

**-1,635,183.94**

Proof 0.00

Date: 7/7/2021  
Time: 8:45:22 AM  
karen

**Crow Wing County  
CWC HRA Combined Operating Stmt  
June, 2021**

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Rpt File: F:\HMS\REP

	<b>Current Period</b>	<b>Current Year</b>	<b>Year To Date Budget</b>	<b>Variance</b>
<b>INCOME</b>				
550-000-3610.000 Investment Earnings	-4.35	-28.34	-250.02	221.68
550-000-3690.000 Other Revenue	-1,140.41	-2,565.41	-13,500.00	10,934.59
550-000-3691.000 Property Tax Revenue	-254,427.84	-254,427.84	-438,000.00	183,572.16
551-002-3610.000 RLF TIF Interest Rev	-234.52	-1,467.45	-2,280.00	812.55
556-000-3696.000 Development Revenue	-42,230.52	-87,080.77	-95,599.98	8,519.21
557-000-3696.000 TFP Revenue	0.00	-500.00	-4,999.98	4,499.98
<b>TOTAL INCOME</b>	<b>-298,037.64</b>	<b>-346,069.81</b>	<b>-554,629.98</b>	<b>208,560.17</b>
<b>EXPENSE</b>				
550-000-4110.000 Administrative Salaries	225.00	1,575.00	2,250.00	-675.00
550-000-4130.000 Legal	0.00	2,950.00	4,999.98	-2,049.98
550-000-4140.000 Staff Training	0.00	2,565.00	2,650.02	-85.02
550-000-4150.000 Travel	0.00	0.00	124.98	-124.98
550-000-4171.000 Auditing Fees	0.00	6,930.00	7,000.00	-70.00
550-000-4172.000 Management Fees	12,500.00	75,000.00	75,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	100.02	-100.02
550-000-4500.000 TIF Expense	0.00	30.00	300.00	-270.00
550-000-4510.000 Insurance	0.00	2,530.00	2,100.00	430.00
550-000-4540.000 Employer FICA	17.22	120.50	175.02	-54.52
550-000-4590.000 Other General Expense	0.00	367.50	69,000.00	-68,632.50
550-001-4600.000 CWC SCDP Expense	0.00	0.00	13,500.00	-13,500.00
556-000-4600.000 Development Expense	42,186.48	85,829.07	95,599.98	-9,770.91
557-000-4600.000 TFP Expense	0.00	0.00	-4,999.98	-4,999.98
<b>TOTAL EXPENSE</b>	<b>54,928.70</b>	<b>177,897.07</b>	<b>277,799.98</b>	<b>-99,902.91</b>
<b>NET INCOME(-) OR LOSS</b>	<b>-243,108.94</b>	<b>-168,172.74</b>	<b>-276,830.00</b>	<b>108,657.26</b>

**Crow Wing County HRA**  
**June 2021 Payments**

<b>Payment Number</b>	<b>Payment Date</b>	<b>Vendor</b>	<b>Description</b>	<b>Check Amount</b>
822	6/17/2021	John Schommer	BO, SP & DE Mileage	\$ 11.76
23994	6/3/2021	Kennedy & Graven, Chartered	BO & SP April Closing Legal Fees	\$1,266.10
24016	6/17/2021	LandWerx LLC	Brushmow Vacant Lots BO	\$600.00
<b>Total</b>				<b>\$ 1,877.86</b>

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**Housing & Redevelopment Authority**

To: CWC HRA Board Members  
From: Eric Charpentier, Executive Director  
Date: July 13<sup>th</sup>, 2021  
Re: Executive Director Report

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**Eight 05 Laurel Housing LLLP Redevelopment Project**

D.W. Jones, Inc, a developer of multi family housing throughout central Minnesota is currently in the process of applying for Low Income Housing Tax Credits (LIHTC) through Minnesota Housing to help with the financing of a redevelopment project located at 223 8<sup>th</sup> St S (formerly Thrifty White) on the corner of 8<sup>th</sup> Street and Laurel Street in Brainerd. The proposed project will include a mixed-use commercial and multi-family housing project with 36 apartment units and approximately 11,000 square feet of commercial space. This 4-story building will also include 27 underground parking spaces as well as 33 surface spaces. This redevelopment will include the full demolition of the current building.

The Brainerd HRA along with other community partners have offered their support for this project in the form of letters of support and resolutions of support for tax increment financing, potential project-based vouchers as well as supportive services for long term homeless. These apartment units will be affordable units geared towards workforce housing in and around the 80% area median income (AMI) level and lower.

While the developer has not requested any funding from the CWC Housing Trust Fund, this is a tool that is available to us if needed. The developer should find out if their application has been accepted sometime in late December with potential demolition starting as soon as September of 2022.

**Action Requested:**

No action needed - for informational purposes only.

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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
From: Eric Charpentier, Executive Director  
Date: July 13<sup>th</sup>, 2021  
Re: Housing Trust Fund Report

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Minnesota Housing Partnership (MHP), the group that has been providing technical assistance to us on crafting our internal policies for the Housing Trust Fund programs, will be coming to meet with staff and select/interested parties on Thursday July 22<sup>nd</sup>. We have a full day planned with MHP including a tour of the area, meeting with economic development groups and meeting with local units of government regarding the HTF programs and general discussion on housing goals for our communities. We are happy to have any interested commissioners join us for the discussions with our economic development partners or our local municipalities, or both. We are still gathering information in interested municipalities and we will be finalizing our agenda in the week to come. If anyone would like to join us, please let me know and I will make sure to send out the agenda as it is finalized. We are excited to have this group in town and we are hoping to create more awareness for the Trust Fund as well as make sure we are engaging our local communities so that we know how this fund can help them best.

**Action Requested: None requested, informational only.**

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## Housing &amp; Redevelopment Authority

To: CWC HRA Board Members  
 From: John Schommer, Rehab Coordinator  
 Date: July 8<sup>th</sup>, 2021  
 Re: Rehab Programs Report

**NE Brainerd SCDP**

Address	Owner/Name	Type of Rehab	Units	Status
707 Laurel St.	Knotty Pine Bakery	Commercial	1	Complete
707 Laurel St.	Sarah Hayden-Shaw	Mixed Use	9	Complete
212 1 <sup>st</sup> Ave. NE	Andrea B	Owner Occupied	1	Complete
612 2 <sup>nd</sup> Ave. NE	Kelly R	Owner Occupied	1	Complete
201 & 203 B St.	Travis Banks	Rental	2	In Construction
215 Gillis Ave. NE	Cheri S	Owner Occupied	1	In Construction
414 3 <sup>rd</sup> Ave. NE	Select Rental Properties	Rental	1	Complete
206 Gillis Ave NE	Herbert & Robin J	Owner Occupied	1	In Contract Closeout
721 2 <sup>nd</sup> Ave NE	Darin K	Owner Occupied	1	Complete
315 4 <sup>th</sup> Ave NE	Wayne Arndt	Rental	3	Application Phase
121 3 <sup>rd</sup> Ave NE	Joe Meyer	Rental	3	Application Phase
113 B St NE	Diana Lorimor	Rental	1	Backed Out
507 2 <sup>nd</sup> Ave NE	Bob Long	Owner Occupied	1	Bidding Phase



## Housing & Redevelopment Authority

### Emily SCDP

8 Owner occupied projects are complete

### MHFA

3 Projects are in the inspection phase

### Brainerd Oaks/Serene Pines/Dalmar Estates

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	55	47	0	4
Serene Pines	23	16	14	0	3
Dalmar Estates	7	2	1	0	0

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

**2021 CWC HRA - BLAEDC/CREDI STAFF TIME- MAY**

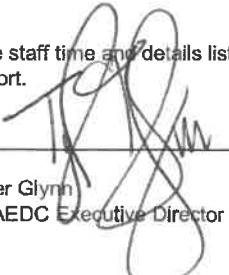
Date Range: 5/1/2021 - 5/31/2021

Project Group	Project	Date	Comment	Hours	Billing Amount
Crow Wing County HRA					
CWC HRA - Redev					
	Redevelopment Projects				
	5/3/2021		email communication w/lead lender in Baxter for property redevelopment and funding that is needed to complete project that would involve gap funding from BLAEDC	2.00	\$300.00
	5/4/2021		email communication for redevelopment of Brainerd property for expansion of daycare services for YMCA. Application process for federal grant discussed as well where assistance from BLAEDC is necessary.	3.00	\$450.00
	5/5/2021		Crosslake EDA meeting where discussions surrounding housing and vacant properties for redevelopment inside the town square area of Crosslake was discussed. BLAEDC provided updates on available property and discussions with local property owners which includes staff time	2.00	\$300.00
	5/6/2021		Brainerd EDA meeting, discussions surrounding opportunities for redevelopment and blighted properties located inside the city limits of Brainerd. Discussions w/CWC in regards to new round of federal funding to assist local/regional businesses with economic assistance	4.00	\$600.00
	5/7/2021		email communication for 2 Crosby projects that involve redevelopment of existing properties that will bring jobs and new businesses to area	2.00	\$300.00
	5/7/2021		Informational meeting w/YMCA staff and board regarding redevelopment of Brainerd property for expansion of daycare services. Application process for federal grant discussed as well where assistance from BLAEDC is necessary. Multiple staff involved in this meeting.	4.50	\$675.00
	5/10/2021		email communication for 2 Crosby projects that involve redevelopment of existing properties that will bring jobs and new businesses to area	1.50	\$225.00
	5/10/2021		Meeting w/property owner of Brainerd business and banker about redevelopment of new property to fit business needs	2.50	\$375.00
	5/11/2021		phone call and email communication w/new projects in Brainerd and Crosby	1.50	\$225.00
	5/11/2021		Prepared reports for CWC HRA meeting, staff time of 2 BLAEDC staff.	1.50	\$225.00
	5/12/2021		email communication for 2 Crosby projects that involve redevelopment of existing properties that will bring jobs and new businesses to area with owners, lead bank, another gap provider and BLAEDC staff	2.00	\$300.00
	5/12/2021		Tour of Crosby property and meeting w/owner to discuss projects and identify funding needs that BLAEDC will assist with financing of project	2.50	\$375.00
	5/13/2021		email correspondence with Y leadership regarding new redevelopment property and needs	1.00	\$150.00
	5/14/2021		BLAEDC board meeting with reports provided regarding projects in CWC and detailed discussions around redevelopment projects that are happening in the county and efforts made by staff to assist with funding and setting board meetings to approve financing for redevelopment, staff time to create reports.	4.00	\$600.00
	5/18/2021		email communication with lead lender to discuss new redevelopment projects in Crosby and use of Unified Fund money to assist with gap financing for projects	1.50	\$225.00
	5/18/2021		Pequot Lakes EDC meeting. Discussion and plans to move forward with housing initiatives to bring new housing to Pequot Lakes. Prepared report for the meeting w/staff assistance. Also discussed redevelopment of existing downtown business that was sold recently and discussed use of unified fund. Brainerd EDA strategic planning session.	6.00	\$900.00
	5/19/2021		email communication regarding gap funding of property for redevelopment in Brainerd	1.50	\$225.00
	5/19/2021		CREDI Board meeting. Reports and meeting minutes prepared by staff for meeting. Discussion surrounding redevelopment of 2 properties located in Crosby that are also utilizing Unified Fund dollars for the project.	2.50	\$375.00
	5/21/2021		Meeting w/banker and borrower for purchase and redevelopment of Brainerd property located in unorganized territory. Building will be redeveloped in to showroom space and warehouse.	2.50	\$375.00
	5/24/2021		email communication with lead lender to discuss new redevelopment projects in Crosby and use of Unified Fund money to assist with gap financing for projects with bank, borrower and another gap lender	2.00	\$300.00

5/25/2021	email communication and phone calls w/lead banker and financing specialists regarding funding for redevelopment projects. Pricing continues to change, so increase in request has gone up.	1.50	\$225.00
5/25/2021	Site visit to view property in unorganized territory that is seeking funding for redevelopment of property	2.50	\$375.00
5/26/2021	email communication and phone calls w/lead banker and financing specialists regarding funding for redevelopment projects. Communication from staff to Unified Fund board to discuss project and Pricing continues to change, so increase in request has gone up.	2.00	\$300.00
5/26/2021	Brainerd Planning and Zoning Commission meeting to discuss new development as well as redevelopment of Brainerd property.	2.50	\$375.00
5/27/2021	email communication w/representatives for redevelopment of Deerwood property with discussions around TIF and Gap financing	1.50	\$225.00
5/28/2021	Meeting w/Brainerd project to discuss building plans and timing for financing and completion of project. Additional needs have been identified for redevelopment and increased costs associated with project	2.50	\$375.00

CWC HRA - Redev	Redevelopment Projects Total:	62.50	\$9,375.00
<b>Crow Wing County HRA Total:</b>		<b>62.50</b>	<b>\$9,375.00</b>
<b>Grand Total</b>		<b>62.50</b>	<b>\$9,375.00</b>

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