# HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM MONDAY, OCTOBER 10, 2022 6:00 PM

1. Call to Order/Approve Agenda
2. Approval of the Minutes of August 8, 2022 Meeting
3. Program Reports
   A. Mobile Home Buy-Out Program
   B. Mobile Home Heat Tape Program
   C. RAD/Repositioning Process
   D. 230 Central Avenue Apartments
4. Property Reports
   A. Robinwood Manor - Monthly Operating and Budget Statement
   B. Public Housing - Monthly Operating and Budget Statement
   C. Scattered Sites/City Rentals- Monthly Operating and Budget Statement
5. Public Hearings
6. Items for Discussion
   A. Resolution 2022-07 Public Housing Utility Allowances
      Resolution 2022-08 Public Housing Flat Rents
   B. Funding Request - Mobile Home Coordinator
   C. Resolution 2022-09 Approve a Preliminary Development Agreement with Faribo Downtown Central
      Update on Faribo Downtown Central Funding Request - $500,000
   D. 2023 Budget Discussion
   E. Resolution 2022-10 Approving the Property Tax Levy for 2023
7. Adjournment

**Faribault Housing and Redevelopment Authority**
**Meeting Minutes**
August 8, 2022

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## 1. Call to Order / Approval of the Agenda

Chair Speckhals called the meeting to order at 6:15p.m.

**Members Present:** Brendan Kennedy, Jonathan Wood, Travis McColley and Chair Matthew Speckhals

**Members Absent:** Loni Ahlers, Travis Kath and Narren Brown.

## 2. Minutes

### A. Minutes of July 11, 2022.

A motion was made by Wood to approve the minutes of July 11, 2022 seconded by McColley as presented. Motion carried on a 4/0 vote.

## 3. Program Reports

### A. Mobile Home Buy-Out Program

Nothing new to report.

### B. Mobile Home Heat Tape Program

Nothing new to report.

### C. RAD/Repositioning Process

An action item will be discussed later.

### D. 230 Central Avenue Apartments

The 230 Central Avenue Apartment report was inadvertently omitted from the packer. Kuennen read the report, updating the HRA on the progress with the apartments as provided by Nelson. Per Nelson, they are still targeting a move-in date of October 1, 2022.

Kennedy made a motion, seconded by McColley to receive and file the Program Report as presented. Motion carried on a 4/0 vote.

## 4. Property Reports

### A. Robinwood Manor - Monthly Operating and Budget Statement

Nothing new to add.

**B. Public Housing - Monthly Operating and Budget Statement**

Nothing new to report.

**C. Scattered Sites - Monthly Operating and Budget Statement**

Nothing new to report.

A motion was made by Kennedy and seconded by McColley to receive and file the property reports as presented. Motion carried on a 4/0 vote.

**5. Public Hearings**

None.

**6. Items for Discussion**

**A. Downtown Property Acquisition Update - Faribo Downtown Central (formerly Downtown Investment Group/DIG Holdings LLC)**

The acquisition of the portfolio of the 13 properties has taken place. However, the entity undertaking the acquisition of the properties changed. The acquisition group is Faribo Downtown Central (FDC), and they are seeking a renewed commitment of HRA funding. The HRA previously approved a Preliminary Development Agreement with DIG and committed $500,000 of HRA funds, to be distributed over a two-year window. Nort Johnson and Brett Reese were present at the HRA meeting, representing FDC, the new acquisition group, to answer any questions.

Johnson explained that the goal was to acquire the properties and get them in "friendly hands." He reported that this has happened, as FDC has closed on the properties. The new acquisition group still intends to request the money from the HRA and EDA, but the plan for the buildings includes holding the buildings for less time and selling to buyers who will utilize the HRA/EDA funds to make the necessary renovations. Much discussion ensued. The HRA expressed concern that new owners would request additional funds from the HRA. Kuennen responded that additional requests could potentially come forward, but any request would come back to the HRA for a decision, and the HRA could choose to place a condition on the funds and articulate those conditions in the Preliminary Development Agreement. It was ultimately made clear that the funds that the HRA commits would be put into a "bucket" and distributed among the 13 buildings based on a spreadsheet provided by the acquisition group. Each time funds were requested per building, loan and repayment agreements would be prepared and funds would not be disbursed on a reimbursement basis. The HRA would be involved in each decision.

The HRA discussed further that they want their funding prioritized for buildings that provided additional housing. Johnson, identified as the "Asset Manager" for the buildings, also indicated that he will be screening each potential owner to ensure that they have the proper road map and plans in place to ensure that the buildings are brought up to code and utilized to their highest and best use.

A motion was made by McColley, seconded by Wood to reconfirm the HRA's commitment for funding including the conditions of the funding, and authorize approval of the Preliminary Development Agreement with the new acquisition entity - directing direct Staff to update the Preliminary Development Agreement for execution as presented. Motion carried on a 4/0 vote.

**B. Resolution 2022-05 - Approve FY2023 Preliminary Levy Request**

A motion was made by Kennedy, seconded by Wood to Adopt Resolution 2022-05 Approving the Preliminary HRA Levy Request for FY2023 as presented. Motion carried on a 4/0 vote.

**C. Resolution 2022-06 Authorizing the Execution of an Operating Agreement for Faribault HRA LLC**

A motion was made by Wood, seconded by McColley to approve Resolution 2022-06 Authorizing the Execution of an Operating Agreement for Faribault HRA LLC, and certifying the organizational minutes as presented. Motion carried on a 4/0 vote.

**D. Vacancy Analysis Update**

A motion was made by McColley, seconded by Kennedy to review, receive, and file the 2022 update to the "Vacancy Rate Trends for Rental Housing in the Cities of Faribault, Northfield, and Owatonna in South Central Minnesota" as presented. Motion carried on a 4/0 vote.

**E. 2023 Budget Discussion**

The HRA had a limited discussion on the upcoming budget. It was directed that the HRA wants a "balanced" budget presented for 2023, understanding that they can tap into fund balance during the year if a project warrants it, and/or if the HRA would choose to add additional funding into a specific program. The HRA directed Staff to bring back a budget reflecting programs that have been discussed in the past and not utilizing fund balance.

**F. Space/Use Application for 306 Central from City of Faribault.**

The HRA received an application from the City of Faribault to use the space on December 7th for the purpose of holding a recognition dinner for the Boards & Commissions. A motion was made by McColley, seconded by Wood to approve the use as presented. Motion carried on a 4/0 vote.

Staff asked for administrative approval for future space/use applications. A motion was made by Wood, seconded by Kennedy to authorize administrative approval of space use requests as long as the requests met the criteria already established in the agreement, reporting to the HRA if/when space has been requested and approved. Motion carried on a 3/1 vote with McColley voting in opposition.

**7. Adjournment**

A motion was made by Kennedy and seconded by McColley to adjourn the meeting at 7:36 p.m. Motion carried unanimously.

Respectfully Submitted,

_________________________________

Kari Casper, Recording Secretary

**Agenda Item: 3.A**

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Rebecca Rand, Housing Coordinator |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Mobile Home Buy-Out Program |

**BACKGROUND:**

The HRA provides funding to assist mobile homeowners with the disposal of substandard mobile homes, to allow for updated/upgraded replacements. An application was received in June for Knollwood and the HRA approved $2000 to assist with the removal. Staff has finalized the paperwork and provided a closing statement for the applicant. It has been requested that the applicant provide a "Certificate of Taxes Paid" and once provided, the funds can be processed for payment.

No additional applications have been received.

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

**Agenda Item: 3.B**

## Request for Action

**TO:** Faribault Housing & Redevelopment Authority
**FROM:** Rebecca Rand, Housing Coordinator
**MEETING DATE:** October 10, 2022
**SUBJECT:** Mobile Home Heat Tape Program

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**BACKGROUND:**

The HRA provided funding in 2021/2022 for the Heat Tape program. The manufactured home communities are some of the largest water users in the city. This is because of poor insulation of water pipes, and residents running water to prevent pipes from freezing. To reduce excessive water usage, the HRA has developed a program to offer heat tape installation.

Initially, with this round of approved funding, it was difficult to find a qualified contractor to do the work. A contractor has been identified, a contract is in place, and marketing of the program is underway with park managers encouraging the installation of heat tape now versus in the midst of the winter. Staff met with the contractor and developed a plan for the installation process for four applicants.

Staff sent flyers in English and Spanish to all of the park owners/managers, and worked with Growing Up Healthy to have the program information included in their newsletter.

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

1. 2022 Final Flyer with Both Sides

# FUNDS AVAILABLE!!

## Mobile Home Heat Tape Program

Do you run your water in the winter to keep your pipes from freezing?

The Housing and Redevelopment Authority will provide funding for the installation of heat tape on your water pipes to reduce the likelihood of frozen pipes.

Funds available on a first come-first served basis.

For more information or an application call Kari Casper at 507-334-0100 or email at kcasper@ci.faribault.mn.us

# ¡¡FONDOS DISPONIBLES!!

## Programa de cinta térmica para casas móviles

¿Deja el agua corriendo en invierno para evitar que las tuberías se congelen?

Las Autoridades de Reurbanización y Alojamiento proporcionarán la financiación para la instalación de la cinta de calor en sus tuberías para reducir la probabilidad de tubos congelados.

Fondos disponibles en una primera base, los que lleguen primero.

Para obtener más información o una aplicación de solicitud llame a Kari Casper at 507-334.0100 o email at kcasper@ci.faribault.mn.us

Agenda Item: 3.C

City Of Faribault

Celebrating 150 years · Incorporated April 2, 1872 · Faribault, Minnesota

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Deanna Kuennen, Community & Economic Development Director |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | RAD/Repositioning Process |

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**BACKGROUND:**

Updates for this month include:
A lot of progress has been made on the RAD Repositioning, including an acceptance and approval by HUD which requires the closing to take place within 90 days.

Additional information will be provided/distributed at the meeting.

**REQUESTED ACTION:**
No required action at this time

**ATTACHMENTS:**
1. MOU 8-1-22 - signed by RC

**MEMORANDUM OF UNDERSTANDING**

**FOR MANAGEMENT AND ADMINISTRATION OF 49 SCATTERED SITE AFFORDABLE HOUSING UNITS**

**WHEREAS,** the Faribault Housing and Redevelopment Authority (FHRA) was established by the City of Faribault, on October 13, 1970, under the "Minnesota Housing and Redevelopment Act" pursuant to Minnesota Statutes 469.003; and

**WHEREAS,** the FHRA administers several housing and redevelopment programs in the City of Faribault, including 49 scattered-site Low-Rent Public Housing through the U.S. Department of Housing and Urban Development (HUD); and

**WHEREAS,** the current funding structure of the Public Housing Program does not provide adequate funding for management, maintenance, operating and capital improvements of the unit;, and

**WHEREAS,** the FHRA is considered a Small Public Housing Authority under HUD guidelines; and

**WHEREAS,** HUD offers housing authorities the option to reposition their Public Housing portfolios by exiting the Public Housing Program and converting to a new program/funding source that provides additional revenue; and

**WHEREAS,** the FHRA has analyzed the various conversion options to determine which repositioning option provides the greatest amount of revenue while also offering robust tenant protections; and

**WHEREAS,** the FHRA has chosen the conversion of the Faribault Public Housing units to Section 8 Project Based Vouchers (PBVs) through the HUD's Rental Assistance Demonstration (RAD) program and the Section 18 Small PHA Blend per PIH notices 2019- 23 Rev 4 and 2021-09; and

**WHEREAS,** the FHRA has a total of 49 public housing units that will convert to Section 8 Project Based Vouchers. Twenty percent (20%) of the units will convert through the RAD program, while the remaining eighty percent (80%) of the units will convert through the Section 18 Disposition program, known as the RAD/Section 18 Small PHA Blend; and

**WHEREAS,** HUD only allows public housing authorities with existing Voucher programs to administer Section 8 PBVs through the RAD/Section 18 Small PHA Blend;

**WHEREAS,** the FHRA does not administer a Voucher program and is therefore required to partner with an agency that has a Voucher program for administration of the Section 8 Project Based Vouchers;

**WHEREAS,** the Rice County Housing and Redevelopment Authority (RCHRA) currently administers a Voucher program and has agreed to administer the Section 8 Vouchers through the RAD/Section 18 Small PHA Blend program on behalf of the FHRA.

**WHEREAS,** the FHRA will enter into a twenty-year (20-year) Housing Assistance Payment (HAP) contract with the RCHRA, who will serve as the Contract Administrator of the PBVs;

**WHEREAS,** the FHRA and the RCHRA wish to enter into this memorandum under the guidelines of H 2019-03/PIH 2019-23, REV-4 and any successor Notices and PIH 2021-09, to establish the framework, roles, responsibilities and other requirements of the management and administration of the new Program; and

**WHEREAS,** upon conversion to PBVs the FHRA and RCHRA will adopt the resident rights, participation, waiting list and grievance procedures listed in *For conversions to PBV:* Section 1.6 of H 2019-03/PIH 2019-23, REV-4; and H-2016-17/PIH-2016- 17.

**NOW, THEREFORE, BE IT MUTUALLY AGREED,** that the FHRA and its associated legal entity, Faribault HRA, LLC., will continue to own the affected 49 units.

**ALSO, BE IT MUTUALLY AGREED,** that after the FHRA closes with HUD on the repositioning but before the effective date of the Housing Assistance Payment (HAP) contract, the RCHRA will conduct Housing Quality Standards inspections on the affected 49 units;

**ALSO, BE IT MUTUALLY AGREED,** the FHRA will continue to be responsible for all maintenance, repairs, capital improvements, capital improvement and maintenance planning, compliance with building, zoning and rental codes and ordinances of the affected 49 units;

**ALSO, BE IT MUTUALLY AGREED,** that residents will continue to pay their required rent, late fees, pet fees, maintenance charges and all other required fees and charges associated with the rental/property management of the affected 49 units to the FHRA at their offices at 208 1st Avenue NW, Faribault, MN 55021.

**ALSO, BE IT MUTUALLY AGREED,** the FHRA will continue to screen potential tenants for criminal and rental histories, in accordance with their Eligibility/Suitability policies.

**ALSO, BE IT MUTUALLY AGREED,** after the effective date of the HAP contract, the FHRA will transfer their existing waiting lists to the RCHRA to use as a foundation for the PBV waiting list. The RCHRA will develop a policy for establishing the PBV waiting list.

**ALSO, BE IT MUTUALLY AGREED,** that, pursuant to Choice Mobility requirements, after one year of being on the PBV Section 8 Lease, households can request a tenant-based voucher from the RCHRA.

The RCHRA will adopt the alternative mobility policy which provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. The RCHRA will create and maintain a waiting list in the order in which the requests from eligible households were received.

The RCHRA will add language to their Administrative Plan describing how these households will be pulled from the waiting list relative to other households.

**ALSO, BE IT MUTUALLY AGREED,** the FHRA and RCHRA will cooperate to transfer the required electronic resident files using the Housing Data Systems software system. The FHRA and the RCHRA will equally split the cost of the data transfer.

**ALSO, BE IT MUTUALLY AGREED,** the FHRA and RCHRA will cooperate to transfer the required paper/hard copy resident files.

**ALSO, BE IT MUTUALLY AGREED,** the RCHRA will perform all duties required to administer the PBVs, including but not limited to, initial, interim and annual certifications/recertifications, income verifications, calculating and tracking Earned Income Disallowances, HQS inspections, processing HAPs.

**ALSO, BE IT MUTUALLY AGREED,** existing households, who have elected "Flat Rent" will be converted to income base at start of their new Section 8 Lease. Households with a $25 or 10% increase, will have the rental increase phased in over three years. Section 8 does not have the flat rent option, therefore, all households are required to pay at least 30% of their adjusted income.

**ALSO, BE IT MUTUALLY AGREED,** that the households that converted from public housing to Section 8 PBV under the RAD/Section 18 Small PHA Blend program, are considered "grandfathered" tenants. They are exempt from the PBV guidelines of having to vacate if not generating a subsidy after a certain point.

**ALSO, BE IT MUTUALLY AGREED,** the RCHRA will receive an Administrative Fee as determined by HUD and for administration of the PBV Program.

**ALSO, BE IT MUTUALLY AGREED,** the FHRA has elected the Choice Mobility Option. After one year of being on the Section 8 PBV Lease at the FHRA units, the household may request a tenant-based voucher from RCHRA, and if RCHRA has vouchers available, the FHRA family goes to the top of the waitlist. The RCHRA will adopt the alternative mobility policy which provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. The RCHRA will create and maintain a waiting list in the order in which the requests from eligible households were received. The alternative mobility policy will be adopted in an eligible the RCHRA's administrative plan. The FHRA residents must follow RCHRA's policies, which are a part of RCHRA's Administrative Plan.

**IN WITNESS OF THE ABOVE,** the parties have caused this memorandum of understanding to be executed on the date and year written below.

RICE COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

By: Jim Purfeerst  7/26/2022

Jim Purfeerst, Chair  Date

By: ______________________________ 8-1-22
Joy Watson, Director of Housing Date

STATE OF MINNESOTA )
)ss
COUNTY OF RICE )

The foregoing instrument was acknowledged before me this 1st day of August, by ???? and ????, the Chairperson and Executive Director, respectively, of the Rice County Housing and Redevelopment Authority.

LISA R. GILLISPIE
Notary Public-Minnesota
My Commission Expires Jan. 31, 2023

Lisa R. Gillispie
Notary Public

FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY

By: ______________________________ ______________
Matt Speckhals, Chairperson Date

By: ______________________________ ______________
Deanna Kuennen, Executive Director Date

STATE OF MINNESOTA )
)ss
COUNTY OF RICE )

The foregoing instrument was acknowledged before me this _____ day of ____________, by Matt Speckhals and Deanna Kuennen, the Chairperson and Executive Director, respectively, of the Faribault Housing and Redevelopment Authority.

______________________________
Notary Public

**Agenda Item: 3.D**

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Deanna Kuennen, Community & Economic Development Director |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | 230 Central Avenue Apartments |

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**BACKGROUND:**

The HRA has required that Todd Nelson provide monthly updates on work performed and completed on the 230 Central Avenue apartment project. The project has been completed and was issued a Temporary Certificate of Occupancy by the Building Official. Tenants began moving in effective October 1, 2022.

Another condition of the HRA funding is that two of the two-bedroom, and two of the three-bedroom units must be leased to income-qualified tenants for 10 years:

4. **Affordability Rules.**

The HRA has undertaken to provide the Funds to Borrower for the sole purpose of curing blight within the City and to ensure the provision of adequate affordable housing located within the City. In order to be eligible for disbursement of the Funds, the Borrower must designate two of the two-bedroom units and two of the three-bedroom units as income-restricted units (the "Affordable Units") and ensure that all new occupants meet the affordability guidelines outlined herein. The obligation to ensure that all occupants of the

635869v1FA155-81 3

Affordable Units meet the affordability guidelines outlined herein shall remain in effect for ten years from the date of the issuance of the Certificate(s) of Occupancy for the units.

During the ten-year affordability period required herein, the Affordable Units must be occupied by families that are "Very Low Income", meaning that their gross income does not exceed 50% of the Rice County Area Median Income ("AMI") as determined the U.S. Department of Housing and Urban Development ("HUD"). In addition, for each respective Affordable Unit type, the rent charged for each Affordable Unit may not exceed the Rice County Fair Market Rent as determined by HUD. For ten years from the date the Certificate of Occupancy is issued, as families move out of these Affordable Units, all subsequent occupants must meet the affordability requirements outlined in this section at the time of lease execution. For each family that occupies any Affordable Unit, Borrower will provide the HRA with the following information to ensure compliance with this Section:

A. The Number of people in the household;
B. A list including all sources of household income;
C. A List of the amount of income from each income source;
D. The total aggregate household income; and
E. A copy of the lease with the rent amount

Rebecca Rand, Housing Coordinator, has requested the affordability information from the owner and is developing a tracking and reporting system that will be used during the 10-year affordability duration.

**REQUESTED ACTION:**
No action requested.

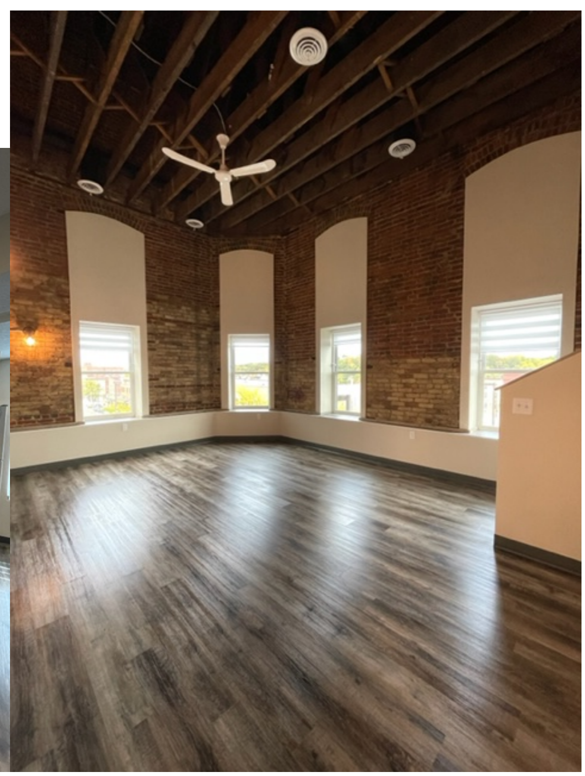
**ATTACHMENTS:**
1. 2022-10-06 Pictures of 230 Central Apartments from Mary Nelson
2. AMI Income limits 2022
3. FMR 2022 2023

Photos of 8 Apartments at 230 Central received 10-6-2022 from Mary Nelson




1

Photos of 8 Apartments at 230 Central received 10-6-2022 from Mary Nelson

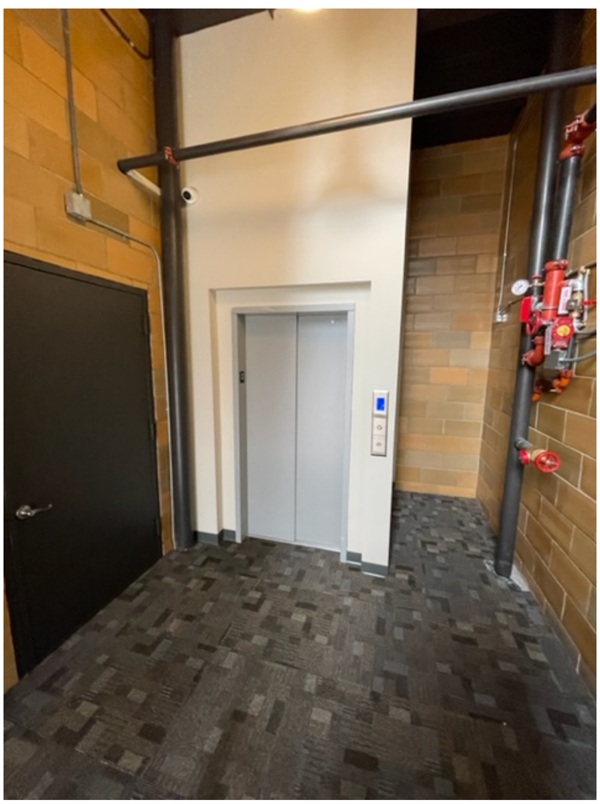


2

Photos of 8 Apartments at 230 Central received 10-6-2022 from Mary Nelson

3

Photos of 8 Apartments at 230 Central received 10-6-2022 from Mary Nelson



4

# FY 2022 Income Limits Documentation System

HUD.gov HUD User Home Data Sets Fair Market Rents Section 8 Income Limits MTSP Income Limits HUD LIHTC Database

## FY 2022 Income Limits Summary

**Selecting any of the buttons labeled "Click for More Detail" will display detailed calculation steps for each of the various parameters.**

| FY 2022 Income Limit Area | Median Family Income Click for More Detail | FY 2022 Income Limit Category | Persons in Family | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| **Rice County, MN** | $100,600 | Very Low (50%) Income Limits ($) Click for More Detail | 33,850 | 38,700 | 43,550 | **48,350** | 52,250 | 56,100 | 60,000 | 63,850 |
| | | Extremely Low Income Limits ($)* Click for More Detail | 20,300 | 23,200 | 26,100 | **29,000** | 32,470 | 37,190 | 41,910 | 46,630 |
| | | Low (80%) Income Limits ($) Click for More Detail | 54,150 | 61,900 | 69,650 | **77,350** | 83,550 | 89,750 | 95,950 | 102,15C |

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2022 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2022 Fair Market Rent documentation system.

EFFECTIVE 4/18/22

For last year's Median Family Income and Income Limits, please see here:

FY2021 Median Family Income and Income Limits for Rice County, MN

Select a different county or county equivalent in Minnesota:

Pope County
Ramsey County
Red Lake County
Redwood County
Renville County
Rice County

Select county or county equivalent

Select any FY2022 HUD Metropolitan FMR Area's Income Limits:

Abilene, TX MSA

Select HMFA Income Limits Area

Or press below to start over and select a different state:

Select a new state

Update URL For bookmarking or E-Mailing

Prepared by the Program Parameters and Research Division, HUD.

4-18-2022

# FY 2023 Fair Market Rent Documentation System

## The FY 2023 Rice County, MN FMRs for All Bedroom Sizes

| Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms | | | | | |
|---|---|---|---|---|---|
| **Year** | **Efficiency** | **One-Bedroom** | **Two-Bedroom** | **Three-Bedroom** | **Four-Bedroom** |
| FY 2023 FMR | $795 | $815 | $1,073 | $1,477 | $1,688 |
| FY 2022 FMR | $690 | $749 | $986 | $1,337 | $1,493 |

Rice County, MN is a non-metropolitan county.

**Fair Market Rent Calculation Methodology**

*Show/Hide Methodology Narrative*

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. **Calculate the Base Rent**: HUD uses 2016-2020 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2023, provided the estimate is statistically reliable. For FY2023, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

   If an area does not have a reliable 2016-2020 5-year estimate, HUD checks whether the area has had at least 1 minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2023 base rent is the average of the inflated ACS estimates.

   If an area has not had a minimally reliable estimate in the past 3 years, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2023.

**Agenda Item: 4.A**

**Request for Action**

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Rebecca Rand, Housing Coordinator |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Robinwood Manor - Monthly Operating and Budget Statement |

**BACKGROUND:**

The purpose of this memorandum is to provide the HRA with an update on the activity for the months of August and September 2022.

**Robinwood Manor-August**

Occupancy: 98% Leased - *unit available is handicapped, accessible for wheelchair.*
Turnovers*:* 1, Apt 202 Handicap accessible
Vacancy*:* 1 Apt. 226 (fire unit)

*Extraordinary Expenses*:

- $3,900 Community Room A/C Heat Pump
- Virg's Appliance New Range #110 $908.44
- MN Dept of Labor $100 Annual Elevator Permit
- Faribo Air Condition & Heating $596 Laundry Room Air Vent

*Routine Maintenance:*

- $14,550.03 (Xcel, City Water, Flom Disposal, Property Pros Lawn Care, Cintas, All Pro Cleaners)

**Robinwood Manor-September**

Occupancy: 98%
Turnovers: 1 (226 fire Unit transfer to Vacant 202)
Vacancy: 1 #226

*Extraordinary Expenses:*

- UPS $414.83 Freshair Smoke Sensors Return
- Virg’s Appliance Refrigerator 4981.45

*Routine Maintenance:* $6,279.68, (Cintas, Culligan, Property Pros, Tom’s Lock & Key, Shofcorp, Xcel, City of Faribault Water, Flom Disposal, All Pro Cleaners, Bug Busters, Flex Com-Jimmie Larkin, MEI, Virg’s Appliance)

The September 2022 budget report format and time frame for all properties have been changed from a trial balance to an expenditure report. Moving forward, the previous month will be reviewed at the current month's meeting. Past meetings were reviewing reports from two months prior due to certain expenses not being captured in time for the board meeting packet preparation. This has been resolved.

The new format will remove duplicative data entries while presenting the same data. The new format displays a percentage of the overall budget expended. This will replace the monthly budget column.

**REQUESTED ACTION:**

Receive and file an operating statement for the month of September 2022.

**ATTACHMENTS:**

1. 898 Expenditure Summary Septemeber 2022

# General Ledger
## Expenditure Summary

User: rrand@ci.faribault.mn.us
Printed: 10/10/2022 1:13:40 PM
Period 09 - 09
Fiscal Year 2022

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % ExpendCollect |
|---|---|---|---|---|---|---|
| **898** | **Robinwood Manor** | | | | | |
| 898-00000-000-33160 | Federal Grants | -239,842.00 | -239,842.00 | -25,515.00 | -220,220.00 | 91.82 |
| | Intergovernmental Revenue | -239,842.00 | -239,842.00 | -25,515.00 | -220,220.00 | 91.82 |
| 898-00000-000-36200 | Other Miscellaneous Revenue | -6,000.00 | -6,000.00 | -737.42 | -5,209.82 | 86.83 |
| 898-00000-000-36210 | Interest on Investments | -6,800.00 | -6,800.00 | -31.68 | -4,874.82 | 71.69 |
| 898-00000-000-36211 | Interest Market Value | 0.00 | 0.00 | 0.00 | 30,868.68 | 0.00 |
| 898-00000-000-36220 | Rents | -239,842.00 | -239,842.00 | -17,447.00 | -145,797.00 | 60.79 |
| 898-00000-000-36221 | Vacancies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-00000-000-36227 | Excess Utilities | -1,000.00 | -1,000.00 | -255.00 | -1,784.00 | 178.40 |
| 898-00000-000-36280 | Project Reimbursement | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Miscellaneous Revenue | -253,642.00 | -253,642.00 | -18,471.10 | -126,796.96 | 49.99 |
| 898-00000-000-39200 | Transfer In | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Sources | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | -493,484.00 | -493,484.00 | -43,986.10 | -347,016.96 | 0.7032 |
| Revenue Total | | -493,484.00 | -493,484.00 | -43,986.10 | -347,016.96 | -0.7032 |
| Expense Total | | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| ***00000*** | | ***-493,484.00*** | ***-493,484.00*** | ***-43,986.10*** | ***-347,016.96*** | ***70.32*** |
| 898-46310-000-42110 | General Supplies | 23,000.00 | 23,000.00 | 587.76 | 9,917.48 | 43.12 |
| 898-46310-000-42115 | Meeting | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-42210 | VehicleEquipment Parts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-42230 | Building Repair Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-42410 | Minor Equipment & Tools | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Supplies | 23,000.00 | 23,000.00 | 587.76 | 9,917.48 | 43.12 |
| 898-46310-000-43010 | Auditing & Accounting Services | 10,000.00 | 10,000.00 | 0.00 | 8,100.00 | 81.00 |
| 898-46310-000-43040 | Legal Fees - Civil Process | 1,000.00 | 1,000.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-43070 | Management Services | 45,250.00 | 45,250.00 | 4,187.60 | 36,283.68 | 80.18 |
| 898-46310-000-43090 | Expert & Professional Services | 15,500.00 | 15,500.00 | 88.80 | 1,053.19 | 6.79 |
| 898-46310-000-43095 | Software Maintenance & Support | 3,060.00 | 3,060.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-43130 | Tenant Services | 3,000.00 | 3,000.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-43210 | Telephone | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-43250 | Other Communications | 900.00 | 900.00 | 641.59 | 2,440.45 | 271.16 |
| 898-46310-000-43430 | Advertising - Other | 500.00 | 500.00 | 0.00 | 0.00 | 0.00 |

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % ExpendCollect |
|---|---|---|---|---|---|---|
| 898-46310-000-43610 | Insurance & Bonds | 9,902.00 | 9,902.00 | 0.00 | 9,887.82 | 99.86 |
| 898-46310-000-43810 | Electric Utilities | 26,000.00 | 26,000.00 | 369.77 | 25,182.60 | 96.86 |
| 898-46310-000-43820 | Water Utilities | 2,200.00 | 2,200.00 | 187.77 | 1,720.60 | 78.21 |
| 898-46310-000-43830 | Gas Utilities | 10,500.00 | 10,500.00 | 408.94 | 9,100.50 | 86.67 |
| 898-46310-000-43840 | Refuse Disposal | 3,100.00 | 3,100.00 | 324.36 | 2,514.13 | 81.10 |
| 898-46310-000-43850 | Sewer Utilities | 3,100.00 | 3,100.00 | 309.70 | 2,870.36 | 92.59 |
| 898-46310-000-43860 | Storm Water Utilities | 750.00 | 750.00 | 78.75 | 630.00 | 84.00 |
| 898-46310-000-44010 | Building Maintenance | 100,000.00 | 100,000.00 | 7,331.57 | 79,040.08 | 79.04 |
| 898-46310-000-44045 | Equipment Repairs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44050 | Extraordinary Maintenance | 123,000.00 | 123,000.00 | 981.45 | 16,627.37 | 13.52 |
| 898-46310-000-44060 | Laundry Services | 900.00 | 900.00 | 64.24 | 496.52 | 55.17 |
| 898-46310-000-44160 | Rents & Leases | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44200 | Depreciation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44320 | Bad Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44325 | Bank Fees & Charges | 300.00 | 300.00 | 0.00 | 138.85 | 46.28 |
| 898-46310-000-44330 | Dues & Subscriptions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44370 | Miscellaneous Charges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44390 | Taxes & Licenses | 18,200.00 | 18,200.00 | 0.00 | 1,770.39 | 9.73 |
| 898-46310-000-44450 | Claims & Damages | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-44700 | Interest | 200.00 | 200.00 | 33.68 | 96.31 | 48.16 |
| 898-46310-000-45950 | Loss on Disposal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Services & Charges | 377,362.00 | 377,362.00 | 15,008.22 | 197,952.85 | 52.46 |
| 898-46310-000-46020 | Other Long Term Obligation Pri | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-46120 | Other Long Term Obligation Int | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-46200 | Fiscal Agent Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Debt Service | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 898-46310-000-47200 | Transfer Out | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Uses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | 400,362.00 | 400,362.00 | 15,595.98 | 207,870.33 | 0.5192 |
| Revenue Total | | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Expense Total | | 400,362.00 | 400,362.00 | 15,595.98 | 207,870.33 | 0.5192 |
| ***46310*** | ***Urban Redevelopment & Housing*** | ***400,362.00*** | ***400,362.00*** | ***15,595.98*** | ***207,870.33*** | ***51.92*** |
| **898** | **Robinwood Manor** | **-93,122.00** | **-93,122.00** | **-28,390.12** | **-139,146.63** | **149.42** |

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % Expend/Collect |
|---|---|---|---|---|---|---|
| Grand Total | | -93,122.00 | -93,122.00 | -28,390.12 | -139,146.63 | 1.4942 |
| Revenue Total | | -493,484.00 | -493,484.00 | -43,986.10 | -347,016.96 | -0.7032 |
| Expense Total | | 400,362.00 | 400,362.00 | 15,595.98 | 207,870.33 | 0.5192 |

**Agenda Item: 4.B**

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Rebecca Rand, Housing Coordinator |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Public Housing - Monthly Operating and Budget Statement |

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**BACKGROUND:**

The purpose of this memorandum is to provide the HRA with an update on the activity for the months of August and September 2022.

**Public Housing**

- Occupancy: 100% through August 2022
- Turnovers:0
- Vacancy: 0

*Extraordinary Expenses:*

- Kennedy & Graven, Declaration of Trust $516.60
- Thompson Tree Service 412 13th Trim 2 trees $600
- House facts 412 NW 13th Street Garage Door Repair $1017
- Virg's Appliance 404 13th Street Refrigerator $994
- Lampert's 1520 Door 408 door $678.49

*Routine Maintenance:* $10,526 (HD Supply, Ace Hardware, Property Pros, Tom's Lock & Key, Mary O'Connor Interpreter, Xcel, City of Faribault Water, Flom Disposal, All Pros Cleaners, Bluefin, Utility Reimbursements)

**Public Housing**

- Occupancy: 100% through September 2022
- Turnovers: 0
- Vacancy: 0

*Extraordinary Expenses:*

- Lamperts $483.81
- Kennedy & Graven $942.20 Legal Fees Declaration of Trust
- Braun Intertec $4621.50 Environmental Draft
- Faribo A/C & Heating $8,215 furnace Clean & Tunes/Repairs
- Virg's Appliance 2 Refrigerators $1,938

*Routine Expenses:* $8,718.62 (HD Supply, Lamperts, Property Pros, Tom's Lock & Key, Core Logic, Xcel, City of Faribault Water, Flom Disposal, All Pro Cleaners, Bug Busters, Virg's Appliance, Utility Reimbursements)

The September 2022 budget report format and time frame for all properties have been changed from a trial balance to an expenditure report. Moving forward, the previous month will be reviewed at the current month's meeting. Past meetings were reviewing reports from two months prior due to certain expenses not being captured in time for the board meeting packet preparation. This has been resolved.

The new format will remove duplicative data entries while presenting the same data. The new format displays a percentage of the overall budget expended. This will replace the monthly budget column.

**REQUESTED ACTION:**
Receive and file an operating statement for the month of September 2022.

**ATTACHMENTS:**
1. 241 Expenditure Summary September 2022

# General Ledger
## Expenditure Summary

User: rrand@ci.faribault.mn.us
Printed: 10/10/2022 1:27:22 PM
Period 09 - 09
Fiscal Year 2022

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % ExpendCollect |
|---|---|---|---|---|---|---|
| **241** | **Public Housing** | | | | | |
| 241-00000-000-10100 | Cash | 0.00 | 0.00 | -16,426.95 | 181,841.36 | 0.00 |
| 241-00000-000-10125 | Cash in Escrow - Sec Dep | 0.00 | 0.00 | 32.81 | 16,796.47 | 0.00 |
| 241-00000-000-10410 | Investments - Fair Value Adj | 0.00 | 0.00 | 0.00 | -6,642.16 | 0.00 |
| 241-00000-000-10450 | Interest Receivable | 0.00 | 0.00 | 0.00 | 497.06 | 0.00 |
| 241-00000-000-11500 | Accounts Receivable | 0.00 | 0.00 | 0.00 | 11,922.15 | 0.00 |
| 241-00000-000-11520 | Accounts Receivable-Collection | 0.00 | 0.00 | 0.00 | -9,228.40 | 0.00 |
| 241-00000-000-13200 | Due From Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 241-00000-000-13600 | Rent Receivable | 0.00 | 0.00 | 0.00 | 17,099.24 | 0.00 |
| 241-00000-000-13610 | Uncollectible Rents | 0.00 | 0.00 | 0.00 | -11,101.24 | 0.00 |
| 241-00000-000-15500 | Prepaid Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Current Assets | 0.00 | 0.00 | -16,394.14 | 201,184.48 | 0.00 |
| 241-00000-000-25300 | Unreserved Fund Balance | 0.00 | 0.00 | 0.00 | -244,049.38 | 0.00 |
| | Fund Balance | 0.00 | 0.00 | 0.00 | -244,049.38 | 0.00 |
| 241-00000-000-20110 | Unclaimed Property | 0.00 | 0.00 | 0.00 | -159.00 | 0.00 |
| 241-00000-000-20200 | Accounts Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 241-00000-000-20210 | Payment in Lieu Taxes Payab | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 241-00000-000-20800 | Due to Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 241-00000-000-22000 | Deposits | 0.00 | 0.00 | -274.41 | -22,966.65 | 0.00 |
| 241-00000-000-22200 | Deferred Revenues | 0.00 | 0.00 | 0.00 | -5,860.00 | 0.00 |
| | Current Liability | 0.00 | 0.00 | -274.41 | -28,985.65 | 0.00 |
| 241-00000-461-33160 | Federal Grants | -250,000.00 | -250,000.00 | 0.00 | -1,439.00 | 0.58 |
| | Intergovernmental Revenue | -250,000.00 | -250,000.00 | 0.00 | -1,439.00 | 0.58 |
| 241-00000-461-36200 | Other Miscellaneous Revenue | -6,000.00 | -6,000.00 | -295.00 | -9,144.73 | 152.41 |
| 241-00000-461-36210 | Interest on Investments | -1,100.00 | -1,100.00 | -32.81 | -1,588.82 | 144.44 |
| 241-00000-461-36211 | Interest Market Value | 0.00 | 0.00 | 0.00 | 9,229.24 | 0.00 |
| 241-00000-461-36220 | Rents | -260,000.00 | -260,000.00 | -15,631.00 | -177,592.44 | 68.30 |
| 241-00000-461-36240 | Refunds & Reimbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Miscellaneous Revenue | -267,100.00 | -267,100.00 | -15,958.81 | -179,096.75 | 67.05 |
| Grand Total | | -517,100.00 | -517,100.00 | -32,627.36 | -252,386.30 | 0.4881 |
| Revenue Total | | -517,100.00 | -517,100.00 | -15,958.81 | -180,535.75 | -0.3491 |

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % Expend/Collect |
|---|---|---|---|---|---|---|
| Grand Total | | 36,032.00 | 36,032.00 | 0.00 | 0.00 | 0 |
| Revenue Total | | -517,100.00 | -517,100.00 | -15,958.81 | -180,535.75 | -0.3491 |
| Expense Total | | 553,132.00 | 553,132.00 | 32,627.36 | 252,386.30 | 0.4563 |

**Agenda Item: 4.C**

**Request for Action**

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Rebecca Rand, Housing Coordinator |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Scattered Sites/City Rentals- Monthly Operating and Budget Statement |

**BACKGROUND:**

The purpose of this memorandum is to provide the HRA with an update on the activity for the months of August and September 2022.

**City Property (16 SE 1st Street) - August**

Occupancy: 100%
Turnovers:0
Vacancy:0

*Extraordinary Expenses:*$0
*Routine Maintenance:* $160.04 ( City of Faribault Water, Property Pros Mowing)

**City Property (16 SE 1st Street) - September**

Occupancy: 100%
Turnovers: 0
Vacancy: 0

*Extraordinary Expenses:* Faribo A/C & Heating, $160 Clean & Tune Furnace
*Routine Expenses:* $200.88, (City of Faribault Water, Property Pros)

The September 2022 budget report format and time frame for all properties have been changed from a trial balance to an expenditure report. Moving forward, the previous month will be reviewed at the current month's meeting. Past meetings were reviewing reports from two months prior due to certain expenses not being captured in time for the board meeting. This has been resolved.

The new format will remove duplicative data entries while presenting the same data. The new format displays a percentage of the overall budget expended. This will replace the monthly budget column.

**REQUESTED ACTION:**

Receive and file an operating statement for the month of September 2022.

**ATTACHMENTS:**

1. 211 Expenditure Summary September 2022

# General Ledger
## Expenditure Summary

User: rrand@ci.faribault.mn.us
Printed: 10/10/2022 1:15:57 PM
Period 09 - 09
Fiscal Year 2022

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % ExpendCollect |
|---|---|---|---|---|---|---|
| **211** | **City Rental Property Mgmt** | | | | | |
| 211-00000-000-10100 | Cash | 0.00 | 0.00 | 619.12 | 89,419.64 | 0.00 |
| 211-00000-000-10410 | Investments - Fair Value Adj | 0.00 | 0.00 | 0.00 | -5,130.27 | 0.00 |
| 211-00000-000-10450 | Interest Receivable | 0.00 | 0.00 | 0.00 | 256.46 | 0.00 |
| 211-00000-000-11500 | Accounts Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-000-11520 | Accounts Receivable-Collection | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-000-13200 | Due From Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-000-13600 | Rent Receivable | 0.00 | 0.00 | 0.00 | 5,292.50 | 0.00 |
| 211-00000-000-13610 | Uncollectible Rents | 0.00 | 0.00 | 0.00 | -5,292.50 | 0.00 |
| | Current Assets | 0.00 | 0.00 | 619.12 | 84,545.83 | 0.00 |
| 211-00000-000-25300 | Unreserved Fund Balance | 0.00 | 0.00 | 0.00 | -82,887.52 | 0.00 |
| | Fund Balance | 0.00 | 0.00 | 0.00 | -82,887.52 | 0.00 |
| 211-00000-000-20200 | Accounts Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-000-20800 | Due To Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-000-22000 | Deposits | 0.00 | 0.00 | -1.95 | -899.70 | 0.00 |
| 211-00000-000-22200 | Deferred Revenues | 0.00 | 0.00 | 0.00 | -9.00 | 0.00 |
| | Current Liability | 0.00 | 0.00 | -1.95 | -908.70 | 0.00 |
| 211-00000-000-36211 | Interest Market Value | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-460-36200 | Other Miscellaneous Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-00000-460-36210 | Interest on Investments | -1,200.00 | -1,200.00 | 0.00 | -727.73 | 60.64 |
| 211-00000-460-36211 | Interest Market Value | 0.00 | 0.00 | 0.00 | 4,826.51 | 0.00 |
| 211-00000-460-36220 | Rents | -12,900.00 | -12,900.00 | -1,075.00 | -9,667.00 | 74.94 |
| 211-00000-460-36240 | Refunds & Reimbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Miscellaneous Revenue | -14,100.00 | -14,100.00 | -1,075.00 | -5,568.22 | 39.49 |
| 211-00000-460-39200 | Transfer In | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Sources | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | -14,100.00 | -14,100.00 | -457.83 | -4,818.61 | 0.3417 |
| Revenue Total | | -14,100.00 | -14,100.00 | -1,075.00 | -5,568.22 | -0.3949 |
| Expense Total | | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| ***00000*** | | ***-14,100.00*** | ***-14,100.00*** | ***-457.83*** | ***-4,818.61*** | ***34.17*** |
| 211-46310-460-42110 | General Supplies | 500.00 | 500.00 | 0.00 | 0.00 | 0.00 |

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % ExpendCollect |
|---|---|---|---|---|---|---|
| | Supplies | 500.00 | 500.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43040 | Legal Fees - Civil Process | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43070 | Management Services | 1,140.00 | 1,140.00 | 95.00 | 855.00 | 75.00 |
| 211-46310-460-43090 | Expert & Professional Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43430 | Advertising - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43610 | Insurance & Bonds | 527.00 | 527.00 | 0.00 | 268.00 | 50.85 |
| 211-46310-460-43810 | Electric Utilities | 200.00 | 200.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43820 | Water Utilities | 300.00 | 300.00 | 27.70 | 209.67 | 69.89 |
| 211-46310-460-43830 | Gas Utilities | 100.00 | 100.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43840 | Refuse Disposal | 200.00 | 200.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-43850 | Sewer Utilities | 450.00 | 450.00 | 35.65 | 262.76 | 58.39 |
| 211-46310-460-43860 | Storm Water Utilities | 100.00 | 100.00 | 6.53 | 52.24 | 52.24 |
| 211-46310-460-44010 | Building Maintenance | 3,000.00 | 3,000.00 | 291.00 | 1,101.14 | 36.70 |
| 211-46310-460-44160 | Rents & Leases | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-44320 | Bad Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 211-46310-460-44390 | Taxes & Licenses | 1,800.00 | 1,800.00 | 0.00 | 2,064.00 | 114.67 |
| 211-46310-460-44700 | Interest | 50.00 | 50.00 | 1.95 | 5.80 | 11.60 |
| | Other Services & Charges | 7,867.00 | 7,867.00 | 457.83 | 4,818.61 | 61.25 |
| 211-46310-460-45200 | Building & Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Capital Outlay | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | 8,367.00 | 8,367.00 | 457.83 | 4,818.61 | 0.5759 |
| Revenue Total | | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| Expense Total | | 8,367.00 | 8,367.00 | 457.83 | 4,818.61 | 0.5759 |
| ***46310*** | ***Urban Redevelopment & Housing*** | ***8,367.00*** | ***8,367.00*** | ***457.83*** | ***4,818.61*** | ***57.59*** |
| **211** | **City Rental Property Mgmt** | **-5,733.00** | **-5,733.00** | **0.00** | **0.00** | **0.00** |

| Account Number | Description | Original Budget | Amended Budget | Month to Date | YTD | % Expend/Collect |
|---|---|---|---|---|---|---|
| Grand Total | | -5,733.00 | -5,733.00 | 0.00 | 0.00 | 0 |
| Revenue Total | | -14,100.00 | -14,100.00 | -1,075.00 | -5,568.22 | -0.3949 |
| Expense Total | | 8,367.00 | 8,367.00 | 457.83 | 4,818.61 | 0.5759 |

**Agenda Item: 6.A**

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Rebecca Rand, Housing Coordinator |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Resolution 2022-07 Public Housing Utility Allowances<br>Resolution 2022-08 Public Housing Flat Rents |

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**BACKGROUND:**

Due to the timing of the closing for RAD Repositioning project being pushed to 2023, we are required to establish the 2023 utility allowances and flat rate rents.

The Faribault HRA manages 49 scattered-site public housing units. Every year the Faribault HRA must complete an analysis of the cost of utilities for these units in order to develop a public housing utility allowance. The utility allowance is used to determine how much money each public housing tenant pays to the Faribault HRA for monthly unit rent. The analysis is based on several factors, including actual consumption data of the units from the utility companies, surveys of the local garbage haulers for their current rates, comparing current utility rates to those used during the last utility analysis, and consumption averages and unit size factors from the US Department of Housing and Urban Development.

In addition, the HRA must set new flat rents for residents with higher incomes. These rents must be at least 80% of the Fair Market Rent as set by HUD. An analysis of rents for units similar to the public housing stock has been conducted and no changes in the flat rents is being proposed.

The new utility allowance and flat rent schedules are attached to this memorandum for your review. The new schedules must be submitted to HUD and will become effective on January 1, 2023

**REQUESTED ACTION:**

Approve Resolutions 2022-07 Public Housing Utility Allowances
Approve Resolution 2022-08 Public Housing Flat Rents

**ATTACHMENTS:**

1. Resolution 2022-07 Approval of 2023 Public Housing Utility Allowance Schedule
2. Resolution 2022-08 Approval of 2023 Public Housing Flat Rent Schedule

**FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION 2022-07**

**AUTHORIZING APPROVAL OF LOW-RENT PUBLIC HOUSING 2023 UTILITY ALLOWANCE SCHEDULE**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) requires the annual review and adjustment, if required, of tenant furnished utilities; and

**WHEREAS**, the Faribault Housing and Redevelopment Authority has performed its annual assessment of consumption rates and usage for the low-rent public housing units; and

**NOW, THEREFORE, BE IT RESOLVED,** that the Faribault Housing and Redevelopment Authority's governing board authorizes the implementation of its low-rent Public Housing Utility Allowance Schedule as amended effective January 1, 2023.

**ADOPTED:** October 10th, 2022

___________________________________
Chairperson

**ATTEST:**

________________________________
Secretary

**Faribault Housing and Redevelopment Authority**
**Public Housing Utility Allowances**
**January 1, 2023**

| Utility/Service | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|---|---|---|---|
| Heating-Natural Gas | 45 | 55 | 70 |
| Cooking-Electric | 12 | 15 | 19 |
| Cooking Natural Gas | 16 | 18 | 20 |
| Water Heating- Natural Gas | 20 | 24 | 31 |
| Electric-Lights/Refrigeration | 59 | 74 | 79 |
| Water\Sewer | 83 | 94 | 117 |
| Trash Collection | 21 | 25 | 28 |
| Shumway/Western | 244 | 315 | 373 |
| 1st Street (garbage included) | 223 | 265 | N/A |
| Phase II Sites | N/A | 287 | 344 |

**FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION 2022-08**

**AUTHORIZING APPROVAL OF LOW-RENT PUBLIC HOUSING 2023 FLAT RENT SCHEDULE**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) requires the annual review and adjustment, if required, of flat rents; and

**WHEREAS**, the Faribault Housing and Redevelopment Authority has performed its annual assessment of average rental rates in the community to determine public housing flat rents; and

**NOW, THEREFORE, BE IT RESOLVED,** that the Faribault Housing and Redevelopment Authority's governing board authorizes the implementation of its low-rent Public Housing Flat Rent Schedule, included as Attachment A, as amended effective January 1, 2023.

**ADOPTED:** October 10th, 2022

___________________________________
Chairperson

**ATTEST:**

_______________________________
Secretary

**ATTACHMENT A**
**FLAT RENTS – 2023**

The Housing and Redevelopment Authority of Faribault has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The Housing and Redevelopment Authority of Faribault determined the market value of the unit and set the rent at the market value and must be at a minimum of 80% of the Fair Market Rent set by HUD. The amount of the flat rent will be reevaluated annually and adjustments applied. Affected families will be given a 30-day notice of any rent change. Adjustments are applied on the anniversary date for each affected family.

The Housing and Redevelopment Authority of Faribault will post the flat rents at the central office and are incorporated into policy upon approval by the Board of Commissioners.

Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the formula amount.

| The amount of the flat rent: | Gross Rent – Utility Allowance = Contract Rent |
|---|---|
| 2 Bedroom Unit | $1037 |
| 3 Bedroom Unit | $1264 |
| 4 Bedroom Unit | $1441 |

Families who opt for the flat rent will be require to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.

Families who opt for the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:

1. The family's income has decreased.
2. The family's circumstances have change increasing their expenses for childcare, medical care, etc.
3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family

The Housing and Redevelopment Authority (HRA) for Faribault review the amount of the flat rent each year through the reexamination process effective for January of each year.

The family will sign a certification accepting or declining the flat rent. The opportunity to select the flat rent is available only at reexamination. At the appointment, the HRA may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the HRA of Faribault representative, they may make the selection on the form and return the form to the HRA. In such case, the HRA of Faribault will cancel the appointment.

**Agenda Item: 6.B**

**Request for Action**

**TO:** Faribault Housing & Redevelopment Authority
**FROM:** Rebecca Rand, Housing Coodinator
**MEETING DATE:** October 10, 2022
**SUBJECT:** Funding Request - Mobile Home Coordinator

**BACKGROUND:**

Northfield Healthy Community Initiative (HCI) has received a grant for mobile home rehabilitation from the Rice County Family Services Collaborative in the amount of $45,000 ($22,500 per year) from July 1, 2022, to June 30, 2024. HCI has contracted with Brian Kopack to do the work at the rate of $35.00 per hour, 40 hours per week, for a total yearly cost of $72,800. HCI is currently supplementing the remaining $50,300.00 out of the existing budget, but they are looking for outside sources to help fund the position. There are 729 mobile homes spread across several mobile homes in Rice County, with an average age of 39 years. Rice County is considering the use of some of its ARP funds to help fund the position for the remainder of the grant period while more permanent funding can be sought. We have been informed that Northfield HRA has committed a total of $50,000 over two years. This would allow HCI to use some of the funds currently allocated for staff time for other uses, such as the cost of needed repairs.

The majority of mobile homes in the county are in either Northfield or Faribault, so HCI is asking what each city is willing to contribute to help fund this position, which helps to improve and stabilize existing housing. Attached is information about the position, the grant, and the objectives of the program for your review.

| **Location:** | **Number of homes:** | **Average year homes were built:** | **Average age:** |
|---|---|---|---|
| Rice County | 729 | 1982 | 39 |
| Faribault | 462 | 1984 | 38 |
| Morristown | 69 | 1986 | 33 |
| Northfield | 198 | 1983 | 39 |

Sandy Malecha has been invited to attend the HRA meeting to discuss the position and funding request.

**REQUESTED ACTION:**

The HRA is asked to provide direction on whether they want to fund this request. If yes, the HRA will be asked to provide input on funding levels and duration.

**ATTACHMENTS:**

1. Growing Up Healthy Mobile Home Repair from RCFSC -- thru June 2024 (002)
2. Kopack Brian Mobile Home through September 2023 (002)
3. mobile home coordinator job description
4. Mobile Home Rehab Dashboard Outcomes Tracking - Outcomes Dashboard
5. City of Faribault HRA Funding Request October 2022 - Mobile Home Rehabilitation initiative
6. Sandy Melacha Mobile Home Coordinator Presentation

Rice County Family Services COLLABORATIVE

**CORRESPONDENCE ADDRESS:**
c/o Healthy Community Initiative
1651 Jefferson Pkwy – Suite HS 128
Northfield, MN 55057
(507) 664-3524
Email: rcfsc@healthycommunityinitiative.org

**FISCAL ADDRESS:**
Rice County Social Services
320 NW 3rd Street
Faribault, MN 55021
(507) 332-6115
Email: rgieseke@co.rice.mn.us

# FUNDING AGREEMENT

This document constitutes an agreement between the partner agency identified below and the Rice County Family Services Collaborative.

**Partner Agency:** Growing Up Healthy (*Northfield Healthy Community Initiative, fiscal host*)

**Time Period:** July 1, 2022 – June 30, 2024

**Project Title:** Mobile Home Rehabilitation

**Funding Amount:** $45,000 ($22,500/year)

The Partner Agency agrees to the following conditions with the awarding of funds through the Rice County Family Services Collaborative:

1. Project activities must be congruent with the mission of the Rice County Family Services Collaborative and the guidelines established by the State of Minnesota.

2. Funds must be used in accordance with the plan approved by the Governing Board.

3. Grant funds are paid as a reimbursement for incurred expenses. Billing for project expenses must be submitted to the Rice County Family Services Collaborative. Bills may be submitted monthly, but must be submitted at least quarterly. The partner agency is required to submit details of the expenses incurred.

4. Progress reports must be submitted to the Collaborative twice per year – by November 30 and by July 20.

5. Project staff will attend meetings, trainings, or other events as requested by the Collaborative.

6. Project work will be as described to the Collaborative. Substantive changes in the workplan must be approved by the Collaborative Governing Board.

7. The Collaborative is prohibited from substituting LCTS funding for any services that previously had funding from another source. This is called supplanting. Under this agreement, use of LCTS funds where funding is no longer available (due to unallotments, budget cuts, termination of grants, etc.) is not considered supplanting. Signing this agreement confirms that you have not used and will not use Collaborative funds for supplanting.

8. For two-year projects, no more than 50% of the total award can be used in Year 1. Funding not expended in Year 1 can be carried over for use in Year 2.

9. The Rice County Family Services Collaborative will retain any unused portion of the allocated money at the end of the grant time period.

10. The Rice County Family Services Collaborative reserves the right to discontinue funding if the above conditions are not met, the project is significantly behind its original workplan, and/or if State/Federal funds are withdrawn or altered.

Erin Bailey
Rice County Family Services Collaborative Representative

4/13/22
Date

Partner Agency Representative

3/23/2022
Date

**Professional Services Agreement**
**Between**
**Northfield Healthy Community Initiative**
**and**
**Brian Kopack**

This document constitutes an agreement between the Northfield Healthy Community Initiative, 1651 Jefferson Parkway – Suite HS128, Northfield, MN 55057 (hereinafter called HCI) and Brian Kopack, 2215 Harbor Drive, Northfield, MN 55057 (hereinafter called the Independent Contractor). This is a 17.5-month contract, beginning on April 13, 2022, and ending on September 30, 2023. Either party with written 10 days' notice may terminate or request to renegotiate this contract. The parties to this agreement intend that the relationship between them created by this agreement is that of agency-contractor. The Independent Contractor has authority to control and direct the preparation and performance of the details of the work, HCI being interested in the results obtained. However, the work contemplated herein must meet the approval of HCI and shall be subject to HCI's right of inspection and supervision to ensure satisfactory completion of the work.

In consideration of the mutual promises set forth in this Agreement, HCI and the Independent Contractor agree to the following:

**1. SERVICES:**
Independent Contractor agrees to perform the services as requested by HCI, including the following:
- Meet with mobile home residents in Northfield and Faribault to assess home repair and weatherization needs
- Assist residents to coordinate with capable/qualified people to complete repairs
- Build a local network of licensed and insured contractors and skilled volunteers to work on mobile homes
- Track data related to mobile home repair and weatherization needs, resources to meet needs, resource gaps, and time from assessment of needs to completion of repair and/or weatherization project
- Share data, including data related to per-home costs to coordinate repairs/weatherization, with HCI to include with reports to funders

In turn, HCI will:
- Maintain financial records and reimburse the Independent Contractor on a timely basis

**2. METHOD OF PAYMENT AND AMOUNT:**
The Independent Contract will be paid at a rate of $35.00/hour. The Independent Contractor will submit hours every two weeks, utilizing an hour tracking system provided by HCI.

HCI will typically reimburse the Independent Contractor within two weeks of receipt of the hours submission.

Any tools or equipment (such as a phone, computer, or car) necessary for the Independent Contractor to fulfill the contract will be supplied by the Independent Contractor.

**3. CONFLICT OF INTEREST:**
The Independent Contractor agrees to comply with the "Conflict of Interest" standards outlined in Appendix A.

**4. BACKGROUND CHECKS:**

The Independent Contractor and all staff and volunteers of the Independent Contractor's project are required to complete a background check before services are rendered. The background check will be completed by HCI.

5. **CONFIDENTIALITY:**

If, in the course of performing the contracted services, the Independent Contractor has access to confidential information regarding HCI or its partner organizations, the Independent Contractor agrees not to use or disclose any confidential information to third parties.

**6. REPRESENTATIONS:**

Independent Contractor represents that all works produced by the Independent Contractor will be made in a professional and competent manner and suitable for the purpose intended.

**7. GOVERNING LAW:**

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

8**. LIABILITY, INSURANCE & INDEMNIFICATION:**

Each Party (HCI and the Independent Contractor) acknowledges that it shall be responsible for any loss, cost, damage, claim, or other charge that arises out of or is caused by the actions of that Party or its employees or agents. No Party shall be liable for any loss, cost, damage, claim, or other charge that arises out of or is caused by the action of any other Party or its employees or agents. Joint and several liability will not attach to the Parties; no Party is responsible for the actions of the other.

Both Parties agree, on behalf of its officers, directors, employees, agents, contractors, subcontractors, and personnel (the "Indemnifying Party") that they shall indemnify and hold the other Party (the "Indemnified Party") harmless from and against any and all third party costs, liabilities, damages, penalties, fines and expenses (including, but not limited to, reasonable attorneys' fees) incurred as a result of settlements, claims, allegations, actions, or suits asserted against the Indemnified Party by any third party to the extent that the liability arose out of the gross negligence or willful misconduct of the Indemnifying Party in its performance under this Agreement.

The Independent Contractor agrees to obtain and maintain appropriate general liability and casualty insurance, or adequate levels of self-insurance, to insure against any liability caused by the Independent Contractor's obligations under this Agreement.

**9. INDEPENDENT CONTRACTOR STATUS:**

It is understood that the Independent Contractor is not an employee of HCI. Thus, the Independent Contractor is not expected to fulfill the conditions of employment of staff, nor is the Independent Contractor eligible for benefits. Payment of Social Security, workers' compensation, and state and federal income taxes is the responsibility of the Independent Contractor. If, for any reason, the Independent Contractor is not able to complete these contractual requirements, payment will be adjusted on the basis of work performed. Any work product generated through HCI remains with HCI.

**10. CIVL RIGHTS & NON-HARASSMENT POLICY:**

With this project, there will be a zero tolerance for the harassment of any individual or group of individuals for any reason. All forms of discrimination based upon race, color, national origin, gender, age, religion, sexual orientation, disability, gender identity or expression, political affiliation, marital or parental status, or military service are prohibited. Harassment includes, but is not limited to: explicit or implicit demands for sexual favors; pressure for dates; deliberate touching, leaning over, or cornering; offensive teasing, jokes, remarks, or questions; letters, phone calls or distribution or display of offensive materials; offensive looks or gestures; gender, racial, ethnic or religious baiting; physical assaults or other threatening behavior; or demeaning, debasing or abusive comments or actions that intimidate. This policy applies to all individuals employed under, volunteering for, or participating in an HCI-supported program. Violation of this policy may result in termination of this Agreement.

**11. LOBBYING ACTIVITIES:**
No funds from this agreement can be used to support any lobbying activities.

**12. AFFILIATION WITH PROJECT FUNDERS:**
It is understood that the Independent Contractor is not a subsidiary of HCI and that employees of the Independent Contractor are not employees of HCI. If, for any reason, the Independent Contractor is not able to complete these contractual requirements, payment will be adjusted on the basis of work performed.

**13. NOTICES:**
Service of notice required or permitted under this Agreement shall be sufficient if given personally to the Independent Contractor or if sent certified mail, postage prepaid to either party at the respective address set forth above. Notice to HCI shall be sent to the attention of HCI Executive Director. Such notice shall be effective upon delivery or the date delivery is attempted and refused.

**14. ENTIRE AGREEMENT:**
This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement. No other agreements, oral or written, regarding the subject matter of this Agreement shall be deemed to exist. This Agreement may be modified only by written agreement of the parties. This Agreement shall be binding upon and inure to the benefit of HCI and the Independent Contractor and their respective successors and assigns.

**INDEPENDENT CONTRACTOR**

Print Name Here: Brian Kopack

Signature: [signature]

Date: April 27, 2022

**ON BEHALF OF NORTHFIELD HEALTHY COMMUNITY INITIATIVE, Its Executive Director**

Print Name Here: Zachary Pruitt

Signature: [signature]

Date: 4/27/2022

## Appendix A
## Conflict of Interest

No official or employee shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award cooperative agreement, claim, controversy, or other particular matter in which award funds are used, where to his or her knowledge, he/she or his/her immediate families, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment has a financial interest of less than any arms length-transaction.

In the use of agency project funds, personnel and other officials shall avoid any action that might result in or create the appearance of:

- Using his or her official position for private gain
- Giving preferential treatment to any person
- Losing complete independence or impartiality
- Making an official decision outside of official channels, or
- Affecting adversely the confidence of the public in the integrity of the government or the program.

Thriving Youth. Thriving Community.

# Careers

## Mobile Home Rehabilitation Coordinator

January 17, 2022

Up to 40 hours per week, serving families in Rice County; flexibility exists if part-time work is desired (work plan will be adjusted accordingly)

In collaboration with a number of community partners, Growing Up Healthy is seeking a Mobile Home Rehabilitation Coordinator to join our team. The person in this position will support the increased safety, health, and energy efficiency of mobile homes for residents in Northfield and Faribault by connecting them with local and regional rehabilitation programs and licensed/insured contractors to complete rehabilitation work. The person in this role will coordinate with contractors, homeowners, residents, and/or mobile home park managers to ensure compliance with safety, regulatory, contractual, and code regulations, and assist residents and contractors with forms and verifications needed to access local rehabilitation and energy assistance programs.

**Required qualifications:**

- Associate Degree from a regionally accredited two-year college; or vocational or specialized construction trade certificate and three years of experience in construction, property management or a related field and one year project management experience; or an equivalent combination of training and experience as indicated above

- Proficient in Microsoft Office Suite and Google Suite (Google Drive, Gmail, etc.)
- Knowledge of housing inspection and construction methods, procedures, and practices
- Ability to efficiently coordinate communication among mobile home owners, contractors, code officials, and public officials
- Able to work outside in neighborhoods as well as in an office setting
- Excellent verbal and written communication skills
- Excellent organizational skills and attention to detail
- Ability to multi-task and manage complicated workflows
- Excellent ability to remain calm and flexible in order to solve problems and troubleshoot issues
- Ability to work with minimal supervision and as a member of a team
- Capable of completing work on time in a fast-paced environment while maintaining a positive attitude
- Ability to work select evening hours and to travel within Rice County (must possess and maintain a valid Minnesota driver's license)
- Willingness to maintain the standards, carry out the purpose, and adhere to the policies of the Healthy Community Initiative
- Maintenance of a cell phone is an expectation of employment

**Preferred qualities:**

- Familiarity with Northfield, Faribault, and Rice County organizations and resources
- Bilingual in English and Spanish

**To apply, please submit:**

1. Cover letter
2. Résumé
3. Salary considerations
4. Contact information for three professional references

Email to: sandy@healthycommunityinitiative.org. Application review will begin immediately and will continue until the position has been filled.

Back to Careers/Internships » (/about/careers-internships/)

## In This Section

Announcements (https://healthycommunityinitiative.org/about/announcements/)

Careers (https://healthycommunityinitiative.org/about/careers-internships/)

Our Supporters (https://healthycommunityinitiative.org/about/our-supporters/)

Publications (https://healthycommunityinitiative.org/about/publications/)

Staff and Board (https://healthycommunityinitiative.org/about/staff-and-board/)



1651 West Jefferson Parkway, Suite 128
Northfield, MN 55057-2760
507.664.3524

Partner Agency Guidelines (/files/HCI-Partner-Guidelines.pdf)

(https://www.facebook.com/healthycommunityinitiative/)

(https://twitter.com/RiceCountyHCI)

(https://www.instagram.com/healthycommunityinitiative/)

| | | | | |
|---|---|---|---|---|
| **GOAL** | Establish a process through which mobile home residents in Faribault and Northfield - with prioritized focus on families with preschool and school-age children - may access financial and coordination support to make repairs to their mobile home that directly result in improved safety and energy efficiency for residents, including children, youth, and their parents/caregivers. | | | |
| | **Objective #1** | Identify and document mobile homes in need of repairs or replacement; establish relationships with residents to develop a baseline report about the current conditions of mobile homes in prioritized neighborhoods; complete basic repair projects | | |
| | | **Activity #1** | Work with mobile home rehabilitation experts to examine mobile homes in neighborhoods where a significant number of preschool and school-age children and their families reside; document repair needs and note which homes would be prioritized for replacement due to irreparable conditions | Brian will introduce himself to mobile home park managers |
| | | **Activity #2** | Work with YouthBuild and local volunteers to coordinate completion of basic repair and rehabilitation projects | |
| | | **Activity #3** | Coordinate with Hosanna's Operation Build program and Habitat for Humanity to source affordable materials and furnaces or appliances; identify licensed/insured HVAC, plumbing, and other trained professionals to complete repairs and replacements; coordinator volunteers for repairs or projects that do not require a licensed/insured contractor; lead heat tape campaign outreach and volunteer coordination | |
| | **Objective #2** | Coordinate with local lending agencies and each city's Housing and Redevelopment Authority (HRA) to ensure mobile home rehabilitation lending programs are accessible to mobile home residents. | | |
| | | **Activity #1** | Analyze barriers to accessing existing HRA and lending programs | |
| | | **Activity #2** | Coordinate with decision-makers to improve program applications and processes, and support mobile home residents who are accepted to programs to implement repairs and complete program requirements | |
| | | **Activity #3** | Co-facilitate information sessions alongside program leads to improve mobile home residents' awareness of available programs | |
| | | **Activity #4** | Assist mobile home residents to complete application forms for local and regional rehabilitation and energy assistance programs | |
| | **Objective #3** | Serve as an advocate for mobile home renters to support communication with the owners to request repairs; work with owners to ensure they have the correct documentation (such as the title to their trailer, etc.) to be able to apply for rehabilitation programs. | | |
| | | **Activity #1** | Identify mobile homeowners in need of support to secure documentation related to home ownership, and connect them with supportive services to obtain documentation | |
| | | **Activity #2** | Identify mobile home renters in need of support to communicate with the homeowner about needed repairs; serve as a liaison to advocate for making repairs | |
| | | **Activity #3** | Track and summarize data; share with decision-makers and advocate for systems changes and program improvements to ensure all mobile home residents (renters and owners) have support to access mobile home rehabilitation and energy efficiency programs | |

| **Outcome Measures** | | |
|---|---|---|
| Baseline report outlining the current condition of mobile homes in prioritized Faribault and Northfield mobile home parks completed and disseminated to partners.<br><br># of mobile homes in Northfield<br># of mobile homes in Faribault<br>% assessed for repair or replacement | | |
| Coalition of licensed/insured contractors and experienced volunteers secured; significant improvement in timeliness of mobile home repairs as tracked by coordinator.<br><br># of residents reporting repair needs<br>Of these, # of repairs completed (track time from report to project completion to measure improvements in timeliness)<br># of homes served through heat tape campaign<br>Track barriers to timely project completion, such as renters unable to coordinate with owners | | |
| Improved communication and support to residents who do not qualify for other energy or housing programs due to barriers; network of local donors, including the faith community, established to support these residents<br><br># of residents served who are ineligible for current programs<br>Of these, # connected to other supportive services, such as faith community donations and volunteers | | |

**Mobile Home Rehabilitation Initiative**
**City of Faribault HRA Funding Request, October 2022**

**>>The brief initiative overview can be found here** -- this continues to be updated/revised based on feedback (please share!).
**>>The brochure (including brief data points) can be found here**

Initial funding for materials, supplies, and limited funding for contractor fees for repairs (licensed/insured electricians and HVAC/plumbers) has been secured through grants from the Rice County Family Services Collaborative and StriveTogether, as well as donations from Hosanna Church in Dundas.

According to data supplied by Rice County Housing, there are approximately 660 mobile homes in Faribault and Northfield, with an average age of 40 years. **70% of these mobile homes are in the Faribault area (462 units)**; 30% are in the Northfield area (198 units).

The City of Northfield has committed $25,000/year for 22-23 and 23-24 to help cover staffing the Mobile Home Rehabilitation Coordinator role. With this allocation, the City of Northfield is covering 30% of the total cost of the Mobile Home Rehabilitation Coordinator role.

The current gap for the Mobile Home Rehabilitation Coordinator role is $55,000 per year ($110,000 for two years through June 2024).

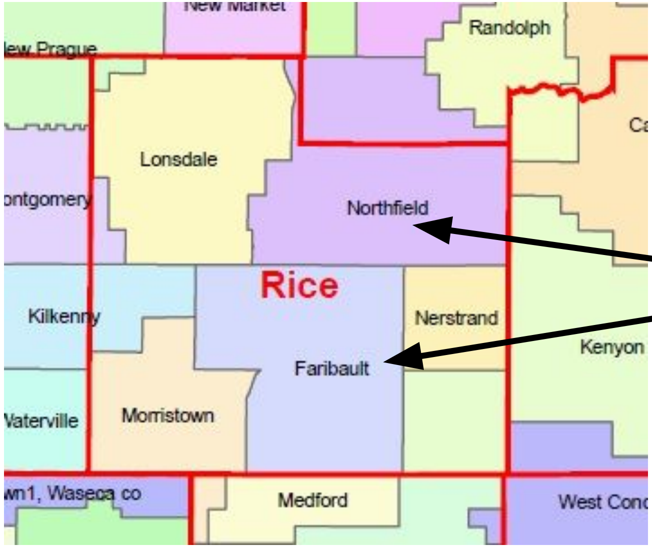
An HCI program

# Growing Up Healthy

Healthy Community Initiative

Thriving youth. Thriving community.

Improving
**safety**
and
**energy efficiency**
of mobile homes




**Faribault**
and
**Northfield**

Growing Up Healthy

# Mobile homes are a critical source of affordable housing in Rice County.

Growing Up Healthy supports parents and caregivers in their role as their child’s first and most important teacher. Part of helping kids thrive is making sure they have a safe, healthy home.

# Growing Up Healthy

## Faribault's Mobile Homes

From the Rice County Assessor's Office (April 2022)

Number of units: **462**

Average age: **38 years**

**398 children/youth**

*12% of the student body*

*(Fblt Transportation Company)*

## Northfield's Mobile Homes

From the Rice County Assessor's Office (October 2021)

Number of units: **198**

Average age: **39 years**

**180 children/youth**

*4.5% of the student body*

*(Nfld Public Schools)*

Growing Up
Healthy


## Challenges faced by mobile home residents:

- ★ Minnesota weather extremes
    - ○ Frozen pipes, high energy bills
- ★ Lack of licensed/insured contractors
- ★ Difficulty sourcing specialized furnaces, water heaters, etc.
- ★ Difficulty sourcing energy efficient, MN-ready manufactured homes
- ★ Coordinating with city permitting and park managers
- ★ Complex paperwork/forms for weatherization and repair programs

# Growing Up Healthy

## Mobile Home Rehabilitation Coordinator initiative launched in May 2022 in partnership with community members and partners

**Meet**
**Brian Kopack**
Mobile Home Rehabilitation Coordinator

**Meet**
**Jen Barrientos**
Growing Up Healthy Director

Growing Up Healthy

## Partners Providing Financial and/or Technical Assistance:

- ★ Clean Energy Resource Teams (CERTs)
- ★ Community Action Center
- ★ Faribault Fire Chief Dustin Dienst
- ★ First English Lutheran Church
- ★ Hosanna Church
- ★ Justice40 Accelerator (national partner)
- ★ Rice County Family Services Collaborative
- ★ Rice County Habitat for Humanity
- ★ Rice County Housing
- ★ Rice County YouthBuild
- ★ Slipstream
- ★ Three Rivers Community Action
- ★ Xcel Energy Partners in Energy
- ★ City of Northfield

# Growing Up Healthy

**Goals:**

- Build ongoing, trusting relationships
- Train-the-trainer
- Combine funding and resources, remove barriers
- Improve safety and energy efficiency of mobile homes
- **Contribute data, community voice to a long-term affordable housing strategy that helps kids and families stay in our community, attend our schools, fill local jobs**

Growing Up Healthy

**Bright Spots:**

- Program coordination
- Volunteer engagement
- Repairs completed in partnership with homeowners
- Neighbors helping neighbors
- Career pathways in the trades
- **Kids and families feel safe and cared for - improves everything from community engagement to school attendance and more!**

# Growing Up Healthy

## Since launching in May 2022:

- **35** home assessments completed; **15+** other homes received immediate repairs
    - *8 homes with children could be replaced due to irreparable conditions*
- **3** projects completed by Rice County YouthBuild
- **18** homes had heat tape corrections/additions

Growing Up Healthy

# Support requested:

1. **Time and talent -** Need a network of local licensed/insured contractors in plumbing, heating, electrical, roof repair; volunteers to support homeowners with basic repairs

2. **Funding -** Approximately 660 mobile homes in Faribault and Northfield, with an average age of 40 years. **70% of these mobile homes are in the Faribault area (462 units). The current funding gap for the Mobile Home Rehabilitation Coordinator role is $55,000 per year.** Limited grant funding ends in 2024.

Growing Up Healthy

An HCI program

Healthy Community Initiative

Thriving youth. Thriving community.

# Thank you!

**Sandy Malecha, Healthy Community Initiative**

**sandy@healthycommunityinitiative.org**

**Cell 612-702-3992**

**Agenda Item: 6.C**

## Request for Action

**TO:** Faribault Housing & Redevelopment Authority

**FROM:** Deanna Kuennen, Community & Economic Development Director

**MEETING DATE:** October 10, 2022

**SUBJECT:** Resolution 2022-09 Approve a Preliminary Development Agreement with Faribo Downtown Central
Update on Faribo Downtown Central Funding Request - $500,000

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**BACKGROUND:**

At the March 14, 2022 HRA meeting, members representing the Downtown Investment Group (DIG Holdings, LLC) presented their plans for the purchase and redevelopment of 13 properties in downtown. DIG Holdings, LLC was seeking financial assistance to acquire and rehabilitate the buildings. The HRA discussed the positive impacts that this proposed project could have in terms of preserving and redeveloping downtown - ultimately determining that the HRA was willing to commit a total of $500,000 from the General Fund, over two (2) years with the condition that the HRA funding could not be used for properties that have occupied apartments and would result in displacement. The HRA directed Staff to work with legal counsel to determine how best this action could be completed under the statutes regulating the HRA. Staff worked with legal counsel to evaluate the appropriate legal mechanism to fulfill the HRA's direction.

At the April HRA meeting, Staff presented a Preliminary Development Agreement for review, approval, and execution. The HRA must adhere to a prescribed procedural process when providing public funding to ensure that evaluations of requests are universally fair and unbiased, which is subject to scrutiny of the auditor. The Preliminary Development Agreement tool outlines that the HRA will endeavor to provide funding in the amount of $500,000, and it will work in good faith to review a specific funding request associated with a specific proposal at the appropriate time. In order for the HRA to actually provide the funding, there will need to be a specific project (for example, specific work identified on a specific property/properties), the HRA will need to develop a specific program/program guidelines and transfer HRA general fund dollars into the program, and execute necessary HRA loan documents. The HRA approved the Preliminary Development Agreement and authorized its execution, but the agreement was not executed.

Since then, the acquisition of the portfolio of 13 properties has occurred. However, the entity undertaking the acquisition of the properties changed. The acquisition group is Faribo Downtown Central (FDC), and they were seeking a renewed commitment of HRA funding. At the September HRA meeting, members of the acquisition group attended and provided an update to the HRA on the acquisition, as well as their plans and proposed schedule for moving forward. After much discussion, the HRA agreed to renew their commitment for the funding - and directed Staff to work with legal counsel to update the Preliminary Development Agreement and any other necessary actions.

**UPDATE:**

The plans for the buildings have continued to evolve. Based on information presented at the Special EDA meeting on September 28th - Staff has requested that Faribault Downtown Central once again attend the HRA meeting to provide an update on how the HRA funding will be used. Nort Johnson has provided the attached information, which more clearly identifies funding sources and uses for Phase 1, and anticipated Phase II costs. Mr. Johnson will also attend the HRA meeting. Scott Riggs, Legal Counsel, will also be at the meeting to answer any questions regarding the business subsidy laws.

**REQUESTED ACTION:**

Approve Resolution 2022-09 Approving Preliminary Development Agreement and Funding Commitment (to be distributed at meeting). The Preliminary Development Agreement will include the conditions of the funding, and identify future actions related to program and policy creation to support the distribution of funding.

**ATTACHMENTS:**

1. 10-7-22 EDA-HRA grant allocation request memo from FDC
2. 10-7-22 EDA - HRA Investment 13 buildings Phase I worksheet
3. HRA_DIG_Preliminary_Development_Agreement
4. Faribo Downtown Central Draft Plan and Strategy Document
5. DOCSOPEN-#831105-v1-HRA_Resolution_approving_a_preliminary_development_agreement

# Memorandum from the desk of Nort Johnson

FARIBO DOWNTOWN CENTRAL

Memo: Faribo Downtown Central LLC forgivable loan request
To; Deanna Kuennen, CED Director, Faribault EDA and HRA

10/7/2022

Dear Deanna and Faribault EDA and HRA,

Faribo Downtown Central LLC (FDC) is a partnership of the Faribault Industrial Corporation, Mike & Mary Richie and Brett Reese. This organization assumed the purchase agreement negotiated by our Community Investment Fund (CIF) group made with John Sheesley for 13 buildings in the Historic Downtown District of Faribault. The transaction closed in mid-July.

The CIF group presented earlier this year and the EDA and HRA each committed to $500K in forgivable loans for this project. Since that presentation the changes in economic and market factors gave us pause on fundraising. The failure of the Minnesota legislature to renew the Historic Tax Credits was one of the key factors along with surging interest rates. The FDC partners are all part of the original CIF team and agreed that it was critical for the downtown to move these properties into development friendly hands. FDC was formed and proceeded with the acquisition under the new umbrella.

FDC is moving ahead with securing the buildings from water infiltration, debris removal and general preparation for the next phases of renovation. We want to ensure that before the winter freeze the roofs are replaced/repaired so interior work is not compromised. Initial bid pricing shows costs could exceed $700,000.

Attached find the requested breakdown of grant allocations by building. As directed, no dollars are allocated to buildings with tenants that may be relocated during the renovations. The spreadsheet shows phase I and phase II investments by building and the 2022 (phase I) disbursements of $250K from each the EDA and HRA. Below find a breakdown of funding sources for phase I. Note that the acquisition was funded by investor capital and loan proceeds.

| **Funding Sources Phase I** | |
|---|---:|
| EDA forgivable loan | $250,000 |
| HRA forgivable loan | $250,000 |
| DEED Grant | $250,000 |
| Private capital | $260,340 |
| *total phase I* | $1,010,340 |

The funding sources for ongoing costs in phases I & II will be from additional private capital, loans, historic tax credits, and potential sales of properties not subject to investment of forgivable loan proceeds. Expected ongoing costs will exceed $1.5 million. The estimated total investments in these buildings will exceed $10.5 million.

Thank you for considering our request. Both FDC and the Faribault Industrial Corporation are committed to making a difference in Faribault and your participation is making this possible.

Sincerely,

Nort Johnson

Cc; FDC Team, Faribault Industrial Corp Board, file

# Faribo Downtown Central LLC Properties

| Property Name | Address | Approx. Above Ground SF | Portfolio allocations | | Roof repairs (less sheeting and structural) | Cleaning / Clearing | Buildout | Acquisition and Phase I work | Phase II Estimates | Phase I Grant Allocations HRA | Phase I Grant Allocations EDA |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 116 | 116 Central Avenue | 4,865 | 146,860 | | 0 | 2,250 | | 149,110 | 335,500.00 | 0 | 0 |
| 219 | 219 Central Avenue | 5,940 | 375,246 | | 56,425 | 2,000 | 100,000 | 533,671 | $85,580 | 75,000 | 75,000 |
| 223 | 223 Central Avenue | 8,129 | 336,995 | | 5,100 | 9,145 | 156,420 | 507,660 | $626,000 | 75,000 | 75,000 |
| 225 | 225 Central Avenue | 3,520 | 221,339 | | 49,250 | 1,800 | | 272,389 | $213,840 | 0 | 0 |
| 227 | 227 Central Avenue | 3,520 | 167,840 | | 47,850 | 2,000 | | 217,690 | $249,403 | 25,000 | 25,000 |
| 229 | 229 Central Avenue | 3564 | 230,780 | | 63,650 | 2,673 | | 297,103 | $521,125 | 25,000 | 25,000 |
| Eastman | 301 Central Avenue | 19,424 | 576,950 | | 238,915 | 21,852 | | 837,717 | $2,117,060 | 0 | 0 |
| 311 | 311 Central Avenue | 3,564 | 217,773 | | 46,150 | 0 | | 263,923 | $288,321 | 0 | 0 |
| 313 | 313 Central Avenue | 4,675 | 236,475 | | 51,025 | 2,500 | | 290,000 | $412,500 | 25,000 | 25,000 |
| 329 | 329 Central Avenue | 3,498 | 164,693 | | 47,400 | 3,935 | | 216,028 | $587,400 | 25,000 | 25,000 |
| 329 Lot | Vacant Lot (.06 | | | | | | | | | | |
| | totals | 60,699 | 2,674,950 | Bids | 605,765 | 48,155 | 256,420 | 3,585,290 | $5,436,729 | | |
| | | | | Roof reserve | 100,000 | | | | | 0 | |
| Acquisition | 2,674,950 | | | Total roof | 705,765 | | | Total PH I Grant Allocations | | 250,000 | 250,000 |

| | | |
|---|---|---|
| Phase I Clean and Dry | 753,920 | Roof bids plus reserves for expected structural repairs & cleanup |
| Phase I planned buildout | 256,420 | |
| *Total Phase I* | *1,010,340* | |
| | | |
| **Ongoing costs (Phases I & II)** | | |
| Structural repairs | 150,000 | |
| H-Vac reserve | 175,000 | |
| Soft Costs | 1,218,973 | architecture, inspection, accounting, engineering, permits, taxes,legal fees |
| *Total ongoing costs p I & II* | *1,543,973* | |
| | | |
| Phase II renovations | *5,436,729* | |
| | | |
| ***Estimated Total Investment*** | ***10,665,992*** | |

| ***Notes*** | |
|---|---|
| * | ***indicates current tenants*** |
| 219 Buildout | office and apartment buildout |
| 223 Buildout | apartment plan/rough in (student housing) |
| Roof Reserve | expected repairs for decking and beams |

# PRELIMINARY AGREEMENT

THIS AGREEMENT (the "Agreement"), made and entered into as of this ____ day of April, 2022, (the "Effective Date") by and between the Housing and Redevelopment Authority of Faribault, a Minnesota public body corporate and politic under the laws of Minnesota (the "City*")* and DIG Holdings LLC, a Minnesota limited liability company (the "Developer") or its assigns:

WITNESSETH:

WHEREAS, Developer has entered into a purchase agreement for the acquisition of certain real property, which is located in Rice County, Minnesota, legally described on Exhibit A attached hereto and hereby made a part hereof (the "Development Property"); and

WHEREAS, the City desires to promote development of property, businesses and housing in the City of Faribault; and

WHEREAS, Developer, or a special purpose entity to be formed by the Developer for the purpose of completing this project, has submitted or is in the process of submitting an updated proposal for development of the 13 parcels in the Development Property (the "Development"); and

WHEREAS, the Developer has indicated that it will seek business subsidy assistance or financial incentives from the City to make the Development feasible; and

WHEREAS, the City and Developer are interested in discussing and further planning, as well as potential financial assistance, for the Developer's proposal for the Development; and

WHEREAS, the City will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other studies which are either required by law or deemed appropriate by the City; and

WHEREAS, the City will continue to discuss and negotiate with the Developer regarding the overall development of the Development Property; and

WHEREAS, the City is willing to discuss with the Developer public subsidies which may be available for the Development in an amount up to $500,000.00, likely in the form of a forgivable loan, however, nothing herein shall be interpreted as an approval or guarantee of any future public financial assistance; and

WHEREAS, various ordinance, land use, zoning, and subdivision issues and actions related to the Development and the Development Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City agrees to cooperate with the Developer to review and to assist the Developer, where deemed appropriate by the City, with obtaining various ordinance, land use, zoning, and subdivision approvals and actions related to the Development and the Development Property in order to facilitate the

Development by the Developer, provided that nothing herein shall be interpreted as an approval or guarantee of any future land use, zoning, or other required City approvals; and

WHEREAS, the City is willing to consider and the Developer is desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the City's commitment for public costs, if any, necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by Developer; and (iii) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Future Negotiations.

The parties agree to continue negotiations pursuant to the terms of this Agreement in an attempt to formulate a definitive plan for the Development based on the following:

(a) Developer's proposal, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together with any changes or modifications required by the City;

(b) Mutually-satisfactory agreements or contracts to be negotiated and agreed upon in accordance with negotiations contemplated by this Agreement;

(c) Mutually satisfactory terms for the Development that may be required for the Development (e.g. access and utility easements, allocation of infrastructure costs, etc.); and

(d) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to the negotiation and execution of mutually-satisfactory agreements prior to the termination date of this Agreement.

3. Term; Duties.

(a) During the term of this Agreement, the City agrees to:

(i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development; and

(ii) Should negotiations be successful, enter into an agreement or agreements satisfactory to the City in its sole discretion, with the Developer for the Development.

(b) During the term of this Agreement, the Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for purchase and development of the Development Property;

(ii) Conduct a due diligence review of the Development Property, including without limitation, which must be acceptable to the Developer in its sole discretion: title, survey, environmental (Phase I & Phase II reports), soils, and market studies;

(iii) Acquire the Development Property;

(iv) Obtain approval by the City (including its Engineer, Planning and Inspection Department, and any other governing authority) of the site plan, exterior elevations and finishes, and zoning and subdivision approvals;

(v) Obtain any other necessary governmental approval from any governing authority;

(vi) Obtain financing on terms acceptable to Developer, including but not limited to public subsidies, private loans, tax credits, or equity investment(s); and

(vii) Should negotiations be successful, enter into an agreement or agreements with the City for the Development.

4. Business Subsidies.

(a) The City understands that the Developer is seeking business subsidy assistance from the City in an amount up to $500,000.00, likely in the form of a forgivable loan. During the term of this Agreement, Developer shall:

(i) Submit to the City a design proposal to be reviewed by the City showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development;

(ii) Submit an over-all cost estimate for the design and construction of the Development;

(iii) Submit a time schedule for the Development;

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development;

(v) Submit to the City the Developer's financing plan showing that the proposed Development is financially feasible;

(vi) Furnish satisfactory financial data to the City evidencing Developer's ability to undertake the Development; and

(vii) Furnish information in its possession and assist the City with obtaining all available business subsidy assistance which the City may deem appropriate.

(b) Developer understands that any business subsidy assistance sought for the proposed Development must be obtained as outlined by law.

5. Feasibility.

It is expressly understood that execution and implementation of any agreements entered into between the parties hereto shall be subject to:

(a) A determination by the City in its sole discretion that its undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City.

(b) A determination by Developer that the Development is feasible and in the best interests of Developer.

6. Effective Date; Expiration.

This Agreement is effective from the Effective Date until six (6) months after the Effective Date. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

7. Termination.

This Agreement may be terminated if Developer abandons the acquisition of the Development Property, or ceases to negotiate in good faith with the City, and such failure to negotiate in good faith is not cured after 30 days written notice of such failure by City to Developer.

8. Severability.

If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

9. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach.

10. Notice.

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to City: City of Faribault
208 1st Avenue NW
Faribault, MN 55021
ATTN: Deanna Kuennen

With a copy to: Kennedy & Graven, Chartered
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
ATTN: Scott J. Riggs

(b) As to Developer: DIG Holdings LLC
3305 Highway 60 West
Faribault, MN 55021
ATTN: ____________________________

11. Counterparts.

This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

12. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

13. Additional Actions.

The parties hereto understand that additional and separate actions, for which no obligation is created hereunder, will be required before either the City or Developer is obligated to take various actions with respect to the Development. Those actions potentially include, but are not limited to:

(a) Zoning, comprehensive plan, and subdivision approvals for any land use or development proposed by Developer; and

(b) Review of any business subsidy, as required by law.

14. Incorporation.

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has caused this Agreement to be duly executed in its name and behalf and the City has caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

DIG HOLDINGS LLC

By: ______________________________
______________________________
Its: Chief Manager

CITY:

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT

By: ______________________________
Matthew Speckhals
Its: President

By: ______________________________
Deanna Kuennen
Its: Executive Director



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# EXHIBIT A

## DESCRIPTION OF DEVELOPMENT REAL PROPERTY

# Faribo Downtown Central LLC

## Plan & Strategy

## Property Portfolio

## Meeting with the City of Faribault

**July 28, 2022**

Rebound Partners
INVESTMENTS • MANAGEMENT

## Summary Overview

Sprout Properties LLC ("Sprout") entered into a purchase agreement with Palisades Group, LLC ("Palisades") and John and Kara Sheesley ("Sheesley"), to purchase 13 buildings in downtown Faribault, MN. Sprout also entered into a separate purchase agreement with GW Properties ("GW") to purchase one building at 227 Central Avenue that is contiguous with the Sheesley properties. Herein, Palisades, Sheesley and GW will collectively be referred to as "Sellers". Sprout will assign the Purchase Agreements to a new LLC to be named ("Buyer") that will be formed by an investor group led by Rebound Partners ("Rebound") to purchase the properties. With value adds provided from the Buyer, Rebound and 3rd Parties, the buildings will be resold to investors, developers and owner occupiers for renovation, revitalization and development. The Buyer and Rebound will provide assistance and ensure that programs, grants and other potential financing sources are available in the redevelopment of these buildings.

The purchase of this 13 historic 57,994 square foot above ground building portfolio in Downtown Faribault is a unique and transformational opportunity to energize, upgrade and improve the vitality and appeal of the downtown district. The vision is to fill main level storefronts with retail, service, food & beverage and office space, and the second floors fully utilized for housing (rental, extended stay, VRBO, etc.). The objective is to create a downtown atmosphere of shops and spaces that are renovated and appeal to the local community, visitors and tourists as they walk the streets of Downtown Faribault.

The buildings are located on or around Central Avenue in Faribault, which is considered the "Main Street" of Faribault. Central Avenue is a north-south street that is sandwiched between First Avenue Northeast and First Avenue Northwest.

The buildings were built in the late 1800's and early 1900's and are mixed-use properties utilized as office, service, retail, food & beverage and urban housing. A table summarizing the properties is below. A photo of each property with the address, primary owner and a more detailed description of each property can be found in Appendix A.

**Property Information**

| Property Owner | Property Address | Year Built | Taxable Market Value 2022 | Total Taxes | Above Ground Sq. Ft. | Allocation | Renovation | Notes: |
|---|---|---|---|---|---|---|---|---|
| Palisades Group LLC | 116 Central Avenue (114 & 116) | 1865 | $ 168,400 | $ 3,068 | 3,000 | **$ 219,824** | Minor | 1 story addition on back. |
| John & Kara Sheesley | 219 Central Avenue | 1890 | $ 224,400 | $ 5,436 | 5,940 | **$ 292,925** | Minor | 3 stories mostly redone, mechanicals 6-7 yrs old, Johns office and photgraphy studio, new furnace/no A/C, roof leak, failed windows |
| John & Kara Sheesley | 223 Central Avenue | 1910 | $ 200,800 | $ 4,718 | 8,129 | **$ 262,118** | Major | Double wide building, Somlian food shelf, rent $1250 going to $1750, 4 gutted apartments upstairs |
| Palisades Group LLC | 225 Central Avenue | 1910 | $ 170,000 | $ 3,220 | 3,520 | **$ 221,913** | Minor | 2 good apartments paying $800 and $650 month, decent building |
| John & Kara Sheesley | 229 Central Avenue | 1895 | $ 201,200 | $ 3,868 | 4,682 | **$ 262,640** | Major | Corner, Mercado paying $1000/month, rear office $500/month, new furnaces, 3 apartments, chimney needs replacing |
| John & Kara Sheesley | 301 Central Avenue (301, 303, 305 and 10,12,14,16 3rd St. NE) | 1920 | $ 414,400 | $ 8,820 | 19,424 | **$ 540,945** | Major | Eastman Buildings. 6110 retail + 2552 retail, 7 apartments, |
| John & Kara Sheesley | 311 Central Avenue | 1920 | $ 133,300 | $ 2,448 | 3,564 | **$ 174,006** | Major | 2 story building, 3630sf lot, 81x22 building, 1782sf floorplates |
| John & Kara Sheesley | 313 Central Avenue | 1916 | $ 147,100 | $ 2,602 | 2,673 | **$ 192,020** | Major | 2 story building, 3630sf lot, |
| John & Kara Sheesley | 329 Central Avenue | 1920 | $ 171,300 | $ 3,148 | 3,498 | **$ 223,610** | Major | Corner building. |
| John & Kara Sheesley | Vacant Lot (.06 acres) | | $ 14,500 | $ 348 | | | | Lot behind 329 & 327 Central. Part of acquisition of 329 Central. Used for parking. 2420sf |
| GW Properties | 227 Central Avenue | 1910 | $ 136,800 | $ 2,382 | 3,564 | **$ 160,000** | Major | 2 story building, 3,278sf lot, 80x22 1760sf floorplates |
| | | | **$ 1,982,200** | **$ 40,058** | **57,994** | **$ 2,550,000** | | |

## Investor and Management Group

The Buyer of the properties will be a newly formed LLC led by Rebound Partners ("Rebound"), an investment and management firm with extensive experience in real estate, particularly in purchasing, developing, renovating, revitalizing, operating, leasing and selling downtown and historic properties. Rebound also has expertise in securing historic tax credits and other development funds and incentives and will also work with other parties to secure funding. Rebound's real estate arm, Rebound Real Estate will be leading and managing this project. Rebound has an extensive background in real estate acquisitions and development and will lead and manage the project. Rebound was founded by Managing Partner Brett Reese along with others including Chris Kennelly and has several business verticals with interests in real estate, hospitality, food & beverage, storage, financial services and manufacturing. G&H will manage the property.

Rebound is excited to form the Buyer entity to further the mission of the Sheesley's (until becoming resource constrained) to secure developers and owner operators to purchase, renovate, occupy and sell these unique and historic buildings and revitalize downtown Faribault's "Main Street" for the community. The Buyer and Rebound plans to assist in the development, renovation and sale of properties in the portfolio. Investors of the Buyer will include six or more individual investors and entities investing $200,000 each, depending on estimated closing and carrying costs and the cash flow of the new entity. Investors currently include Brett Reese, Mike Ritchie and the Faribault Industrial Corp.

The total purchase price of the portfolio is $2,550,000, consisting of $2,390,000 to purchase the Sheesley ($1,940,000) and Palisades ($450,000) properties, and $160,000 to purchase the G.W. Property. Based upon the sales price of $2,550,000 and the total square footage of 57,994 – this equates to a cost per square foot of $43.97. Estimated additional costs over the next two years including closing and carrying costs total approximately $400,000.

## Renovation and Resale

The Buyer will work with investors, developers and owner operators that will purchase, renovate, occupy and lease these unique and historic buildings. Some properties in the portfolio require more significant renovation, while others need only minor modifications. It is anticipated the Faribault Economic Development Authority (EDA) and Housing and Development Authority (HRA) will each offer $500,000 in grants to help in renovating the properties. There also is a possibility that a portion of a MN DEED Grant obtained for Faribault by the Chamber of Commerce can be used on the renovation of buildings on this project. Historic tax credits may also be available on the properties; Rebound has experience in securing historic tax credits and renovations and will assist developers and owners in securing funds for renovating the properties.

During the period the Buyer owns the buildings the EDA and HRA Funds from the City of Faribault may be accessed to work on capital expenditure items to improve the buildings such as roofs, window replacements and the facades.

The vision for revitalizing the properties includes upstairs and potentially downstairs apartments, offices, retail shops, bars and restaurants with sidewalk seating, healthcare facilities, and the local college. The goal is to revitalize the downtown storefronts along Faribault's main street and draw people downtown.

## City of Faribault and the Historic Downtown Area

Faribault is a historic and dynamic, growing community in Southeastern Minnesota situated at the confluence of the Cannon and Straight Rivers and is the county seat of Rice County. Faribault is located along Interstate 35, just 25 minutes south of the Twin Cities metropolitan area and enjoys the advantages and conveniences of being near a major metropolitan center while providing the livability of small-town Minnesota. Faribault has a vibrant business community, excellent educational opportunities, and a wide variety of recreational and cultural offerings, combining to make the community a great place to visit, work, and live.

As of July 1, 2021, the cities' population was 24,746 including 65% white, 15% Black/African American, 14% Hispanic/Latino, 1.6% Asian, and 1.2% Native American. There were 8,658 households with estimated household income of approximately $55,000. The Faribault Public School District had an enrollment of 3,500 as of April 6, 2022.

Some of the largest businesses in Faribault include Faribault Foods (500 employees), ABC Bus Companies (500), Butter Kernel Products (350), Sage Electrochromics (231), Faribault Woolen Mills (200), K&G Manufacturing (125), and Trystar (125).  Other employers include Faribault Public Schools, Minnesota Correctional Facility, Daikin, Rice County Offices, Cenneidigh, Met-Con Companies, Crown Cork & Seal, Wal-Mart, IFP Custom Processing, Allina Medical Clinic, KGP Logistics, Tru-Vue and the City of Faribault.

Faribault is also home to the nationally prominent Shattuck-St. Mary's School, the State Academies for the Deaf and the Blind, and South-Central Community College.

Built along the banks of the Straight and Cannon Rivers, the two tributaries played a vital role in the city's early development.  It was the opportunity for fur trade with the Dakota Sioux Native American Tribe that lived along these rivers that brought Alexander Faribault, the city's French-Canadian founder, to the area in 1826.

Faribault holds on to its history with pride and has more buildings on the National Historic Register than any other city of its size in Minnesota and is second only to the much larger Capitol City of St. Paul.  Accordingly, the City established The Faribault Main Street Program, a community-based effort to revitalize Faribault's Central Business District, with emphasis on Central Avenue, to create an attractive destination in which businesses prosper, the community benefits and residents and visitors enjoy a quality downtown experience. It is supported by the Faribault Area Chamber of Commerce and the City of Faribault Economic Development Authority. The program is based on the National Main Street Approach that has been used successfully in over 1,700 communities over the past 25 years.

**APPENDIX A**

To access a summary of each property, move your cursor over the address and press the Control Key and Click.

116 Central Avenue (114 & 116) - Sheesley & Palisades

219 Central Avenue - Sheesley

223 Central Avenue - Sheesley

225 Central Avenue - Palisades

227 Central Avenue – GW Properties

229 Central Avenue - Sheesley

301 Central Avenue (301, 303, 305 and 10,12,14,16 3rd St. NE) - Sheesley

311 Central Avenue - Sheesley

313 Central Avenue - Sheesley

329 Central Avenue - Sheesley

Vacant Lot (.06 acres) - Sheesley

**HOUSING AND REDEVELOPMENT AUTHORITY
OF FARIBAULT, MINNESOTA**

**RESOLUTION NO. 2022-09**

**RESOLUTION APPROVING PRELIMINARY DEVELOPMENT AGREEMENT WITH FARIBO DOWNTOWN CENTRAL LLC, FOR CERTAIN PROPERTY IN THE CITY OF FARIBAULT**

BE IT RESOLVED by the Housing and Redevelopment Authority of Faribault, Minnesota (the "Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA Act").

1.02. Among the activities to be assisted by the Authority is a proposed development by Faribo Downtown Central LLC, a Minnesota limited liability company (the "Developer"), which has asked for financial assistance to help pay a portion of the costs of rehabilitation and renovation of 13 buildings on certain real property located within the City of Faribault, Rice County (collectively, the "Project").

1.03. The Authority supports private efforts to develop, redevelop, rehabilitate and renovate properties located within the City.

1.04. The Authority has received a request from the Developer to participate in funding a portion of the Project costs in an amount not to exceed $500,000.00 which will assist in funding the Project.

1.05. There has been presented before the Authority a form of Preliminary Development Agreement between the Authority and the Developer (the "Preliminary Development Agreement"), which sets forth the initial terms of the assistance and additional terms and conditions related to the Project.

1.06. The Developer has not yet determined how it will utilize the financial assistance from the Authority and therefore it has not been determined whether such assistance is a "business subsidy" within the meaning of Minnesota Statutes, sections 116J.993 to 116J.995, which determination shall occur at the time a final agreement is entered into between the Party.

1.07. The Authority has reviewed the Preliminary Development Agreement and finds that the execution thereof by the Authority and performance of the Authority's obligations thereunder are in the best interest of the City and its residents.

Section 2. Findings.

2.01. The recitals set forth in the preamble to this Resolution and the exhibits attached to this Resolution are incorporated into this Resolution as if fully set forth herein.

2.02. The Preliminary Development Agreement is hereby in all respects authorized, approved and confirmed by the Authority and the President and the Secretary/Treasurer are hereby authorized and directed to execute and deliver the Preliminary Development Agreement for and on behalf of the Authority in substantially the form now on file with the Authority, but with such modifications as shall be deemed necessary, desirable or appropriate, its execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Section 3. Implementation.

3.01. The President and Executive Director are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the Authority determines are necessary to implement this Resolution.

3.02. The Authority directs Authority and City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the Authority as set forth in this Resolution and in performing its obligations under the Preliminary Development Agreement as a whole.

3.03. The President, Executive Director, Authority and City staff, City attorney, and Authority and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Section 4. Effective Date. This resolution is effective upon the date of its adoption.

Approved by the Housing and Redevelopment Authority of Faribault, Minnesota, this 10th day of October, 2022.

**HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA**

___________________________________
Matt Speckhels
President

Attest:

___________________________________
Deanna Kuennen
Executive Director

**Agenda Item: 6.D**

## Request for Action

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Deanna Kuennen, Community & Economic Development Director |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | 2023 Budget Discussion |

**BACKGROUND:**

The HRA annually approves a budget that reflects their work plan and priorities. In 2022 funds were identified for special programs, however there has been limited activity due to lack of staff resources and the necessary focus placed on the RAD repositioning process. The division is now fully staffed. The new Housing Coordinator started her position in mid-September and is becoming familiar with existing programs and properties. With the position filled, there is once again dedicated Staff to develop and administer existing and new HRA programs.

Attached is the approved 2022 budget and fund balance report. The HRA has approximately $1,200,000 in fund balance as of 8/1/2022:

| | |
|---|---|
| 12/31/2021 FUND BALANCE | $1,109,590 |
| 2022 REVENUE to date | $253,929 |
| 2022 EXPENSES to date | $185,287 |

No proposed 2023 budget is included. Instead, Staff is asking the HRA to discuss budget priorities based on recent requests, and have a discussion on existing and future program ideas.

(The estimated Public Housing budget/proforma is also attached for informational purposes. These are separate budgets, but it will provide context as to how the Public Housing program, once the repositioning is complete, will be self-sufficient and will generate revenue to cover all expenses and reserve requirements.)

**REQUESTED ACTION:**

The HRA is asked to discuss funding priorities, proposed HRA initiatives, and potential desired funding levels for programs/projects. Staff will then prepare a draft budget for review and approval at the November meeting.

**ATTACHMENTS:**

1. Final 2022 HRA for HRA
2. Fund Balance Report
3. Public Housing Budget - 20 Year Estimated Proforma 04.29.2022 (002)

## HRA FUND 280 - 2022 BUDGET

| Entry Name | Acct 1 | Acct 2 | Acct 3 | Acct 4 | Account Description | Detail Description | | Detail Amount |
|---|---|---|---|---|---|---|---|---|
| HRA | 280 | 00000 | 461 | 31010 | Current Ad Valorem Taxes | | | $309,820.00 |
| HRA | 280 | 00000 | 461 | 34108 | Administrative Fees | Public Housing Administration | | $80,484.00 |
| HRA | 280 | 00000 | 461 | 34108 | Administrative Fees | Robinwood Administration - rent increase results in mgmt fee increase | | $45,250.00 |
| HRA | 280 | 00000 | 461 | 34700 | Application Fees | | | $0.00 |
| HRA | 280 | 00000 | 461 | 36200 | Other Miscellaneous Revenue | | | $1,000.00 |
| HRA | 280 | 00000 | 461 | 36210 | Interest on Investments | | | $10,000.00 |
| HRA | 280 | 00000 | 461 | 36215 | Loan Interest | | | $360.00 |
| HRA | 280 | 00000 | 461 | 36400 | Loan Principal | | | $12,000.00 |
| | | | | | | | **Revenue** | **$458,914.00** |
| HRA | 280 | 46310 | 461 | 43040 | Legal Fees - Civil Process | | | $5,000.00 |
| HRA | 280 | 46310 | 461 | 43070 | Management Services | | | $0.00 |
| HRA | 280 | 46310 | 461 | 43080 | Indirect Cost Allocation | | | $216,620.00 |
| HRA | 280 | 46310 | 461 | 43090 | Expert & Professional Services | | | $20,000.00 |
| HRA | 280 | 46310 | 461 | 43095 | Software Maintenance & Support | Direct charge for HDS software | | $3,200.00 |
| HRA | 280 | 46310 | 461 | 43130 | Special Programs | Fix Up Program | | $50,000.00 |
| HRA | 280 | 46310 | 461 | 43130 | Special Programs | Mobile Home Buyout - activity decreasing for program | | $20,000.00 |
| HRA | 280 | 46310 | 461 | 43130 | Special Programs | Mobile Home Heat Tape | | $10,000.00 |
| | | | | | | Downpayment Assistance | | $100,000.00 |
| HRA | 280 | 46310 | 461 | 43130 | Special Programs | Downtown Rehab (2nd floor apartments) | | $100,000.00 |
| HRA | 280 | 46310 | 461 | 43140 | Training & Education | | | $0.00 |
| HRA | 280 | 46310 | 461 | 43310 | Travel Expense | | | $0.00 |
| HRA | 280 | 46310 | 461 | 43430 | Advertising - Other | | | $1,500.00 |
| HRA | 280 | 46310 | 461 | 43510 | Legal Notices Publishing | | | $1,500.00 |
| HRA | 280 | 46310 | 461 | 43520 | Recording Fees | | | $0.00 |
| HRA | 280 | 46310 | 461 | 43610 | Insurance & Bonds | Includes Heritage Bluff Park $3,596 - HRA will go through process in 2020 to transfer land to the City | | $9,116.00 |
| HRA | 280 | 46310 | 461 | 44330 | Dues & Subscriptions | | | $500.00 |
| | | | | | | | **Expenses** | **$537,436.00** |
| | | | | | | Use of Fund Balance | | -$78,522.00 |

# General Ledger

## Summary Trial Balance

User: dkuennen
Printed: 10/07/2022 - 3:07PM
Period: 10, 2022

| Account Number | Description | Budget Amount | Beginning Balance | Debit This Period | Credit This Period | Ending Balance |
|---|---|---|---|---|---|---|
| Fund 280 | Faribault HRA | | | | | |
| ASSETS | | | | | | |
| 280-00000-000-10100 | Cash | 0.00 | 1,150,665.83 | 1,078.12 | 0.00 | 1,151,743.95 |
| 280-00000-000-10120 | Cash Escrow | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-10410 | Investments - Fair Value Adj | 0.00 | -58,635.02 | 0.00 | 0.00 | -58,635.02 |
| 280-00000-000-10450 | Interest Receivable | 0.00 | 3,147.91 | 0.00 | 0.00 | 3,147.91 |
| 280-00000-000-10500 | Taxes Receivable - Current | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-10700 | Taxes Receivable - Delinquent | 0.00 | 3,118.05 | 0.00 | 0.00 | 3,118.05 |
| 280-00000-000-11500 | Accounts Receivable | 0.00 | 0.00 | 1,078.12 | 1,078.12 | 0.00 |
| 280-00000-000-13100 | Due From Other Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-13200 | Due From Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-13700 | Loans Receivable | 0.00 | 39,860.02 | 0.00 | 979.85 | 38,880.17 |
| 280-00000-000-13710 | Loans Receivable-Deferred | 0.00 | 406,666.06 | 0.00 | 0.00 | 406,666.06 |
| 280-00000-000-15500 | Prepaid Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-16250 | Property Held for Resale | 0.00 | 43,095.01 | 0.00 | 0.00 | 43,095.01 |
| | ASSETS Totals: | 0.00 | 1,587,917.86 | 2,156.24 | 2,057.97 | 1,588,016.13 |
| LIABILITIES | | | | | | |
| 280-00000-000-20200 | Accounts Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-20800 | Due To Other Governments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-20910 | Advances From Primary Govt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-000-22200 | Deferred Revenues | 0.00 | -3,118.05 | 0.00 | 0.00 | -3,118.05 |
| 280-00000-000-22210 | Loans Receivable - Deferred | 0.00 | -406,666.06 | 0.00 | 0.00 | -406,666.06 |
| | LIABILITIES Totals: | 0.00 | -409,784.11 | 0.00 | 0.00 | -409,784.11 |
| FUND BALANCE | | | | | | |
| 280-00000-000-25300 | Unreserved Fund Balance | 0.00 | -1,109,590.77 | 0.00 | 0.00 | -1,109,590.77 |

| Account Number | Description | Budget Amount | Beginning Balance | Debit This Period | Credit This Period | Ending Balance |
|---|---|---|---|---|---|---|
| | FUND BALANCE Totals: | 0.00 | -1,109,590.77 | 0.00 | 0.00 | -1,109,590.77 |
| REVENUE | | | | | | |
| 280-00000-461-31010 | Current Ad Valorem Taxes | 309,820.00 | -164,741.52 | 0.00 | 0.00 | -164,741.52 |
| 280-00000-461-31020 | Delinquent Ad Valorem Taxes | 0.00 | -1,535.66 | 0.00 | 0.00 | -1,535.66 |
| 280-00000-461-31030 | Mobile Home Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-31035 | Delinquent Mobile Home Taxes | 0.00 | -77.55 | 0.00 | 0.00 | -77.55 |
| 280-00000-461-31040 | Excess Tax Increment | 0.00 | -510.94 | 0.00 | 0.00 | -510.94 |
| 280-00000-461-31500 | PILOT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-31550 | Green Acres | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-33160 | Federal Grants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-33402 | Market Value Homestead Credit | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-33422 | Other State Grants & Aids | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-34108 | Administrative Fees | 125,734.00 | -96,646.68 | 0.00 | 0.00 | -96,646.68 |
| 280-00000-461-34700 | Application Fees | 0.00 | -35.00 | 0.00 | 0.00 | -35.00 |
| 280-00000-461-36200 | Other Miscellaneous Revenue | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-36210 | Interest on Investments | 12,500.00 | -9,053.37 | 0.00 | 0.00 | -9,053.37 |
| 280-00000-461-36211 | Interest Market Value | 0.00 | 58,411.57 | 0.00 | 0.00 | 58,411.57 |
| 280-00000-461-36215 | Loan Interest | 1,297.00 | -1,012.31 | 0.00 | 98.27 | -1,110.58 |
| 280-00000-461-36240 | Refunds & Reimbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-00000-461-36400 | Loan Principal | 11,640.00 | -13,729.50 | 0.00 | 0.00 | -13,729.50 |
| 280-00000-461-39101 | Sale of Capital Assets | 0.00 | -24,900.00 | 0.00 | 0.00 | -24,900.00 |
| 280-00000-461-39200 | Transfer In | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | REVENUE Totals: | 461,991.00 | -253,830.96 | 0.00 | 98.27 | -253,929.23 |
| EXPENSE | | | | | | |
| Department 46310 | Urban Redevelopment & Housing | | | | | |
| 280-46310-461-42115 | Meeting | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43010 | Auditing & Accounting Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43040 | Legal Fees - Civil Process | 5,000.00 | 4,867.20 | 0.00 | 0.00 | 4,867.20 |
| 280-46310-461-43080 | Indirect Cost Allocation | 228,245.00 | 171,183.78 | 0.00 | 0.00 | 171,183.78 |
| 280-46310-461-43090 | Expert & Professional Services | 20,000.00 | 3,230.00 | 0.00 | 0.00 | 3,230.00 |
| 280-46310-461-43095 | Software Maintenance & Support | 3,200.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43130 | Special Programs | 280,000.00 | 2,500.00 | 0.00 | 0.00 | 2,500.00 |
| 280-46310-461-43140 | Training & Education | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43310 | Travel Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43430 | Advertising - Other | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43510 | Legal Notices Publishing | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Account Number | Description | Budget Amount | Beginning Balance | Debit This Period | Credit This Period | Ending Balance |
|---|---|---|---|---|---|---|
| 280-46310-461-43520 | Recording Fees | 0.00 | 276.00 | 0.00 | 0.00 | 276.00 |
| 280-46310-461-43610 | Insurance & Bonds | 9,116.00 | 2,591.00 | 0.00 | 0.00 | 2,591.00 |
| 280-46310-461-43810 | Electric Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43820 | Water Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43830 | Gas Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43840 | Refuse Disposal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43850 | Sewer Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-43860 | Storm Water Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-44010 | Building Maintenance | 0.00 | 140.00 | 0.00 | 0.00 | 140.00 |
| 280-46310-461-44320 | Bad Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-44330 | Dues & Subscriptions | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-44390 | Taxes & Licenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-44450 | Claims & Damages | 0.00 | 500.00 | 0.00 | 0.00 | 500.00 |
| 280-46310-461-45200 | Building & Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-45500 | Vehicles | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-47200 | Transfer Out | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 280-46310-461-49999 | Prior Period Adjustment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 280-46310 EXPENSE Totals: | 549,061.00 | 185,287.98 | 0.00 | 0.00 | 185,287.98 |
| | EXPENSE Totals: | 549,061.00 | 185,287.98 | 0.00 | 0.00 | 185,287.98 |
| | Fund 280 Totals: | -87,070.00 | 0.00 | 2,156.24 | 2,156.24 | 0.00 |
| | Report Totals: | -87,070.00 | 0.00 | 2,156.24 | 2,156.24 | 0.00 |

PHA: Housing Authority City of Faribault
AMP #: MN157000001
*Project:* Faribault Scattered Sites

Rice County

1.1

2023 Contract Rent With OCAF

| Unit Mix | Count | Contract Rents | | With OCAF | 2022 Extension | | Utility Allowances | Gross Rent | Gross Extension |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| 2 | 8 | 474 | $ 474 | $ 474 | $ 3,792 | | $ 167 | $ 641 | $ 5,128 |
| 3 | 2 | 651 | $ 651 | $ 651 | $ 1,302 | | $ 208 | $ 859 | $ 1,718 |
| 4 | 0 | 685 | $ 685 | $ 685 | $ - | | $ 234 | $ 919 | $ - |
| 5 | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 0 | 0 | $ - | $ - | $ - | | $ - | $ - | $ - |
| | 10 | | | | $ 5,094 | | | | $ 6,846 |
| | | | | | **$ 61,128** | Annualized | | | $ 82,152 |

| Unit Mix | Count | 2022 FMR | Payment Standard Rent | Reasonable Rent | Utility Allowances | Section 18 Rent | Section 18 Extension |
|---|---|---|---|---|---|---|---|
| 1 | 0 | $749 | $824 | | $ - | $ 824 | $0 |
| 2 | 0 | $985 | $1,084 | | $ 167 | $ 917 | $0 |
| 3 | 32 | $1,337 | $1,471 | | $ 208 | $ 1,263 | $40,406 |
| 4 | 7 | $1,493 | $1,642 | | $ 234 | $ 1,408 | $9,858 |
| 5 | 0 | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| 0 | | $0 | $0 | | $ - | $ - | $0 |
| | 39 | | | | | | $50,265 |
| | | | | | | | **$603,174** |

**Housing Authority City of Faribault** MN157000001 **49 Units** **Faribault Scattered Sites**

| Line Items | Application | 180-Day Milestone | Variance | |
|---|---|---|---|---|
| **Check if there is a change for this milestone** | | X | | |
| | | | | |
| **INCOME** | | | | |
| GPR RAD | | $ 61,128 | | |
| GPR Market Rate | $ - | | | |
| GPR Affordable (Section 18 Blend Units) | $ - | $ 603,174 | | |
| GPR Commercial | $ - | $ - | | |
| Vacancy Loss | $ - | $ (19,929) | 3% | |
| Bad Debt Loss | $ - | ($13,286) | 2% | |
| Other Income | | $ - | | |
| **Effective Gross Income** | $ - | $ 631,087 | | |
| | | | | |
| **EXPENSES** | | | | |
| Administrative | | $ 80,484 | | |
| Asset Management Fee | $ - | $ 44,176 | Revenue to City of Faribault for manqingement services | |
| Tenant Services | $ - | $ 1,225 | | |
| Utility Expense | | $ 10,600 | | |
| Ordinary Maintenance & Ops | | $ 112,500 | | |
| Protective Services | $ - | $ - | | |
| Real Estate Tax/PILOT | | $ 10,000 | | |
| Property Insurance | $ - | $ 34,748 | | |
| Liability Insurance | $ - | $ - | | |
| Other General Expenses | $ - | $ 31,300 | | |
| **Total Operating Expenses** | $ - | $ 325,033 | | |
| Replacement Reserve Deposit | | $ 17,550 | $ 450 | $ 426,419 |
| **Net Operating Income** | $ - | $ 288,504 | | |
| First Mortgage Debt Service | $ - | $ - | | |
| **Operating Cash Flow** | $ - | $ 288,504 | | |

**20-YEAR PRO FORMA**

| | | Year 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Income | | $ 631,087 | $ 643,709 | $ 656,583 | $ 669,714 | $ 683,109 | $ 696,771 | $ 710,706 | $ 724,920 | $ 739,419 | $ 754,207 |
| Less V&C | | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) |
| Other Income | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net Income | | $ 631,087 | $ 643,709 | $ 656,583 | $ 669,714 | $ 683,109 | $ 696,771 | $ 710,706 | $ 724,920 | $ 739,419 | $ 754,207 |
| | | | | | | | | | | | |
| Expenses | | $ 325,033 | $ 331,534 | $ 338,164 | $ 344,928 | $ 351,826 | $ 358,863 | $ 366,040 | $ 373,361 | $ 380,828 | $ 388,445 |
| Reserves | $ 426,419 | $ 17,550 | $ 17,901 | $ 18,259 | $ 18,624 | $ 18,997 | $ 19,377 | $ 19,764 | $ 20,159 | $ 20,563 | $ 20,974 |
| Debt Service | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Expenses | | $ 342,583 | $ 349,435 | $ 356,423 | $ 363,552 | $ 370,823 | $ 378,239 | $ 385,804 | $ 393,520 | $ 401,391 | $ 409,418 |
| | | | | | | | | | | | |
| NOI | | $ 288,504 | $ 294,274 | $ 300,159 | $ 306,163 | $ 312,286 | $ 318,532 | $ 324,902 | $ 331,400 | $ 338,028 | $ 344,789 |
| Cumulative NOI | $ 7,009,884 | $ 288,504 | $ 582,778 | $ 882,937 | $ 1,189,100 | $ 1,501,385 | $ 1,819,917 | $ 2,144,819 | $ 2,476,219 | $ 2,814,248 | $ 3,159,036 |
| | | | | | | | | | | | |
| Income Escalation | | 2% | | | | | | | | | |
| Expense Escalation | | 2% | | | | | | | | | |
| | | | | | | | | | | | |
| PUM Cash flow | | $ 616 | $ 629 | $ 641 | $ 654 | $ 667 | $ 681 | $ 694 | $ 708 | $ 722 | $ 737 |
| | | | | | | | | | | | |
| Inflation on ADRR | | 2.0% | | | | | | | | | |

| | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Income | $ 769,291 | $ 784,677 | $ 800,371 | $ 816,378 | $ 832,706 | $ 849,360 | $ 866,347 | $ 883,674 | $ 901,347 | $ 919,374 | $ 15,333,752 |
| Less V&C | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | $ (33,215) | |
| Other Income | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| Net Income | $ 769,291 | $ 784,677 | $ 800,371 | $ 816,378 | $ 832,706 | $ 849,360 | $ 866,347 | $ 883,674 | $ 901,347 | $ 919,374 | |
| | | | | | | | | | | | |
| Expenses | $ 396,214 | $ 404,138 | $ 412,221 | $ 420,465 | $ 428,874 | $ 437,452 | $ 446,201 | $ 455,125 | $ 464,227 | $ 473,512 | $ 7,897,449 |
| Reserves | $ 21,393 | $ 21,821 | $ 22,258 | $ 22,703 | $ 23,157 | $ 23,620 | $ 24,092 | $ 24,574 | $ 25,066 | $ 25,567 | $ 426,419 |
| Debt Service | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| Total Expenses | $ 417,607 | $ 425,959 | $ 434,478 | $ 443,168 | $ 452,031 | $ 461,072 | $ 470,293 | $ 479,699 | $ 489,293 | $ 499,079 | |
| | | | | | | | | | | | |
| NOI | $ 351,685 | $ 358,718 | $ 365,893 | $ 373,210 | $ 380,675 | $ 388,288 | $ 396,054 | $ 403,975 | $ 412,054 | $ 420,296 | |
| Cumulative NOI | $ 3,510,721 | $ 3,869,439 | $ 4,235,332 | $ 4,608,542 | $ 4,989,217 | $ 5,377,505 | $ 5,773,559 | $ 6,177,534 | $ 6,589,588 | $ 7,009,884 | |
| | | | | | | | | | | | |
| PUM Cash flow | $ 751 | $ 766 | $ 782 | $ 797 | $ 813 | $ 830 | $ 846 | $ 863 | $ 880 | $ 898 | |

**KEY**
GPR= Gross Potential Rent
OPS= Operations
V&C= Vacancy and Concessions
NOI= Net Operating Income
PUM= Per Unit Month
ADRR=Annual Deposit to Replacement Reserve

20-Year Cash Flow Total $ 7,009,884

**Agenda Item: 6.E**

**Request for Action**

| | |
|---|---|
| **TO:** | Faribault Housing & Redevelopment Authority |
| **FROM:** | Deanna Kuennen, Community & Economic Development Director |
| **MEETING DATE:** | October 10, 2022 |
| **SUBJECT:** | Resolution 2022-10 Approving the Property Tax Levy for 2023 |

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**BACKGROUND:**

Under State Statutes, the City must certify its property tax levy amounts to the County Auditor and accordingly, the Housing and Redevelopment Authority is asked to submit its final levy request to be included with the levy.

The maximum amount the Faribault HRA can levy based on the approved formula is $328,850. The levy is the HRA's primary source of flexible revenue that can be used to fund programs to fulfill the HRA mission.

The HRA is asked to approve the 2023 Final Levy Request, and forward the resolution to the City Finance Director to be included with the City's budget documents.

**REQUESTED ACTION:**

Approve Resolution 2022-10 Adopting FY2023 Final Property Tax Levy

**ATTACHMENTS:**

1. Res 2022-10 Adopting FY 2023 Final Property Tax Levy

**FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY**

**Resolution 2022-10**
**APPROVING THE PROPERTY TAX LEVY FOR 2023**

**WHEREAS**, the Faribault Housing and Redevelopment Authority ("the HRA") may request the establishment of a special benefit tax pursuant to Minnesota Statutes 469.033 Subdivision 6; and

**WHEREAS**, the HRA did on August 8, 2022, by Resolution 2022-05 establish and request a preliminarily levy for a special tax on the taxable property of the City of Faribault, Rice County, Minnesota for fiscal year 2023 in an amount not to exceed 0.0185 percent of the taxable market value as permitted in Minnesota Statutes as shown in Exhibit A; and

**NOW, THEREFORE, BE IT RESOLVED** by the Housing and Redevelopment Authority of Faribault, Minnesota that pursuant to Minnesota Statutes 469.033 Subdivision 6, the special benefit tax as determined by the HRA is given final approval of collection in fiscal year 2023 a levy for housing and redevelopment activities as permitted in an amount not to exceed $328,850.

**ADOPTED:** October 10, 2022

Faribault Housing and Redevelopment Authority

__________________________________
Matthew Speckhals, Chairperson

**ATTEST:**

__________________________________
Brendan Kennedy, Vice Chair/Secretary

## Exhibit A

# FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY
# GENERAL FUND
# PRELIMINARY 2023 HRA LEVY CALCULATIONS

### Authority

Minnesota Statutes 469.033, Subdivision 6
"The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0185 percent of the taxable market value."

### Maximum Levy Calculation

| | |
|---|---|
| PY Estimated Market Value | $ 1,777,564,900 |
| Percentage Allowed | 0.0185 |
| Maximum Levy | $ 328,850 |

### HRA Levy History

| Year | Gross Levy* | Net Levy | % of Gross Levy |
|---|---|---|---|
| 1998 | $ 74,703 | $ 67,000 | |
| 1999 | 56,325 | 48,622 | |
| 2000 | 71,356 | 63,611 | 89% |
| 2001 | 75,568 | 67,864 | 90% |
| 2002 | 100,267 | 100,267 | 100% |
| 2003 | 105,280 | 105,280 | 100% |
| 2004 | 124,330 | 124,330 | 100% |
| 2005 | 139,552 | 139,552 | 100% |
| 2006 | 156,357 | 156,357 | 100% |
| 2007 | 177,288 | 177,288 | 100% |
| 2008 | 188,107 | 188,107 | 100% |
| 2009 | 270,690 ** | 211,834 | 78% |
| 2010 | 273,620 | 234,468 | 86% |
| 2011 | 266,485 | 234,468 | 88% |
| 2012 | 251,068 | 239,157 | 95% |
| 2013 | 219,726 | 219,726 | 100% |
| 2014 | 197,300 | 197,300 | 100% |
| 2015 | 197,300 | 197,300 | 100% |
| 2016 | 201,682 | 201,682 | 100% |
| 2017 | 206,937 | 206,937 | 100% |
| 2018 | 217,365 | 217,365 | 100% |
| 2019 | 229,713 | 229,713 | 100% |
| 2020 | 251,907 | 251,907 | 100% |
| 2021 | 295,900 | 295,900 | 100% |
| 2022 | 309,820 | 309,820 | 100% |
| 2023 | 328,850 | 328,850 | 100% |

*Assumes $7,704 HACA for years 1990-2001

**The percentage allowed was increased by the 2008 Legislature from .0144 to .0185.