HOUSING & REDEVELOPMENT AUTHORITY AGENDA
SPECIAL MEETING

PUBLIC MEETING ROOM	MONDAY, JANUARY 30, 2023	7:30 AM

1. Call to Order
2. Items for Discussion
   A. Resolution 2023-01 Approve 2022 Accounts Receivable Write-offs
   B. Resolution 2023-02 Authorize the Execution of an Operating Agreement
   C. Resolution 2023-03 Appoint an Executive Director for the Housing and Redevelopment Authority of Faribault, Minnesota
3. Adjournment

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	Rebecca Rand, Housing Coordinator
MEETING DATE:	January 30, 2023
SUBJECT:	Resolution 2023-01 Approve 2022 Accounts Receivable Write-offs

BACKGROUND:

According to the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") Delinquent Rents and Charges Process Policy, every year the HRA will review uncollectible debts and determine whether to write-off and retain the debts or write-off and close-out the debts. According to the Policy, debts that have been unrecovered for a period of 12 months and the debtor's whereabouts are unknown, shall be considered uncollectible. If the debt has been unrecovered for a period of less than 5 years, the debt shall be written off but the amount owed retained for possible future collection. If the debt has been unrecovered for a period of five years or more, the debt will be considered closed-out and the amount removed from retained. Debts can also be written off for the following reasons:

- Assets legal without merit
- Assets that cannot be substantiated by evidence
- Costs of further recovery actions will exceed estimated recovery amounts
- Inability to locate debtor
- Statutory requirement to terminate asset recovery actions

The identified files have been sent to the Minnesota Department of Revenue for collection under the Minnesota Revenue Recapture Program (MRRP). The MRRP was established in 1980, when the legislative enacted Minnesota Statute 270-A. The purpose of the act is to establish a system of collected debts owed the State government, the University of Minnesota, or to certain local governments by applying any of the debtors' tax refunds

to the amount of the debt. Credit laws prohibit the HRA from undergoing additional debt collection efforts while the debt is on file with the MRRP.

REQUESTED ACTION:

Approve Resolution #2023-02 Approve 2022 Accounts Receivable Write-Offs and direct Staff to amend the general ledger to reflect these changes.

ATTACHMENTS:

1. Resolution #2023-01 Approve Accounts Receivable Write-Offs

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-01
APPROVE ACCOUNTS RECEIVABLE WRITE-OFFS

WHEREAS, the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") adopted the Faribault Housing and Redevelopment Authority Delinquent Rents and Charges Process Policy ("the Policy") on June 12, 2006; and

WHEREAS, according to the Policy, the HRA will, on an annual basis, review all recommended write-offs for consistency with the Policy; and

WHEREAS, the HRA has reviewed the uncollectible accounts receivables and determined which debts to write-off and retain and which debts to write-off and closeout as of December 31, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the governing board of the Housing and Redevelopment Authority of Faribault, Minnesota authorizes the write-off of the debts listed in Exhibit A of this resolution and authorizes staff to make the corresponding adjustments to the General Ledger.

ADOPTED: January 30, 2023.

_____
Matthew Speckhals, Chairperson

ATTEST:

_____
Brendan Kennedy, Secretary

Exhibit A

Write-Off and Retain

	Program	Moveout	Total	Reason
1	PH	8/1/2022	926.92	Less than 5 year
2	PH	10/10/2022	1522.46	Less than 5 year
3	RM	11/4/2022	1040.04	Less than 5 year

Write-Off and Closeout

	Program	Moveout	Total	Reason
1	RM	5/9/2017	5649.71	Over 5 Years
2	RM	6/1/2017	195.25	Over 5 Years
3	RM	12/1/2017	330.12	Over 5 Years
4	PH	11/16/2017	2746.87	Over 5 Years
5	PH	8/31/2017	1.86	Over 5 Years

PH= Public Housing
RM= Robinwood Manor

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	Rebecca Rand, Housing Coordinator
MEETING DATE:	January 30, 2023
SUBJECT:	Resolution 2023-02 Authorize the Execution of an Operating Agreement

BACKGROUND:

The Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") previously adopted an operating agreement via resolution for Faribault HRA LLC. As part of the continuing RAD Repositioning Project, HUD has requested that the HRA adopt an Operating Agreement with additional language that pertains specifically to Faribault HRA LLC's relationship to HUD. The City Attorney has worked with HUD to draft the Operating Agreement of Faribault HRA LLC as outlined in the attached Resolution #2023-02.

REQUESTED ACTION:

Review and approve Resolution #2023-02 Authorize the Execution of an Operating Agreement.

ATTACHMENTS:

1. Resolution 2023-02 Authorize the Execution of an Operating Agreement

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-02
AUTHORIZE THE EXECUTION OF AN OPERATING AGREEMENT

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

Section 1. Findings.

1.01. The HRA is authorized to exercise the powers of a housing and redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act").

1.02. The HRA has previously adopted a resolution approving the formation of Faribault HRA LLC (the "Company"), whose sole member is the HRA, and articles of organization for the Company, all in accordance with Section 469.012, subdivision 2j of the HRA Act.

1.03. The organizer for the Company filed the Articles of Organization of the Company with the Minnesota Secretary of State and a Certificate of Organization was issued for the Company.

1.04. The HRA has previously adopted an Operating Agreement via resolution for the Company.

10.05. As part of the continuing RAD Repositioning Project, HUD has requested that the HRA adopt an Operating Agreement with additional language that pertains specifically to the company's relationship with HUD.

10.06 The Operating Agreement with the additional language has been presented to this Board for its review and is included in Exhibit A of this resolution.

Section 2. HRA Approval, Authorizations.

2.01. The HRA hereby approves the execution of the Operating Agreement with such changes, additions or deletions, in the opinion of the HRA's attorney, are necessary or desirable.

2.02. The staff of the HRA and the HRA's attorney are hereby directed to take all other actions necessary to implement the Operating Agreement. The Chair and the Executive Director are hereby authorized to execute on behalf of the HRA the Operating Agreement and to carry out, on behalf of the HRA, its obligations thereunder.

Section 3. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted by the Board of Commissioners of the Housing and Redevelopment Authority of Faribault, Minnesota on January 30, 2023.

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

_____

Matt Speckhals, Chair

ATTEST:

_____

Brendan Kennedy, Vice Chairperson

Exhibit A

OPERATING AGREEMENT
OF
FARIBAULT HRA LLC

ARTICLE I.

SOLE MEMBER

Section 1.1 Sole Member.

The sole member of the Company is the Housing and Redevelopment Authority of Faribault, Minnesota.

Section 1.2 Acts of Member.

Except as otherwise required by law or specified in the Articles of Organization of the Company, the sole member shall take action by approval of its Board of Commissioners.

ARTICLE II.

GOVERNORS

Section 2.1 Number; Qualifications.

Except as authorized by the sole member, the business and affairs of the Company shall be managed by or under the direction of the Board of Governors. Governors shall be natural persons. The number of Governors of the initial Board of Governors of the Company is hereby fixed at seven (7) and each of the members of the Board of Commissioners of the Housing and Redevelopment Authority of Faribault, Minnesota is hereby appointed a Governor.

Section 2.2 Term.

Each Governor shall serve until the termination of his or her term as a member of the Board of Commissioners of the Housing and Redevelopment Authority of Faribault, Minnesota, and shall hold office until a successor is elected and qualified or until the earlier death, resignation, removal or disqualification of the Governor.

Section 2.3 Vacancies.

Vacancies on the Board of Governors resulting from the death, resignation, removal or disqualification of a Governor may be filled by the affirmative vote of a majority of the remaining Governors, even though less than a quorum. Each person elected to fill a vacancy shall hold office until a qualified successor is elected by the sole member at the next regular meeting or at any special meeting duly called for that purpose.

Section 2.4 Meetings.

Meetings of the Board of Governors shall be held from time to time at such times and places as specified by the sole member.

Section 2.5 Quorum.

A majority of the Governors currently holding office shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Governors present may adjourn a meeting from time to time without further notice until a quorum is present. If a quorum is present when a duly called or held meeting is convened, the Governors present may continue to transact business until adjournment, even though the withdrawal of a number of the Governors originally present leaves less than the proportion or number otherwise required for a quorum.

Section 2.6 Acts of Board.

Except as otherwise required by law or specified in the Articles of Organization of the Company or a member control agreement, the Board of Governors shall take action by the affirmative vote of a majority of the Governors present at a duly held meeting.

Section 2.7 Compensation.

Governors may receive such compensation as may be determined from time to time by resolution of the Board of Governors.

Section 2.8 Dissent From Action.

A Governor of the Company who is present at a meeting of the Board of Governors at which any action is taken shall be presumed to have assented to the action taken unless the Governor objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting after the objection, or the Governor votes against the action at the meeting, or is prohibited from voting on the action.

ARTICLE III.

MANAGERS

Section 3.1 Number and Designation.

The Company shall have one or more natural persons exercising the functions of the offices of Chief Manager, President and Treasurer. The Board of Governors may elect or appoint such other managers or agents as it deems necessary for the operation and management of the Company, with such powers, rights, duties and responsibilities as may be determined by the Board of Governors. Each of those other managers and agents shall have the powers, rights, duties and responsibilities set forth in this Operating Agreement unless otherwise determined by

the Board of Governors. Any of the positions or functions of those positions may be held by the same person.

Section 3.2 Chief Manager.

Unless provided otherwise by a resolution adopted by the Board of Governors or in a member control agreement or operating agreement, the Chief Manager shall:

(a) be responsible for the general management of the business of the Company, subject to the supervision and control of the Board of Governors;

(b) see that all orders and resolutions of the Board of Governors are carried into effect;

(c) sign and deliver in the name of the Company any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles of Organization, this Operating Agreement, or the Board of Governors to some other manager or agent of the Company;

(d) maintain records of and certify proceedings of the Board of Governors and sole member; and

(e) perform such other duties as may from time to time be prescribed by the Board of Governors.

The Chief Manager shall be the person who, from time to time, is the acting or appointed Executive Director of the sole member.

Section 3.3 Treasurer.

Unless provided otherwise by a resolution adopted by the Board of Governors or in a member control agreement, the Treasurer shall:

(a) keep accurate financial records for the Company;

(b) deposit all money, drafts and checks in the name of and to the credit of the Company in such banks and depositories as the Board of Governors shall designate from time to time;

(c) endorse for deposit all notes, checks and drafts received by the Company as ordered by the Board of Governors, making proper vouchers therefor;

(d) disburse Company funds and issue checks and drafts in the name of the Company, as ordered by the Board of Governors;

(e) give to the Chief Manager and the Board of Governors, whenever requested, an account of all of such manager's transactions as Treasurer and of the financial condition of the Company; and

(f) perform such other duties as may be prescribed by the Board of Governors or the Chief Manager from time to time.

The Treasurer shall be the person who, from time to time, is the acting or appointed Executive Director of the sole member.

Section 3.4 President.

Unless otherwise determined by the Board of Governors, the Chief Manager shall be the President of the Company. If a manager other than the Chief Manager is designated President, the President shall perform such duties as may from time to time be assigned by the Board of Governors.

Section 3.5 Vice Presidents.

Any one or more Vice Presidents, if any, may be designated by the Board of Governors as Executive Vice Presidents or Senior Vice Presidents. During the absence or disability of the President, it shall be the duty of the highest ranking Executive Vice President, or, in the absence of any such Vice President, the highest ranking Senior Vice President or other Vice President present at the time and able to act, to perform the duties of the President. If there are two or more Vice Presidents, the order of succession shall be determined through seniority by the order in which designated or otherwise prescribed by the Board of Governors.

Section 3.6 Secretary.

The Secretary, if any, unless otherwise determined by the Board of Governors, shall attend all meetings of the sole member and of the Board of Governors, shall record or cause to be recorded all proceedings thereof in a book to be kept for that purpose, and may certify such proceedings. Except as otherwise required or permitted by law or by this Operating Agreement, the Secretary shall give or cause to be given notice of all meetings of the sole member and all meetings of the Board of Governors. The Secretary shall be the person who, from time to time, is the acting or appointed Executive Director of the sole member.

Section 3.7 Authority and Duties.

In addition to the foregoing authority and duties, all managers of the Company shall respectively have such authority and perform such duties in the management of the business of the Company as may be designated from time to time by the Board of Governors. Unless prohibited by a resolution approved by the affirmative vote of a majority of the Governors present, a manager elected or appointed by the Board of Governors may, without the approval of the Board of Governors, delegate some or all of the duties and powers of a position to other persons.

Section 3.8 Term.

All managers of the Company shall hold office until their respective successors are chosen and have qualified or until their earlier death, resignation or removal. A vacancy in a position because of death, resignation, removal, disqualification or other cause may, or in the case of a vacancy in the position of Chief Manager or Treasurer shall, be filled for the unexpired portion of the term by the Board of Governors.

(a) Resignation. A manager may resign at any time by giving written notice to the Company. The resignation is effective without acceptance when the notice is given to the Company, unless a later effective date is specified in the notice.

(b) Removal. A manager may be removed at any time, with or without cause, by a resolution approved by the affirmative vote of a majority of the Governors present at a duly held Board of Governors meeting, subject to the provisions of a member control agreement.

Section 3.9 Salaries.

The salaries of all managers of the Company shall be fixed by the Board of Governors, or by the Chief Manager if authorized by the Board of Governors.

ARTICLE IV.

MISCELLANEOUS

Section 4.1 Indemnification.

The Company shall indemnify its governors and managers for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as required or permitted by Minnesota Statutes, Section 322C.0408, as amended from time to time or as required or permitted by other provisions of law.

Section 4.2 Insurance.

The Company may purchase and maintain insurance on behalf of any person in such person's official capacity against liability asserted against and incurred by such person in or arising from that capacity, whether or not the Company would otherwise be required to indemnify the person against the liability.

Section 4.3 Execution of Instruments.

All deeds, mortgages, bonds, checks, contracts and other instruments pertaining to the business and affairs of the Company shall be signed on behalf of the Company by the Chief Manager, President, or by such other person or persons as may be designated from time to time by the Board of Governors. If a document must be executed by persons holding different positions or functions and one person holds such positions or exercises such functions, that person may execute the document in more than one capacity if the document indicates each such capacity.

Section 4.4 Advances.

The Company may, without a vote of the Governors, advance money to its Governors, managers or employees to cover expenses that can reasonably be anticipated to be incurred by them in the performance of their duties and for which they would be entitled to reimbursement in the absence of an advance.

Section 4.5 Company Seal.

The Company shall have no seal.

Section 4.6 Fiscal Year.

The fiscal year of the Company shall be the same as the fiscal year of the sole member.

Section 4.7 Construction.

This Operating Agreement is subject to the terms of any member control agreement from time to time in effect and, to the extent inconsistent, such member control agreement shall be controlling.

Section 4.8 Amendments.

Subject to the terms of a member control agreement, the sole member shall have the power to adopt, amend or repeal the Operating Agreement of the Company.

Section 4.9 Counterparts.

This Operating Agreement may be signed by the different parties on different counterpart copies hereof and said counterparts shall together constitute a single agreement.

Section 4.10 HUD-Required Provisions

Notwithstanding any other clause or provision in the Faribault HRA LLC Certificate of Organization and Operating Agreement, and so long as the Rental Assistance Demonstration Use Agreement dated as of substantially even date herewith, as amended from time to time ("Use Agreement") is in effect, the following provisions shall apply:

(a) If any of the provisions of this Operating Agreement conflict with the terms of the Use Agreement, the provisions of the Use Agreement shall control.

(b) The provisions in this Section 5.0 are required to be inserted into the Operating Agreement by HUD and may not be amended without HUD's prior written approval. If there is a conflict between any of these HUD-required provisions and any other provision of this document, the terms of these HUD-required provisions will govern. If there is a conflict between any of the provisions in the Certificate of Organization and these HUD-required provisions of this Operating Agreement, these HUD-required provisions will govern. If there is a conflict between the Use

Agreement or these HUD-required provisions relating to the Rental Assistance Demonstration ("RAD") and any HUD-required provisions relating to mortgage insurance provided in connection with the National Housing Act, the more restrictive provisions shall control.

(c) In order to provide rental assistance to the Faribault RAD Repositioning Project pursuant to RAD, HUD requires that the Housing and Redevelopment Authority of Faribault, Minnesota control the Faribault HRA LLC. The Housing and Redevelopment Authority of Faribault, Minnesota may not transfer all or part of its interest in the Faribault HRA LLC without prior written consent of HUD. Failure of the Faribault HRA LLC to be controlled by the Housing and Redevelopment Authority of Faribault, Minnesota shall be a violation of this Operating Agreement and may cause termination of such rental assistance.

(d) Neither the Faribault HRA LLC nor any agent shall have any authority to:

i. Take any action in violation of the Use Agreement; or

ii. Fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by the Housing and Redevelopment Authority of Faribault, Minnesota or HUD.

(e) Without the consent of the Housing and Redevelopment Authority of Faribault, Minnesota, the Project Owner shall have no authority to:

i. Except to the extent permitted by the HAP Contract or Use Agreement, transfer, convey, assign, mortgage, pledge, sell, lease, sublease or otherwise dispose of, at any time, the Faribault RAD Repositioning Project or any part thereof; or

ii. Amend, renew or terminate the Property Management Agreement or enter into a new property management agreement.

The foregoing Operating Agreement was agreed to by the parties and adopted as the complete Operating Agreement of Faribault HRA LLC by action of the Board of Governors and the Board of Commissioners on the ____ day of _____, 2023.

FARIBAULT HRA LLC

By: _____
Its: President/Chief Manager

HOUSING AND REDEVELOPMENT AUTHORITY
OF FARIBAULT, MINNESOTA

By: _____
Its: Chairperson

By: _____
Its: Executive Director

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	Rebecca Rand, Housing Coordinator
MEETING DATE:	January 30, 2023
SUBJECT:	Resolution 2023-03 Appoint an Executive Director for the Housing and Redevelopment Authority of Faribault, Minnesota

BACKGROUND:

The bylaws of the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") state that the Executive Director of the HRA shall be the City of Faribault Community Development Director. On December 13, 2022, the Faribault City Council appointed David Wanberg to serve as the Community and Economic Development Director. Therefore, the HRA must take action to appoint David Wanberg to serve as the Executive Director of the HRA.

REQUESTED ACTION:

Approve Resolution #2022-03 Appoint an Executive Director for the Housing and Redevelopment Authority of Faribault, Minnesota.

ATTACHMENTS:

1. 2023-03 Appoint Executive Director of the HRA

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-03

APPOINT AN EXECUTIVE DIRECTOR FOR THE HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

WHEREAS, the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") bylaws state that the Executive Director of the HRA shall be the City of Faribault Community Development Director; and

WHEREAS, on December 13, 2022, the Faribault City Council appointed David Wanberg to serve as the Faribault Community and Economic Development Director.

NOW, THEREFORE, BE IT RESOLVED that the Housing and Redevelopment Authority of Faribault, Minnesota hereby appoints David Wanberg as the Executive Director of the Housing and Redevelopment Authority of Faribault, Minnesota.

ADOPTED: January 30, 2023

_____
Matthew Speckhals, Chairperson

ATTEST:

_____
Brendan Kennedy, Vice Chair/Secretary