HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM	MONDAY, APRIL 10, 2023	6:00 PM

1. Call to Order
2. Approval of the Minutes
3. Program Reports
4. Property Reports
   - A. Robinwood Manor
   - B. Project-Based Housing
   - C. Scattered Site Housing
5. Public Hearings
6. Items for Discussion
   - A. Resolution 2023-04 Approve the Hiring of a Management Company for Properties Owned or Currently Managed by the HRA
   - B. Resolution 2023-06 Approve Appointments to the Elderly Housing Corporation Board of Directors
7. Adjournment

HOUSING & REDEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM	WEDNESDAY, MARCH 29, 2023	6:00 PM

Meeting Items

1. **New Board Member Introductions/Call to Order**

   The regular meeting of the Housing and Redevelopment Authority was called to order by Chair Speckhals at 6:01 pm. Commissioners: Loni Ahlers, Mandy Barnes, Sara Caron, Travis Kath, Vice Chair, Brendan Kennedy were in attendance. Chair Speckhals showed up for a bit but had to leave right away. Also in attendance was Director, David Wanberg and Administrative Assistant II, Kari Casper.

2. **Approval of the Minutes of Regular HRA Meeting dated 2/13/2023 and Special HRA Meeting dated 3/1/2023**

   Motion by Travis McColley, seconded by Travis Kath to approve both sets of meeting minutes. Motion carried on a 6/0.

3. **Program Reports**

A. HRA and HCI Service Agreement Update

   Sandy Malecha with Healthy Communities Initiative gave a presentation that they are continuing to look for a coordinator for the position and will be back once they have it staffed. No action taken at this time.

B. Unsheltered Hotel Voucher Program Update

   Wanberg gave an update that all the monies have been expended and asked the Board if they would like to put more forward. McColley asked for more data; how was it used; what deemed it an emergency; how many did they turn away? Motion by Travis McColley, seconded by Travis Kath to Approve an additional $1,000. The motion passed on a 6/0 vote.

C. Other HRA Program Updates

   Vice Chair moved forward into the property reports.

4. **Property Reports**

   Motion by Loni Ahlers, seconded by Travis McColley to receive and file the property reports. The motion passed on a 6/0 vote.

A. Robinwood Manor

B. Public Housing

C. Scattered Site/Market Rate

5. **Public Hearings**

A. None

6. **Items for Discussion**

A. RAD/Repositioning Update

Wanberg gave an update on the legal costs and fees for this project. They closed on the 28th of February and will take effect with Rice County HRA on April 1, 2023. Motion by Travis McColley, seconded by Loni Ahlers to Approve. The motion passed on a 6/0 vote.

B. Establish HRA Bank Accounts

Wanberg explained the need to separate the HRA and EHC accounts from the general fund by establishing these separate accounts. He identified the signors. Motion by Loni Ahlers, seconded by Sara Caron to Approve moving forward with the creation of the accounts. The motion passed on a 6/0 vote.

C. Approve HRA Board Members to Serve on Elderly Housing Corporation LLC (EHC) Board

Wanberg explained that the two of the Elderly Housing Corp members who oversee Robinwood would like to retire and asked for volunteers to serve on that Board. Sara Caron, Mandy Barnes and Travis Kath all offered their assistance. There will be a special EHC meeting on Tuesday, April 4, 2023 at 4:45 to discuss this; the new members do not need to be present for this. Motion by Travis McColley, seconded by Mandy Barnes to Approve. The motion passed on a 6/0 vote.

D. Authorize the Entering into a Service Agreement for Property Management Services

Wanberg went over the need for the City to enter into an agreement with a property management company to run the reporting and day to day needs of both the public housing program as well as Robinwood. There were several companies contacted and two came forward with offers. There is one local company, Ccrnerstone that gave the HRA a bid. Wanberg asked the Board to give him authority to discuss the matter with the attorneys and execute an agreement. The Board would like more information and like the opportunity to review the draft agreement before signature. There will be another meeting on April 9th. Motion by Travis McColley, seconded by Mandy Barnes to approve discussions with the management company and come back to the next meeting with the draft to discuss. The motion passed on a 6/0 vote. Motion .

E. Other Matters related to the Management of HRA and EHC Properties

Wanberg asked the board if they preferred to move the Board meetings back to second Monday of the month and they agreed.

7. Adjournment

Motion by Loni Ahlers, seconded by Travis McColley to Adjourn at 7:40 p.m. The motion passed on a 6/0 vote.

Respectfully submitted,

By:____________________________________

Kari Casper

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	April 10, 2023
SUBJECT:	Robinwood Manor

BACKGROUND:
The following provides an update on the activities at Robinwood Manor.

OCCUPANCY:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy:	96%	96%	95%									
Turnover:	0	0	1									

Vacant Units: 109, 201, 220, 221, 223

OPERATING STATEMENT:
The financial report for the month of March is attached. The largest expenses during the month of March were for snow removal $5,651.48 and insurance $10,438. Staff is in the process of reviewing bids to repair the wall damaged by the collapsed awning earlier this year.

REQUESTED ACTION:
Motion to receive and file.

ATTACHMENTS:
1. Robinwood Manor Operating Statement

General Ledger
Expenditure Summary

User: kcasper
Printed: 4/7/2023 10:33:51 AM
Period 03 - 03
Fiscal Year 2023

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
898	**Robinwood Manor**					
898-00000-000-10100	Cash	0.00	0.00	8,044.35	700,091.21	0.00
898-00000-000-10125	Cash in Escrow - Sec Dep	0.00	0.00	0.00	14,544.67	0.00
898-00000-000-10130	Cash Held by Trustee	0.00	0.00	0.00	0.00	0.00
898-00000-000-10410	Investments - Fair Value Adj	0.00	0.00	0.00	-41,575.19	0.00
898-00000-000-10450	Interest Receivable	0.00	0.00	0.00	2,237.58	0.00
898-00000-000-11500	Accounts Receivable	0.00	0.00	0.00	6,030.45	0.00
898-00000-000-11520	Accounts Receivable-Collection	0.00	0.00	0.00	-5,826.52	0.00
898-00000-000-13200	Due From Other Governments	0.00	0.00	0.00	0.00	0.00
898-00000-000-13600	Rent Receivable	0.00	0.00	0.00	5,513.52	0.00
898-00000-000-13610	Uncollectible Rents	0.00	0.00	0.00	-5,282.52	0.00
898-00000-000-15500	Prepaid Items	0.00	0.00	0.00	0.00	0.00
	Current Assets	0.00	0.00	8,044.35	675,733.20	0.00
898-00000-000-16100	Land	0.00	0.00	0.00	62,426.00	0.00
898-00000-000-16200	Building & Improvements	0.00	0.00	0.00	1,888,852.44	0.00
898-00000-000-16210	Accum Depreciation - Buildings	0.00	0.00	0.00	-1,590,559.92	0.00
898-00000-000-16300	Improvements Other Than Bldgs	0.00	0.00	0.00	226,297.00	0.00
898-00000-000-16310	Accum Depreciation - Other Imp	0.00	0.00	0.00	-22,060.73	0.00
898-00000-000-16400	Machinery & Equipment	0.00	0.00	0.00	79,754.39	0.00
898-00000-000-16410	Accum Depreciation - Mach & Eq	0.00	0.00	0.00	-75,958.03	0.00
898-00000-000-16500	Construction In Progress	0.00	0.00	0.00	0.00	0.00
	Capital Assets	0.00	0.00	0.00	568,751.15	0.00
898-00000-000-25300	Unreserved Fund Balance	0.00	0.00	0.00	-1,169,043.05	0.00
	Fund Balance	0.00	0.00	0.00	-1,169,043.05	0.00
898-00000-000-20200	Accounts Payable	0.00	0.00	0.00	699.12	0.00
898-00000-000-20210	Payment in Lieu Taxes Payab	0.00	0.00	0.00	-13,177.02	0.00
898-00000-000-20600	Contracts Payable	0.00	0.00	0.00	0.00	0.00
898-00000-000-20610	Contracts Payable-Retained	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
	$					
898-00000-000-20800	Due to Other Governments	0.00	0.00	0.00	0.00	0.00
898-00000-000-20815	Use Tax Payable	0.00	0.00	0.00	0.00	0.00
898-00000-000-22000	Deposits	0.00	0.00	-20.00	-14,330.93	0.00
898-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	-3,025.00	0.00
898-00000-000-22530	Mortgage Payable - Current	0.00	0.00	0.00	0.00	0.00
	Current Liability	0.00	0.00	-20.00	-29,833.83	0.00
898-00000-000-22400	Unamortized Mortgage Financing	0.00	0.00	0.00	0.00	0.00
898-00000-000-23130	Mortgage Payable - Noncurrent	0.00	0.00	0.00	0.00	0.00
	Noncurrent Liability	0.00	0.00	0.00	0.00	0.00
898-00000-000-33160	Federal Grants	-239,842.00	-239,842.00	-21,979.00	-68,899.00	28.73
	Intergovernmental Revenue	-239,842.00	-239,842.00	-21,979.00	-68,899.00	28.73
898-00000-000-36200	Other Miscellaneous Revenue	-6,000.00	-6,000.00	-555.50	-1,432.50	23.88
898-00000-000-36210	Interest on Investments	-7,000.00	-7,000.00	0.00	-3,216.19	45.95
898-00000-000-36211	Interest Market Value	0.00	0.00	0.00	-1,047.01	0.00
898-00000-000-36220	Rents	-239,842.00	-239,842.00	-16,703.00	-42,055.00	17.53
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	-5.00	-63.00	6.30
898-00000-000-36280	Project Reimbursement	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-253,842.00	-253,842.00	-17,263.50	-47,813.70	18.84
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		-493,684.00	-493,684.00	-31,218.15	-71,105.23	0.144
Revenue Total		-493,684.00	-493,684.00	-39,242.50	-116,712.70	-0.2364
Expense Total		0.00	0.00	0.00	0.00	0
00000		***-493,684.00***	***-493,684.00***	***-31,218.15***	***-71,105.23***	***14.40***
898-46310-000-42110	General Supplies	23,000.00	23,000.00	1,769.20	4,081.35	17.75
898-46310-000-42115	Meeting	0.00	0.00	0.00	161.06	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	1,769.20	4,242.41	18.45
898-46310-000-43010	Auditing & Accounting Services	10,000.00	10,000.00	0.00	0.00	0.00
898-46310-000-43040	Legal Fees - Civil Process	1,000.00	1,000.00	194.85	757.75	75.78
898-46310-000-43070	Management Services	45,250.00	45,250.00	3.00	7,089.60	15.67
898-46310-000-43090	Expert & Professional Services	20,500.00	20,500.00	70.05	210.15	1.03
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	341.56	899.76	99.97
898-46310-000-43430	Advertising - Other	500.00	500.00	0.00	0.00	0.00
898-46310-000-43610	Insurance & Bonds	10,086.00	10,086.00	10,438.00	10,438.00	103.49
898-46310-000-43810	Electric Utilities	26,000.00	26,000.00	2,694.14	2,694.14	10.36

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
898-46310-000-43820	Water Utilities	2,200.00	2,200.00	236.45	418.85	19.04
898-46310-000-43830	Gas Utilities	15,000.00	15,000.00	1,884.13	1,884.13	12.56
898-46310-000-43840	Refuse Disposal	3,500.00	3,500.00	247.54	890.78	25.45
898-46310-000-43850	Sewer Utilities	3,100.00	3,100.00	391.27	683.54	22.05
898-46310-000-43860	Storm Water Utilities	750.00	750.00	90.21	180.42	24.06
898-46310-000-44010	Building Maintenance	95,000.00	95,000.00	12,825.80	31,061.40	32.70
898-46310-000-44045	Equipment Repairs	0.00	0.00	0.00	0.00	0.00
898-46310-000-44050	Extraordinary Maintenance	158,000.00	158,000.00	0.00	9,520.62	6.03
898-46310-000-44060	Laundry Services	900.00	900.00	33.95	101.26	11.25
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	18.41	6.14
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	0.00	0.00
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	0.00	16.01	8.01
898-46310-000-45950	Loss on Disposal	0.00	0.00	0.00	0.00	0.00
	Other Services & Charges	417,446.00	417,446.00	29,450.95	66,864.82	16.02
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		440,446.00	440,446.00	31,220.15	71,107.23	0.1614
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		440,446.00	440,446.00	31,220.15	71,107.23	0.1614
46310	***Urban Redevelopment & Housing***	***440,446.00***	***440,446.00***	***31,220.15***	***71,107.23***	***16.14***
898	**Robinwood Manor**	**-53,238.00**	**-53,238.00**	**2.00**	**2.00**	**0.00**

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% Expend/Collect
Grand Total		-53,238.00	-53,238.00	2.00	2.00	0
Revenue Total		-493,684.00	-493,684.00	-39,242.50	-116,712.70	-0.2364
Expense Total		440,446.00	440,446.00	31,220.15	71,107.23	0.1614

City Of Faribault

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	April 10, 2023
SUBJECT:	Project-Based Housing

BACKGROUND:
The following updates the Project-Based Voucher program activities.

OCCUPANCY:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy:	98%	98%	97%									
Turnover:	0	0	1									

Vacant Units: 900B Spring Road, 1814 Shumway and 1225 2nd St NW.

OPERATING STATEMENT:
Discussion: The financial report for the month of March is attached. The largest expenses during the month of March were for snow removal, $10,275 and unit turnover at 1225 2nd St NW for $28,166.04 to date.

REQUESTED ACTION:
Review and approve the operating statement as presented.

ATTACHMENTS:
1. Project-Based Housing Operating Statement

General Ledger
Expenditure Summary

User: kcasper
Printed: 4/7/2023 10:33:14 AM
Period 03 - 03
Fiscal Year 2023

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
241	**Public Housing**					
241-00000-000-10100	Cash	0.00	0.00	-127,834.35	-12,397.91	0.00
241-00000-000-10125	Cash in Escrow - Sec Dep	0.00	0.00	0.00	22,443.24	0.00
241-00000-000-10410	Investments - Fair Value Adj	0.00	0.00	0.00	-9,017.83	0.00
241-00000-000-10450	Interest Receivable	0.00	0.00	0.00	429.66	0.00
241-00000-000-11500	Accounts Receivable	0.00	0.00	0.00	8,044.38	0.00
241-00000-000-11520	Accounts Receivable-Collection	0.00	0.00	0.00	-4,886.12	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	15,056.20	0.00
241-00000-000-13610	Uncollectible Rents	0.00	0.00	0.00	-9,398.20	0.00
241-00000-000-15500	Prepaid Items	0.00	0.00	0.00	0.00	0.00
	Current Assets	0.00	0.00	-127,834.35	10,273.42	0.00
241-00000-000-25300	Unreserved Fund Balance	0.00	0.00	0.00	-98,719.77	0.00
	Fund Balance	0.00	0.00	0.00	-98,719.77	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	-11,255.79	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	-354.00	-22,228.82	0.00
241-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	-6,286.29	0.00
	Current Liability	0.00	0.00	-354.00	-39,929.90	0.00
241-00000-461-33160	Federal Grants	0.00	0.00	0.00	0.00	0.00
	Intergovernmental Revenue	0.00	0.00	0.00	0.00	0.00
241-00000-461-36200	Other Miscellaneous Revenue	-6,000.00	-6,000.00	-1,306.19	-2,186.16	36.44
241-00000-461-36210	Interest on Investments	-2,300.00	-2,300.00	0.00	-693.95	30.17
241-00000-461-36211	Interest Market Value	0.00	0.00	0.00	-231.10	0.00
241-00000-461-36220	Rents	-631,000.00	-631,000.00	-16,711.08	-51,513.08	8.16
241-00000-461-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-639,300.00	-639,300.00	-18,017.27	-54,624.29	8.54
Grand Total		-639,300.00	-639,300.00	-146,205.62	-183,000.54	0.2863
Revenue Total		-639,300.00	-639,300.00	-18,017.27	-54,624.29	-0.0854

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
Expense Total		0.00	0.00	0.00	0.00	0
00000		***-639,300.00***	***-639,300.00***	***-146,205.62***	***-183,000.54***	***28.63***
241-46330-461-42110	General Supplies	23,000.00	23,000.00	2,491.62	2,491.62	10.83
241-46330-461-42120	Motor Fuels	0.00	0.00	0.00	0.00	0.00
241-46330-461-42410	Minor Equipment & Tools	0.00	0.00	0.00	0.00	0.00
	Supplies	23,000.00	23,000.00	2,491.62	2,491.62	10.83
241-46330-461-43010	Auditing & Accounting Services	1,500.00	1,500.00	0.00	0.00	0.00
241-46330-461-43040	Legal Fees - Civil Process	6,500.00	6,500.00	45,942.34	54,512.94	838.66
241-46330-461-43070	Management Services	17,550.00	17,550.00	6,707.00	20,121.00	114.65
241-46330-461-43090	Expert & Professional Services	116,000.00	116,000.00	20,000.00	20,410.00	17.59
241-46330-461-43430	Advertising - Other	0.00	0.00	0.00	0.00	0.00
241-46330-461-43610	Insurance & Bonds	22,945.00	22,945.00	27,702.00	27,702.00	120.73
241-46330-461-43810	Electric Utilities	1,100.00	1,100.00	319.58	451.32	41.03
241-46330-461-43820	Water Utilities	1,000.00	1,000.00	153.52	291.62	29.16
241-46330-461-43830	Gas Utilities	750.00	750.00	175.78	292.22	38.96
241-46330-461-43840	Refuse Disposal	3,000.00	3,000.00	183.26	551.94	18.40
241-46330-461-43850	Sewer Utilities	500.00	500.00	34.43	54.43	10.89
241-46330-461-43860	Storm Water Utilities	700.00	700.00	115.27	223.06	31.87
241-46330-461-44010	Building Maintenance	107,317.00	107,317.00	13,602.85	24,092.27	22.45
241-46330-461-44050	Extraordinary Maintenance	240,000.00	240,000.00	28,777.97	28,777.97	11.99
241-46330-461-44320	Bad Debt	0.00	0.00	0.00	0.00	0.00
241-46330-461-44325	Bank Fees & Charges	800.00	800.00	0.00	107.15	13.39
241-46330-461-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00
241-46330-461-44375	Utility Reimbursement	0.00	0.00	0.00	2,921.00	0.00
241-46330-461-44390	Taxes & Licenses	10,000.00	10,000.00	0.00	0.00	0.00
241-46330-461-44700	Interest	300.00	300.00	0.00	0.00	0.00
	Other Services & Charges	529,962.00	529,962.00	143,714.00	180,508.92	34.06
241-46330-461-45200	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		552,962.00	552,962.00	146,205.62	183,000.54	0.3309
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		552,962.00	552,962.00	146,205.62	183,000.54	0.3309
46330	***Public Housing Projects***	***552,962.00***	***552,962.00***	***146,205.62***	***183,000.54***	***33.09***
241	**Public Housing**	**-86,338.00**	**-86,338.00**	**0.00**	**0.00**	**0.00**

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% Expend/Collect
Grand Total		-86,338.00	-86,338.00	0.00	0.00	0
Revenue Total		-639,300.00	-639,300.00	-18,017.27	-54,624.29	-0.0854
Expense Total		552,962.00	552,962.00	146,205.62	183,000.54	0.3309

City Of Faribault

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	April 10, 2023
SUBJECT:	Scattered Site Housing

BACKGROUND:

The following provides an update on the scattered site rental unit.

OCCUPANCY:

	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Occupancy:	100%	100%	100%									
Unit Turnovers:	0											
Vacant Units:	None											

The financial report for the month of March is attached. There were no major expenses or unusual activity.

REQUESTED ACTION:

Review and approve the operating statement as presented.

ATTACHMENTS:

1. Scattered Sites

General Ledger
Expenditure Summary

User: kcasper
Printed: 4/7/2023 10:34:52 AM
Period 03 - 03
Fiscal Year 2023

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	1,646.33	97,180.93	0.00
211-00000-000-10410	Investments - Fair Value Adj	0.00	0.00	0.00	-6,165.82	0.00
211-00000-000-10450	Interest Receivable	0.00	0.00	0.00	302.19	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	1,646.33	91,317.30	0.00
211-00000-000-25300	Unreserved Fund Balance	0.00	0.00	0.00	-85,112.18	0.00
	Fund Balance	0.00	0.00	0.00	-85,112.18	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	0.00	-901.65	0.00
211-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	-191.00	0.00
	Current Liability	0.00	0.00	0.00	-1,092.65	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	-1,090.00	-1,090.00	0.00	-425.16	39.01
211-00000-460-36211	Interest Market Value	0.00	0.00	0.00	-118.27	0.00
211-00000-460-36220	Rents	-13,300.00	-13,300.00	-2,043.00	-5,938.00	44.65
211-00000-460-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-14,390.00	-14,390.00	-2,043.00	-6,481.43	45.04
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		-14,390.00	-14,390.00	-396.67	-1,368.96	0.0951
Revenue Total		-14,390.00	-14,390.00	-2,043.00	-6,481.43	-0.4504
Expense Total		0.00	0.00	0.00	0.00	0
00000		***-14,390.00***	***-14,390.00***	***-396.67***	***-1,368.96***	***9.51***
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	285.00	25.00
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	273.00	273.00	0.00	333.00	121.98
211-46310-460-43810	Electric Utilities	200.00	200.00	0.00	7.70	3.85
211-46310-460-43820	Water Utilities	300.00	300.00	26.30	54.66	18.22
211-46310-460-43830	Gas Utilities	100.00	100.00	0.00	24.10	24.10
211-46310-460-43840	Refuse Disposal	200.00	200.00	0.00	0.00	0.00
211-46310-460-43850	Sewer Utilities	400.00	400.00	32.89	69.54	17.39
211-46310-460-43860	Storm Water Utilities	100.00	100.00	7.48	14.96	14.96
211-46310-460-44010	Building Maintenance	3,000.00	3,000.00	235.00	580.00	19.33
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	2,000.00	2,000.00	0.00	0.00	0.00
211-46310-460-44700	Interest	50.00	50.00	0.00	0.00	0.00
	Other Services & Charges	7,763.00	7,763.00	396.67	1,368.96	17.63
Grand Total		8,263.00	8,263.00	396.67	1,368.96	0.1657
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		8,263.00	8,263.00	396.67	1,368.96	0.1657
46310	***Urban Redevelopment & Housing***	***8,263.00***	***8,263.00***	***396.67***	***1,368.96***	***16.57***
211	**City Rental Property Mgmt**	**-6,127.00**	**-6,127.00**	**0.00**	**0.00**	**0.00**

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% Expend/Collect
Grand Total		-6,127.00	-6,127.00	0.00	0.00	0
Revenue Total		-14,390.00	-14,390.00	-2,043.00	-6,481.43	-0.4504
Expense Total		8,263.00	8,263.00	396.67	1,368.96	0.1657

City Of Faribault

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	April 10, 2023
SUBJECT:	Resolution 2023-04 Approve the Hiring of a Management Company for Properties Owned or Currently Managed by the HRA

BACKGROUND:

At its March 29, 2023, meeting, the Community and Economic Development Director asked the HRA to authorize staff to negotiate an agreement with a firm to manage HRA properties. Given the recent resignations of Community and Economic Development staff, it is imperative that the HRA implement a management plan as soon as possible. The HRA requested additional information before authorizing staff to finalize an agreement.

The City of Faribault did not receive qualified applications to replace Community and Economic Development staff. Consequently, staff reached out to multiple property management firms, and found many of those firms also did not have the staff needed to manage the HRA's properties. However, two firms expressed interest: Ehlm Properties based out of the twin cities, and Cornerstone Management Services with offices in Rochester and Faribault. Cornerstone manages five other multi-family developments in Faribault, including Four Seasons, Heritage Bluff, and Trails Edge. Cornerstone also has a working relationship with Rice County HRA staff. Consequently, staff recommends that the HRA enter into a property management agreement with Cornerstone.

Community and Economic Development staff, the City Finance Director, the City Attorney, Rice County HRA staff, and representatives from Cornerstone met to discuss fees and responsibilities. Rick Karow from Cornerstone will attend the April 10 HRA meeting to discuss their proposal for management of the HRA properties. Cornerstone proposes to manage the HRA properties for a fee equal to five percent of the gross income charges or $6,500 per month (see the attached standard agreement template from Cornerstone).

The City Attorney and Community and Economic Development Director are finalizing the details of an agreement with Cornerstone. The HRA can ask questions of Cornerstone and provide any additional direction to staff. However, due to the immediate management needs, staff recommends that the HRA approve Resolution 2023-04, authorizing staff, on behalf of the HRA, to finalize a property management agreement with Cornerstone.

REQUESTED ACTION:
Approve Resolution 2023-04.

ATTACHMENTS:
1. Resolution 2023-04
2. DRAFT Property Management Agreement

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION 2023-04

APPROVE THE HIRING OF A MANAGEMENT COMPANY FOR PROPERTIES OWNED OR CURRENTLY MANAGED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

WHEREAS, Minnesota State Statute 469.018, Subd. 2 allows the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") to employ real estate operators, firms, brokers, or a municipality to perform management and operation services for HRA owned properties; and

WHEREAS, The HRA currently owns and manages 50 units, 49 of which are known as Faribault Housing and 1 of which is known as Market Rate (the "Properties"); and

WHEREAS, The Elderly Housing Corporation (EHC) owns a 51 unit facility known as Robinwood Manner; and

WHEREAS, The EHC has previously agreed to transfer all interest in management of Robinwood Manor to the HRA; and

WHEREAS, The HRA intends to hire a management company to aid in the management of the Properties and Robinwood Manor.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA, AS FOLLOWS:

1. The HRA directs HRA and City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the HRA as set forth in this Resolution.

2. The President, Executive Director, HRA and City staff, City attorney, and HRA 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.

ADOPTED: April 10, 2023

____

Matt Speckhals, Chair

ATTEST:

____

Brendan Kennedy, Vice Chair/Secretary

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is made and entered into as of __________________, by and among **Cornerstone Management Services LLC**, a Minnesota limited liability company ("Managing Agent"), and ____________ (the "Company"), on behalf of itself and those of its subsidiaries as may from time to time own properties subject to this Agreement (each, an "Owner" and, collectively, "Owners").

W I T N E S S E T H:

WHEREAS, Owner owns a ________________________, at _______________________ (the "Property").

WHEREAS, Owners own various properties and Owners may, in the future, acquire additional properties which shall automatically become subject to this Agreement without amendment hereof, unless otherwise agreed by the Company and Managing Agent (collectively, the "Managed Premises");

WHEREAS, Owners wish to engage Managing Agent to perform the services and duties set forth herein; and

WHEREAS, Managing Agent is willing to accept such engagement on the terms and conditions set forth therein;

NOW, THEREFORE, in consideration of the premises and the agreements herein contained, Owners and Managing Agent hereby agree as follows:

1. **Engagement**. Subject to the terms and conditions hereinafter set forth, Owners hereby continue to engage Managing Agent to provide the property management and administrative services with respect to the Managed Premises contemplated by this Agreement. Managing Agent hereby accepts such continued engagement as managing agent and agrees to devote such time, attention and effort as may be appropriate to operate and manage the Managed Premises in a diligent, orderly and efficient manner. Managing Agent may subcontract out some or all of its obligations hereunder to third parties; provided, however, that, in any such event, Managing Agent shall be and remain primarily liable to Owners for performance hereunder.

Notwithstanding anything to the contrary set forth in this Agreement, the services to be provided by Managing Agent hereunder shall exclude all services (including, without limitation, any garage management or cafeteria management services) whose performance by a manager to any Owner could give rise to an Owner's receipt of "impermissible tenant service income" as defined in §856(d)(7) of the Internal Revenue Code of 1986 (as amended or superseded hereafter, the "Code") or could in any other way jeopardize an Owner's federal or state tax qualification as a real estate investment trust.

2. **General Parameters**. Any or all services may be performed or goods purchased by Managing Agent under arrangements jointly with or for other properties owned or managed by Managing Agent and the costs shall be reasonably apportioned. Managing Agent may employ personnel who are assigned to work exclusively at the Managed Premises or partly at the Managed Premises and other buildings owned and/or managed by Managing Agent. Wages, benefits and other related costs of centralized accounting personnel and employees employed by Managing Agent and assigned to work exclusively or partly at the Managed Premises shall be fairly apportioned and reimbursed, pro rata, by Owners in addition to the Fee and Construction Supervision Fee (each as defined in Section 6).

3. **Duties**. Without limitation, Managing Agent agrees to perform the following specific duties:

(a) To seek tenants for the Managed Premises in accordance with market rents and to negotiate leases, including renewals thereof, and to lease space to tenants, at rentals, and for periods of occupancy all on market terms. To employ appropriate means in order that the availability of rental space is made known to potential tenants, including, but not limited to, the employment of brokers. The brokerage and legal expenses of negotiating such leases and leasing such space shall be paid by the applicable Owner.

(b) To collect all rents and other income from the Managed Premises and to give receipts therefor, both on behalf of Owners, and deposit such funds in such banks and such accounts as are named, from time to time, by Owners, in agency accounts for and under the name of Owners. Managing Agent shall be empowered to sign disbursement checks on these accounts. Managing Agent may also use pooled bank accounts for the benefit of Owners and other owners for whom the Managing Agent provides services, provided separate records and accountings of such funds are maintained.

(c) To make contracts for and to supervise any repairs and/or alterations to the Managed Premises, including tenant improvements on reasonable commercial terms.

(d) For Owners' account and at its expense, to hire, supervise and discharge employees as required for the efficient operation and maintenance of the Managed Premises.

(e) To obtain, at Owners' expense, appropriate insurance for the Managed Premises protecting Owners and Managing Agent while acting on behalf of Owners against all normally insurable risks relating to the Managed Premises and complying with the requirements of Owners' mortgagee, if any, and to cause the same to be provided and maintained by all tenants with respect to the Managed Premises to the extent required by the terms of such tenants' leases. Notwithstanding the foregoing, Owners may determine to purchase insurance directly for their own account.

(f) To promptly notify the applicable Owner's insurance carriers, as required by the applicable policies, of any casualty or injury to person or property at the Managed Premises, and complete customary reports in connection therewith.

(g) To procure all supplies, other materials and services as may be necessary for the proper operation of the Managed Premises, at Owners' expense.

(h) To pay promptly from rental receipts, other income derived from the Managed Premises, or other monies made available by Owners for such purpose, all costs incurred in the operation of the Managed Premises which are expenses of Owners hereunder, including wages or other payments for services rendered, invoices for supplies or other items furnished in relation to the Managed Premises, and pay over forthwith the balance of such rental receipts, income and monies to Owners or as Owners shall from time to time direct. In the event that the sum of the expenses to operate and the compensation due Managing Agent exceeds gross receipts in any month and no excess funds from prior months are available for payment of such excess, Owners shall pay promptly the amount of the deficiency thereof to Managing Agent upon receipt of statements therefor.

(i) To keep Owners apprised of any material developments in the operation of the Managed Premises.

(j) To establish reasonable rules and regulations for tenants of the Managed Premises.

(k) On behalf of and in the name of Owner, to institute or defend, as the case may be, any and all legal actions or proceedings relating to the operation of the Managed Premises.

(l) To maintain the books and records of Owners reflecting the management and operation of the Managed Premises, making available for reasonable inspection and examination by Owners or their representatives all books, records and other financial data relating to the Managed Premises at the place where the same are maintained.

(m) To prepare and deliver seasonably to tenants of the Managed Premises such statements of expenses or other information as shall be required on the landlord's part to be delivered to such tenants for computation of rent, additional rent, or any other reason.

(n) To aid, assist and cooperate with Owners in matters relating to taxes and assessments and insurance loss adjustments, notify Owners of any tax increase or special assessments relating to the Managed Premises and to enter into contracts for tax abatements services.

(o) To provide such emergency services as may be required for the efficient management and operation of the Managed Premises on a twenty-four (24)-hour basis.

(p) To enter into contracts on commercially reasonable terms for utilities (including, without limitation, water, fuel, electricity and telephone) and for building services (including, without limitation, cleaning of windows, common areas and tenant space, ash, rubbish and garbage hauling, snow plowing, landscaping, carpet cleaning and vermin extermination), and for other services as are appropriate to the Managed Premises.

(q) To seek market terms for all items purchased or services contracted by it under this Agreement.

(r) To take such action generally consistent with the provisions of this Agreement as Owners might with respect to the Managed Premises if personally present.

(s) To, from time to time, or at any time requested by the Board of Trustees of the Company (the "Trustees"), make reports of its performance of the foregoing services to the Company.

4. **Authority**. Owners give to Managing Agent the authority and powers to perform the foregoing duties on behalf of Owners and authorize Managing Agent to incur such reasonable expenses, as contemplated in Sections 2, 3 and 5 on behalf of Owners as are necessary in the performance of those duties.

5. **Special Authority of Managing Agent**. In addition to, and not in limitation of, the duties and authority of Managing Agent contained herein, Managing Agent shall perform the following duties:

(a) Terminate tenancies and sign and serve in the name of Owners such notices therefor as may be required for the proper management of the Managed Premises.

(b) At Owners' expense, institute and prosecute actions to evict tenants and recover possession of rental space, and recover rents and other sums due; and when expedient, settle, compromise and release such actions or suits or reinstate such tenancies.

6. **Compensation**.

(a) In consideration of the services to be rendered by Managing Agent hereunder, Owners agree to pay and Managing Agent agrees to accept as its compensation (i) a management fee (the "Fee") equal to five percent (5%) of the gross income charges or $6,500, whichever is greater, payable on the 1st of the month.

(b) Landlord is responsible for payment of onsite maintenance and management personnel, however, manager will employ onsite personnel through their company and payments will run through the property operations.

7. **Term of Agreement**. This Agreement shall continue in force and effect until _________, and, on ________ of each year after the effective date of this Agreement (each, an "Extension Date"), the term of this Agreement shall be automatically extended an additional year so that the term of this Agreement thereafter ends on the twentieth anniversary of such Extension Date.

Notwithstanding any other provision of this Agreement to the contrary, this Agreement, or any extension thereof, may be terminated prior to the expiration of the term:

(a) by the Company (on behalf of itself and Owners), upon ninety (90) days' prior written notice to Managing Agent (such termination, a "Termination for Convenience") or

(b) by Managing Agent, for Good Reason, upon one hundred twenty (120) days' prior written notice to the Company (or ninety (90) days if the Company takes steps to cure any relevant default within thirty (30) days of written notice to the Company).

Any notice of termination shall include the reason for such termination.

In the event of a Termination for Convenience by the Company or a termination by Managing Agent pursuant to Section 7(b), the Company shall pay Managing Agent an amount in cash (the "Full Termination Fee") equal to the sum of the present values of Monthly Future Fees payable for the Remaining Term, determined by assuming that a Monthly Future Fee is payable for each month in the Remaining Term on the thirtieth (30th) day after the end of that month and calculating for each Monthly Future Fee the present value of that fee by applying a discount rate to that fee equal to one-twelfth (1/12) the sum of the applicable Treasury Rate plus 300 basis points, with monthly periods for discounting.

In the event of a Termination for Performance, the Company shall pay Managing Agent an amount in cash (the "Performance Termination Fee") equal to the sum of the present values of Monthly Future Fees payable for the first one hundred twenty (120) months of the Remaining Term, determined by assuming that a Monthly Future Fee is payable for each of the first one hundred twenty (120) months in the Remaining Term on the thirtieth (30th) day after the end of that month and calculating for each Monthly Future Fee the present value of that fee by applying a discount rate to that fee equal to one-twelfth (1/12) the sum of the applicable Treasury Rate plus 300 basis points, with monthly periods for discounting. It is expressly understood and agreed that a Termination for Performance and payment of the Performance Termination Fee is the Company's intended remedy for a Performance Reason.

No Full Termination Fee or Performance Termination Fee shall be payable in the event of termination by the Company pursuant to Section 7(a)(ii) (Termination For Cause) or Section 7(a)(iv) (following a Managing Agent Change of Control).

The provisions of this Section 7 shall not apply as a limitation on the amount which may be paid by agreement of the Company and Managing Agent in connection with a transaction pursuant to which any assets or going business values of Managing Agent are acquired by the Company in association with termination of this Agreement and the Full Termination Fee or the Performance Termination Fee, as applicable, is in addition to any amounts otherwise payable to Managing Agent under this Agreement as compensation for services and for expenses of or reimbursement due to Managing Agent through the date of termination.

8. **Termination**. Upon termination of this Agreement with respect to any of the Managed Premises for any reason whatsoever, Managing Agent shall as soon as practicable turn over to Owners all books, papers, funds, records, keys and other items relating to the management and operation of such Managed Premises, including, without limitation, all leases in the possession of Managing Agent and shall render to Owners a final accounting with respect thereto through the date of termination. Owners shall be obligated to pay all compensation for services rendered by Managing Agent hereunder prior and up to the effective time of such termination, including, without limitation, any Fees and Construction Supervision Fees, and shall pay and reimburse to Managing Agent all expenses and costs incurred by Managing Agent prior and up to the effective time of such termination which are otherwise payable or reimbursable to Managing Agent pursuant to the terms of this Agreement (collectively, "Accrued Fees"). The amount of such fees paid as compensation pursuant to the foregoing sentence shall be subject to adjustment in accordance with the annual reconciliation contemplated by Section 6(b) and consistent with past practices in performing such reconciliation.

A computation of all Accrued Fees and of the Termination Fee, if any, due upon termination shall be delivered by Managing Agent to the Company within thirty (30) days following the effective date of termination. The Accrued Fees and, to the extent applicable, the Full Termination Fee or Performance Termination Fee, due upon termination shall be payable within ten (10) business days following the delivery to the Company of such computation.

In addition to other actions on termination of this Agreement, for up to one hundred twenty (120) days following the date of notice of a termination of this Agreement, Managing Agent shall cooperate with the Company and the Owners and use commercially reasonable efforts to facilitate the orderly transfer of management of the Managed Premises. In connection therewith Managing Agent shall assign to the Company, to one or more Owners, or to their designee(s), as directed by the Company, and the Company, such Owner(s) or their designee(s) shall assume, all contracts entered into by Managing Agent pursuant to this Agreement, but excluding all insurance contracts, and multi-property contracts not limited in scope to the Managed Premises and all contracts with affiliates of Managing Agent. Managing Agent shall also transfer to the Company all proprietary information with respect to the Company and/or the Owners. Additionally, the Company, one or more Owners, or their designee(s) shall have the right to offer employment to any employee of Managing Agent whom Managing Agent proposes to terminate in connection with a Covered Termination and Managing Agent shall cooperate with the Company, such Owners, or their designee(s) in connection therewith.

9. **Assignment of Rights and Obligations.**

(a) Without Owners' prior written consent, Managing Agent shall not sell, transfer, assign or otherwise dispose of or mortgage, hypothecate or otherwise encumber or permit or suffer any encumbrance of all or any part of its rights and obligations hereunder, and any transfer, encumbrance or other disposition of an interest herein made or attempted in violation of this paragraph shall be void and ineffective, and shall not be binding upon Owners. Notwithstanding the foregoing, Managing Agent may assign its rights and delegate its obligations under this Agreement to any subsidiary of Parent so long as such subsidiary is then and remains Controlled by Parent.

(b) Owners, without Managing Agent's consent, may not assign their respective rights or delegate their respective obligations hereunder.

(c) Any assignment permitted hereunder shall not release the assignor hereunder.

10. **Indemnification and Insurance.**

(a) Owners agree to defend, indemnify and hold harmless Managing Agent from and against all costs, claims, expenses and liabilities (including reasonable attorneys' fees) arising out of Managing Agent's performance of its duties in accordance with this Agreement including, without limitation, injury or damage to persons or property occurring in, on or about the Managed Premises and violations or alleged violations of any law, ordinance, regulation or order of any governmental authority regarding the Managed Premises except any injury, damage or violation resulting from Managing Agent's fraud, gross negligence or willful misconduct in the performance of its duties hereunder.

(b) Owners and Managing Agent shall maintain such commercially reasonable insurance as shall from time to time be mutually agreed by Owners and Managing Agent.

11. **Notices**. Any notice, report or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, upon confirmation of receipt when transmitted by facsimile transmission, on the next business day if transmitted by a nationally recognized overnight courier or on the third (3rd) business day following mailing by first class mail, postage prepaid, in each case as follows (or at such other United States address or facsimile number for a party as shall be specified by like notice):

If to the Company or the Owners:

____
____
____
____

If to Managing Agent:

Cornerstone Management Services LLC
206 S Broadway Ste 460
Rochester MN, 55904
Attn: Mark Dickson

12. **Limitation of Liability**. No trustee, officer, shareholder, employee or agent of such Owners shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, such Owners. All persons and entities dealing with such Owners, in any way, shall look only to the respective assets of such Owners for the payment of any sum or the performance of any obligation of such Owners. In any event, all liability of such Owners hereunder is limited to the interest of such Owners in the Managed Premises and, in the case of Managing Agent, to its interest hereunder.

13. **Acquisitions and Dispositions of Properties**. Unless Owners and Managing Agent otherwise agree in writing, all properties from time to time acquired by Owners or their affiliates shall automatically become subject to this Agreement without amendment hereof. Similarly, this Agreement shall automatically terminate with respect to all properties disposed of by Owners in the ordinary course of business, effective upon such disposition.

14. **Modification of Agreement**. This Agreement may not be modified, altered or amended in any manner except by an amendment in writing, duly executed by the parties hereto.

15. **Independent Contractor**. This Agreement is not one of general agency by Managing Agent for Owners, but Managing Agent is being engaged as an independent contractor. Nothing in this Agreement is intended to create a joint venture, partnership, tenancy-in-common or other similar relationship between Owners and Managing Agent for any purposes whatsoever, and, without limiting the generality of the foregoing, neither the terms of this Agreement nor the fact that Owners and Managing Agent have joint interests in any one or more investments, ownership or other interests in any one or more entities or may have common officers or employees or a tenancy relationship shall be construed so as to make them such partners or joint venturers or impose any liability as such on either of them.

16. **Governing Law**. The provisions of this Agreement and any Dispute, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to principles of conflicts of law.

17. **Successors and Assigns**. This Agreement shall be binding upon, and inure to the benefit of, any successors or permitted assigns of the parties hereto as provided herein.

18. **No Third Party Beneficiary**. Except as otherwise provided in Section 21, no person or entity other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

19. **Severability**. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

20. **Survival**. Except for Sections 1 through 5 and Section 13, all other provisions of this Agreement shall survive the termination hereof. Any termination of this Agreement shall be without prejudice to the rights of the parties hereto accrued prior to the termination or upon termination.

21. **Arbitration**.

(a) Any disputes, claims or controversies arising out of or relating to this Agreement, the provision of services by Managing Agent pursuant to this Agreement or the transactions contemplated hereby, including any disputes, claims or controversies brought by or on behalf of Company, any Owner, Parent, Managing Agent or any holder of equity interests (which, for purposes of this Section 21, shall mean any holder of record or any beneficial owner of equity interests or any former holder of record or beneficial owner of equity interests) of Company, any Owner, Parent or Managing Agent, either on his, her or its own behalf, on behalf of Company, any Owner, Parent or Managing Agent or on behalf of any series or class of equity interests of Company, any Owner, Parent or Managing Agent or holders of any equity interests of Company, any Owner, Parent or Managing Agent against Company, any Owner, Parent or Managing Agent or any of their respective trustees, directors, members, officers, managers (including Managing Agent or its successor), agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance, application or enforcement of this Agreement, including this arbitration agreement or the governing documents of Company, any Owner, Parent or Managing Agent (all of which are referred to as "Disputes"), or relating in any way to such a Dispute or Disputes shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association ("AAA") then in effect, except as those Rules may be modified in this Section 21. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of Company, any Owner, Parent or Managing Agent and class actions by a holder of equity interests against those individuals or entities and Company, any Owner, Parent or Managing Agent. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party.

(b) There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of the demand for arbitration. The arbitrators may be affiliated or interested persons of the parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall each select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of the demand for arbitration. The arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date AAA provides the list to select one (1) of the three (3) arbitrators proposed by AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by AAA to be the second (2nd) arbitrator; and, if he/they should fail to select the second (2nd) arbitrator by such time, AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

(c) There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

(d) In rendering an award or decision (an "Award"), the arbitrators shall be required to follow the laws of the State of Minnesota without regard to principles of conflicts of law. Any arbitration proceedings or Award and the validity, effect and interpretation of this arbitration agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. The Award shall be in writing and shall state the findings of fact and conclusions of law on which it is based. Any monetary Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to Section 21(g), each party against which an Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Award or such other date as such Award may provide.

(f) Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties, to the maximum extent permitted by Minnesota law, each party involved in a Dispute shall bear its own costs and expenses (including attorneys' fees), and the arbitrators shall not render an Award that would include shifting of any such costs or expenses (including attorneys' fees) or, in a derivative case or class action, award any portion of the Company's, Parent's or Managing Agent's, as applicable, Award to the claimant or the claimant's attorneys. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

(g) Notwithstanding any language to the contrary in this Agreement, any Award, including but not limited to, any interim Award, may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules ("Appellate Rules"). The Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, Section 21(f) hereof shall apply to any appeal pursuant to this Section and the appeal tribunal shall not render an Award that would include shifting of any costs or expenses (including attorneys' fees) of any party.

(h) Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in Section 21(g), an Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any Award made except for actions relating to enforcement of this agreement to arbitrate or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

(i) This Section 21 is intended to benefit and be enforceable by the Company, Owners, Managing Agent, Parent and their respective holders of equity interests, trustees, directors, officers, managers (including Managing Agent or its successor), agents or employees, and their respective successors and assigns and shall be binding upon the Company, Owners, Managing Agent, Parent and their respective holders of equity interests, and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such individuals or entities may have by contract or otherwise.

22. **Consent to Jurisdiction and Forum**. The exclusive jurisdiction and venue in any action brought by any party hereto pursuant to this Agreement shall lie in any federal or state court located in Minnesota. By execution and delivery of this Agreement, each party hereto irrevocably submits to the jurisdiction of such courts for itself and in respect of its property with respect to such action. The parties irrevocably agree that venue would be proper in such court, and hereby waive any objection that such court is an improper or inconvenient forum for the resolution of such action. The parties further agree and consent to the service of any process required by any such court by delivery of a copy thereof in accordance with Section 11 and that any such delivery shall constitute valid and lawful service of process against it, without necessity for service by any other means provided by statute or rule of court. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PROVISION OF SERVICES BY MANAGING AGENT PURSUANT TO THIS AGREEMENT OR THE

TRANSACTIONS CONTEMPLATED HEREBY. Notwithstanding anything herein to the contrary, if a demand for arbitration of a Dispute is made pursuant to Section 21, this Section 22 shall not pre-empt resolution of the Dispute pursuant to Section 21.

23. **Entire Agreement**. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes any pre-existing agreements with respect to such subject matter.

24. **Other Agreements**. The Company and Managing Agent are also parties to a Business Management Agreement, dated as of the date hereof, as in effect from time to time (the "Business Management Agreement"). The parties agree that this Agreement does not include or otherwise address the rights and obligations of the parties under the Business Management Agreement and that the Business Management Agreement provides for its own separate rights and obligations of the parties thereto, including without limitation separate compensation payable by the Company to Managing Agent thereunder for services to be provided by the Managing Agent pursuant to the Business Management Agreement.

[Signature Page To Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Property Management Agreement as a sealed instrument as of the date above first written.

MANAGING AGENT:

Cornerstone Management Services LLC
Mark Dickson

By: ______________________________
Its: ______________________________

OWNERS:

____
____

By: ______________________________
Its: ______________________________

City Of Faribault

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	April 10, 2023
SUBJECT:	Resolution 2023-06 Approve Appointments to the Elderly Housing Corporation Board of Directors

BACKGROUND:

At its March 29, 2023, meeting, the HRA directed that HRA members Mandy Barnes, Sara Caron, and Travis Kath fill vacant director positions on the Elderly Housing Corporation (EHC) board. The EHC held a meeting on April 4, 2023, and appointed the above-referenced HRA members to the EHC board. The HRA must now act to accept the EHC appointments (see the attached Resolution 2023-06).

REQUESTED ACTION:

Approve Resolution 2023-06.

ATTACHMENTS:

1. Resolution 2023-6

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION 2023-06

APPROVE APPOINTMENTS TO THE ELDERLY HOUSING CORPORATION BOARD OF DIRECTORS

WHEREAS, The EHC adopted a Resolution on April 4, 2023, appointing three new Directors to the Elderly Housing Corporation (the "EHC") Board; and

WHEREAS, The EHC previously adopted the Amended and Restated Articles of Incorporation of the Elderly Housing Corporation of Faribault, Minnesota on August 24, 2007; and

WHEREAS, Article VIII of the Articles of Incorporation for the EHC state that the EHC shall have a Board of Directors consisting of five members; and

WHEREAS, Article VIII of the Articles of Incorporation for the EHC further state that no person may serve as a Director for the EHC unless they are approved by the Board of Commissioners of the Housing and Redevelopment Authority of Faribault, Minnesota.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Faribault, Minnesota, that the following individuals are approved as Directors for the Elderly Housing Corporation:

1. Mandy Barnes
2. Sara Caron
3. Travis Kath

ADOPTED: April 10, 2023

____
Matt Speckhals, Chair

ATTEST:

____
Brendan Kennedy, Vice Chair/Secretary