



HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

MONDAY, MAY 8, 2023

6:00 PM

1. Call to Order
2. Introduction of Ian Luker
3. Approval of the Minutes of 4/10/2023 and Special Meeting of 4/28/2023
4. List of Claims for Release
5. Property Reports for Robinwood, Public Housing, and Market Rents
6. Items for Discussion
 - A. Overview of HRA Housing
 - B. Transition to Cornerstone Management Services
7. Adjournment



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: May 8, 2023
SUBJECT: Introduction of Ian Luker

BACKGROUND:

I am pleased to let the HRA know that the City hired Ian Luker to fill the City's vacant Economic Development Coordinator position. In addition to his work with the City's EDA, Ian will also assist the HRA in its work and attend HRA meetings. We are excited to have Ian join our team!

REQUESTED ACTION:

None

ATTACHMENTS:



HOUSING & REDEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

MONDAY, APRIL 10, 2023

6:00 PM

Meeting Items

1. Call to Order

The regular meeting of the Housing and Redevelopment Authority was called to order by Chair Speckhals at 5:59 pm. Commissioners: Loni Ahlers, Mandy Barnes, Sara Caron, Travis Kath, Brendan Kennedy and Chair Matt Speckhals were in attendance. Also in attendance was Director, David Wanberg and Administrative Assistant II, Kari Casper.

2. Approval of the Minutes

Motion by Loni Ahlers, seconded by Brendan Kennedy to Approve the minutes The motion passed on a 6/0 vote..

3. Program Reports

4. Property Reports

Motion by Travis Kath, seconded by Sara Caron to receive and file the property reports. The motion passed on a 6/0 vote.

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

Rick Karow of Cornerstone was present and available for questions. The Board had a few questions with no further discussion. Motion by Loni Ahlers, seconded by Brendan Kennedy to Approve Resolution 2023-04 Approving the Hiring of a Management Company for Properties Owned or Currently Managed by the HRA. The motion passed on a 6/0 vote.

B. Resolution 2023-06 Approve Appointments to the Elderly Housing Corporation Board of Directors

Wanberg gave a short overview of the EHC meeting by voting the new members, Sara Caron, Travis Kath and Mandy Barnes, in as members of the EHC. Wanberg reiterated the Bylaws rules on who can serve. Motion by Loni Ahlers, seconded by Brendan Kennedy to Approve Resolution 2023-06 Approving Appointments to the Elderly Housing Corporation Board of Directors. The motion passed on a 6/0 vote.

7. Adjournment

Motion by Brendan Kennedy, seconded by Travis Kath to Adjourn at 6:34 p.m. The motion passed on a 6/0 vote..

Respectfully Submitted,

By: _____
Kari Casper, Recording Secretary



HOUSING & REDEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

FRIDAY, APRIL 28, 2023

7:30 AM

Meeting Items

1. Call to Order

A special meeting of the Housing and Redevelopment Authority was called at 7:30 a.m.

Present were Loni Ahlers, Sara Caron, Travis Kath, Travis McColley and Chair Matthew Speckhals. Also present was David Wanberg, Director of Community and Economic Development.

2. Items for Discussion

A. Resolution 2023-07 Approve an Interfund Loan to Fund 241 from Fund 280

Travis McColley made a motion to approve Resolution 2023-07 Approving an Interfund Loan to Fund 241 from Fund 280, seconded by Loni Ahlers to Approve. The motion passed on a 5/0 vote.

B. Update on the Management of HRA Properties

Wanberg gave a brief update on the progress with Cornerstone Management Company.

3. Adjournment

Meeting adjourned at 7:35 a.m.

Respectfully Submitted,

By: _____
David Wanberg



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: May 8, 2023
SUBJECT: List of Claims for Release

BACKGROUND:

Historically, the City's bank account included HRA funds, and the City Council authorized payment of HRA claims. However, HUD (through the RAD/Repositioning process) required the HRA to create separate bank accounts for its properties. Therefore, moving forward, the HRA (rather than the City Council) must authorize payment of the HRA's bills (see the attached List of Claims for Release).

REQUESTED ACTION:

Authorize payment of HRA-related claims.

ATTACHMENTS:

1. Updated List of Claims for Payment May, 2023

	DATE	INVOICE		PH/RW
<u>VENDOR</u>	<u>REC'D</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>ADDRESS</u>
Cintas	04/20/23	04/20/23	75.57	Robinwood
Cintas	05/05/23	05/05/23	19.74	Robinwood
Cornerstone Management	05/01/23	05/01/23	2,900.00	Robinwood
Cornerstone Management	05/01/23	05/01/23	3,000.00	Robinwood
Cornerstone Management	05/01/23	05/01/23	2,900.00	Public Housing
Cornerstone Management	05/01/23	05/01/23	3,000.00	Public Housing
Culligan	05/01/23	04/30/23	144.00	Robinwood
Faribault Ace Hardware	04/25/23	04/25/23	22.99	1526 Western
FlexComm (Jimmie Larkin)	04/24/23		70.54	Robinwood
FlexComm (Jimmie Larkin)	05/01/23	05/01/23	70.54	Robinwood
Flom Disposal Service	04/25/23	04/25/23	247.54	Robinwood
Flom Disposal Service	04/25/23	04/25/23	21.92	1518 Western
Flom Disposal Service	04/25/23	04/25/23	239.54	910 1st St SW
Flom Septic Service	05/02/23	05/02/23	350.00	Robinwood
HD Supply Maintenance	04/26/23	04/25/23	114.65	Public Housing
HD Supply Maintenance	Statement			Public Housing
HD Supply Maintenance	05/02/23	05/01/23	540.25	Public Housing
HD Supply Maintenance	05/04/23	05/03/23	110.52	Public Housing
Minnesota Elevator (MEI)	05/01/23	05/01/23	207.82	Robinwood
Property Pros	05/01/23	05/01/23	1,307.70	Public Housing & RW
Property Pros	05/01/23	05/01/23	1,753.32	Various
Rice County HRA	04/26/23	05/01/23	3,902.85	PBV Admin Fees
Rice County-PILOT pmt	05/01/23	12/31/22	13,177.02	Robinwood
Rice County-PILOT pmt	05/01/23	12/31/22	11,255.79	Public Housing
Xcel Energy	04/20/23	04/13/23	98.42	900 Spring Rd Apt B
Xcel Energy	04/25/23	04/18/23	2,057.38	Robinwood
Faribo Air Conditioning & Heating	04/24/23	04/24/23	4,220.00	
Faribo Air Conditioning & Heating	04/26/23	04/26/23	110.00	
			51,918.10	



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: May 8, 2023
SUBJECT: Property Reports for Robinwood, Public Housing, and Market Rents

BACKGROUND:

The following outlines key aspects of the attached expenditure summaries related to HRA's housing:

- The summaries account for the required payment in lieu of taxes that the HRA must pay by May 15 to avoid a penalty.
- The "legal" expenses for the 49 project-based voucher housing units exceed the budget. However, the "expert and professional services" has a surplus.
- The project-based voucher housing units will receive \$237,523 in capital funds and \$23,289 in operating subsidies in May. This will help address the interfund loan that the HRA approved at its special meeting on April 28.

Staff will monitor and update the HRA on the costs related to the management services provided by Cornerstone. Cornerstone started managing the HRA properties on May 1.

REQUESTED ACTION:

Review and file.

ATTACHMENTS:

1. Fund 898 -- Robinwood Expenditure Summary
2. Fund 241 -- Public Housing Expenditure Summary
3. Fund 211 -- Market Rate Expenditure Summary

General Ledger Expenditure Summary



User: kcasper
Printed: 5/4/2023 2:21:24 PM
Period 01 - 13
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	55,963.96	736,099.24	0.00
898-00000-000-10125	Cash in Escrow - Sec Dep	0.00	0.00	220.58	14,656.85	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	42,622.20	0.00	0.00
898-00000-000-10450	Interest Receivable	0.00	0.00	-2,237.58	0.00	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
898-00000-000-16100	Current Assets	0.00	0.00	96,569.16	751,191.02	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
898-00000-000-25300	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
898-00000-000-25300	Fund Balance	0.00	0.00	0.00	-1,169,043.05	0.00
898-00000-000-20110	Unclaimed Property	0.00	0.00	-699.12	-699.12	0.00
898-00000-000-20200	Accounts Payable	0.00	0.00	24,589.13	699.12	0.00
898-00000-000-20210	Payment in Lieu Taxes	0.00	0.00	0.00	-13,177.02	0.00
898-00000-000-20600	Payab					
898-00000-000-20600	Contracts Payable	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
898-00000-000-20610	Contracts Payable-Retained \$	0.00	0.00	0.00	0.00	0.00
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	-196.16	-14,434.09	0.00
898-00000-000-22200	Deferred Revenues	0.00	0.00	3,025.00	0.00	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	26,718.85	-27,611.11	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	-115,264.00	-115,264.00	48.06
	Intergovernmental Revenue	-239,842.00	-239,842.00	-115,264.00	-115,264.00	48.06
898-00000-000-36200	Other Miscellaneous Revenue	-6,000.00	-6,000.00	-1,636.75	-1,636.75	27.28
898-00000-000-36210	Interest on Investments	-7,000.00	-7,000.00	-2,499.56	-2,499.56	35.71
898-00000-000-36211	Interest Market Value	0.00	0.00	-42,622.20	-42,622.20	0.00
898-00000-000-36220	Rents	-239,842.00	-239,842.00	-58,298.00	-58,298.00	24.31
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	-191.00	-191.00	19.10
898-00000-000-36280	Project Reimbursement	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-253,842.00	-253,842.00	-105,247.51	-105,247.51	41.46
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	-97,223.50	-97,223.50	0.1969
Revenue Total		-493,684.00	-493,684.00	-220,511.51	-220,511.51	-0.4467
Expense Total		0.00	0.00	0.00	0.00	0
00000		-493,684.00	-493,684.00	-97,223.50	-97,223.50	19.69
898-46310-000-42110	General Supplies	23,000.00	23,000.00	4,670.62	4,670.62	20.31
898-46310-000-42115	Meeting	0.00	0.00	161.06	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	4,831.68	4,831.68	21.01
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	3,505.65	3,505.65	350.57
898-46310-000-43070	Management Services	45,250.00	45,250.00	14,426.48	14,426.48	31.88
898-46310-000-43090	Expert & Professional Services	20,500.00	20,500.00	645.28	645.28	3.15
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	1,239.28	1,239.28	137.70
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

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
898-46310-000-43810	Electric Utilities	26,000.00	26,000.00	5,630.29	5,630.29	21.65
898-46310-000-43820	Water Utilities	2,200.00	2,200.00	583.34	583.34	26.52
898-46310-000-43830	Gas Utilities	15,000.00	15,000.00	4,225.03	4,225.03	28.17
898-46310-000-43840	Refuse Disposal	3,500.00	3,500.00	1,138.32	1,138.32	32.52
898-46310-000-43850	Sewer Utilities	3,100.00	3,100.00	943.00	943.00	30.42
898-46310-000-43860	Storm Water Utilities	750.00	750.00	268.98	268.98	35.86
898-46310-000-44010	Building Maintenance	95,000.00	95,000.00	37,132.06	37,132.06	39.09
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	12,045.88	12,045.88	7.62
898-46310-000-44060	Laundry Services	900.00	900.00	101.26	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	36.80	36.80	12.27
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	32.17	32.17	16.09
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	92,391.82	92,391.82	22.13
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	97,223.50	97,223.50	0.2207
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		440,446.00	440,446.00	97,223.50	97,223.50	0.2207
46310	Urban Redevelopment & Housing	440,446.00	440,446.00	97,223.50	97,223.50	22.07
898	Robinwood Manor	-53,238.00	-53,238.00	0.00	0.00	0.00

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% Expend/Collect
Grand Total		-53,238.00	-53,238.00	0.00	0.00	0
Revenue Total		-493,684.00	-493,684.00	-220,511.51	-220,511.51	-0.4467
Expense Total		440,446.00	440,446.00	97,223.50	97,223.50	0.2207

General Ledger

Expenditure Summary



User: kcasper
 Printed: 5/4/2023 2:20:20 PM
 Period 01 - 13
 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	118,418.12	246,593.08	0.00
241-00000-000-10125	Cash in Escrow - Sec Dep	0.00	0.00	340.35	22,616.33	0.00
241-00000-000-10410	Investments - Fair Value	0.00	0.00	9,248.93	0.00	0.00
	Adj					
241-00000-000-10450	Interest Receivable	0.00	0.00	-429.66	0.00	0.00
241-00000-000-11500	Accounts Receivable	0.00	0.00	0.00	8,044.38	0.00
241-00000-000-11520	Accounts	0.00	0.00	0.00	-4,886.12	0.00
	Receivable-Collection					
241-00000-000-13200	Due From Other	0.00	0.00	0.00	0.00	0.00
	Governments					
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	127,577.74	278,025.67	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	12,230.26	0.00	0.00
241-00000-000-20210	Payment in Lieu Taxes	0.00	0.00	0.00	-11,255.79	0.00
	Payab					
241-00000-000-20700	Due to Other Funds	0.00	0.00	-250,000.00	-250,000.00	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	-456.11	-22,252.93	0.00
241-00000-000-22200	Deferred Revenues	0.00	0.00	6,286.29	0.00	0.00
	Current Liability	0.00	0.00	-231,939.56	-283,667.72	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	-6,000.00	-6,000.00	-2,382.16	-2,382.16	39.70
	Revenue					
241-00000-461-36210	Interest on Investments	-2,300.00	-2,300.00	-414.74	-414.74	18.03
241-00000-461-36211	Interest Market Value	0.00	0.00	-9,248.93	-9,248.93	0.00
241-00000-461-36220	Rents	-631,000.00	-631,000.00	-100,393.98	-100,393.98	15.91
241-00000-461-36240	Refunds & Reimbursements	0.00	0.00	10.00	10.00	0.00
	Miscellaneous Revenue	-639,300.00	-639,300.00	-112,429.81	-112,429.81	17.59
Grand Total		-639,300.00	-639,300.00	-216,791.63	-216,791.63	0.3391

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
Revenue Total		-639,300.00	-639,300.00	-112,429.81	-112,429.81	-0.1759
Expense Total		0.00	0.00	0.00	0.00	0
00000		-639,300.00	-639,300.00	-216,791.63	-216,791.63	33.91
241-46330-461-42110	General Supplies	23,000.00	23,000.00	4,261.93	4,261.93	18.53
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	4,261.93	4,261.93	18.53
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	57,630.54	57,630.54	886.62
241-46330-461-43070	Management Services	17,550.00	17,550.00	26,828.00	26,828.00	152.87
241-46330-461-43090	Expert & Professional Services	116,000.00	116,000.00	24,517.85	24,517.85	21.14
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	656.15	656.15	59.65
241-46330-461-43820	Water Utilities	1,000.00	1,000.00	443.85	443.85	44.39
241-46330-461-43830	Gas Utilities	750.00	750.00	505.88	505.88	67.45
241-46330-461-43840	Refuse Disposal	3,000.00	3,000.00	735.20	735.20	24.51
241-46330-461-43850	Sewer Utilities	500.00	500.00	85.00	85.00	17.00
241-46330-461-43860	Storm Water Utilities	700.00	700.00	338.33	338.33	48.33
241-46330-461-44010	Building Maintenance	107,317.00	107,317.00	35,792.19	35,792.19	33.35
241-46330-461-44050	Extraordinary Maintenance	240,000.00	240,000.00	32,591.39	32,591.39	13.58
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	211.21	211.21	26.40
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	2,921.00	2,921.00	0.00
241-46330-461-44390	Taxes & Licenses	10,000.00	10,000.00	1,520.00	1,520.00	15.20
241-46330-461-44700	Interest	300.00	300.00	51.11	51.11	17.04
	Other Services & Charges	529,962.00	529,962.00	212,529.70	212,529.70	40.10
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	216,791.63	216,791.63	0.3921
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		552,962.00	552,962.00	216,791.63	216,791.63	0.3921
46330	Public Housing Projects	552,962.00	552,962.00	216,791.63	216,791.63	39.21
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	-112,429.81	-112,429.81	-0.1759
Expense Total		552,962.00	552,962.00	216,791.63	216,791.63	0.3921

General Ledger

Expenditure Summary

User: kcasper
 Printed: 5/4/2023 2:24:00 PM
 Period 01 - 13
 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	4,691.52	97,097.69	0.00
211-00000-000-10410	Investments - Fair Value Adj	0.00	0.00	1,217.69	-5,066.40	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	5,909.21	92,333.48	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	219.44	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	-1.92	-903.57	0.00
211-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	-191.00	0.00
	Current Liability	0.00	0.00	217.52	-1,094.57	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	-606.78	-606.78	55.67
211-00000-460-36211	Interest Market Value	0.00	0.00	-1,217.69	-1,217.69	0.00
211-00000-460-36220	Rents	-13,300.00	-13,300.00	-7,981.00	-7,981.00	60.01
211-00000-460-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-14,390.00	-14,390.00	-9,805.47	-9,805.47	68.14
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	-3,678.74	-3,678.74	0.2556
Revenue Total		-14,390.00	-14,390.00	-9,805.47	-9,805.47	-0.6814
Expense Total		0.00	0.00	0.00	0.00	0
00000		-14,390.00	-14,390.00	-3,678.74	-3,678.74	25.56
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	380.00	380.00	33.33
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	333.00	333.00	121.98
211-46310-460-43810	Electric Utilities	200.00	200.00	7.70	7.70	3.85
211-46310-460-43820	Water Utilities	300.00	300.00	83.15	83.15	27.72
211-46310-460-43830	Gas Utilities	100.00	100.00	24.10	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	106.43	106.43	26.61
211-46310-460-43860	Storm Water Utilities	100.00	100.00	22.44	22.44	22.44
211-46310-460-44010	Building Maintenance	3,000.00	3,000.00	580.00	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	2,140.00	2,140.00	107.00
211-46310-460-44700	Interest	50.00	50.00	1.92	1.92	3.84
	Other Services & Charges	7,763.00	7,763.00	3,678.74	3,678.74	47.39
Grand Total		8,263.00	8,263.00	3,678.74	3,678.74	0.4452
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		8,263.00	8,263.00	3,678.74	3,678.74	0.4452
46310	Urban Redevelopment & Housing	8,263.00	8,263.00	3,678.74	3,678.74	44.52
211	City Rental Property Mgmt	-6,127.00	-6,127.00	0.00	0.00	0.00

<u>Account Number</u>	<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Month to Date</u>	<u>YTD</u>	<u>% Expend/Collect</u>
Grand Total		-6,127.00	-6,127.00	0.00	0.00	0
Revenue Total		-14,390.00	-14,390.00	-9,805.47	-9,805.47	-0.6814
Expense Total		8,263.00	8,263.00	3,678.74	3,678.74	0.4452



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: May 8, 2023
SUBJECT: Overview of HRA Housing

BACKGROUND:

The City Council held its annual retreat on May 2. Tim Murray, City Administrator, provided the Council with an overview of the history and current status of the HRA's housing. Director Wanberg will give a similar presentation to the HRA. With recent staff changes, the RAD/Repositioning process, and the hiring of a property management company, it is an opportune time for the HRA to evaluate its past, present, and future role in owning and managing housing. This discussion will likely span over many upcoming HRA meetings.

REQUESTED ACTION:

Provide initial comments on the HRA's role in owning and managing housing. Identify the next steps to help further the HRA's discussions at upcoming meetings.

ATTACHMENTS:

1. HRA Overview Presentation

Faribault Public Housing

PAST / PRESENT / FUTURE

May , 2023

Types of Public Housing

1. City Rental Properties
2. Project-Based Housing
3. Robinwood Manor
4. Former/Other

Background Information

Housing & Redevelopment Authority

- City created the HRA in 1970 (Res. A3243)
 - Pursuant to the "Municipal Housing and Redevelopment Act" of the State of Minnesota
- Council cited the following reasons:
 1. There exists substandard or blighted areas which cannot be redeveloped without government assistance.

Background Information (cont'd)

2. Adequate housing accommodations are not available to veterans and servicemen and their families.
 3. There is a shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at rentals they can afford.
- City executed a Cooperation Agreement with the HRA in 1971

Background Information (cont'd)

- The HRA has a Board and taxing authority (Statute 469.033, Subd. 6)
- City Council appoints the HRA Board members and approves their tax levy
- CED Staff support the HRA's operations
- The HRA is not “The City”

Background Information (cont'd)

Housing Choice Voucher Program

(Section 8 of the U.S. Housing Act of 1937)

- Federal (HUD) housing assistance program
- Tenant applies for assistance (limited \$/wait lists) and finds suitable housing (private market)
- Subsidy for tenant goes to landlord
- Tenant pays difference between rent and subsidy
- Units must meet health and safety standards
- Administered by Rice County

1. City Rental Properties

Currently only one property, located behind Buckham Memorial Library (16 1st St. SE).

Had up to nine properties in the area over time.

Plan is to remove when tenant vacates for redevelopment.



Built 1863 – City purchased in 1999

City Rental Properties



2. Project-Based Housing (241)

Owner: Faribault HRA, LLC

Previously known as:

- Public Housing**
- Scattered Sites**

Transferred from HRA to a newly-created LLC as part of the RAD - Repositioning Process (more on this later).

2. Project-Based Housing (241)

Total of 49 units built under two projects:

- **1983 (24 units)**
- **1994-95 (25 units)**

Low rent units with operating subsidies, dwelling rents, and capital reimbursements from HUD prior to being discontinued in 2023 as part of the RAD - Repositioning.

1983 Project

**1806 - 1820
Shumway Ave.
(4) duplexes**



**1518 - 1536
Western Ave.
(2) 5-plexes**



**910 - 920
1st Street SW
(1) 6-plex**



Project-Based Housing (1983)



1994-95 Project

10 Properties
("scattered")

519 Lincoln Ave.
(1) 4-plex

900 Spring Rd.
(5) duplexes

20 14th Street NE
Single Family



Project-Based Housing (1994-95)



Project-Based Housing

Why were the 1983 units built?

Per HRA Resolution 81-2, “... there is a need for low-rent housing to meet needs not being adequately met by private enterprise.”

Similar for the 1994-1995 units:

HRA Resolution 93-22, “... the City of Faribault 1990 Housing Study identified the need for three and four bedroom rental units for very low income large families”

3. Robinwood Manor

Owned by The Elderly
Housing Corporation of
Faribault, Minnesota (EHC)

EHC created in 1977 (as
the non-profit entity to
secure the funding for
Robinwood construction)

EHC has a 5-member
Board of Directors

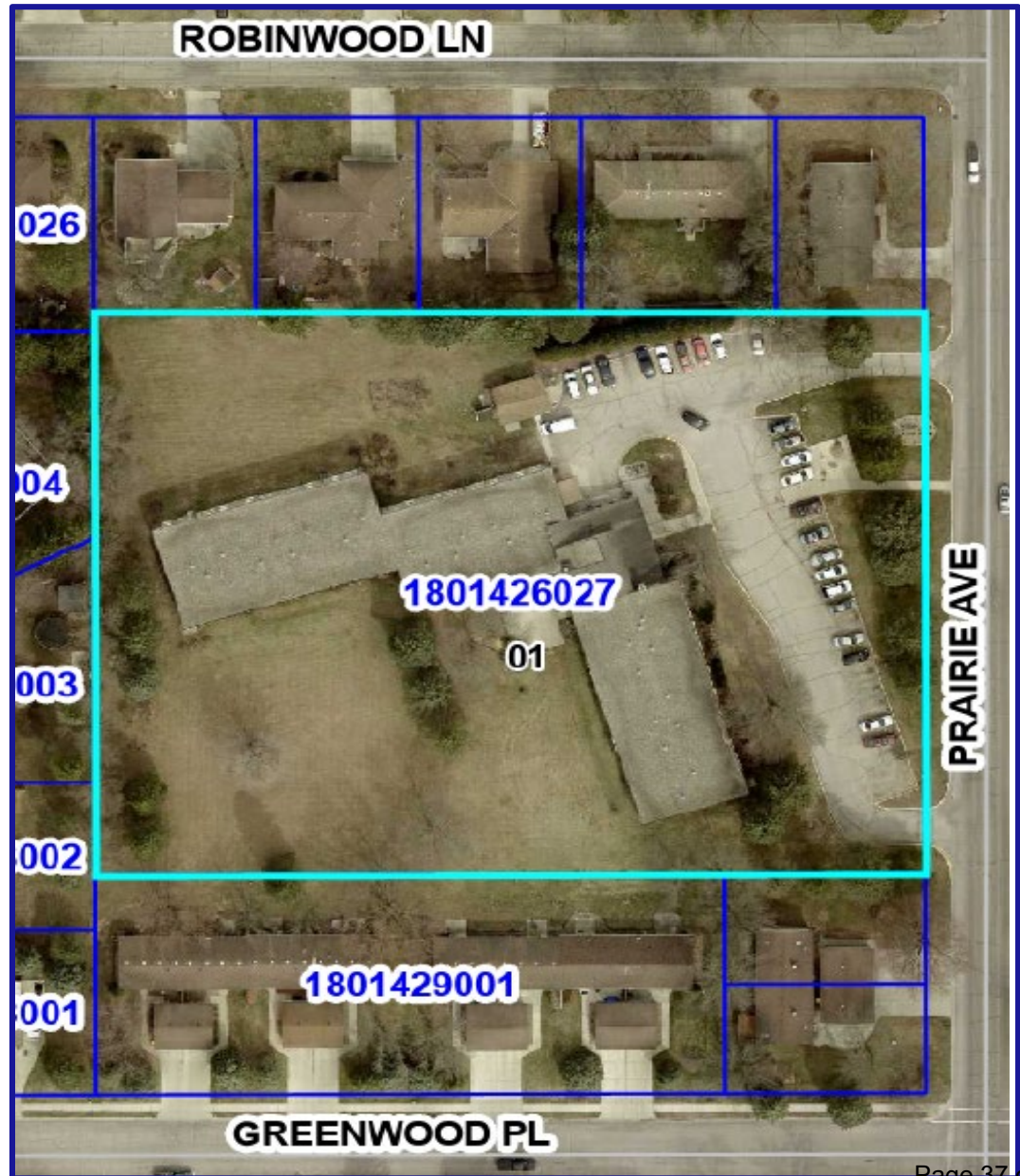
Built in 1977

51 Units

Income qualified (low
income) elderly and/or
disabled tenants pay
30% of their adjusted
annual income in rent

Managed by HRA (CED
Staff supports)

Robinwood Manor 1324 Prairie Ave.



Robinwood Manor



Why did EHC/HRA build Robinwood?

- Need for low cost housing for the elderly in Faribault identified as a priority
- Initial attempts to get project built by private companies were not successful
- By using a non-profit (EHC) able to secure specific federal program funding for project construction

Robinwood Manor

- Private firms have been engaged on multiple occasions to provide management services.
 - Dominion Management
 - G&H Property Management
 - Cornerstone Management
- Maintenance done by both City staff and contract services



Former Projects & Other Public Housing

Trails Edge Apartments



Trails Edge Apartments

1991 HRA authorized the construction of a 50-unit apartment project utilizing Essential Function Bonds (HRA Res. 91-49 adopted on October 14, 1991). *HRA took the lead as there was a significant need and they cited interest rates, taxes, construction costs, and return on investment as being reasons apartments were not being built privately.*

Trails Edge Apartments

1991 HRA enters into Joint Powers Agreement with Rice County HRA relative to the financing and construction of the apartment project (HRA Res. 91-56 adopted on November 18, 1991).

HRA approves plans and authorizes bidding for construction of Trails Edge (HRA Res. 91-58 adopted on November 18, 1991).

Trails Edge Apartments

1992 HRA awards contract for construction (HRA Res. 92-05 adopted on January 14, 1992).



Trails Edge Apartments

2008 HRA approves the sale of Trails Edge to V&B Trails Edge LLC (HRA Res. 2008-15 adopted on October 29, 2008). The resolution stated “... *it is the desire of the HRA to sell the Property in order to place the Property into the private sector and realize a return on the HRA’s investment that will allow the HRA to fund new housing and redevelopment projects ...*”.

Senior Apartments

1986 EHC pursued a 40-unit assisted elderly living project on the former Junior High School property (site of the current Rice County GSB).

The project did not proceed forward.



Prairiewood Townhomes

Owned by Three Rivers
Community Action

30 rental townhome units

Built in 2013-2014

Portion of units rented to
income qualifying tenants



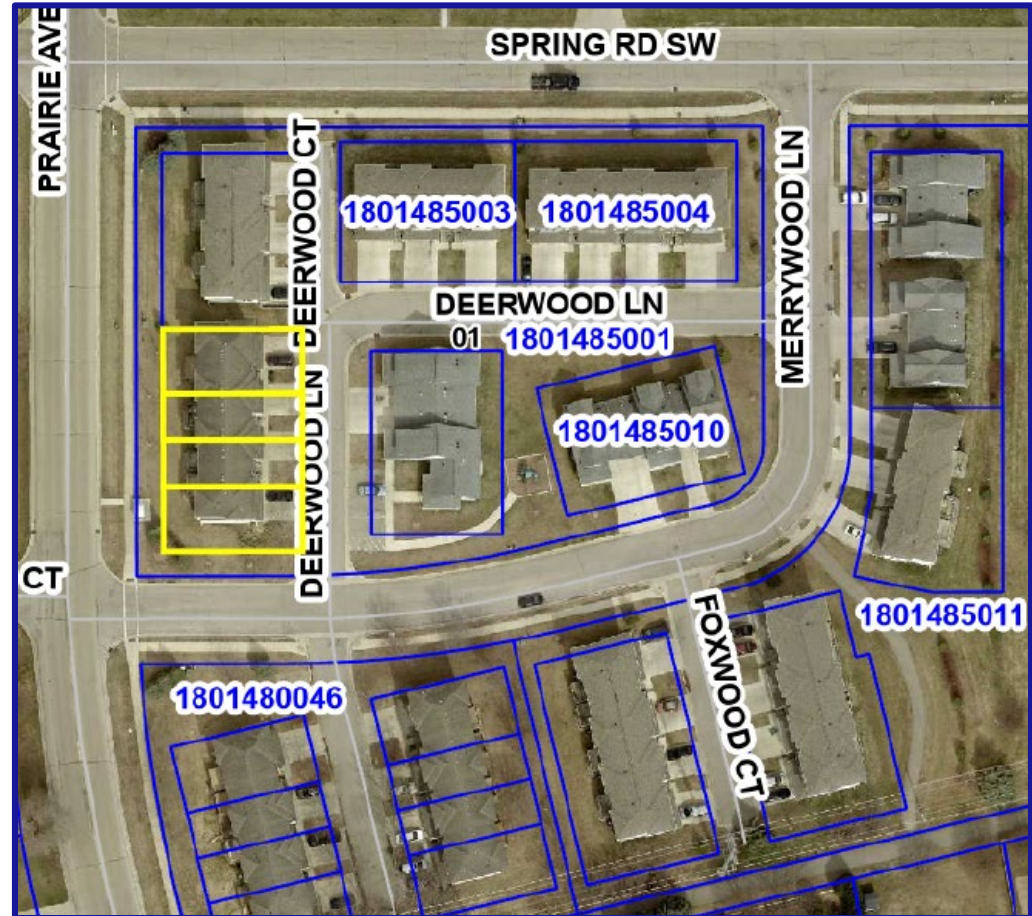
Deerwood Townhomes

Owned by Three Rivers
Community Action

4 rental townhome units

Built in 2005 by others
(purchased in 2013)

Part of Prairiewood
Townhome area



MURL Program

MURL program provides home ownership opportunities to at-risk, low-income families who are ineligible for conventional financing. Homes are purchased, rehabilitated, and sold on a 30-year contract for deed at zero percent interest. Monthly payments are based on 25% of the household's gross income.



MURL Program

MURL – Minnesota Urban
and Rural Homesteading
Program

Funding provided by the
Minnesota Housing and
Finance Administration

Program initiated in 1990
by City and HRA



Portfolio of properties
transferred from HRA
to Three Rivers in 2017

Recent Changes/Developments

1. RAD / Repositioning

- RAD = Rental Assistance Demonstration
- Transitions 49 public housing units out of HUD's public housing program and into a long-term Section 8 rental assistance program
- “Public Housing” became “Project-Based Housing”
- A lengthy (2019), complicated, expensive process (consultant fees, legal expenses, etc.)

**Extensive communication with affected tenants*

Recent Changes/Developments

Benefits of RAD / Repositioning

- Section 8 platform provides for predictable, stable rental assistance
- Flexibility for owners
- Program is well understood by lenders and investors
- Ensures long-term affordability for the residents
- Increases resident choice

Recent Changes/Developments

Benefits of RAD / Repositioning

- Under Section 8, the property has access to the new financing tools used by rest of industry
- With the long-term Section 8 contract, the property is insulated from the Federal funding decisions impacting public housing
- Properties remain perpetually affordable through long-term HAP contracts required to renew at each expiration and Use Agreements that preserves HUD's interest in the property

Recent Changes/Developments

Benefits of RAD / Repositioning

- Property must continue to be owned or controlled by a public or non-profit owner
- Residents preserve the rights they had under the public housing program and gain a new right to request a tenant-based voucher

** HRA and CED Staff still working through a number of issues, including (short-term?) financial concerns*

Key Features of RAD

	Properties must address 100% of their current capital needs, including repairing or replacing all building components that are broken or past their useful life.
	Every property must undergo an environmental review and must mitigate any issues to ensure residents are not exposed to hazardous substances.
	PHAs and owners must use the most energy or water efficient appliances that are economically feasible and must always use EnergyStar and WaterSense appliances.
	Every property must be brought into compliance with accessibility requirements, creating new housing options for people with mobility, hearing, or vision disabilities.
	All housing must be replaced, with allowance for limited reductions under certain circumstances.

Recent Changes/Developments

2. Elderly Housing Corporation Board

- Board of Directors replacements
- Former members (but 1) not interested in serving
- HRA currently holds 4 of 5 seats
- One long-standing member remains
- Preliminary discussions on dissolving the EHC

Recent Changes/Developments

3. Property Management Services

- Staff turnover and hiring challenges in the CED Department (Director / Housing Coordinator / Specialist)
- Cornerstone Management Services hired by HRA to manage all 49 Project-Based Housing units as well as Robinwood Manor
- Cornerstone manages five other developments in Faribault, including Four Seasons and Trails Edge

THOUGHTS ?

QUESTIONS ?



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: May 8, 2023
SUBJECT: Transition to Cornerstone Management Services

BACKGROUND:

Due to city staff resignations, the HRA entered into an agreement with Cornerstone Management Services to manage Robinwood Manor and the HRA's 49 project-based voucher units. Cornerstone started managing the HRA's properties on May 1. Staff will update the HRA on the steps that the City and Cornerstone are taking to ensure a smooth transition.

REQUESTED ACTION:

None

ATTACHMENTS: