



HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

MONDAY, MARCH 14, 2022

6:00 PM

1. Call to Order
2. Approval of the Minutes
3. Program Reports
 - A. Mobile Home Buyout Program
 - B. Mobile Home Heat Tape Program
 - C. RAD/Repositioning Process
 - D. Sale of 1116 2nd Street NW
 - E. 230 Central Avenue Apartments
4. Property Reports
 - A. Robinwood Manor - Monthly Operating and Budget Statement
 - B. Public Housing - Monthly Operating and Budget Statement
 - C. Scattered Sites - Monthly Operating and Budget Statement
5. Public Hearing
6. Items for Discussion
 - A. Application for Use of 306 Central
 - B. Downtown Investment Group Project - Presentation
 - C. Downtown Rehab - Program Discussion
7. Adjournment

Faribault Housing and Redevelopment Authority
Meeting Minutes
February 14, 2022

Travis McColley was sworn in under Oath.

1. Call to Order / Approval of the Agenda

Chair Brown called the meeting to order at 6:00 p.m.

Members Present: Loni Ahlers, Brenden Kennedy, Travis McColley, Matt Speckhals, and Jonathan Wood.

Members Absent: Narren Brown.

2. Minutes

A. Minutes of January 10, 2022.

A motion was made by Speckhals to approve the minutes of January 10, 2022 seconded by McColley as presented.

Motion carried on a 5/0 vote.

3. Program Reports

A. Mobile Home Buyout Program

No activity to report

B. Mobile Home Heat Tape Program

Staff has continued to try to identify a contractor and the previous contract has reconsidered. They are requesting changes to the contract. Once the contract has been finalized, Staff will let park owners know that the program is available.

A motion was made by Kennedy, seconded by Speckhals to approve to receive and file the report as presented.

Motion carried on a 5/0 vote.

C. Monthly Loan Status Report

Nothing new to report.

D. RAD/Repositioning Process

Staff reviewed the current activity associated with the RAD/Repositioning process. Activity included a project meeting with Braun Intertec regarding the environmental work, the first meeting with the RAD Launch Assistance Provider, and the CHAP Award Letter.

A motion was made by Kennedy and seconded by Speckhals to receive and file the report as presented.

Motion carried on a 5/0 vote.

E. Sale of 1116 2nd St NW

The closing is scheduled to take place on (or before) February 28, 2022. A Purchase Agreement has been drafted by the attorney and reviewed by the buyer - and the HRA will be requested to approve the agreement (Item 5E. on the HRA Agenda). As a reminder, the delay in the closing was related to obtaining a clean title prior to the sale of the property.

F. 230 Central Avenue Apartments

Mr. Nelson submitted a monthly update as required. Upon receipt of the report, Staff forwards to the Building Official for review. After some discussion, it was requested that Staff inquire about the overall schedule to be included with the March update.

A motion was made by McColley and seconded by Wood to receive and file the program reports as submitted.

Motion carried on a 5/0 vote.

4. Property Management Reports

A. Robinwood Manor

The financial report for the month of December was briefly discussed.

A motion was made by Wood and seconded by Speckhals to receive and file as presented. Motion carried unanimously.

B. Public Housing

The financial report for the month of December was briefly discussed.

A motion was brought by Kennedy and seconded by McColley to receive and file as presented. Motion carried unanimously.

C. Scattered Sites Rental Housing

Nothing new to report.

A motion was made by Kennedy and seconded by McColley to receive and file the operating statements as submitted. Motion carried unanimously.

5. Items for Discussion

A. Election of Officers

Per the Bylaws the elections officers will occur at the February meeting. Staff noted that currently there is one open seat on the HRA.

A motion to appoint Matthew Speckhals as Chair, Kennedy as Vice Chair/Secretary was made by McColley and seconded by Wood. Motion carried unanimously.

The new Chair, Matthew Speckhals then took over the meeting.

B. Approving 2021 Accounts Receivable Write Offs

Annually, the HRA must review delinquent rents and charges per the Charges Process Policy adopted in 2006. Staff worked with the Finance Department to review the uncollected accounts receivables for 2021. Discussion followed regarding the policy, and how Revenue Recapture is utilized.

A motion was made by Kennedy to Approve Resolution 2022-02 Approving Accounts Receivable Write-Offs, seconded by McColley as presented. Motion carried unanimously.

C. Review of Loan Subordination Request - 206 Central Ave

A loan subordination request has been received for the HRA loan held on the property located at 206 Central. The owners seek to refinance in order to pull out equity and reinvest in an adjacent building. The HRA loan subordination guidelines state that no "cash out" is allowed and the combined loan to value ratio may not exceed 95-percent using the average of the appraisal and County's assessed value. The HRA loan subordination does not differentiate payable and forgivable loans as part of the guidelines and review process.

The HRA is asked to subordinate so the owners can pull the dollars out to reinvest.

A motion was made by Kennedy and seconded by Wood to subordinate the original loan as presented.

After the vote, discussion ensued regarding ways that the HRA can ensure that dollars are being reinvested as stated in the application. Staff commented that the applications come from the banks directly regarding the reason for the subordination and use of funds. The HRA indicated that they would like language added to the subordination request approvals stating the use of the funds

Wood made a motion to amend the subordination agreement asking for clarification of where the dollars are going to go, seconded by McColley. Motion passed unanimously.

D. Approve Amended Contract for Professional Services – Public Housing

Asset Repositioning Analysis

The Asset Reposition process is continuing to progress as planned. The HRA is asked to approve an Amended Contract for Professional Services with RECAP Real Estate Advisors. The amended contract specifically involves assisting the HRA with the Phase 2 - Financing Plan Preparation and Phase 3 - RCC through Closing, as described in the RFP that was issued by the HRA in 2021.

Kim Clausen, who is assisting the HRA with the RAD Repositioning project, has reviewed the amended contract in relation to the RFP and has confirmed that it is consistent.

A motion was made by Kennedy and seconded by Ahlers to Approve the Amended Contract for Professional Services - Public Housing Asset Repositioning Analysis, and authorize the Chairperson and Executive Director to execute the contract as presented. Motion carried unanimously.

E. Approve Purchase Agreement of 1116 2nd Street NW

In August 2021, the HRA approved the sale of 1116 2nd Street NW to Theodore Krause, for the amount of \$25,000. The condition of the sale stipulated that Mr. Krause would demolish the existing garage and build a new house for his family, and then rent his existing house at 1120 2nd Street NW to a low-income family (at or below 80-percent of the Rice County Area Median Income as determined by HUD) for no more than the Rice County Fair Market Rent for three (3) years. The attached Purchase Agreement outlines these requirements. Closing is scheduled to occur on February 28, 2022.

A motion was made by Wood and seconded by Ahlers to Approve Purchase Agreement for 1116 2nd Street NW as presented. Motion passed unanimously.

6. Adjourn

A motion was made by McColley and seconded by Kennedy to adjourn the meeting at 6:44 p.m. Motion carried unanimously.

Respectfully Submitted,

Kari Casper, Recording Secretary



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Mobile Home Heat Tape Program

BACKGROUND:

Staff has identified a qualified contractor willing to perform the Heat Tape program work - Ron Churchill with Ron's Handyman Services. This is the contractor who has performed the work on behalf of the program in the past.

Prior to initiating the work, Mr. Churchill is requesting a few changes to the previous contract. The changes include:

- A \$35 service call fee per unit (new)
- \$16.00 per linear for service (versus \$12.00 per linear foot)

The approved 2022 HRA budget includes \$10,000 for the Mobile Home Heat Tape Program. Upon approval and execution of the revised contract - Mr. Churchill will provide proof of the required insurance, and contact the list of interested individuals to schedule installation. Mr. Churchill will provide before/after photos of the installations.

REQUESTED ACTION:

Motion to approve and execute 2022 Mobile Home Heat Tape Installation contract.

ATTACHMENTS:

1. 2022 Ron's Handyman Contract - with fee and budget

CONTRACT FOR SERVICES – MOBILE HOME HEAT TAPE PROGRAM

This Agreement is entered into this _____ day of March, 2022 between the Housing and Redevelopment Authority of Faribault (“HRA”), on behalf of the Faribault Housing and Redevelopment Authority (FHRA), and Ron Churchill d/b/a/ Ron’s Handyman Service (hereinafter named Ron’s Handyman Service), for the installation of heat tape on water pipes in numerous manufactured homes in Faribault, Minnesota.

1. Recitals.

1.1 The HRA and the City are entering into this contract as the agent of the various properties in the following manufactured home parks:

Cannon River Mobile Home Park, 1407 Hullett Ave
Evergreen Estates, 415 Western Ave
Knollwood, 1920 2nd St NW
Sunrise, 1155 Willow St

2. Contract Documents.

2.1 The Contract between the parties consists of this document.

3. Compensation.

3.1 HRA shall pay Ron’s Handyman Service a one-time service call fee of \$35 per unit plus \$16.00 per linear foot for services identified in the Mobile Home Heat Tape Program Guidelines, which are attached to this document for reference. The total cost of the contract shall not exceed \$10,000.

HRA shall pay Ron’s Handyman Service within thirty (30) days of receipt of billings by Ron’s Handyman Service. Billing shall constitute certification by Ron’s Handyman Service that the work described has been completed in accordance with the contract and in a workmanlike manner.

Final payment for the project will not be released until the HRA has received the following required documents:

- Proof of compliance with the state income-tax withholding requirements by submitting Department of Revenue Form IC-134;
- Lien waivers from all suppliers, subcontractors and other parties that furnished labor or materials for this project;

4. Term.

4.1 This Agreement shall expire on December 31, 2022.

4.2 The HRA may terminate this Agreement without cause upon 30 days written notice.

5. Insurance.

5.1 Contractors must be bonded and licensed as required by Minnesota Statutes.

5.2 Contractor is required to maintain and furnish satisfactory evidence of the following insurance coverage:

1. Worker's Compensation Insurance. Insurance minimum limits are as follows:

\$500,000 – Bodily Injury by Disease per employee

\$500,000 – Bodily Injury by Disease aggregate

\$500,000 – Bodily Injury by accident

2. Commercial General Liability Insurance. Insurance minimum limits are as follows:

\$1,000,000 – per occurrence

\$2,000,000 – annual aggregate

\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage

Personal and Advertising Injury

Blanket Contractual Liability

Products and Completed Operations Liability

6. Contacts.

6.1 HRA/City: Deanna Kuennen, Director
Community Development Department
208 NW First Avenue
Faribault, MN 55021
Phone: 507.333.0376 Fax: 507.384.0507

6.2 Ron's Handyman Service: Ron Churchill
415 Western Ave, Lot 102
Faribault, MN 55021
Phone: 507.339.9322

7. Consideration.

Ron's Handyman Service, for and in consideration of the payment or payments herein specified and by the HRA to be made, hereby covenants and agrees to provide the services, products, all materials, all necessary tools and equipment, and to do and perform all the work and labor necessary to complete and fulfill the requirements as described in the Quote Proposal Form submitted by Ron's Handyman Service (hereinafter referred to as the "Proposal"), which is hereby referred to and attached and made a part of this Agreement as fully and to the same extent as if set forth herein in detail.

8. Performance of Work.

8.1 Ron's Handyman Service also agrees that all the work and labor shall be done in the best and most diligent manner and that all materials and labor shall be in entire and strict conformity in every respect with the Proposal, and the requirements of federal, state and local laws, ordinances, regulations, standards, and specifications of the HRA and shall be subject to the inspection and approval of the proper authorities of the HRA for the supervision of the work, and in case any of said material or labor shall be rejected by the HRA as defective or unsuitable, then the materials shall be removed and replaced with other approved materials and the labor shall be done anew to the satisfaction and approval of the HRA at the cost and expense of Ron's Handyman Service.

In order to minimize the disturbance of residents, work shall be performed between the hours of 9:00 a.m. – 8:00 p.m., Monday through Sunday. If Ron's Handyman Service wishes to perform work outside of these hours, this must be approved by the HRA on a case-by-case basis, prior to the commencement of such work.

Employees, contractors and subcontractors of Ron's Handyman Service shall not use obscene or inappropriate language, participate in inappropriate behavior or smoke in the units, commons areas or grounds where the work is being performed. The HRA considers inappropriate behavior to include sexual harassment, asking residents for dates or inappropriate personal information, requesting sexual favors or any other similar behavior.

Ron's Handyman Service shall clean their work area, particularly any work performed in the common areas or grounds, before leaving each day and at the completion of the entire job.

Ron's Handyman Service shall not leave any areas unsecured or unattended.

9. Non-Discrimination Clause.

9.1 Ron's Handyman Service agrees that in the hiring of common or skilled labor for the performance of any work under this Agreement, no contractor, material supplier, or vendor, shall, by reason of race, creed, color, sex or national origin, discriminate against any person or persons who are citizens of the United States and who are qualified and available to perform the work to which such employment relates; that neither he nor any subcontractor, material supplier, or vendor, shall in any manner discriminate against, or intimidate, or prevent the employment of any such person or persons from the performance of work under this Agreement on account of race, creed, color, sex or national origin; that any violation of this paragraph shall be a misdemeanor; and that this Agreement may be canceled or terminated by the HRA and all money due, or to become due hereunder, may be forfeited, for a second or any subsequent violation of the terms or conditions of this Agreement.

10. Indemnification.

10.1 Ron's Handyman Service hereby agrees to protect, defend and hold the HRA and its officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, costs, fines, charges,

damage and expenses, including, without limitation, reasonable attorneys' fees, consultants' and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever (including those based on strict liability) arising out of (i) the activities contemplated by this Agreement, (ii) including, without limitation, any claims for any lien imposed by law for services, labor or materials, or (iii) by reason of the execution of this Agreement or the performance of this Agreement. Ron's Handyman Service, and Ron's Handyman Service's successors or assigns, agree to protect, defend and save the HRA, and its officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance. This indemnity shall be continuing and shall survive the performance or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the HRA of any immunities, defenses, or other limitations on liability to which the HRA is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466, or otherwise.

11. Waiver of Claims.

11.1 In consideration for this Agreement, Ron's Handyman Service, for Ron's Handyman Service, Ron's Handyman Service's attorneys, agents, employees, former employees, insurers, heirs, administrators, representatives, successors, and assigns, hereby releases and forever discharges the HRA, and its attorneys, agents, representatives, employees, former employees, insurers, heirs, executors and assigns of and from any and all past, present or future claims, demands, obligations, actions or causes of action, at law or in equity, whether arising by statute, common law or otherwise, and for all claims for damages, of whatever kind or nature, and for all claims for attorneys' fees, and costs and expenses, including but not limited to all claims of any kind arising out of the negotiation, HRA consideration, execution and performance of this Agreement between the parties.

12. Amendments.

12.1 Any amendment to this Agreement must be in writing and signed by both parties.

13. Agreement Binding; Assignment of Agreement.

13.1 This Agreement shall be binding upon and inure to the benefit of the parties. No assignment or attempted assignment of this Agreement or of any rights hereunder shall be effective without the prior written consent of the HRA.

14. Execution Authority.

14.1 Each of the undersigned parties warrants it has the full authority to execute this Agreement.

15. HRA Members Not Personally Liable.

15.1 No officer, agent or employee of the HRA shall be personally liable to Ron's Handyman Service, or any successor in interest, in the event of any default or breach by the HRA on any obligation or term of this Agreement.

16. Relationship of Parties.

16.1 Ron's Handyman Service acknowledges that nothing contained in this Agreement nor any act by the HRA or Ron's Handyman Service shall be deemed or construed by Ron's Handyman Service or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the HRA and Ron's Handyman Service.

17. Execution in Counterparts.

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

18. Governing Law and Venue.

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

19. Compliance With Laws.

19.1 Ron's Handyman Service warrants that all work performed pursuant to this Agreement shall be in compliance with all federal, state and local laws, ordinances, regulations, rules, and standards, as well as all specifications of the HRA.

20. Entire Agreement.

20.1 This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire Agreement between the HRA and Ron's Handyman Service, and supersedes any other written or oral agreements between and HRA and Ron's Handyman Service.

21. Validity of Agreement Provisions.

21.1 In the event that any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions in any application thereof shall not in any way be affected or impaired thereby.

22. Enforcement of Agreement Provisions.

22.1 No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a

breach thereof, shall constitute a waiver of any such breach of any other covenant, agreement, term, or condition, nor does it imply that such covenant, agreement, term or condition may be waived again.

23. Data Practices Compliance.

23.1 Any and all data created, collected, received, stored, used, maintained, or disseminated by Ron's Handyman Service pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and Ron's Handyman Service must comply with these requirements as if it were a government entity. This paragraph does not create a duty on the part of Ron's Handyman Service to provide access to public data to the public if the public data are available from the HRA, except as required by the terms of this Agreement.

24 Audit Clause.

24.1 Contractor agrees that the books, records, documents and accounting procedures and practices of the contractor relating to this contract are subject to examination by the HRA and the state auditor for a minimum of six years.

**HOUSING AND REDEVELOPMENT
AUTHORITY OF FARIBAULT**

RON'S HANDYMAN SERVICE

BY: _____
Deanna Kuennen
Executive Director

BY: _____
Ron Churchill
Title: _____

BY: _____
Matthew Speckhals
Chairperson

THIS DOCUMENT WAS DRAFTED BY:
City of Faribault
208 NW 1st Avenue
Faribault, MN 55021



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: RAD/Repositioning Process

BACKGROUND:

The RAD/Repositioning process continues to progress. The recent activities include:

Part 58 Environmental Review

- Draft CEST forms for all 12 sites were completed by Braun Intertec and sent to Staff for review.
- K. Clausen completed the review and has submitted comments to Braun Intertec to be incorporated. Comments included:
 - Identifying Rice County on the Coastal Area Maps
 - Determination as to whether or not radon analysis is required
 - Request to include the Owatonna Airport in the Noise Assessments since technically the airport is 12 miles from the sites (all airports within 15 miles must be included). It is anticipated that the noise impacts are negligible.

Title Work

- Title Commitments are completed for each PH property.
- HUD requires that the title work include the Declaration of Trust. Through the title work process, it was identified that one property did not have the Declaration of Trust filed (404 13th Street NW - PID 18.30.3.01.004). This will be corrected.

Removal of Units in PIC

- An application to remove all PH units from the PIC system has been

submitted, with required legal descriptions and Declaration of Trust documents.

REQUESTED ACTION:

Receive and File.

This information is provided to keep the HRA informed on the status of all of the steps associated with the RAD/Repositioning process. The Part 58 draft environmental review can be provided to the HRA upon request per property.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Sale of 1116 2nd Street NW

BACKGROUND:

The HRA approved the sale of 1116 2nd Street NW to Theodore Krause, for the amount of \$25,000. The condition of the sale stipulates that Mr. Krause will demolish the existing garage and build a new house on the site for his family, then rent his existing house at 1120 2nd Street NW to a low-income family (at or below 80-percent of the Rice County Area Median Income as determined by HUD) for no more than the Rice County Fair Market Rent for three (3) years. The Purchase Agreement was approved and executed in February - with a planned February closing date.

Unfortunately, the closing has been delayed again. On February 17, 2022, Ocwen Loan Servicing contacted our legal counsel that the Satisfaction of Mortgage was rejected because a power of attorney is required along with the satisfaction. The loan servicing company is working to resolve this issue and will then re-submit the document along with the power of attorney for recording.

No updated closing date has been identified at this time. The date will be set once the loan servicer has contacted our legal counsel with an update on when the satisfaction will be recorded.

REQUESTED ACTION:

Receive and File.

ATTACHMENTS:



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: 230 Central Avenue Apartments

BACKGROUND:

As required by the HRA, Todd Nelson must submit a monthly construction status report/update for the work at 230 Central Avenue. Per emails received on March 2, 2022 - the following summarizes work completed during the month of February and planned for the month of March:

- Lofts and 3rd floor walls are 100-percent finished
- Electrical installation completed in the lofts and 3rd floor
- Painting to be completed by March 7 on 2nd floor
- Gypcrete will begin March 7th and be completed by the 11th
- Flooring will begin on March 28th if the gypcrete is dry
- Work will begin on the entry and elevator area in March
- Block wall was completed in the Pawn Shop for the dumpster enclosure
- Will be getting frame and working on the dumpster door

The attached photos and summary of work performed were forwarded to John Rued, Building Official, to verify and validate that inspections have occurred as required. Per Mr. Rued - the Building Division has included the fire, smoke, and draft stopping at the second and third floors - so the project can proceed to drywall and painting on those floors.

In addition, Staff requested that Mr. Nelson provide an update on the overall schedule per the HRA's request. Mr. Nelson did inform Staff that there have been some delays with the taping contractor - but that has been resolved. The elevator has not been shipped yet, but the contractor has provided a tentative ship date of April 29.

REQUESTED ACTION:

ATTACHMENTS:

1. 20220302_124937
2. 20220302_125141
3. 20220302_125218
4. 20220302_125254
5. 20220302_125303
6. 20220302_125424
7. 20220302_125438
8. 20220302_125813
9. 20220302_131156





















Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Robinwood Manor - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memorandum is to provide the HRA with an update on activity at Robinwood Manor. For the month of JANUARY 2022:

Occupancy: 100-percent leased for subsidized units

Turnovers:0

Vacant Units:Market rate unit is vacant. Unit is currently being painted, new carpet installed, and leased as of 3/4/2022

The financial report/budget statement for the month of January is attached.

Budget items to note - BVM Parking Lot expansion/resurface/repair, RAW Construction sanding/plowing, City of Faribault Rental License Fee, General Maintenance.

REQUESTED ACTION:

Review and approve the operating statement/monthly budget as attached.

ATTACHMENTS:

1. 4A - Attachment JAN Robinwood Budget

**ROBINWOOD MANOR
FOR JAN 22**

	<u>2022 Budget</u>	<u>% of Revenue</u>	<u>January Actual</u>	<u>Monthly Budget</u>	<u>Variance of Monthly Budget</u>	<u>Favorable/ Unfavorable</u>	<u>2022 Year-To-Date</u>	<u>Remaining Balance</u>
REVENUES								
33160 FEDERAL GRANTS	239,842.00	48.60%	25,212.00	19,986.83	26.14%	F	25,212.00	214,630.00
36200 OTHER MISCELLANEOUS	6,000.00	1.22%	506.50	411.00	23.24%	F	506.50	5,493.50
36210 INTEREST ON INVESTMEI	6,800.00	1.38%	306.07	566.67	NA	NA	306.07	6,493.93
36211 INTEREST MARKET VALUE	0.00	0.00%	-4,815.98	0.00	NA	NA	(4,815.98)	4,815.98
36220 RENTS	239,842.00	48.60%	16,247.00	19,986.83	-18.71%	U	16,247.00	223,595.00
36221 VACANCIES	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
36227 EXCESS UTILITIES	1,000.00	0.20%	29.00	83.33	-65.20%	U	29.00	971.00
36280 PROJECT REIMBURSEME	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
TOTAL REVENUE ACCOUNTS (G	<u>\$493,484.00</u>	<u>51.40%</u>	<u>\$37,484.59</u>	<u>\$41,034.67</u>	<u>-8.65%</u>	<u>U</u>	<u>\$37,484.59</u>	<u>\$455,999.41</u>
EXPENSES								
SUPPLIES		% of Expense						
42110 GENERAL SUPPLIES	23,000.00	5.74%	111.43	1,916.67	-94.19%	F	111.43	22,888.57
42410 MINOR EQUIPMENT/TOOL	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
TOTAL: SUPPLIES	<u>\$23,000.00</u>	<u>5.74%</u>	<u>\$111.43</u>	<u>1,916.67</u>	<u>-94.19%</u>	<u>F</u>	<u>111.43</u>	<u>\$22,888.57</u>
OTHER SERVICES & CHARGES								
43010 AUDITING & ACCOUNTING	10,000.00	2.50%	0.00	833.33	-100.00%	F	0.00	10,000.00
43040 ATTORNEY FEES-CIVIL P	1,000.00	0.25%	0.00	83.33	-100.00%	F	0.00	1,000.00
43070 MANAGEMENT SERVICE	45,250.00	11.30%	3,969.31	3,770.83	5.26%	U	3,969.31	41,280.69
43090 EXPERT & PROF SERVICE	15,500.00	3.87%	0.00	1,291.67	-100.00%	F	0.00	15,500.00
43095 SOFTWARE MAINT & SUP	3060.00	0.00%	0.00	255.00	NA	NA	0.00	3,060.00
43130 TENANT SERVICES	3,000.00	0.75%	0.00	250.00	-100.00%	F	0.00	3,000.00
43210 TELEPHONE & TELEGRA	-	0.00%	0.00	-	#DIV/0!	#DIV/0!	0.00	0.00
43250 OTHER COMMUNICATION	900.00	0.22%	224.70	75.00	199.60%	U	224.70	675.30
43430 ADVERTISING - OTHER	500.00	0.12%	0.00	41.67	-100.00%	F	0.00	500.00
43610 INSURANCE & BONDS	9,902.00	2.47%	0.00	825.17	-100.00%	F	0.00	9,902.00
43810 ELECTRIC UTILITIES	26,000.00	6.49%	554.17	2,166.67	-74.42%	F	554.17	25,445.83
43820 WATER UTILITIES	2,200.00	0.55%	0.00	183.33	-100.00%	F	0.00	2,200.00
43830 GAS UTILITIES	10,500.00	2.62%	1,940.97	875.00	121.83%	U	1,940.97	8,559.03
43840 REFUSE DISPOSAL	3,100.00	0.77%	0.00	184.70	-100.00%	F	0.00	3,100.00
43850 SEWER UTILITIES	3,100.00	0.77%	0.00	258.33	-100.00%	F	0.00	3,100.00
43860 STORM WATER UTILITY	750.00	0.19%	0.00	62.50	-100.00%	F	0.00	750.00
44010 BUILDING MAINTENANCE	100,000.00	24.98%	5,964.52	8,333.33	-28.43%	F	5,964.52	94,035.48
44040 VEHICLE/EQUIPMENT RE	0.00	0.00%	0.00	0.00	NA	NA	0.00	0.00
44050 EXTRAORDINARY MAINT	123,000.00	30.72%	0.00	10,250.00	-100.00%	F	0.00	123,000.00
44060 LAUNDRY SERVICES	900.00	0.22%	10.98	75.00	-85.36%	F	10.98	889.02
44160 RENTS AND LEASES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44200 DEPRECIATION	0.00	0.00%	0.00	0.00	NA	NA	0.00	0.00
44320 BAD DEBT EXPENSE	0.00	0.00%	0.00	0.00	NA	NA	0.00	0.00
44325 BANK FEES & CHARGES	300.00	0.07%	13.58	25.00	-45.68%	F	13.58	286.42
44370 MISC CHARGES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44390 TAXES & LICENSES	18,200.00	4.55%	1,130.00	1,516.67	-25.49%	F	1,130.00	17,070.00
44700 INTEREST	200.00	0.05%	0.00	16.67	NA	U	90.26	109.74
TOTAL: OTHER SERVICES & CH	<u>377,362.00</u>	<u>94.26%</u>	<u>\$13,808.23</u>	<u>\$30,539.87</u>	<u>-54.79%</u>	<u>F</u>	<u>\$13,898.49</u>	<u>\$363,463.51</u>
45200 BUILDING & IMPROVEMEN	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>NA</u>	<u>U</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL EXPENSES	<u>\$400,362.00</u>	<u>100.00%</u>	<u>\$13,919.66</u>	<u>32,456.53</u>	<u>-57.11%</u>	<u>F</u>	<u>\$14,009.92</u>	<u>\$386,352.08</u>



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Public Housing - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memo is to provide the HRA with an update on activity on the Public Housing program. For the month of January, 2022:

Occupancy: 98-percent leased.

Turnovers: 1 - leased on 1/21/22

Vacant Units: 1 three-bedroom being painted/repaired

The financial report/operating statement for the month of January is attached.

Expenses to note - RECAP RAD Feasibility, Property Pros Turnover painting, RAW Construction plowing/sanding/shoveling, appliances, doors, and general maintenance.

REQUESTED ACTION:

Review and approve the operating statement/monthly budget as attached.

ATTACHMENTS:

1. 4B. Attachment JAN Public Housing Budget

**PUBLIC HOUSING
FOR JAN 22**

	<u>2022 Budget</u>	<u>% of Revenue</u>	<u>Jan Actual</u>	<u>Monthly Budget</u>	<u>Variance of Monthly Budget</u>	<u>Favorable/ Unfavorable</u>	<u>2022 Year-To-Date</u>	<u>Remaining Balance</u>
REVENUES								
33160 FEDERAL GRANTS	250,000.00	48.35%	0.00	20,833.33	-100.00%	U	0.00	250,000.00
36200 OTHER MISC REVENUE	6,000.00	1.16%	811.44	500.00	62.29%	F	811.44	5,188.56
36210 INTEREST ON INVESTMENTS	1,100.00	0.21%	107.85	91.67	17.65%	F	107.85	992.15
36211 INTEREST MARKET VALUE	0.00	0.00%	(1,652.35)	0.00	NA	F	(1,652.35)	1,652.35
36220 RENTS	260,000.00	50.28%	22,168.00	21,666.67	2.31%	F	22,168.00	237,832.00
36240 REFUNDS & REIMBURSEMENTS	0.00	NA	0.00	0.00	NA	F	0.00	0.00
TOTAL REVENUE ACCOUNTS	<u>\$517,100.00</u>	<u>100.00%</u>	<u>\$21,434.94</u>	<u>\$43,091.67</u>	<u>-50.26%</u>	<u>U</u>	<u>\$21,434.94</u>	<u>\$495,665.06</u>
EXPENSES								
SUPPLIES		% of Expense						
42110 GENERAL SUPPLIES	23,000.00	4.16%	671.78	1,916.67	-64.95%	F	671.78	22,328.22
42115 TENANT SERVICES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
TOTAL: SUPPLIES	<u>\$23,000.00</u>	<u>4.16%</u>	<u>\$671.78</u>	<u>1,916.67</u>	<u>-64.95%</u>	<u>F</u>	<u>\$671.78</u>	<u>\$22,328.22</u>
OTHER SERVICES & CHARGES								
43010 AUDITING & ACCT SERVICES	1,500.00	0.27%	0.00	125.00	-100.00%	F	1,475.00	25.00
43040 ATTORNEY FEES-CIVIL PROCESS	6,500.00	1.18%	0.00	541.67	-100.00%	F	0.00	6,500.00
43070 MANAGEMENT SERVICES	80,484.00	14.55%	6,707.00	6,707.00	0.00%	F	6,707.00	73,777.00
43090 EXPERT & PROF SERVICES	52,500.00	9.49%	0.00	33.75	-100.00%	F	0.00	52,500.00
43430 ADVERTISING - OTHER	500.00	0.09%	0.00	41.67	-100.00%	F	0.00	500.00
43610 INSURANCE & BONDS	34,748.00	6.28%	0.00	2,895.67	-100.00%	F	0.00	34,748.00
43810 ELECTRIC UTILITIES	1,100.00	0.20%	45.37	91.67	-50.51%	F	45.37	1,054.63
43820 WATER UTILITIES	800.00	0.14%	0.00	66.67	-100.00%	F	0.00	800.00
43830 GAS UTILITIES	500.00	0.09%	29.37	41.67	-29.51%	F	29.37	470.63
43840 REFUSE DISPOSAL	3,000.00	0.54%	0.00	250.00	-100.00%	F	0.00	3,000.00
43850 SEWER UTILITIES	500.00	0.09%	0.00	41.67	-100.00%	F	0.00	500.00
43860 STORM WATER UTILITY	700.00	0.13%	0.00	58.33	-100.00%	F	0.00	700.00
44010 BUILDING MAINTENANCE	89,500.00	16.18%	2,503.53	7,458.33	-66.43%	F	2,503.53	86,996.47
44050 EXTRAORDINARY MAINTENANCE	240,000.00	0.00%	0.00	20,000.00	NA	U	0.00	240,000.00
44325 BANK FEES & CHARGES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44370 MISC CHARGES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44375 UTILITY REIMBURSEMENT	7,500.00	1.36%	1,069.00	625.00	71.04%	U	1,069.00	6,431.00
44390 TAXES & LICENSES	10,000.00	1.81%	3,170.00	833.33	280.40%	U	3,170.00	6,830.00
44700 INTEREST	300.00	0.05%	0.00	25.00	-100.00%	F	0.00	300.00
TOTAL: OTHER SERVICES & CHARGES	<u>\$530,132.00</u>	<u>95.84%</u>	<u>\$13,524.27</u>	<u>\$39,836.42</u>	<u>-66.05%</u>	<u>F</u>	<u>\$14,999.27</u>	<u>\$515,132.73</u>
TOTAL EXPENSES	<u>\$553,132.00</u>	<u>100.00%</u>	<u>\$14,196.05</u>	<u>41,753.08</u>	<u>-66.00%</u>	<u>F</u>	<u>\$15,671.05</u>	<u>\$537,460.95</u>



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Scattered Sites - Monthly Operating and Budget Statement

BACKGROUND:

The purpose of this memo is to provide the HRA with an update on activity associated with the Scattered Site housing. For the month of January, 2022:

Occupancy: 100%
Turnovers: 0
Vacant Units: 0

The financial report/operating statement for the month of January is attached.

REQUESTED ACTION:

Review and approve the operating statement/monthly budget as attached.

ATTACHMENTS:

1. 4C - Attachment - JAN Scattered Sites Budget

**CITY SCATTERED SITES
FOR JAN 2022**

	<u>2022 Budget</u>	<u>% of Revenue</u>	<u>Jan Actual</u>	<u>Monthly Budget</u>	<u>Variance of Monthly Budget</u>	<u>Favorable/ Unfavorable</u>	<u>2022 Year-To-Date</u>	<u>Remaining Balance</u>
REVENUES								
36211 MARKET VALUE ADJUSTMENT	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
36200 OTHER MISC REVENUE	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
36210 INTEREST ON INVESTMENTS	1,200.00	8.51%	49.41	100.00	NA	F	49.41	1,150.59
36211 INTEREST MARKET VALUE	0.00	0.00%	(788.07)	0.00	NA	F	(788.07)	788.07
36220 RENTS	12,900.00	91.49%	1,075.00	1,075.00	0.00%	U	1,075.00	11,825.00
36240 REFUNDS & REIMBURSEMENTS	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
TOTAL REVENUE ACCOUNTS	<u>\$14,100.00</u>	<u>91.49%</u>	<u>\$336.34</u>	<u>\$1,075.00</u>	<u>-68.71%</u>	<u>U</u>	<u>\$336.34</u>	<u>\$13,763.66</u>
EXPENSES								
SUPPLIES		% of Expense						
42110 GENERAL SUPPLIES	500.00	5.98%	0.00	41.67	-100.00%	F	0.00	500.00
TOTAL: SUPPLIES	<u>\$500.00</u>	<u>5.98%</u>	<u>\$0.00</u>	<u>41.67</u>	<u>-100.00%</u>	<u>F</u>	<u>\$0.00</u>	<u>\$500.00</u>
OTHER SERVICES & CHARGES								
43040 LEGAL FEES - CIVIL PROCESS	0.00	0.00%	0.00	0.00	#DIV/0!	#DIV/0!	0.00	750.00
43070 MANAGEMENT SERVICES	1,140.00	13.62%	95.00	95.00	0.00%	F	95.00	1,045.00
43090 EXPERT & PROFESSIONAL SVCS	0.00	0.00%	0.00	0.00	0.00%	F	0.00	0.00
43430 ADVERTISING - OTHER	0.00	0.00%	0.00	0.00	NA	F	0.00	0.00
43610 INSURANCE & BONDS	527.00	6.30%	0.00	43.92	-100.00%	F	0.00	527.00
43810 ELECTRIC UTILITIES	200.00	2.39%	0.00	16.67	-100.00%	F	0.00	200.00
43820 WATER UTILITIES	300.00	3.59%	0.00	25.00	-100.00%	F	0.00	300.00
43830 GAS UTILITIES	100.00	1.20%	0.00	8.33	-100.00%	F	0.00	100.00
43840 REFUSE DISPOSAL	200.00	2.39%	0.00	16.67	-100.00%	F	0.00	200.00
43850 SEWER UTILITIES	450.00	5.38%	0.00	37.50	-100.00%	F	0.00	450.00
43860 STORM WATER UTILITY	100.00	1.20%	0.00	8.33	-100.00%	F	0.00	100.00
44010 BUILDING MAINTENANCE	3,000.00	35.86%	30.00	250.00	-88.00%	F	30.00	2,970.00
44160 RENTS & LEASES	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44320 BAD DEBT	0.00	0.00%	0.00	0.00	NA	U	0.00	0.00
44390 TAXES & LICENSES	1,800.00	21.51%	110.00	0.00	NA	U	110.00	1,690.00
44700 INTEREST	50.00	0.60%	0.00	4.17	-100.00%	F	5.80	44.20
TOTAL: OTHER SERVICES & CHARGES	<u>\$7,867.00</u>	<u>94.02%</u>	<u>\$235.00</u>	<u>\$505.58</u>	<u>-53.52%</u>	<u>F</u>	<u>\$240.80</u>	<u>\$7,626.20</u>
 45200 BUILDING & IMPROVEMENTS	 \$0.00	 0.00%	 \$0.00	 \$0.00	 NA	 U	 \$0.00	 \$0.00
TOTAL EXPENSES	<u>\$8,367.00</u>	<u>100.00%</u>	<u>\$235.00</u>	<u>547.25</u>	<u>-57.06%</u>	<u>F</u>	<u>\$240.80</u>	<u>\$8,126.20</u>



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Application for Use of 306 Central

BACKGROUND:

In 2019, the HRA provided funds for the repair of 306 Central Avenue. As part of the Agreement entered into between the HRA and the property owner, the property owner will allow the HRA, City and/or the Faribault Area Chamber of Commerce, and its associated board, commissions, and committees - use of the facility four (4) times per year free of charge for 10 years.

The HRA established a policy to accept and review applications for the use of the space. An application has been received to use the space on April 28, 2022 by the Economic Development Authority of the City of Faribault (EDA). The space is available on this date, and the property owner is willing to allow the use of the space until 4:00. The EDA will be hosting their "Microsummit 2022." This event is a marketing event held in conjunction with the Minnesota Real Estate Journal (MREJ), where MREJ members and brokers from the twin cities will be invited to Faribault to learn about the city's efforts in multi-family housing (market-rate and affordable), retail/restaurant activity, and initiatives to build a pipeline of talent to support business and industry.

This is the second such event hosted by the EDA. The first event was held in 2018 and resulted in the construction of the Hillside Apartments. It is anticipated that up to 100 brokers will attend the event.

REQUESTED ACTION:

Review and approve application for use of 306 Central Avenue - for use by the Faribault EDA

ATTACHMENTS:

1. EDA Application - 4-28-2022



Faribault HRA

208 1st Ave NW

Faribault, MN 55021

(507) 334-0100

communitydevelopment@ci.faribault.mn.us

Application Form for Event/Meeting at 306 Central Avenue

Please complete the following application in full & submit to the City of Faribault's Community & Economic Development Office.

BASIC INFORMATION			
Applicant/Commission/Organization		FARIBAULT EDA	
Primary Contact Person		DEANNA KUENNEN	
Address 208 NW 1 ST AVE	City FARIBAULT	Zip 55021	
	Phone 507-333-0376	Cell	
Email DKUENNEN@CI.FARIBAULT.MN.US		Fax	
Event/Meeting			
Name of Event/Meeting FARIBAULT MICROSUMMIT 2.0		Requested Event/Meeting Date and Time (Must be Sunday – Thursday) THURSDAY, APRIL 28 11-4	
Meeting/Event Description (include nature of the event, expected number of people, room setup, public purpose served by the event, etc.) MARKETING EVENT – HELD IN CONJUNCTION WITH THE MN REAL ESTATE JOURNAL (MREJ). MREJ MEMBERS AND TWIN CITIES BROKERS WILL BE INVITED TO LEARN ABOUT FARIBAUALT. TOPICS WILL INCLUDE HOUSING INITIATIVES (MARKET RATE AND AFFORDABLE), DOWNTOWN COMMERCIAL/RETAIL/RESTAURANT DEVELOPMENT, TALENT PIPELINE AND TRAINING PROGRAMS TO SUPPORT BUSINESS AND INDUSTRY. EVENT WILL BE PROMOTED TO ALL TWIN CITIES BROKERS. ATTENDANCE IS ANTICIPATED TO BE BETWEEN 50-100.			

Event/Meeting Needs

Do you need the bar?

☐

Yes

☒

No

Will you have food catered in?

☒

Yes

☐

No

Do you have audio/visual needs?

☒

Yes

☐

No

Do you want to use the rooftop patio?

☒

Yes

☐

No

if weather is nice

CERTIFICATION

I certify that by signing this application that the information stated above is true and correct to the best of my knowledge. I realize that by submitting this information, my event is not automatically approved. You will be notified within 30 days if your event is approved.

Signature of Applicant



Date

3/7/21

Faribault Housing and Redevelopment Authority

Policy for Meetings/Events at 306 Central Avenue Under the Loan Agreement with Faribault Event and Convention Center

Purpose: In 2019 the Faribault Housing and Redevelopment Authority (HRA) provided \$50,000 in funding to the owners of the property at 306 Central Avenue (Faribault Event and Convention Center) for repairs to the building. As part of the Agreement, the building owner will allow the HRA, City and/or the Faribault Area Chamber of Commerce, and its associated boards, commissions and committees, to use, free of charge, the meeting facilities at 306 Central Avenue four (4) times per year. This agreement lasts 10 years.

To ensure fair access to the building, the HRA has developed the following policy for meeting/event requests:

1. The HRA shall have priority in scheduling meetings and events in the space.
2. Applications will be reviewed on a first-come/first-served basis.
3. All events are subject to approval by the building owner, who has agreed to make a good-faith effort to accommodate requests.
4. Events/meetings must be held Sunday – Thursday.
5. Events/meetings must be open to the public at no charge.
6. Preference is given to events that serve a public purpose and provide the greatest opportunity for attendance by the public.
7. Applicants will be notified within 30 days if their event/meeting request has been approved.
8. The HRA will notify the City of Faribault Department Heads and the Chamber of Commerce about the space availability and application process at least once per year.
9. The HRA will stop taking applications when commitments have been made for four events for the calendar year.
10. The HRA reserves the right to make exceptions to this policy.



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Downtown Investment Group Project - Presentation

BACKGROUND:

The Faribault Industrial Corporation and Rebound Partners have created a "Community Investment Fund" focusing on real estate opportunities in Faribault. They have identified their initial project in historic downtown, which involves pursuing the acquisition and redevelopment of 13 buildings.

On behalf of the Downtown Investment Group project, Nort Johnson will attend the HRA meeting to share details about the project and start exploring ways that the HRA can support the redevelopment initiative. While no specific request will be before the HRA for action at this meeting, this will be an opportunity for the HRA to learn more about the project scope, ask questions, and start formulating how existing (and/or new) HRA programs might be available to leverage other dollars needed for this initiative. Any specific funding/financing requests will be brought to the HRA for consideration at a future meeting.

REQUESTED ACTION:

No action. This is for informational purposes only.

ATTACHMENTS:

1. Community Investment Fund - letter of introduction

**Memorandum from
the desk of
Nort Johnson**

Faribault Area
CHAMBER OF COMMERCE
and Tourism

Memo: Downtown Investment Group project
To; Faribault HRA, Faribault EDA

3/8/2021

Faribault Partners,

The Faribault Industrial Corporation and Rebound Partners have been working diligently to create a *Community Investment Fund* focusing on real estate opportunities. Proposed projects for the fund are both community minded and expected to have some return on the investments. Our initial proposed projects are focusing on the historic downtown with both housing and commercial/retail redevelopment. While we've explored 5 different scenarios, we have opted to pursue the acquisition and redevelopment of a portfolio consisting of 13 buildings under 3 ownership groups.

We have executed the purchase agreements with the following key dates.

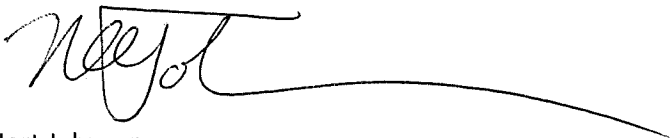
- Effective Date = 3/1/2022
- Due Diligence expiration = 4/29/2022 (this is a Friday)
- Closing = 6/28/2022 (this is a Tuesday)

Redevelopment points of interest.

- 57,994 above ground square footage
- 29 renovated 1- and 2-bedroom apartments
- 30,000 + retail and storage square feet

During our 60-day due diligence period we want to find out how we can best partner with the HRA and EDA to make the project a "go". As you all know, assistance is critical for historical redevelopment to happen. Financial proformas are complicated when renovating and preserving but once the work is done the community benefits are well worth it. We want to discuss availability of funds in the form of grants, forgivable loans, and other options to provide you with the best value and best outcomes for Faribault. We're looking forward sharing our project proposal with you and working out the most productive partnership we can.

Thanks so much,



Nort Johnson

Cc: FIC, Rebound Partners, Chamber Board, DIG Holdings



Request for Action

TO: Faribault Housing & Redevelopment Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: March 14, 2022
SUBJECT: Downtown Rehab - Program Discussion

BACKGROUND:

The HRA included \$100,000 in the 2022 approved budget for a downtown rehabilitation program. During the budget discussions, the HRA identified the intended use of the funds would be to encourage the build-out of second floor apartments. Prior to drafting program guidelines, **and in light of the recent Community Investment Fund introduction**, Staff is seeking additional input on potential program parameters.

To aid in the discussion, attached is information regarding the 2016 Downtown Housing Program funded by the HRA. This program funded two projects (127 Central Ave - \$80,000 / 206 Central - \$40,000). The HRA is asked to consider the following:

1. How can these dollars leverage investment in the downtown while fulfilling the HRA's mission.
2. What would the HRA like to see for Eligibility Requirements / Priority Improvement Projects ***Effective May 1, 2022 - window air conditioners will no longer be permitted in the Central Business District.***
3. Funding amounts and form of assistance per project. Example:
Loans - Deferred/Forgivable and/or Installment/Payable
4. Other criteria - including rents, etc.

REQUESTED ACTION:

Provide input on potential program guidelines.

ATTACHMENTS:

1. 2016 Downtown Housing Improvement Program

Downtown Housing Improvement Program

Informational Session

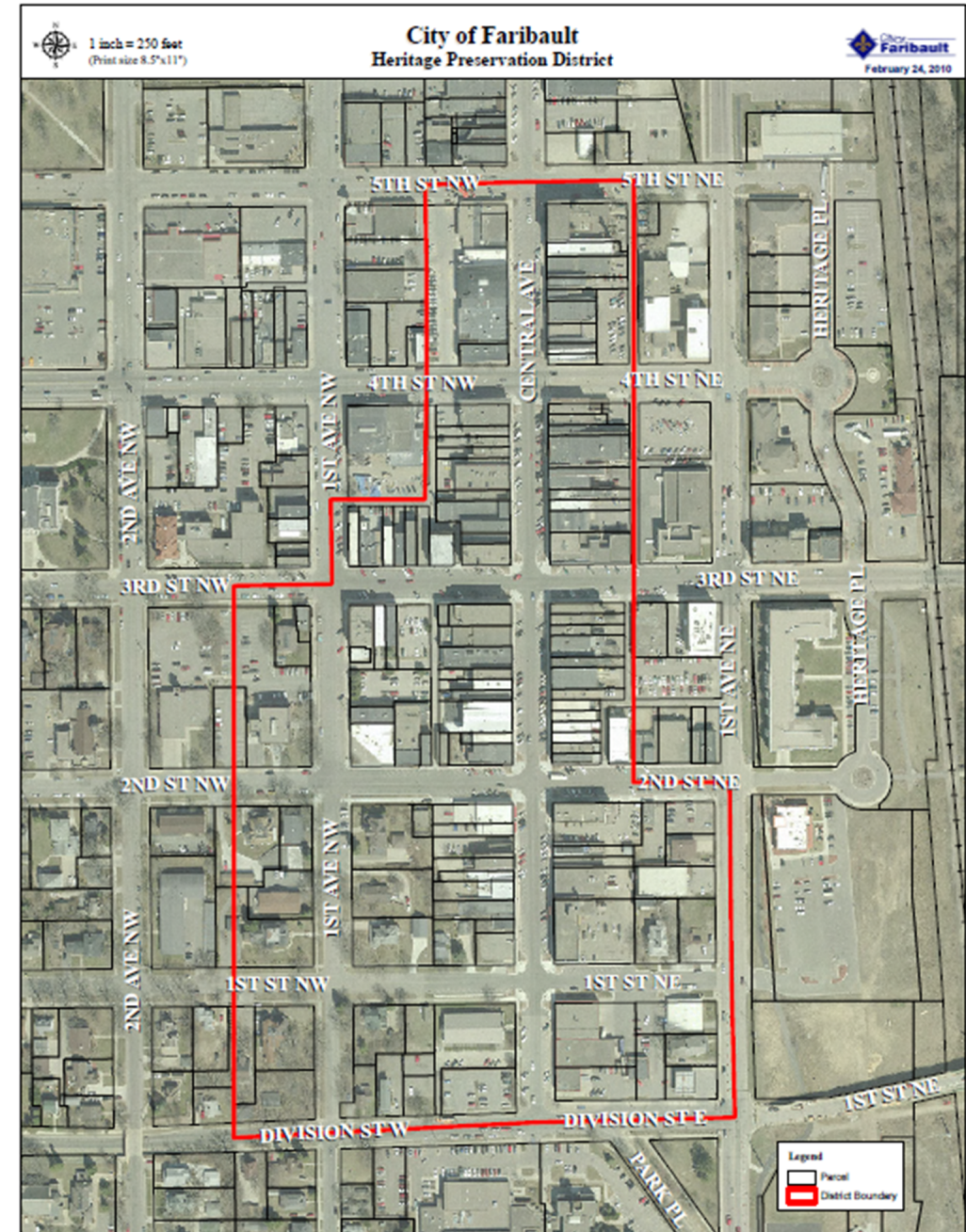
May 5, 2016

What we will cover today...

- Eligibility Requirements
- Funding Amounts
- Unit Requirements
- Rent Requirements
- Eligible Improvements
- Application Requirements
- Application Evaluation
- Ongoing Monitoring

Eligibility Requirements

- Must be located within the Local Downtown Historic District
- Applicant must be current on property taxes for all real property owned by them or their business
- Applicant must be current on all other existing loans and mortgages
- If an assisted building has units that are currently participating in the Rental Registration Program, the applicant must either maintain or decrease the number of rental units.
- If a space planned for improvement has never participated in the RRP or is not currently participating in the RRP, the space may be developed into new residential rental units provided all requirements of the Uniform Development Ordinance and Building Codes are met.



Funding Amounts

- The assistance may include a combination of deferred loan (grant) and installment loan or it may include only the deferred loan assistance.
- Maximum funding is up to \$20,000 per residential unit, up to a maximum of \$200,000 per building. Assistance shall not make up more than 75% of total project costs.



Funding Amounts (cont.)

- **Combination of Installment Loan and Deferred Loan:** Up to 75% of the assistance (or 56.25% of total project costs) will be provided in the form of a 0% deferred loan. The remaining 25% of assistance (or 18.25% of total project costs) will be in the form of an installment loan amortized over 5 years at 3% interest. The entire installment loan must be paid in full by the end of the 5-year loan term.
- **Deferred Loan Only:** If the applicant chooses not to obtain an installment loan through the HRA, assistance provided will be up to 56.25% of the total project cost.

Funding Amounts (cont.)

Deferred loans become immediately due and payable if any of the following occurs:

- Participant sell the property at any time before completion of the 10-year minimum holding period
- Minimum rental rates not met
- Units don't meet requirements of the Rental Registration or Crime Free Multi Housing Programs
- Property owner accepts rental subsidies for the assisted unit(s)
- Changes are made to the building exterior and the HPC has not issued a Certificate of Appropriateness for the changes
- Failure to comply with submitted maintenance and property management plans

Funding Amounts (cont.)

No upfront assistance will be provided. Assistance will be distributed on a reimbursement basis after the following requirements have been met and/or submitted:

- Inspection of the covered improvements by Community and Economic Development Department Staff
- Copies of invoices with enough detail to clearly itemize the improvements covered
- Copies of lien waivers confirming that all contractors and subcontractors have been paid

Unit Requirements

The following minimum amenities must be provided in assisted units:

- Clothes washer and dryer hookups in each individual unit
- Central air conditioning system provided for each unit
- No window air conditioning units shall be used anywhere in the building

Rent Requirements

- For units less than 1,000 square feet, rents must meet a minimum rent rate of \$1.30 per square foot.
- For units 1,000 square feet or more, rents must meet a minimum rent rate of \$1.10 per square foot.
- Property owner cannot accept rent subsidies for the assisted units for a minimum of ten years.

Eligible Improvements

The program is intended to enhance and improve the quality, functionality and aesthetics of downtown residential units. Eligible improvements include:

- Window repair/replacement
- HVAC improvements
- Electrical (including fixtures)
- Plumbing (including fixtures)
- Fire suppression systems
- Elevators
- Accessibility improvements
- Floor coverings
- Carpentry/millwork (including cabinets, molding and countertops)
- Common area spaces that add exceptional value, such as, but not limited to:
 - Secure indoor bicycle storage
 - Enclosed private parking
 - Fitness rooms
 - Lounges
 - Indoor/outdoor recreation areas
 - Pet wash/grooming area

Application Requirements

- Must meet with staff prior to submitting an application
- Completed application plus all required attachments
- \$100 non-refundable application fee
- Personal Financials for all owners holding at 20% or more of the company
- Copy of most recent Business income tax statement
- Copy of most recent Personal income tax statement
- Project Narrative
- Business Plan
- Parking Plan

Application Requirements (cont.)

- Partnership/Corporate documents
- Letter of commitment from primary lender
- Plans/maps/drawings of project
- Detailed sources & uses of funds
- List of Collateral

Application Requirements (cont.)

All Business Plans should include:

- History and description of business
- Market analysis & strategy
- Property Management Plan
- Property Maintenance Plan
- Financial Statements
- Financial Projections
- Itemized Schedule of Business Debt
- Resumes and Personal Financial Statements

Application Evaluation

- Applications will be accepted on a year-round basis, pending loan fund availability (\$400,000 in 2016)
- Submitted applications will be reviewed to determine completeness and financial feasibility, including whether the project is in conformance with local policies and ordinances and is consistent with and/or furthers the community vision.
- Staff will forward the application and supporting materials to a pre-selected loan review advisory committee comprised of members with specific expertise in underwriting, lending and finance
- The loan committee's comments will be considered and included as part of the recommendation to the HRA for final approval/denial

Loan Origination and Monitoring

The loan closing will be handled by City Staff and/or the City Attorney. At the closing the following documents will be executed:

- Promissory Note
- Loan Security Agreement
- First or Second Mortgage on property and/or other means deemed necessary
- A document authorizing automatic debit of borrower's accounts to pay installment loan obligations
- Developer's Agreement outlining performance requirements and reporting expectations

Loan Origination and Monitoring

On an annual basis the loan recipient will be required to submit an Income Statement and Rent Roll, including the unit rental rates. In addition, inspections will be conducted on all assisted units to ensure the building, fixtures and equipment are being properly maintained.

Verification of rental rates will be done through obtaining copies of leases, CRPs, tenant interviews or other means as determined necessary.

Questions????

If you have questions about the program or application process please contact:

Kim Clausen, Community Development Coordinator, at 507-333-0375 or kclausen@ci.faribault.mn.us

Or

Deanna Kuennen, Community and Economic Development Director at 507-333-0376 or dkuennen@ci.faribault.mn.us