

Crow Wing County HRA

AGENDA

5:00 p.m. Tuesday, May 14th, 2019

Jinx Ferrari Room

(Located on 2nd floor of the Historic Courthouse,
326 Laurel Street, Brainerd, MN)

AGENDA ITEMS

1. CALL to ORDER
2. ROLL CALL
3. PRESENTATION OF THE 2018 CWC HRA AUDIT: Mary Reedy, CliftonLarsonAllen
4. REVIEW and APPROVE MINUTES (*Attachment 1*)
5. REVIEW and ACCEPT FINANCIAL STATEMENTS (*Attachment 2*)
6. UNFINISHED BUSINESS
7. NEW BUSINESS
 - a. Approve Purchase and Redevelopment Agreement between CWC HRA and Paxmar (*Attachment 3*)
 - b. Authorize the Selection of a Consultant for the Workforce Housing Study (*Attachment 4*)
8. REPORTS
 - a. Executive Director (*Attachment 5*)
 - b. Brainerd HRA/Rehab (*Attachment 6*)
 - c. BLAEDC
 - d. CWC
9. MEETING AGENDA TOPICS for JUNE 11, 2019
10. ADJOURN

2019 Officers and Commissioners

Chair – Craig Nathan/District 4 (12-31-20)

Vice Chair – Theresa Goble/District 1 (12-31-22)

Secretary – Sharon Magnan/District 3 (12-31-19)

Commissioner – Michael Morford /District 2 (12-31-23)

Commissioner – Michael Aulie/District 5 (12-31-21)



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Minutes from Tuesday, April 9th, 2019
Crow Wing County
Housing and Redevelopment Authority
Board Meeting

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the County of Crow Wing, Minnesota, was held at 5:00 p.m., Tuesday, April 9th, 2019.

1. **CALL TO ORDER:** Chair Craig Nathan called the meeting to order at 4:59 p.m.
2. **ROLL CALL:** Those present at the meeting include Chair Craig Nathan and Commissioners Sharon Magnan, Theresa Goble (via teleconference), and Michael Aulie. Also present were Finance Director Karen Young, Rehab Coordinator John Schommer, Executive Assistant LeAnn Goltz, and Tyler Glynn from BLAEDC. Absent: Michael Morford.
3. **REVIEW AND APPROVE MINUTES:**

Commissioner Aulie made a motion to approve the minutes from the March 12, 2019, board meeting. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.
4. **REVIEW AND APPROVE FINANCIAL STATEMENTS:** Reflected in the March financial statements is a \$500 non-refundable administrative fee payment and a \$1,000 refundable maintenance and holding cost payment from Habitat for Humanity. This is part of their application process to purchase tax forfeited lots in Crosby.

The 2018 audit presentation was rescheduled for the May board meeting. Mary Reedy from CliftonLarsonAllen will be in attendance.

The TIF loan on the Grand Oaks property in Baxter matures in July. We have been asked to extend the loan for another year. We are currently working with CMHP and Kennedy and Graven to get an estimate on the costs, which we would ask that borrowers pay. New loan documents will likely be ready for the Board's consideration at the May or June board meeting.

Commissioner Aulie made a motion to approve the payments as presented. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

5. **UNFINISHED BUSINESS:**
 - a. **Discussion on Legal Fees for LAHFH Crosby Tax Forfeited Property Purchase:** When conducting a title search for this tract, the attorney discovered there would need to be a proceeding subsequent for each parcel in the tract. Only the owner of the property can request the proceeding subsequent.

The appraised value of the land is \$8,000 with LAHFH paying 25% of that or \$2,000 through the tax forfeited property policy, plus the special assessments of \$11,450.02 for a total cost of



\$13,450.02. Kennedy and Graven's estimate for the proceeding is \$4,000–\$5,000 for each of the four lots, which would be a total of approximately \$16,000–\$20,000. Due to lot size and setback requirements, LAHFH will only be able to build two homes on this tract bringing the cost of each buildable lot to \$16,725.

After receiving the cost estimate from Kennedy and Graven, Kevin Pelkey at LAHFH informed Schommer that local attorney Brad Person offered to donate his services, which he estimates would bring the total cost down to \$2,500.

Schommer also explained that the tax forfeited property policy does not currently address who is responsible to pay for the cost to obtain clear title. The Board would need to decide how to proceed and then in the future, the policy will need to be amended so that it clearly addresses who is responsible for title clearances in all future transactions.

The Board had a discussion about their options.

Commissioner Aulie made a motion for the Crow Wing County HRA to pay up to \$2,500 to clear the title of the property for LAHFH. Commissioner Goble seconded. All commissioners were in favor of the motion and none were opposed. The motion passed.

6. NEW BUSINESS:

- a. **Approve Submission of an Application to Federal Home Loan Bank:** Staff reached out to Mid-Minnesota Federal Credit Union to see if they would be interested in sponsoring an application for additional funds for owner-occupied housing rehab through the Federal Home Loan Bank's (FHLB) Affordable Housing Program. Funds are awarded through a points system that get reviewed on a first-come, first-served basis.

Since we currently have two SCDP grants, we would begin small by requesting \$200,000. This would allow us to do approximately 6–8 owner-occupied rehabilitation loans in Crow Wing County. The application will be available beginning May 1st and Mid-Minnesota Federal Credit Union needs to grant us access. Since we would like to submit this application the first week of May, staff asked for the Board to authorize submission.

Commissioner Goble noted that since she serves on the board of directors at Mid-Minnesota Federal Credit Union, she would abstain from voting.

Commissioner Aulie made a motion to approve the submission of an application to Federal Home Loan Bank for owner-occupied rehabilitation through the Affordable Housing Program. Commissioner Magnan seconded the motion. Commissioners Aulie, Magnan, and Nathan were in favor, Commissioner Goble abstained from voting, and none were opposed. The motion passed.

7. REPORTS:

- a. **Brainerd HRA:** Bergman is currently in Washington DC at the NAHRO conference. Teresa Hettver has resigned as housing manager and Shannon Fortune, previous ROSS coordinator, has taken her position. The HRA is currently accepting applications for the ROSS coordinator position.



Schommer reported that the SCDP rehab program for Emily is moving forward. He received the first application, which is currently being processed. The same program for NE Brainerd is also underway. Two applications have been received and processed, both of which were ineligible due to being over income. He also updated the Board that he received and approved new plans for three more lots in Brainerd Oaks. Currently, there are three homes in construction. Paxmar anticipates taking down about 15 more lots in 2019.

- b. **BLAEDC:** Glynn shared BLAEDC's quarterly report, which was done in a new format for the City of Brainerd. The report highlighted current or recent projects including Destination Downtown, Children's Museum RFP, and BLAEDC informational sessions. Glynn offered to provide the Board with an informational session and the Board expressed interest in having him present at an upcoming meeting, possibly in June if there is a light agenda. In addition, Chair Nathan requested a monthly update on the BLAEDC Unified Fund (BUF). Glynn currently provides the BUF Board with a report each month and will begin sharing it with CWC HRA Board at each of its board meetings.
- c. **Crow Wing County:** Nothing to report.

8. **NEXT MEETING:** Tuesday, May 14, 2019. Anticipated agenda items to include the audit presentation and selection of firm to conduct the workforce housing analysis.

9. **ADJOURNMENT:**

Commissioner Goble made a motion to adjourn the meeting. Commissioner Magnan seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 5:44 p.m.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Karen Young, Finance Director
 Date: May 7, 2019
 Re: Review & Accept Financial Statements

Please find attached the financial information for April 2019.

2018 Audit

Auditors from CliftonLarsonAllen (CLA) have completed the 2018 audit (electronic copy sent separately). Mary Reedy will attend the May meeting to present the audit to the Board. Bound copies of the audit will be available at the meeting.

Grand Oaks - TIF Revolving Loan

As we discussed at the April meeting, the \$48,000 Grand Oaks TIF Revolving Loan matures on 7/22/19. The General Partner (Central MN Housing Partnership) has requested an extension to the loan until June 2020 as the investor is exiting and they would like to refinance at that time to pay off the mortgage.

Kennedy & Graven has estimated \$1,000 in legal fees to draft the documents and CMHP has agreed to pay the fees. We anticipate this to be on the June agenda for approval of the documents extending the loan.

TIF Revolving Loan Fund - Victual

In April, we received our first repayment for the TIF RLF to Victual that was processed through the BLAEDC Unified Fund. This is reflected on the April financial statements.

Action Requested: Accept the April financial statements as submitted.

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Date/Time roberta
5/7/2019 3:35:24 PM

Crow Wing County
CWC HRA Combined Balance Sheet
April, 2019

	Cumulative
ASSETS	
550-000-1129.210 Cash Gen Fund	182,002.37
550-001-1129.210 Cash CWC SCDP	53,802.24
551-002-1129.210 Cash RLF TIF	284,129.46
556-000-1129.210 Cash Development Fund	-30.57
557-000-1129.210 Cash Tax Forf Property	1,322.24
551-002-1141.000 Loans Rec RLF TIF	74,154.17
551-002-1143.000 Loan Rec Grand Oaks	48,000.00
551-002-1153.000 Accrued Int Grand Oaks	7,423.04
550-000-1211.000 Prepaid Insurance	921.32
556-000-1450.000 Land Held for Resale	648,843.33
557-000-1450.000 Land Held for Resale TF	8,000.00
TOTAL ASSETS	<u>1,308,567.60</u>
LIABILITIES	
557-000-2115.000 Escrow Account TFP	-1,000.00
550-000-2600.000 Def Inflow of Resources	-7,423.04
556-000-2600.000 Def Inflow of Res - Dev	-648,843.33
557-000-2600.000 Defd Inflow of Res TFP	-8,000.00
TOTAL LIABILITIES	<u>-665,266.37</u>
SURPLUS	
550-000-2700-000 Net Income	6,306.55
550-000-2806.000 Retained Earnings	-649,607.78
TOTAL SURPLUS	<u>-643,301.23</u>
TOTAL LIABILITIES & SURPLUS	<u>-1,308,567.60</u>
Proof	0.00

Crow Wing County
CWC HRA Combined Operating Stmt
April, 2019

	Current Period	Current Year	Year To Date Budget	Variance
INCOME				
550-000-3690.000 Other Revenue	0.00	0.00	-9,000.00	9,000.00
550-000-3695.000 Gain on Sale of Prop	0.00	0.00	-6,666.68	6,666.68
551-002-3610.000 RLF TIF Interest Rev	-402.77	-402.77	0.00	-402.77
556-000-3696.000 Development Revenue	0.00	0.00	-63,733.32	63,733.32
557-000-3696.000 TFP Revenue	0.00	-500.00	-6,666.68	6,166.68
TOTAL INCOME	-402.77	-902.77	-86,066.68	85,163.91
EXPENSE				
550-000-4110.000 Administrative Salaries	300.00	1,200.00	1,500.00	-300.00
550-000-4130.000 Legal	0.00	0.00	1,666.68	-1,666.68
550-000-4140.000 Staff Training	0.00	0.00	500.00	-500.00
550-000-4150.000 Travel	0.00	24.36	66.68	-42.32
550-000-4171.000 Auditing Fees	0.00	6,150.00	6,650.00	-500.00
550-000-4172.000 Management Fees	5,000.00	20,000.00	20,000.00	0.00
550-000-4190.000 Other Administrative	0.00	0.00	66.68	-66.68
550-000-4500.000 TIF Expense	0.00	30.00	200.00	-170.00
550-000-4510.000 Insurance	115.17	460.68	700.00	-239.32
550-000-4540.000 Employer FICA	22.95	91.81	116.68	-24.87
550-000-4590.000 Other General Expense	0.00	0.00	20,333.32	-20,333.32
550-001-4600.000 CWC SCDP Expense	0.00	0.00	9,000.00	-9,000.00
556-000-4600.000 Development Expense	0.00	12.18	63,733.32	-63,721.14
557-000-4600.000 TFP Expense	428.43	536.18	3,350.00	-2,813.82
TOTAL EXPENSE	5,866.55	28,505.21	127,883.36	-99,378.15
NET INCOME(-) OR LOSS	5,463.78	27,602.44	41,816.68	-14,214.24



**Crow Wing County HRA
April 2019 Payments**

Payment Number	Payment Date	Vendor	Description	Check Amount
22395	4/11/19	Crow Wing County Land Services Dept	Crosby Habitat Lot Purchase	\$ 98.68
22403	4/11/19	Kennedy & Graven, Chartered	Crosby Tax Forfeit Lots - Legal	\$ 329.75
Total				\$ 428.43



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Housing & Redevelopment Authority

To: CWC HRA Board Members
From: John Schommer, Rehabilitation Coordinator
Date: May 7, 2019
Re: Approve Purchase and Redevelopment Agreement Between CWC HRA and Paxmar

Paxmar-Brainerd, LLC, would like to purchase additional lots from Brainerd Oaks and Serene Pines. Attorney Martha Ingram from Kennedy & Graven drafted the Purchase and Redevelopment Agreement and corresponding resolution (see attached).

Action Requested: Approve Resolution No. 2019-02, Approving the Purchase and Redevelopment Agreement between the Housing and Redevelopment Authority in and for the County of Crow Wing and Paxmar-Brainerd, LLC.

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PURCHASE AND REDEVELOPMENT AGREEMENT
Lots 4, 5, 6, and 7, Block 4, BRAINERD OAKS,
Lot 7, Block 1, Lot 3, Block 3, and Lot 4, Block 3, SERENE PINES, Crow Wing County,
Minnesota

1. **Parties.** This Purchase and Redevelopment Agreement (the “Agreement”) is made as of May 14, 2019 between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING, a public body corporate and politic under the laws of Minnesota having its office located at 324 East River Road, Brainerd MN (the “Seller”), and PAXMAR-BRAINERD, LLC, a Minnesota limited liability company, having its principal office at 3495 Northdale Boulevard NW, Suite 210, Coon Rapids, MN (the “Buyer”).

2. **Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property in Crow Wing County, Minnesota, legally described as follows (the “Property”):

Lots 4, 5, 6, and 7, Block 4, BRAINERD OAKS, Lot 7, Block 1, Lot 3, Block 3, and Lot 4, Block 3, SERENE PINES, Crow Wing County, Minnesota

Check here if part or all of the land is Registered (Torrens)

3. **Acceptance Deadline.** This offer to purchase, unless accepted sooner, shall be null and void at 4:30 p.m. on May 15, 2019. *(1 day from date of this Agreement)*

4. **Price and Terms.** The price for the Property is \$62,746.51 (“Purchase Price”), allocated to each lot of the Property as shown on Exhibit A, which Buyer shall pay in full by certified check or wire transfer on the Date of Closing; provided, however, that Earnest Money (as defined in the Master Agreement described in paragraph 6), if available, shall first be applied to pay the Purchase Price. The “Date of Closing” shall be no later than July 13, 2019. *(60 days from date of this Agreement)*

5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller and currently located on the Property for purposes of this sale.

6. **Deed.** Upon performance by Buyer, Seller shall deliver a quit claim deed conveying title to the Property to Buyer, in substantially the form attached as Exhibit B, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the

“Deed”), and further subject to the terms and conditions of the Master Purchase and Redevelopment Contract between the Seller and Buyer dated as of September 13, 2016, and recorded in the office of the Crow Wing County Recorder on March 17, 2017 as document no.A-886215, as amended by a First Amendment thereto dated November 8, 2016 and a Second Amendment thereto dated as of March 14, 2017 (hereafter collectively referred to as the “Master Agreement”).

7. Real Estate Taxes and Special Assessments.

- A. Seller shall pay, at or before closing, all real estate taxes due and payable in 2018 and prior years. Real estate taxes for taxes payable year 2019 are exempt.
- B. Seller represents that there are no special assessments payable or pending as of the date of this agreement. If a special assessment becomes pending after the date of this agreement and before the Date of Closing, Buyer may, as Buyer’s option:
 - (1) Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
 - (2) Require Seller to pay the pending special assessment and Buyer shall pay a commensurate increase in the purchase price of the Property, which increase shall be the same as the estimated amount of the assessment; or
 - (3) Declare this agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.

8. Closing Costs and Related Items. The Buyer will pay: (a) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; (c) the recording fees for this Agreement and for the Deed transferring title to Buyer; and (d) any transfer taxes. Seller will pay all other fees normally paid by sellers, including (a) Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, (b) one-half the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement, and (c) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees. The Purchase Price shall be allocated and disbursed as provided in Sections 3.2 (b) and (c) of the Master Agreement.

9. Sewer and Water. Seller warrants that city sewer is available at the Property line, and that city water is available in the right of way adjacent to the Property. Seller makes no warranty regarding the conditions of any existing water stub from the main to the Property line. Seller advises Buyer to inspect the condition of the water stub.

10. Condition of Property. Buyer acknowledges that they have inspected or have had the opportunity to inspect the Property and agree to accept the Property “AS IS.” Buyer has the right, at its own expense to take soil samples for the purpose of determining if the soil

is suitable for construction of the dwelling described in section 14 below. If the soil is determined to be unacceptable the Buyer may rescind this agreement by written notice to the Seller, in which case the agreement shall be null and void. Seller makes no warranties as to the condition of the Property.

11. Marketability of Title. As soon as reasonably possible after execution of this Agreement by both parties:

- A. Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Complete Title Company, Buyer's designated title service provider; and
- B. Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 30 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

12. Title Clearance and Remedies. If Seller shall fail to have title objections timely removed, the Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; or (b) take title to the Property subject to such objections.

If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:

- A. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
- B. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.

If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:

- C. Seek damages from Seller including costs and reasonable attorney's fees;
- D. Seek specific performance within six months after such right of action arises.

- 13. Well Disclosure.** Seller's knowledge of wells is as follows:
- The Seller certifies that the Seller does not know of any wells on the described real property.
 - A well disclosure certificate accompanies this document.
 - I am familiar with the property described in this instrument and I certify that the status and number of wells on the Property have not changed since the last previously filed well disclosure certificate.
- 14. Individual Sewage Treatment System Disclosure and Methamphetamine Disclosure.** Seller certifies that there is no individual sewage treatment system on or serving the Property. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.
- 15. Construction and Sale of Dwelling.** Buyer agrees that it will construct a new single family dwelling on each lot of the Property (each a "Lot"), intended for sale to a person or persons for residential occupancy (an "Owner Occupant"). This covenant shall survive the delivery of the Deed.
- A. Each single family dwelling described in this Section is referred to as the "Minimum Improvements."
 - B. The Minimum Improvements shall consist of a new single family dwelling, and shall be constructed substantially in accordance with the Declaration of Covenants, Easements and Restrictions of record and applicable to each Lot, provided that approval of the building plans for such Minimum Improvements shall be evidenced by the issuance by the City of Brainerd of a building permit for the Minimum Improvements.
 - C. Construction of the Minimum Improvements on each Lot must be substantially completed by one year from the Date of Closing. Construction of the Minimum Improvements on each Lot will be considered substantially complete when the final certificate of occupancy has been issued by the City of Brainerd building official.
 - D. Promptly after substantial completion of the Minimum Improvements on each Lot in accordance with those provisions of this Agreement relating solely to the obligations of the Buyer to construct such Minimum Improvements (including the date for completion thereof), the Seller will furnish the Buyer with a Certificate of Completion, in the form attached hereto as Exhibit C, for the Minimum Improvements on such Lot. Such certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Master Agreement, in this Agreement and in the Deed with respect to the obligations of the Buyer and its successors and assigns, to construct the Minimum Improvements on the applicable Lot and the dates for completion thereof.

The certificates provided for in this Section of this Agreement shall be in such form as will enable them to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Buyer, provide the Buyer with a written statement, indicating in adequate detail in what respects the Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Seller for the Buyer to take or perform in order to obtain such certification.

E. The Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements on each Lot:

(1) Except for any agreement for sale to an Owner Occupant, the Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a “Transfer”), without the prior written approval of the Seller’s board of commissioners. Notwithstanding the foregoing, Developer may transfer or assign a Lot to a third-party builder for the purpose of construction of the Minimum Improvements on that Lot without the prior written consent of the Authority; provided that if Developer effects a such a Transfer to a third-party builder, Developer shall remain bound by all obligations with respect to the Property under this Agreement and the Master Agreement.

(2) If the Buyer seeks to effect a Transfer of any Lot with respect to this Agreement prior to issuance of the Certificate of Completion for that Lot, the Seller shall be entitled to require as conditions to such Transfer that:

(i) any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to the Seller and in form recordable in the public land records of Crow Wing County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of the Seller, have expressly assumed all of the obligations of the Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this

Agreement or agreed to in writing by the Seller) deprive the Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Seller of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Property that the Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by the Seller to the contrary, no such transfer or approval by the Seller thereof shall be deemed to relieve the Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to the Seller.

(3) If the conditions described in paragraph (2) above are satisfied then the Transfer will be approved and the Buyer shall be released from its obligation under this Agreement, as to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transfers.

(4) Upon issuance of the Certificate of Completion for a Lot, the Buyer may Transfer such Lot and/or the Buyer's rights and obligations under this Agreement with respect to such Lot without the prior written consent of the Seller.

F. The Buyer, and its successors and assigns, agree that they (a) will use the Minimum Improvements only as a single family dwelling, and in the case of an Owner Occupant, will occupy the Property as a residence, (b) will not seek exemption from real estate taxes on the Property under State law, and (c) will not transfer or permit transfer of the Property to any entity whose ownership or operation of the Property would result in the Property being exempt from real estate taxes under State law (other than any portion thereof dedicated or conveyed to the City of Brainerd or Seller in accordance with this Agreement). **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements on each Lot, and shall remain in effect for ten years after the Date of Closing.**

- 16. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer.** In the event that subsequent to conveyance of the Property or any part thereof to the Buyer and prior to receipt by the Buyer of the Certificate of Completion for the Minimum Improvements on any Lot, the Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand from the Seller to the Buyer to do so, then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Seller) the estate conveyed by the Deed to the Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Buyer and failure on the part of the Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title, and of all the rights and interests in and to the Property conveyed to the Buyer, and that such title and all rights and interests of the Buyer, and any assigns or successors in interest to and in the Property, shall revert to the Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

Notwithstanding anything to the contrary contained in this Section, the Seller shall have no right to reenter or retake title to and possession of a portion of the Property for which a Certificate of Completion has been issued.

For the purposes of this Agreement, the term “Unavoidable Delays” means delays beyond the reasonable control of the Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in the Buyer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this section of this Agreement.

- 17. Resale of Reacquired Property; Disposition of Proceeds.** Upon the revesting in the Seller of title to and/or possession of the Property or any part thereof as provided in Section 16, the Seller shall apply the purchase price paid by the Buyer under Section 4 of this Agreement as follows:
- A. First, to reimburse the Seller for all costs and expenses incurred by the Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with

respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Seller assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of revesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the Seller by the Buyer and its successor or transferee; and

- B. Second, to reimburse the Buyer for the balance of the purchase price remaining after the reimbursements specified in paragraph (a) above. Such reimbursement shall be paid to the Buyer upon delivery of an executed, recordable warranty deed to the Property by the Buyer to the Seller.

18. Time is of the essence for all provisions of this Agreement.

19. Notices. All notices required herein shall be in writing and delivered personally or mailed to the address shown at paragraph 1 above and, if mailed, are effective as of the date of mailing.

20. Minnesota Law. This Agreement shall be governed by the laws of the State of Minnesota.

21. Specific Performance. This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.

22. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

23. No Merger of Representations, Warranties. All representations and warranties contained in this Purchase Agreement shall not be merged into any instruments or conveyance delivered at closing, and the parties shall be bound accordingly.

24. Recording. This Agreement shall be filed of record with the Crow Wing County Registrar of Titles or Office of Recorder, as the case may be. Buyer shall pay all recording costs.

25. No Broker Involved. The Seller and represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.

In witness of the foregoing, the parties have executed this agreement on the year and date written above.

SELLER: HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE COUNTY OF CROW WING

By: _____
Its Chair

By: _____
Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF CROW WING

The foregoing was acknowledged before me this _____ day of _____ 20____, by _____ and _____, the Chair and Executive Director of Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

Notary Public

BUYER: PAXMAR-BRAINERD, LLC

By: _____
Its Chief Manager

STATE OF MINNESOTA
} ss.
COUNTY OF _____

The foregoing was acknowledged before me this _____ day of _____ 20____, by Kent Roessler, the Chief Manager of Paxmar-Brainerd, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South 6th Street
Minneapolis, MN 55402

EXHIBIT A

ALLOCATION OF PURCHASE PRICE BY LOT

Legal Description	Address	PID	Price
Lot 4, Block 4, BRAINERD OAKS	903 Holton Avenue	092710040040009	5,011.28
Lot, 5, Block 4, BRAINERD OAKS	991 Holton Avenue	092710040050009	4,724.92
Lot 6, Block 4, BRAINERD OAKS	1009 Holton Avenue	092710040060009	3,865.84
Lot 7, Block 4, BRAINERD OAKS	1019 Holton Avenue	092710040070009	4,366.97
Lot 7, Block 1, SERENE PINES	8698 Sugarberry Creek	092820010070009	14,328.80
Lot 3, Block 3, SERENE PINES	8595 Sugarberry Creek	092820030030009	15,336.29
Lot 4, Block 3, SERENE PINES	16138 Serene Pines Court	092820030040009	15,112.41
			\$62,746.51

EXHIBIT B

FORM OF QUIT CLAIM DEED

Deed Tax Due: \$ _____

ECRV: _____

THIS INDENTURE, between the Housing and Redevelopment Authority in and for the County of Crow Wing, a public body corporate and politic (the “Grantor”), and Paxmar-Brainerd, LLC, a Minnesota limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$ _____ and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Crow Wing and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Check here if part or all of the land is Registered (Torrens)

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded with the Crow Wing County Recorder on March 17, 2017 as Document No. A-886215, entered into between the Grantor and Grantee on the 13th of September, 2016, identified as “Master Purchase and Redevelopment Agreement” as amended by a First Amendment thereto dated November 8, 2016, and a Second Amendment thereto dated as of March 14, 2017, (hereafter collectively referred to as the “Master Agreement”) and of an agreement entered into between the Grantor and Grantee on the 14th of May, 2019, recorded _____, 20__ as document number _____, identified as “Purchase and Redevelopment Agreement” (herein referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument

so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, or Registrar of Titles, Crow Wing County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Sections 15, 16 and 17 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with Section 15F of the Agreement for a period of **ten years after the date hereof.**

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting

the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed, or any part thereof, on grounds of Grantee's failure to comply with its obligations under this Section 3.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Chair and Executive Director, this _____ day of _____, 20__.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

HOUSING AND REDEVELOPMENT
 AUTHORITY IN AND FOR THE COUNTY OF
 CROW WING

By _____

Its Chair

By _____

Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF CROW WING)

On this ____ day of _____, 20____, before me, a notary public within and for _____ County, personally appeared _____ and _____ to me personally known who by me duly sworn, did say that they are the Chair and Executive Director of the Housing and Redevelopment Authority in and for the County of Crow Wing (the "Authority") named in the foregoing instrument; that said instrument was signed on behalf of said Authority pursuant to a resolution of its governing body; and said _____ and _____ acknowledged said instrument to be the free act and deed of said Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

Tax Statements should be sent to:

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE COUNTY OF CROW WING

RESOLUTION NO. 2019-02

RESOLUTION APPROVING A PURCHASE AND REDEVELOPMENT
CONTRACT BETWEEN THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE COUNTY OF CROW WING AND PAXMAR-
BRAINERD, LLC.

BE IT RESOLVED By the Board of Commissioners ("Board") of the Housing and
Redevelopment Authority in and for the County of Crow Wing ("Authority") as follows:

Section 1. Recitals.

1.01. The Authority has determined a need to exercise the powers of a housing and
redevelopment authority, pursuant to Minnesota Statutes, Sections 469.001 to 469.047 ("HRA
Act"), and has established its Redevelopment Project No. 1 (the "Project") within Crow Wing
County (the "County"), and has developed a Redevelopment Plan governing certain of its
anticipated activities in the City of Brainerd (the "City") located within the Project, which was
approved by the City on September 6, 2016 after a duly noticed public hearing, pursuant to Section
469.028 of the HRA Act.

1.02. The Authority and Paxmar-Brainerd, LLC (the "Buyer") have entered into a Master
Purchase and Redevelopment Contract, recorded in the office of the Crow Wing County Recorder
as Document No. A886215, as amended by a First Amendment thereto dated as of November 16,
2016 and recorded as Document No. A886216 and a Second Amendment thereto dated as of March
14, 2017, recorded as Document No. A886217 (as so amended, the "Master Contract"), setting forth
the terms and conditions of sale and redevelopment of certain property within the City and Project,
currently owned by the County, located in the subdivisions known as Brainerd Oaks, Serene Pines,
and Dal Mar Estates (the "Property"). By resolutions adopted on July 7, 2016 and July 12, 2016,
the County has approved the conveyance of the Property to the Authority, and the Authority has
accepted acquisition of the Property from the County.

1.03. Pursuant to the Master Contract, the Buyer will acquire the Property in phases,
pursuant to annual purchase and redevelopment agreements conforming to the Master Contract, and
will construct single-family homes intended for owner occupancy, subject further to the
Redevelopment Plan and to the City's zoning and building codes and policies.

1.04. The Planning Commission of the City reviewed the Redevelopment Plan and the
general terms of the Master Contract on August 17, 2016, and found that the Redevelopment Plan
and the conveyance of the Property are consistent with the City's comprehensive plan, in that the
sale of the Property and construction of the single-family homes will further the City's housing
goals for this area of the City.

1.05. On August 29, 2016, the Board conducted a duly noticed public hearing regarding
the sale of the Property to the Buyer, at which all interested persons were given an opportunity to be

1.06. On September 13, 2016, the Board reviewed the Master Contract and found that the execution thereof and performance of the Authority's obligations thereunder are in the public interest and will further the objectives of its general plan of economic development and redevelopment, because it will further the above-stated housing goals of the City and County and will be consistent with the Redevelopment Plan for the Project.

1.07. The Board has reviewed a new proposed Purchase and Redevelopment Agreement (the "2019 Agreement") related to specific lots to be conveyed to the Buyer in 2019 and described on Exhibit A to this resolution (the "2019 Lots"), and finds that conveyance of the 2019 Lots conforms to the provisions of the Master Contract and 2019 Agreement and is in the best interest of the City and County, for the reasons stated above.

Section 2. Authority Approval; Further Proceedings.

2.01. The 2019 Agreement as presented to the Board, including the sale of the 2019 Lots described therein, is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director, provided that execution of the documents by such officials shall be conclusive evidence of approval.

2.02. The Chair and Executive Director are hereby authorized to execute on behalf of the Authority the 2019 Agreement and any documents referenced therein requiring execution by the Authority, including without limitation any deeds, and to carry out, on behalf of the Authority, its obligations thereunder.

2.03. Authority and City staff are authorized and directed to take all actions to implement the 2018C Agreement.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the County of Crow Wing this 14th day of May, 2019.

Chair

ATTEST:

Secretary

EXHIBIT A

2019 LOTS

Lots 4, 5, 6, and 7, Block 4, BRAINERD OAKS, Lot 7, Block 1, Lot 3, Block 3, and Lot 4, Block 3, SERENE PINES, Crow Wing County, Minnesota

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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: May 9, 2019
 Re: Authorize the Selection of a Consultant for the Workforce Housing Study

We received five responses to our Request for Proposals (RFP) for the Workforce Housing Study and Needs Analysis. We created a scoring sheet based on the RFP's stated criteria for evaluation and Karen, LeAnn and I scored each proposal (see Attachment 4a).

Based on our scores and our discussion regarding the proposals, we are recommending the CWC HRA hire Redevelopment Resources (see Attachment 4b). While several of the consultant firms had experience with both housing studies and workforce, we believe that Redevelopment Resources has a unique approach and experience in several different areas of expertise. In addition, their proposal included several community engagement strategies and a well-rounded approach. They conducted a study for Langlade County in Wisconsin specifically on workforce, which resulted in a recommendation specific to the housing stock.

If approved, staff will check references prior to executing a contract. If the references are positive, we will enter into a contract with Redevelopment Resources. Our next steps would consist of creating a working group that would include HRA staff, a board member, a representative from BLAEDC, and a couple of city representatives.

Action Requested: Authorize the Executive Director to enter into a contract with Redevelopment Resources for \$41,035 to conduct the Workforce Housing and Needs Analysis.

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PROPOSAL EVALUATION SCORING SHEET for _____
 (Consultant Firm Name)

Completed by _____
 (Name)

1. Project Understanding & Approach – 45 pts.	
Narrative response to RFP showing an understanding of the goals and purpose of the study. (20)	
Describe the proposed study methodology/approach, sources to be used, interaction with community, and an outline of the process. (25)	
1. Subtotal	
2. Qualifications of Consultant – 30 pts.	
Brief statement of qualifications, including summary of key personnel assigned to the project. (10)	
Similar project experience – demonstrate experience with a minimum of three similar projects (type of analysis, similar-sized communities, etc.). Include references for each. (15)	
Experience working within Crow Wing County. (5)	
2. Subtotal	
3. Adherence to Timeline – 10 pts.	
Proposed timeline for study process (10)	
3. Subtotal	
4. Cost of Services – 15 pts.	
Cost proposal including any reimbursable cost (15)	
4. Subtotal	
TOTAL SCORE	/100

Workforce Housing Study RFP - Scoring Summary

PROPOSER	COST	45 PTS.			30 PTS.			10 PTS.			15 PTS.			100 PTS.			TOTAL		
		J	K	L	J	K	L	J	K	L	J	K	L	J	K	L			
Landform	\$39,720	30	25	44	25	15	25	10	10	10	10	15	10	15	10	85	65	89	239
Redevelopment Resources	\$41,035	40	45	43	20	20	15	10	10	10	10	10	15	13	80	90	81	251	
Wilder	\$40,117 + \$12,638 opt. demographic projection	30	45	40	20	30	26	10	10	10	10	5	5	9	65	90	85	240	
WSB	\$39,900	35	35	15	15	20	12	5	10	5	10	15	10	15	65	80	42	187	
WSN	\$38,900	20	25	39	25	15	22	10	10	10	15	15	15	15	70	65	86	221	





Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: Jennifer Bergman, Executive Director
 Date: May 7, 2019
 Re: Executive Director Report

Veterans/Service Member Housing Update

The McQuinn family continues to work on the veterans/service member housing project. They have identified a potential developer for the platted subdivision in Nisswa.

MCPP Program

Senate File 2226 proposes to eliminate the set aside for the single-family mortgage program. Minnesota NAHRO will be sending a letter to the Appropriations Conference Committee Members encouraging them to keep the MCPP program. In addition, individual HRAs are sending letters. This program has been well utilized in Crow Wing County for the past two years and I would like to send a letter on our behalf (see Attachment 5a).

Legislative Conference

I attended the NAHRO Legislative Conference in Washington DC in April. It was a very productive conference. We had the opportunity to have sessions with the HUD leadership on both the Public Housing and Housing Choice Voucher programs. In addition, we spent a day on the Hill meeting with our delegation. I had the opportunity to meet Representative Stauber along with the executive director of the Itasca County HRA and Duluth HRA to discuss the importance of our programs.

Opportunity Zone Training

Tyler Glynn from BLAEDC and I attended an Opportunity Zone training on April 17th. Although the training was more focused on the investor, I had the opportunity to connect with a couple of developers to discuss opportunities in Brainerd.

No Action Requested; Discussion Item

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7645 Currell Boulevard, Woodbury, MN 55125
 office: 651-458-0936 fax: 651-458-1696

May 2, 2019

Senator Roger C. Chamberlain
 95 University Avenue W.
 Minnesota Senate Building
 Room 3225
 St. Paul, MN 55155

RE: Preserve Funding for the Minnesota Cities Participation Program

Dear Senator Chamberlain,

I am writing on behalf of the Washington County Community Development Agency Board of Commissioners. There is a provision in the Senate omnibus appropriations bill that removes the set aside of 31% of the housing bond pool for single family housing programs (page 63, line 63.7-63.8, 3rd engrossment) which funds the Minnesota Cities Participation Program (MCP). It is requested that the language in current law be preserved.

Impact on economic development. In Washington County, our young and diverse workforce is being pushed out of the for-sale market because home prices are increasing faster than wages. The Minnesota Cities Participation Program (MCP) is administered by local community bankers and lenders to fund low-interest mortgages and entry cost assistance for first time homebuyers.

As proposed, eliminating this program will make it harder for the workforce to make their home in the county, especially the young people who grew up in the county and want to return to start their family here. Since 2013, over 700 households have established their roots in Washington County communities, contributing to the economic ripple effect of supporting schools, businesses, and supporting the local economy. 134 households used this program in the county in 2018. 25% of households using this program are households of color or Hispanic ethnicity.

Homeownership important in market place. The MCP helps modest income buyers break the barriers to buying and sustaining an affordable monthly payment, and in some cases, that monthly mortgage payment can be less than the median rent in the county. Preserving the set aside for bonding for single



family programs like MCPP strikes a balance with bonding programs for rental developments and is good housing policy. Greater Minnesota saw 862 households use this program in 2019, and 1,012 households (excluding the county) used this program as well.

The CDA has long provided homebuyer education classes, which is required by lenders so that families are well prepared for their first home. According to studies, informed homebuyers have higher credit scores and are more financially literate.

Preserving the set aside and keeping the existing language in statute maintains the successful public/private partnership that communities in the county and the state want to see for homebuyers.

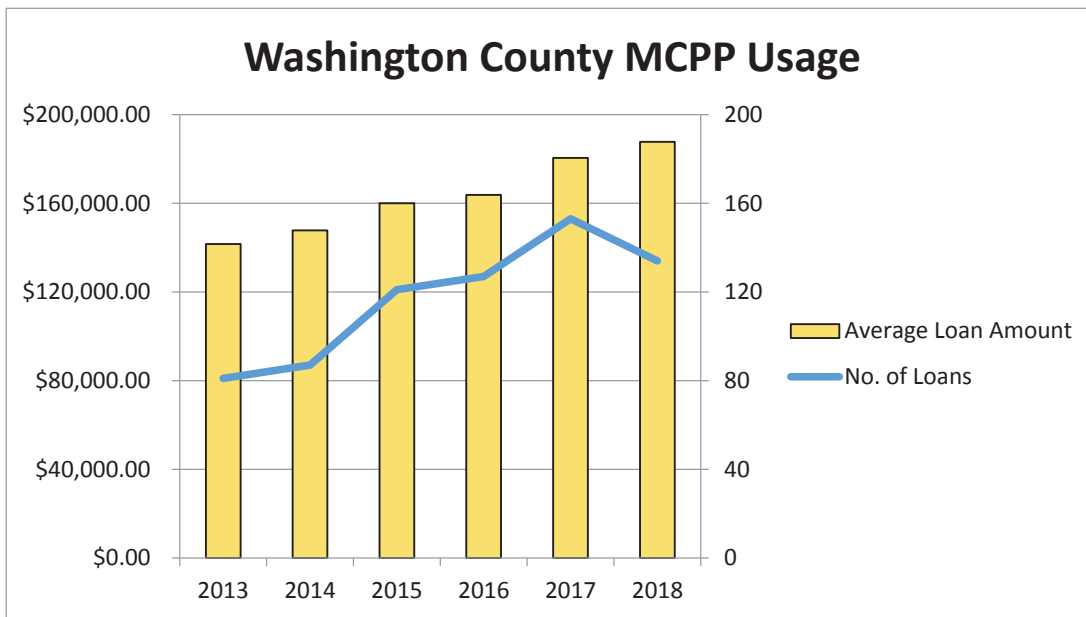
Thank you so much for your consideration of this matter. Should you need further information, do not hesitate to contact me at 651-458-6556 or at BarbaraD@washingtoncountycda.org.

Sincerely,

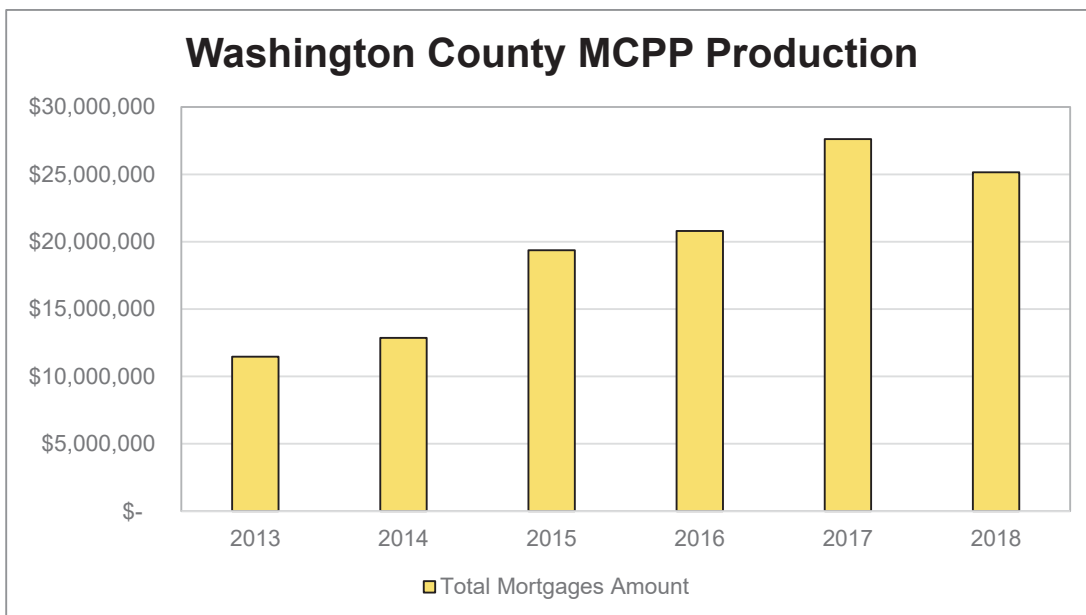
Barbara Dacy
Executive Director

CC: John Belisle, CDA Commissioner, Chair
Steve Ryan, CDA Commissioner, Vice Chair
Jim Widen, CDA Commissioner, Secretary
Fran Miron, CDA and County Commissioner
Brain Zeller, CDA Commissioner
Dan Dingle, CDA Commissioner
Roger Green, CDA Commissioner





2017 data indicates that the median acquisition cost is \$175,000 and the median household income is \$54,000. Average combined household size is 2 persons per household and the median borrower age is 31.



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Housing & Redevelopment Authority

To: CWC HRA Board Members
 From: John Schommer, Rehab Coordinator
 Date: May 9, 2019
 Re: Brainerd HRA/Rehab Report

BRAINERD OAKS/SERENE PINES

Development	Total	# Sold to Developer	# Sold to End Buyer	For Sale	In Construction
Brainerd Oaks	81*	28	23	3	3
Serene Pines	23	8	8	0	0
Dalmar Estates	0	0	0	0	0

*Originally 83 lots, two have been merged/combined into a single parcel.

MHFA

- » 2 projects are in bid review
- » 1 application processing

Emily SCDP

- » 2 Owner-occupied projects are in work write-up

NE Brainerd SCDP

- » 1 Commercial project is in work write-up
- » 9 Mixed-use units are in work write-up
- » 1 Owner-occupied project is in work write-up

DOWNTOWN BRAINERD SCDP

Address	Business	Commercial	Rental Units	Status
214 & 216 S. 8th St.	Last Turn	1	11	Complete
216 S. 7th St.	Bridge of Harmony	1		Complete
217 S. 7th St.	Downtown Mall	1	14	Complete
602 Laurel St.	Olde Open Window	1	6	Complete
605 Laurel St.	Northwind Grill	1	11	Complete
606 Laurel St.	Sage on Laurel	1	2	Complete
711- 717 Laurel St.	LAMF, Cross Arts Alliance, Vaenn Har	1		Complete
719 Laurel St.	Purple Fern	1		Complete
704 Front St.	Iron Hill's Gun, Pawn & Antiques	1	1	Bidding
724 Laurel St.	Bob & Fran's Factory Direct	1		Bidding
Total		10	45	

