

Crosby Housing & Redevelopment Authority

300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

Agenda

Crosby HRA Commissioners Meeting

11:00 a.m.

Tuesday, May 8, 2018

- 1. Call to Order**
- 2. Roll Call**
- 3. Reading and Approval of Minutes** (*Attachment 1*)
- 4. Bills and Communications**
 - a. Financial Report** (*Attachment 2*)
 - b. Housing Manager Report** (*Attachment 3*)
 - c. Executive Director Report** (*Attachment 4*)
- 5. Unfinished Business**
- 6. New Business**
 - a. Approval of Employee Fraud Policy** (*Attachment 5*)
- 7. Adjournment**
Next Meeting: Tuesday, June 12, 2018

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Minutes of the April 10, 2018, Board of Commissioners Meeting

The regular meeting of the commissioners of the Housing and Redevelopment Authority of Crosby was held at 11:00 a.m., Tuesday, April 10th, 2018, at 300 3rd Avenue NE in Crosby, Minnesota.

- 1. CALL TO ORDER:** Chair Peeples called the meeting to order at 11:01 a.m.
- 2. ROLL CALL:** Present at the meeting were Commissioners Renae Marsh, William Small, Buzz Neprud, Julie McGinnis, and Linda Peeples; Housing Manager Teresa Hettver, Executive Assistant LeAnn Goltz, and Assistant Director Deanna Heglund.
- 3. READING AND APPROVAL OF MINUTES FROM PREVIOUS MEETING:**

Commissioner Neprud made a motion to approve the minutes from the February 13th, 2018, board meeting. Commissioner Small seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

- 4. BILLS AND COMMUNICATIONS:**
 - a. Financial Report:** The March ratios and financial statements provided did not fully reflect all year-end entries and adjustments. It was noted that the final year-end entries and adjustments will be recorded prior to the audit and REAC submissions. Therefore, the financial information is subject to change due to necessary year-end adjustments.

Commissioner Neprud made a motion to approve February checks numbered 116711 through 116745 and March checks numbered 116746 through 116804. Commissioner Marsh seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.
 - b. Housing Manager Report:** For March, there were two vacancies at Dellwood, none at Edgewood, and one at the family units.

Hettver informed the Board that staff members are still in the process of seeking out a new caretaker for Edgewood/Dellwood. The HRA advertised the position in the Courier and on Craigslist and only received two applications. Neither of the applicants were suitable for the position. The position will be posted again in the Courier and the Brainerd Dispatch.

The Board suggested that staff post the position on the boards in both Edgewood and Dellwood.

- 5. UNFINISHED BUSINESS:** Nothing to report.

6. NEW BUSINESS:

a. Adopt Criminal, Drug Treatment, and Registered Sex Offender Records Management Policy:

Commissioner Neprud made a motion to approve Resolution No. 2018-04 adopting the Criminal, Drug Treatment, and Registered Sex Offender Records Management Policy.

Commissioner Small seconded the motion. Via roll call vote, all commissioners voted in favor of the motion and none were opposed. The motion passed.

7. ADJOURNMENT:

Commissioner McGinnis made a motion to adjourn the meeting. Commissioner Marsh seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 11:23 a.m.

Crosby Housing & Redevelopment Authority
300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: May 2, 2018
Re: May Financial Report

Please find attached the financial information for April 2018.

2018 Audit

The 2018 audit has been scheduled with CliftonLarsonAllen (CLA) during the week of June 11th. The unaudited REAC information is required to be submitted by May 31st and audited by December 31st.

Action Requested: Approval of April Checks numbered 116805 through 116830.

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Crosby Housing & Redevelopment Authority

2019 Ratios

FASS Ratios	Max Pts	Scoring	Apr
Quick Ratio	12	QR <1 =-0-, QR >2 =12	12.00
Months Expendable	11	MENA <1.0 = 0, ME >4 =11	11.00
Net Assets			
Debt Svc Coverage	2	DSC < 1 = 0, DSC >1.25 =2	2.00
Total Points	25		25.00

MASS Ratios	Max Pts	Scoring	Apr
Occupancy	16	O <90% =0, O >98% =16	12.00
Tenant Accounts Receivable	5	TAR <1.5% =5 , TAR >2.5% =0	0.00
Accounts Payable	4	AP < .75 = 4, AP >1.5 =0	4.00
Total Points	25		16.00
Total of Above Ratios	50		41

MASS Ratios	Max Pts	Scoring	
Timeliness of Obligation	5	>90% at OED = 5 <90% at OED = 0	5.00
Occupancy Rate	5	OR <93% = 0, OR >96% =5 Must have 5 points or	5.00
Total Points	10	Capital Fund Troubled	10.0

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Date: 5/1/2018
Time: 2:34:37 PM
roberta

**Crosby HRA
Public Housing Operating
April, 2018**

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	Current Period	Current Year	Year To Date Budget	Variance
Income				
100-000-3110.000 Dwelling Rental	-16,449.00	-16,449.00	-16,425.00	-24.00
100-000-3120.000 Excess Utilities	0.00	0.00	-60.00	60.00
100-000-3401.000 Operating Subsidy	-7,214.00	-7,214.00	-5,582.50	-1,631.50
100-000-3610.000 Interest Revenue	6.45	6.45	0.00	6.45
100-000-3690.000 Other Income	0.00	0.00	-166.67	166.67
100-000-3691.000 Other Tenant Revenue	-23.00	-23.00	-804.17	781.17
100-000-3695.000 Laundry Revenue	-216.75	-216.75	-191.67	-25.08
Total Income	-23,896.30	-23,896.30	-23,230.01	-666.29
Expense				
100-000-4110.000 Administration Salaries	1,788.00	1,788.00	2,020.83	-232.83
100-000-4130.000 Legal	0.00	0.00	208.33	-208.33
100-000-4140.000 Staff Training	0.00	0.00	50.00	-50.00
100-000-4150.000 Travel	0.00	0.00	72.50	-72.50
100-000-4190.000 Sundry-Other Admin	15.00	15.00	21.67	-6.67
100-000-4191.000 Management Fees	2,167.00	2,167.00	2,166.67	0.33
100-000-4194.000 Office Supplies	0.00	0.00	70.83	-70.83
100-000-4195.000 Membership Dues	0.00	0.00	15.83	-15.83
100-000-4196.000 Telephone	82.89	82.89	82.50	0.39
100-000-4198.000 Advertising	0.00	0.00	25.83	-25.83
100-000-4199.000 Postage	0.00	0.00	20.83	-20.83
100-000-4210.000 Tenant Svcs Salaries	317.20	317.20	342.50	-25.30
100-000-4230.000 Tenant Services Other	16.07	16.07	16.25	-0.18
100-000-4310.000 Water	0.00	0.00	954.17	-954.17
100-000-4315.000 Sewer	0.00	0.00	1,500.00	-1,500.00
100-000-4320.000 Electricity	0.00	0.00	1,818.33	-1,818.33
100-000-4330.000 Gas	0.00	0.00	781.67	-781.67
100-000-4431.000 Garbage & Trash	74.73	74.73	658.33	-583.60
100-000-4410.000 Maintenance Labor	2,317.40	2,317.40	2,846.25	-528.85
100-000-4420.000 Materials	107.05	107.05	800.00	-692.95
100-000-4430.000 Contracts Costs	226.73	226.73	1,416.67	-1,189.94
100-000-4432.000 Decorating Contract	155.01	155.01	608.33	-453.32
100-000-4435.000 Grounds Contract	5.41	5.41	41.67	-36.26
100-000-4440.000 Repairs Contract	0.00	0.00	20.83	-20.83
100-000-4445.000 Elevator Maintenance	2,253.06	2,253.06	245.00	2,008.06
100-000-4450.000 Plumbing/Heating	0.00	0.00	416.67	-416.67
100-000-4455.000 Snow Removal	80.34	80.34	0.00	80.34
100-000-4456.000 Exterminating	0.00	0.00	103.33	-103.33
100-000-4457.000 Janitor/Cleaning	0.00	0.00	566.67	-566.67
100-000-4510.000 Insurance	1,509.13	1,509.13	1,527.51	-18.38
100-000-4520.000 Property Tax	538.94	538.94	556.83	-17.89
100-000-4540.000 Employee Benefits	2,133.80	2,133.80	2,332.91	-199.11
100-000-4800.000 Depreciation Expense	13,623.61	13,623.61	0.00	13,623.61
Total Expense	27,411.37	27,411.37	22,309.74	5,101.63
Net Income(-) or Loss	3,515.07	3,515.07	-920.27	4,435.34

Date: 5/1/2018
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Crosby HRA
Edgewood Operating Stmt
April, 2018

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	Current Period	Current Year	Year To Date Budget	Variance
Income				
700-000-3110.000 Dwelling Rental	-18,062.00	-18,062.00	-17,758.33	-303.67
700-000-3120.000 Excess Utilities	-15.00	-15.00	-146.67	131.67
700-000-3404.000 Other Government Grant	-8,245.00	-8,245.00	-8,529.17	284.17
700-000-3610.000 Interest Revenue	11.88	11.88	0.00	11.88
700-000-3690.000 Other Income	0.00	0.00	-9.17	9.17
700-000-3691.000 Other Tenant Revenue	-27.50	-27.50	-583.33	555.83
700-000-3695.000 Laundry Revenue	-742.00	-742.00	-708.33	-33.67
Total Income	-27,079.62	-27,079.62	-27,735.00	655.38
Expense				
700-000-4110.000 Administration Salaries	2,932.00	2,932.00	3,260.42	-328.42
700-000-4130.000 Legal	0.00	0.00	41.67	-41.67
700-000-4140.000 Staff Training	0.00	0.00	75.00	-75.00
700-000-4150.000 Travel	0.00	0.00	67.50	-67.50
700-000-4190.000 Sundry-Other Admin	15.00	15.00	35.00	-20.00
700-000-4191.000 Management Fees	5,333.00	5,333.00	5,333.33	-0.33
700-000-4194.000 Office Supplies	0.00	0.00	72.92	-72.92
700-000-4195.000 Membership Dues	0.00	0.00	15.83	-15.83
700-000-4196.000 Telephone	82.90	82.90	82.50	0.40
700-000-4198.000 Advertising	0.00	0.00	36.67	-36.67
700-000-4199.000 Postage	0.00	0.00	20.83	-20.83
700-000-4210.000 Tenant Svcs Salaries	475.80	475.80	513.75	-37.95
700-000-4230.000 Tenant Services Other	16.08	16.08	16.25	-0.17
700-000-4310.000 Water	0.00	0.00	519.17	-519.17
700-000-4315.000 Sewer	0.00	0.00	1,052.08	-1,052.08
700-000-4320.000 Electricity	0.00	0.00	2,341.67	-2,341.67
700-000-4330.000 Gas	0.00	0.00	918.33	-918.33
700-000-4431.000 Garbage & Trash	0.00	0.00	166.67	-166.67
700-000-4410.000 Maintenance Labor	2,317.40	2,317.40	3,001.67	-684.27
700-000-4420.000 Materials	147.86	147.86	716.67	-568.81
700-000-4430.000 Contracts Costs	274.77	274.77	1,083.33	-808.56
700-000-4432.000 Decorating Contract	155.01	155.01	800.00	-644.99
700-000-4435.000 Grounds Contract	8.12	8.12	50.00	-41.88
700-000-4440.000 Repairs Contract	0.00	0.00	12.50	-12.50
700-000-4445.000 Elevator Maintenance	2,253.06	2,253.06	245.00	2,008.06
700-000-4450.000 Plumbing/Heating	0.00	0.00	416.67	-416.67
700-000-4455.000 Snow Removal	120.51	120.51	0.00	120.51
700-000-4456.000 Exterminating	0.00	0.00	125.00	-125.00
700-000-4457.000 Janitor/Cleaning	0.00	0.00	683.33	-683.33
700-000-4510.000 Insurance	1,643.71	1,643.71	1,600.41	43.30
700-000-4520.000 Property Tax	673.12	673.12	654.00	19.12
700-000-4540.000 Employee Benefits	2,387.04	2,387.04	2,658.33	-271.29
700-000-4800.000 Depreciation Expense	3,518.72	3,518.72	0.00	3,518.72
Total Expense	22,354.10	22,354.10	26,616.50	-4,262.40
Net Income(-) or Loss	-4,725.52	-4,725.52	-1,118.50	-3,607.02

Housing and Redevelopment Authority of Crosby

Payment Summary Report

April 2018

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
4/12/2018	1176	Lincoln Financial Group	\$653.54
4/12/2018	1177	Lincoln Financial Group	\$300.00
4/12/2018	1178	Electronic Federal Tax Payment System	\$1,171.03
4/12/2018	1179	Minnesota Dept Of Revenue	\$153.46
4/26/2018	1180	Lincoln Financial Group	\$666.64
4/26/2018	1181	Lincoln Financial Group	\$300.00
4/26/2018	1182	Electronic Federal Tax Payment System	\$1,075.92
4/26/2018	1183	Minnesota Dept Of Revenue	\$157.16
4/1/2018	116805	Birchdale Fire & Security LLP	\$240.00
4/1/2018	116806	Dearborn National Life Ins Co	\$32.20
4/1/2018	116807	Healthpartners	\$2,977.51
4/1/2018	116808	Housing Auth Risk Retention Group	\$8,165.00
4/1/2018	116809	Housing Insurance Services Inc.	\$25,493.00
4/1/2018	116810	Lincoln Financial Group	\$52.33
4/10/2018	116811	Void / Unused Check Entry	\$0.00
4/10/2018	116812	Void / Unused Check Entry	\$0.00
4/10/2018	116813	Void / Unused Check Entry	\$0.00
4/10/2018	116814	City Of Crosby	\$4,588.16
4/10/2018	116815	Crow Wing Recycling	\$74.73
4/10/2018	116816	Handyman's Inc.	\$204.00
4/10/2018	116817	Healthpartners	\$2,977.51
4/10/2018	116818	League of MN Cities Insurance Trust	\$4,176.00
4/10/2018	116819	Lewis Software Associates LLC	\$31.80
4/10/2018	116820	Mei Elevator Solutions	\$4,506.12
4/10/2018	116821	Sherwin-Williams	\$310.02
4/10/2018	116822	Visa--Unity	\$15.00
4/10/2018	116823	West Central Flooring	\$1,649.71
4/26/2018	11624	Voided Payroll Check	\$0.00
4/26/2018	116825	Ctc	\$427.64
4/26/2018	116826	Holiday	\$64.44
4/26/2018	116827	Lincoln Financial Group	\$52.33
4/26/2018	116828	Majestic Creations Landscape	\$642.45
4/26/2018	116829	Minnesota Energy Resources	\$2,008.43
4/26/2018	116830	Minnesota Power	\$3,598.68
		Report Total	\$66,764.81

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Housing and Redevelopment Authority of Crosby
Payment Summary Report
April 2018

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4/12/2018	1177	Lincoln Financial Group	\$300.00
4/12/2018	1178	Electronic Federal Tax Payment System	\$1,171.03
4/12/2018	1179	Minnesota Dept Of Revenue	\$153.46
4/26/2018	1180	Lincoln Financial Group	\$666.64
4/26/2018	1181	Lincoln Financial Group	\$300.00
4/26/2018	1182	Electronic Federal Tax Payment System	\$1,075.92
4/26/2018	1183	Minnesota Dept Of Revenue	\$157.16
4/1/2018	116805	Birchdale Fire & Security LLP	\$240.00
4/1/2018	116806	Dearborn National Life Ins Co	\$32.20
4/1/2018	116807	Healthpartners	\$2,977.51
4/1/2018	116808	Housing Auth Risk Retention Group	\$8,165.00
4/1/2018	116809	Housing Insurance Services Inc.	\$25,493.00
4/1/2018	116810	Lincoln Financial Group	\$52.33
4/10/2018	116811	Void / Unused Check Entry	\$0.00
4/10/2018	116812	Void / Unused Check Entry	\$0.00
4/10/2018	116813	Void / Unused Check Entry	\$0.00
4/10/2018	116814	City Of Crosby	\$4,588.16
4/10/2018	116815	Crow Wing Recycling	\$74.73
4/10/2018	116816	Handyman's Inc.	\$204.00
4/10/2018	116817	Healthpartners	\$2,977.51
4/10/2018	116818	League of MN Cities Insurance Trust	\$4,176.00
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4/26/2018	116829	Minnesota Energy Resources	\$2,008.43
4/26/2018	116830	Minnesota Power	\$3,598.68
		Report Total	\$66,764.81

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300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
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To: Crosby HRA Board Members
From: Teresa Hettver, Housing Manager
Date: May 1, 2018
Re: Housing Manager Report

We have been notified by Minnesota Housing that the Edgewood management and occupancy review is scheduled for Monday, June 11th, 2018. In this review, two vacant units will be inspected (if available) and six tenant files will be reviewed.

April Vacancies

Edgewood – 1
Dellwood – 1
Family Units – 1

No Action Requested; Discussion Items

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Crosby Housing & Redevelopment Authority

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Telephone (218) 546-5088
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To: Crosby HRA Board Members
From: Jennifer Bergman, Executive Director
Date: May 1, 2018
Re: Executive Director Report

Crosby Commercial Project - IRRRB

A company is considering the purchase of a commercial property downtown Crosby and would completely gut and rehab the building. Crosby is in the IRRRB service area and we are working with them for a potential funding source to assist the buyer. CWC HRA, BLAEDC, IRRRB, and the potential buyer met on April 27th to discuss the potential funding and tour the property. The City of Crosby is the eligible applicant for the IRRRB programs and the CWC HRA will work with the City of Crosby to submit the application. We anticipate having a management agreement with the City of Crosby for the administration of these funds.

Dellwood POHP

On April 26th, Minnesota Housing authorized POHP funds to the Crosby HRA in the amount of \$453,366. This is approximately half of our request; however, we asked for an additional \$449,400 for unit modernization. This is a bit outside of the eligible activities, but we tried to make the argument that these could be considered health and safety issues. Although they did reduce the funding amount, we did notice that the staff memo said that if there is additional POHP appropriations, they are recommending fully funding our project (see Attachment 4a)

Minnesota Housing Tour

Minnesota Housing staff will be attending the Minnesota NAHRO Spring Conference in Brainerd. Since they will be relatively close, we offered to give them a tour of completed scattered sites and also of Dellwood. They took us up on that offer and we have tentatively scheduled the tour for the afternoon of Thursday, May 24th. We will keep the Board posted.

No Action Requested: Discussion Item

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SOURCES and USES WORKSHEET

DEVELOPMENT COSTS		
	TOTAL COSTS	NOTES
REHABILITATION CONSTRUCTION		
Scope of Work Cost Estimate	\$ 784,959.00	
Other		
Other		
Rehabilitation Subtotal	\$ 784,959.00	
Construction Contingency (7%)	\$ 54,947.13	
Total Construction Costs	\$ 839,906.13	
ENVIRONMENTAL ABATEMENT		
Soil Abatement		
Radon/Soil Vapor Abatement		
Mold Abatement		
Asbestos Abatement	\$ 5,500	Abatement for scope of work item #1.
Asbestos Abatement	\$ 22,500	Abatement for scope of work item #4.
Other	\$ 14,000	Asbestos analysis
Abatement Total	\$ 42,000.00	
OTHER COSTS		
Architect/Engineering Fees	\$ 109,800	Estimated fee provided by Finn Daniels Architects
Processing Agency/Other Consultant		
Environmental Reports		
Other Reports	\$ 5,350	Physical Needs Assessment
Other Local Fees	\$ 200.00	Advertising and Recording
Legal Fees		
Financing Costs		
Other Fees	\$ 15,850	A&E Reimbursable Expenses
Other Fees	\$ 1,000.00	Insurance
Other Costs Total	\$ 132,200.00	
Total Development Cost	\$ 1,014,106.13	

SOURCES		
	AMOUNT	TERM/RATE/NOTES
POHP Request	\$ 889,106.13	
Energy Rebates		
PHA Capital Fund Budget	\$ 125,000.00	2016/2017/2018 CFP Grants
PHA Operating Budget		
Other (Identify)		
Other (Identify)		
Total Sources of Funds	\$ 1,014,106.13	
<i>Total Non-POHP Funds</i>	\$ 125,000.00	
<i>Percentage of TDC</i>	12%	

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Board Agenda Item: 7.C
Date: 4/26/2018

Item: Selections, Publicly Owned Housing Program (POHP) - 2017 RFP Selections

Staff Contact(s):

Anne Heitlinger, 651.296.9841 anne.heitlinger@state.mn.us
Irene Ruiz-Briseno, 651.296.3837 irene.ruiz-briseno@state.mn.us
David Schluchter, 651.296.8161 david.schluchter@state.mn.us

Request Type:

<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> No Action Needed
<input type="checkbox"/> Motion	<input type="checkbox"/> Discussion
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Information

Summary of Request:

Staff requests approval and adoption of the attached resolution authorizing selection of 2017 POHP applicants. Staff is requesting approval to fully fund 27 developments and partially fund 1 development as of today's date. In addition, staff seeks approval to provide additional funding to the partially funded development and to provide full funding for up to three additional developments in the event that additional State General Obligation (GO) Bond proceeds become available. Selections are subject to final underwriting and the terms and conditions of the POHP Program Guide and loan documents.

Fiscal Impact:

None

Meeting Agency Priorities:

- Address Specific and Critical Local Housing Needs
- Finance Housing Responsive to Minnesota's Changing Demographics
- Preserve Housing with Federal Project-Based Rent Assistance
- Prevent and End Homelessness
- Reduce Minnesota's Racial and Ethnicity Homeownership Disparity

Attachment(s):

- Background
- 2017 POHP Funding Recommendations
- Map of 2017 POHP Funding Recommendations
- Resolution

Background:

The 2017 Minnesota Legislature appropriated \$10 million in State General Obligation (GO) bond proceeds to Minnesota Housing for the rehabilitation of public housing, and an additional \$2.7 million is available due to recaptured cost savings, as well as the return of \$1.1 million from a cancelled POHP loan commitment.

“Public Housing” means housing for low-income persons and households that are financed by the federal government and owned and operated by a city or county public entity, such as a Housing and Redevelopment Authority (HRA), Public Housing Authority (PHA), Community Development Agency (CDA), or Housing and Economic Development Authority (EDA)*. POHP qualified applicants must have a HUD Public Housing Assessment System (PHAS) rating of 80 or above. (Note: For consistency within this board report POHP program staff has chosen to use HRA when referring to applicants. Some applicants may legally be a designated PHA, CDA or an EDA.)

Thirty different Housing and Redevelopment Authorities (HRAs) applied for funding under the 2017 POHP Request for Proposals (RFP) and submitted funding requests for 38 developments. Six funding requests were received from the Metro area and 32 were received from Greater Minnesota. The 2017 POHP RFP received requests in excess of \$19.2 million.

Minnesota Housing staff provided each applicant with an individual technical assistance session prior to the application deadline. During these technical assistance sessions, POHP staff explained general POHP program guidelines and learned more about each applicant’s proposed rehabilitation project. This outreach was beneficial in encouraging a few smaller HRAs to apply for the first time.

Two applications were deemed ineligible due to being incomplete and having a substandard PHAS rating. Seventeen of the 24 recommended HRAs have previously received PHOP funding. Seven of the 24 recommended HRAs have never received POHP funding.

Agency staff presented the idea of a more concept-based application to the board last August, and then presented a final POHP application concept and POHP 2017 program manual in October. Selected applicants for this funding round only have preliminary construction and development costs at this time; Minnesota Housing staff and architects will work closely with the selected applicants to refine their project scope of work and will require certain applicants to engage a professional architect and/or engineer based on their specific scope of work. Agency staff will review and approve final development budgets, including funds reserved for construction contingency. Given this revised approach, staff held back funds to account for cost increases as a result of changes in scope of work or increased professional fees.

Since POHP is funded by State GO bonds, Minnesota Housing staff assessed POHP applications to ensure that the proposed renovations were of a capital nature, as required by the Minnesota Constitution. Items that would meet this threshold are a significant building system or systems that are either failing or near the end of their intended useful life.

Along with this threshold, Minnesota Housing staff reviewed and ranked applications based on the amount of work that fell into one of the following four categories:

- a) Life Safety (e.g. fire alarm panels, fire suppression systems)
- b) Critical Physical Need (failing boilers, elevators and/or roofs)
- c) Energy and Resource Conservation Improvements (lighting, water conservation measures)

d) Accessibility Improvements (unit improvements; common area improvements, including building access; parking areas)

The POHP scoring was based upon eligible costs, costs that met a POHP priority as previously mentioned, as well as the immediacy of the need. An important goal in making selection recommendations was to fund work scope items that were in worst condition and that had the most time-critical need among all applications. Some recommendations were modified to remove items that were eligible but less critical compared to other applications; therefore, each funding recommendation is based upon both objective and comparative analyses.

The POHP loan is structured as a 20 year forgivable loan, with a 35 year compliance period. Annual compliance reporting is required.

2017 POHP Application Summary and Process

Applications Received	Applications Recommended for Funding	Applicants Recommended for Waiting List*	Applications Not Recommended
30 HRAs applied	24 HRAs recommended	3 HRAs on the waiting list	6 HRAs not recommended
38 developments	27 developments	4 developments (one of which staff recommends be partially funded as of April 26; with the remainder of the project funded if addition GO bond proceeds become available)	8 developments
2,368 housing units	1,844 housing units	224 housing units	300 housing units
\$19.2 million requested	\$16 million requested		\$1.98 million requested
	\$12.1 million recommended	\$2.5 million recommended if additional funds become available	
<ul style="list-style-type: none"> 6 metro developments (16%) 32 Greater Minnesota developments (84%) 	<ul style="list-style-type: none"> 4 metro developments (15%) 23 Greater Minnesota developments (85%) 	<ul style="list-style-type: none"> 2 metro developments (50%) 2 Greater Minnesota developments (50%) 	<ul style="list-style-type: none"> 1 metro development (12%) 7 Greater Minnesota developments (88%)

*Note: Regarding the applications to be placed on a waiting list. All four of these developments met the threshold regarding rehabilitation of a capital nature. In addition their proposed work was documented to fall into one of the four work categories listed above. Given that the applications were submitted in December 2017, staff determined that a waiting list was the most efficient way to handle projects that would have been funded if additional funds were available.

All developments were reviewed by POHP program staff and/or a loan processor or underwriter from the multifamily production area for:

- Compliance with POHP program statutes, rules and priorities
- Overall project feasibility

- Demonstration of financial need
- Organizational capacity

Minnesota Housing architectural staff reviewed the proposed work scopes, taking the following into consideration:

- HRA work scope priorities
- Critical health and safety requests
- Water and energy conservation measures to reduce operating expenses, and/or accessibility improvements
- Immediacy of need
- Consequences of work not being completed

The proposals recommended for funding are set forth on the following pages.

2017 POHP Funding Recommendations

04/26/2018

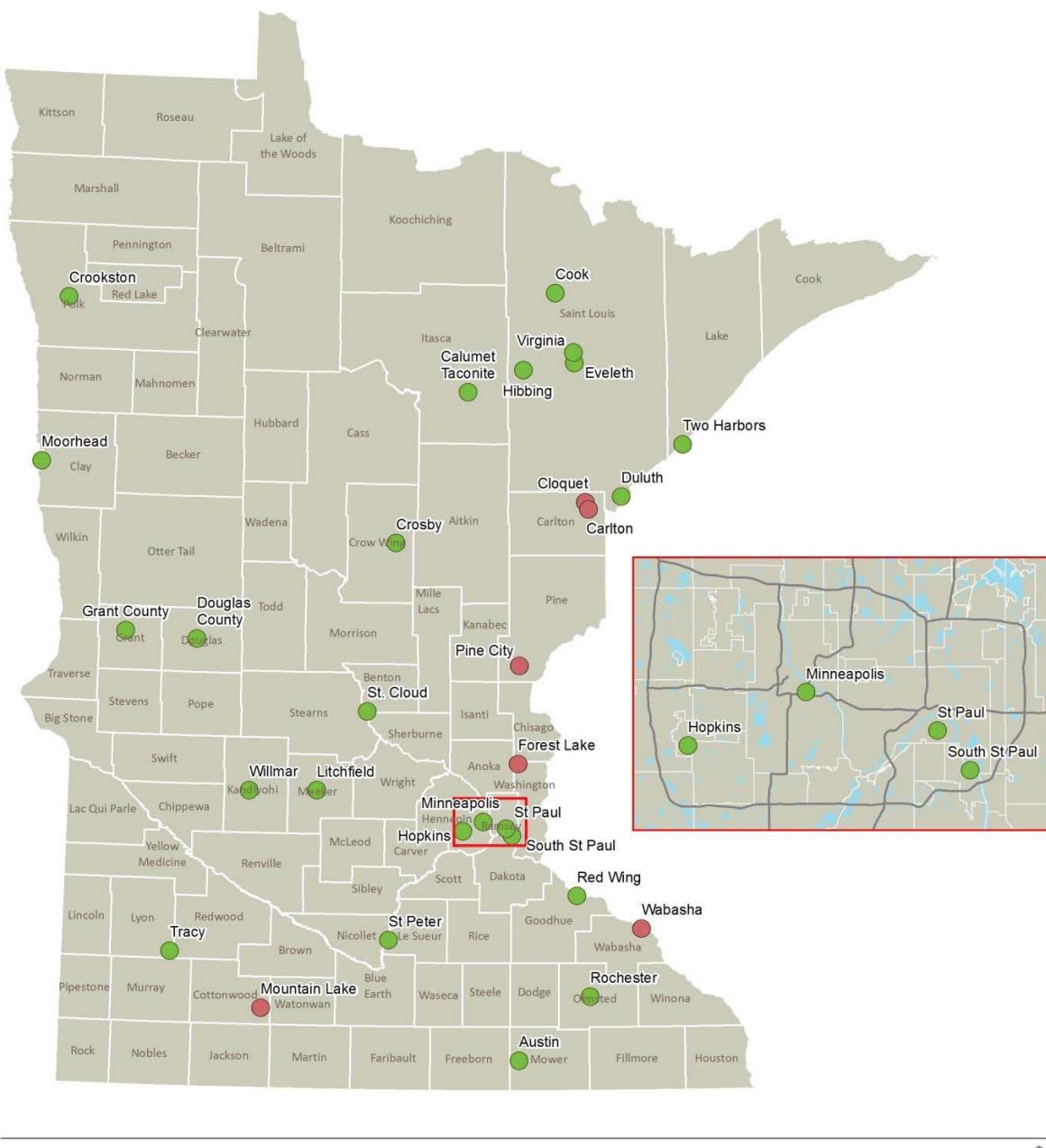
D #	Applicant	Development	City	Units	Recommended Amount
8052	Austin HRA	Scattered Site	Austin	56	\$ 321,012
6387	City of Moorhead PHA	Riverview Heights	Moorhead	104	\$390,000
8048	City of Moorhead PHA	Sharpview	Moorhead	46	\$ 48,980
8046	Cook HRA	Homestead Apts. & Pioneer Apts.	Cook	48	\$386,000 \$217,879
7770	Crookston HRA	Oak Court Apts.	Crookston	65	\$1,267,504
<u>3266</u>	<u>Crosby HRA</u>	<u>Dellwood Apts.</u>	<u>Crosby</u>	<u>39</u>	<u>\$453,366</u>
7788	Douglas County HRA	Scattered Site	Alexandria, Brandon, Evansville, Miltona, Osakis	28	\$192,000
8062	Duluth HRA	Ramsey Manor	Duluth	102	\$965,941
7793	Eveleth HRA	Hilltop Homes	Eveleth	34	\$ 500,483
8064	Grant County HRA	Vart Hjem	Elbow Lake	20	\$435,000 \$107,000
8061	Grant County HRA	North Star Manor	Hoffman	20	\$173,000 \$42,800
8060	Grant County HRA	Scattered Site (10 Duplexes)	Ashby, Barrett, Elbow Lake, Herman and Hoffman	20	\$447,000 \$64,000
7795	Hibbing HRA	7 th Ave. Apts.	Hibbing	60	\$305,450
6379	Hopkins HRA	Dow Towers	Hopkins	76	\$292,048
6381	Itasca County HRA	Narodni Stanovi and Casa Tranquilla	Taconite and Calumet	32	\$196,000 \$186,281
7801	Kandiyohi County HRA	Lakeview Highrise	Willmar	126	\$2,257,000 \$729,379
8060	Litchfield HRA	Lincoln Apts	Litchfield	61	\$289,000 \$243,500
8050	Minneapolis PHA*	Cedar Hi-Rise Building A	Minneapolis	115	\$537,110
8053	Olmstead County HRA	Homestead Green and Homestead	Rochester	60	\$986,102

		Terrace			
7630	Red Wing HRA	Jordan Tower I	Red Wing	100	\$644,290
8047	St. Peter HRA	Parkview Manor	St. Peter	62	\$393,335
2514	South St. Paul HRA	John Carroll Apts.	South St. Paul	165	\$595,580
7837	St. Cloud HRA	Wilson Apts.	St. Cloud	125	\$325,000
7617	St. Paul PHA	Dunedin Terrace	St. Paul	16	\$1,000,000
8063	Tracy HRA	Twin Circles	Tracy	60	\$532,000
7798	Two Harbors	Bayview Terrace	Two Harbors	58	\$ 288,044
8051	Virginia HRA	Columbia & Rouchleau	Virginia	147	\$443,709
Totals:	24	27		1844	\$12,072,793

Waiting List

D #	Applicant	Development	City	Units	Recommended Amount
8050	Minneapolis PHA	Cedar Hi-Rise Bldg. A *	St. Paul	N/A	\$1,274,399
7796	Hibbing	Park Terrace	Hibbing	20	\$509,550
7807	Minneapolis PHA	Cedar Hi-Rise Bldg. B	Minneapolis	116	\$ 423,280
7613	St. Cloud	Empire Apts.	St. Cloud	88	\$325,000
Totals:	3	3		224	\$ 2,532,229

2017 Recommended POHP Selections



- 2017 Recommended POHP Selections
- 2017 POHP Non-Selects

Source: Minnesota Housing. Date: 4/26/2018

MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

RESOLUTION NO. MHFA 18-
RESOLUTION APPROVING MORTGAGE COMMITMENTS
PUBLICLY OWNED HOUSING PROGRAM (POHP)

WHEREAS, the Minnesota Housing Finance Agency (Minnesota Housing) received applications to provide loans from State General Obligation (GO) bond proceeds for the purpose of addressing critical health and safety needs and to fund conservation measures for public housing developments occupied by persons and families of low- and moderate-incomes; and

WHEREAS, Minnesota Housing staff has determined that 30 such applicants are eligible applicants under the Minnesota Housing's rules, regulations, and policies; that such loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the rehabilitation of the developments will assist in fulfilling the purpose of Minn. Stat. Ch. 462A; and

NOW THEREFORE, BE IT RESOLVED:

1. The Board hereby authorizes Minnesota Housing staff to enter into loan agreements, and to make loans using State GO bond proceeds to the following 27 developments, in the amounts and in compliance with the conditions set forth below:

D #	Applicant	Development	Recommended Amount
8052	Austin HRA	Scattered Site (56 units)	\$ 321,012
D6387	City of Moorhead PHA	Riverview Heights	\$ 390,000
8048	City of Moorhead PHA	Sharpview	\$ 48,980
8046	Cook HRA	Homestead Apts. & Pioneer Apts.	\$ 217,879
7770	Crookston Housing & Economic Authority	Oak Court Apts.	\$ 1,267,504
3266	Crosby HRA	Dellwood Apts.	\$ 453,366
7788	Douglas County HRA	Scattered Site (14 duplexes – 28 units)	\$ 192,000
8062	Duluth HRA	Ramsey Manor	\$ 965,941
7793	Eveleth HRA	Hilltop Homes	\$ 500,483
8064	Grant County HRA	Vart Hjem	\$ 107,000
8061	Grant County HRA	North Star Manor	\$ 42,800

D #	Applicant	Development	Recommended Amount
8060	Grant County HRA	Scattered Site (10 duplexes – 20 units)	\$ 64,000
7795	Hibbing	Seventh Avenue	\$ 305,450
6379	Hopkins HRA	Dow Towers	\$ 292,048
6381	Itasca County HRA	Narodni Stanovi and Casa Tranquilla	\$ 186,281
7801	Kandiyohi County HRA	Lakeview Highrise	\$ 729,379
7803	Litchfield HRA	Lincoln Apts.	\$ 243,500
8050	Minneapolis PHA	Cedar Hi-Rise, Bldg. A	\$ 537,110
8053	Olmsted County	Homestead Green, Homestead Terrace	\$ 986,102
7630	Red Wing HRA	Jordan Tower I	\$ 644,290
8047	Saint Peter HRA	Parkview Manor	\$ 393,335
2514	South St. Paul HRA	John Carroll Apts.	\$ 595,580
7837	St. Cloud HRA	Wilson Apartments	\$ 325,000
7617	St. Paul PHA	Dunedin Terrace	\$ 1,000,000
8063	Tracy HRA	Twin Circles	\$ 532,000
7798	Two Harbors HRA	Bayview Terrace	\$ 288,044
8051	Virginia HRA	Columbia & Rouchleau Apts.	\$ 443,709
Totals:	24	27	\$ 12,072,793

2. The Board hereby authorizes Minnesota Housing staff to enter into loan agreements, and to make loans using State GO bond proceeds to the following four developments, if additional State GO bond proceeds are made available to the Agency in the amounts and in compliance with the conditions set forth below:

Waiting List

D #	Applicant	Development	Recommended Amount
8050	Minneapolis PHA	Cedar Hi-Rise Bldg. A	\$ 1,274,399
7796	Hibbing	Park Terrace	\$ 509,550
7807	Minneapolis PHA	Cedar Hi-Rise Bldg. B	\$ 423,280
7613	St. Cloud	Empire Apts.	\$ 325,000
Totals:	4	4	\$ 2,532,229

3. Conditions of Lending:

- a) Minnesota Housing staff shall review and approve the Deferred Loan Repayment Agreements; and
- b) The issuance of a loan commitment in form and substance acceptable to Agency staff and the closing of the loans shall occur no later than 20 months from the adoption date of this Resolution; but if a development elects the End Loan Commitment, the End Loan Commitment shall occur no later than 20 months from the adoption date of this Resolution and construction shall occur no later than 20 months from the adoption of this Resolution and construction of the development shall be completed within 18 months from the date of End Loan Commitment; and
- c) The interest rate on each loan shall be 0 percent; and the maturity date of the loan shall be 20 years from the date of closing, at which time the loans may be forgiven; and
- d) These loan commitments, and any future commitments, are subject to the ability of the State of Minnesota, to sell G.O. bonds on terms and conditions, and in time and manner acceptable to the State.
- e) The Mortgagors and such other parties as Minnesota Housing staff in their sole discretion deem necessary shall execute all such documents relating to said loans.

Adopted this 26th day of April 2018.

CHAIRMAN

Crosby Housing & Redevelopment Authority
300 Third Avenue N.E.
CROSBY, MINNESOTA 56441-1642

Telephone (218) 546-5088
FAX (218) 546-5041

To: Crosby HRA Board Members
From: Karen Young, Finance Director
Date: May 1, 2018
Re: Employee Fraud Policy

Per the Office of Inspector General (OIG), Public Housing Authorities need to adopt and aggressively implement a formal fraud policy. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act on it to his or her injury.

A fraud policy is not intended to cover administrative matters such as time and attendance problems or minor acts of insubordination. This policy (see Attachment 5a) should establish what the agency does to reduce fraud, how dishonest activity will be handled, and what action is taken as a result of an investigation.

Action Requested: Approve Resolution No. 2019-01 adopting the Employee Fraud Policy.

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HOUSING AND REDEVELOPMENT AUTHORITY of CROSBY
Employee Fraud Policy

Adopted: 5/8/2018 **Resolution No.: 2019-01**

POLICY STATEMENT

The purpose of this employee fraud policy is to facilitate the development of controls that will aid in the detection and prevention of fraud against the Housing and Redevelopment Authority of Crosby (hereinafter, “the Agency”). It is the intent of the Agency to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving management, employees, and board members as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Agency.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Agency.

POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the executive director, who coordinates all investigations, both internal and external.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Theft, embezzlement, or other misappropriation of funds, supplies, or other assets
- Bribery or kickbacks
- False claims or bid rigging
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of Agency activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons confidential activities engaged in or contemplated by the Agency
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Agency. Exception: gifts less than \$5 in value
- Destruction, removal, forgery or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by management. Allegations of personal improprieties or other irregularities not constituting fraud can include drug abuse, vandalism, littering, disturbing the peace, or other such public nuisances or criminal activity. These matters should also be resolved by management.

If there is any question as to whether an action constitutes fraud, contact the executive director for guidance.

INVESTIGATION RESPONSIBILITIES

The executive director has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The executive director may delegate investigation responsibilities to other management individuals. If the investigation substantiates that fraudulent activities have occurred, the executive director will issue reports to appropriate designated personnel and, if appropriate, to the board of directors.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and management, as will final decisions on disposition of the case.

CONFIDENTIALITY

The executive director treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the executive director immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Agency from potential civil liability. Management will not retaliate against employees who report either fraudulent or non-fraudulent activities.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

The executive director or management in charge of the investigation will have:

- Free and unrestricted access to all Agency records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the executive director immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any

other inquirer should be directed to the executive director. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the executive director.

ACTING IN GOOD FAITH

Anyone reporting any irregularity that is detected or suspected must be acting in good faith and have reasonable grounds for believing the information provided. Allegations made maliciously or with knowledge of their falsity will not be tolerated. People making such allegations may be subject to disciplinary action and/or legal actions by the individuals accused of the fraudulent conduct.

WHISTLEBLOWER PROTECTION

Employees of the Agency may not retaliate against a whistleblower for reporting an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of employment (including, but not limited to, threats of physical harm, dismissal, transfer to an undesirable job assignment, demotion, suspension, or impact on salary or wages). A whistleblower is defined as an employee who informs management or the executive director about an activity which that person believes to be fraudulent or dishonest.

Whistleblowers who believe that they have been retaliated against may file a written complaint with the executive director. Any complaint of retaliation will be promptly investigated and appropriate remedial measures will be taken if allegations of retaliation are proven. This protection from retaliation is not intended to prohibit management from taking action, in the usual scope of their duties and based on valid performance-related factors.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the executive director and, if necessary by outside counsel, before any such action is taken. The decision to terminate an employee is made by management and the executive director.

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HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF CROSBY
RESOLUTION NO. 2019-01

EMPLOYEE FRAUD POLICY

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby is required to adopt and aggressively implement a formal fraud policy; and

WHEREAS, the Housing and Redevelopment Authority in and for the City of Crosby has developed a formal employee fraud policy; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the HRA as follows:

1. The Employee Fraud Policy is hereby approved.

I CERTIFY THAT the above resolution was adopted by the Housing and Redevelopment Authority in and for the City of Crosby.

Dated: _____

Linda Peeples, Chair

Dated: _____

Jennifer Bergman, Executive Director

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