SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY
323 South Naumkeag Street, Shakopee, MN  55379
Phone: (952) 402-9022 / Fax: (952) 496-2852

BOARD OF COMMISSIONERS
MINUTES - REGULAR MEETING
May 9, 2017

(1) CALL TO ORDER AND PLEDGE
Chair Croatt called the Regular Meeting of the Scott County Community Development Agency
Board of Commissioners to order at 4:00 p.m. on May 9, 2017, and led the Pledge of Allegiance.

(2) ROLL CALL
Commissioners present: District I, DeAnn Croatt
District II, Ben Zweber (arrived at 4:08)
District III, Kent Robbins
District IV, Patti Sotis
District V, Jane Victorey

Staff present: Bill Jaffa, Executive Director
Terri Gulstad, Finance Director
Julie Siegert, Housing Director
Linda Janovsky, Recording Secretary

Others present: Lorien Mueller, Great Lakes Management
Camille Ritter, Great Lakes Management
Jamie Thelen, Sand Companies

(3) MINUTES SUBMITTED FOR APPROVAL
3.1) Regular Meeting Minutes – April 11, 2017
Commissioner Robbins made a motion to approve the Meeting Minutes. Commissioner
Sotis seconded the motion. Unanimous voice vote followed. Motion carried.

(4) AGENDA ACTION(S)
4.1) Agenda Modifications
Adding Item 7.3) Village Apartments was requested. Commissioner Robbins made a
motion to approve the modification. Commissioner Croatt seconded the motion.
Unanimous voice vote followed. Motion carried.

4.2) Consent Agenda
Commissioner Sotis made a motion to approve the Consent Agenda with Item 5.2)
Procurement Summary removed. Commissioner Victorey seconded that motion.
Unanimous voice vote followed. Motion carried.
5.1) Payment of Bills
Commissioner Robbins made a motion to approve the check registers in the amount of $322,783.43. Commissioner Victorey seconded the motion. Unanimous roll call vote followed (with Commissioner Zweber absent). Motion carried.

5.2) Procurement Summary
Commissioner Sotis inquired about the HVAC replacements. Housing Director Siegert provided information on work being done and the property locations.

5.3) Development Reports – FY2017 – Qtr 1
Lorien Mueller, Regional Property Manager, Great Lakes Management, indicated that overall the properties are meeting financial expectations. She provided information as follows:

- Resident satisfaction surveys were done at all buildings and results will be ready soon.
- Beginning work on 2018 operating budgets.
- Brentwood Court has had some issues with a few garage lights that should be under warranty.
- Brentwood Court will have a controlled burn of its Prairie Grass.
- The Henderson had some expenses typical for new construction and also some warranty items.
- The Henderson elevator is causing a vibration/noise problem for two units. A plan has been devised to correct this, and one resident requested a modest rent reduction for May due to the impact on his apartment.

Ms. Mueller and Ms. Ritter answered Commissioners questions regarding unit transfers and how the financial audit costs are distributed to each property.

A summary of financial results are below. Commissioner Victorey made a motion to accept the budget reports as provided. Commissioner Robbins seconded the motion. Unanimous voice vote followed. Motion carried.

5.31) River City Centre

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$136,601</td>
<td>$143,163</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$70,913</td>
<td>$70,346</td>
</tr>
<tr>
<td>Net Operating Income*</td>
<td>$69,192</td>
<td>$72,097</td>
</tr>
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</table>

(not including retail or TIF income)

5.32) The Hamilton

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$123,987</td>
<td>$117,991</td>
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<tr>
<td>Operating Expenses</td>
<td>$62,693</td>
<td>$57,262</td>
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<tr>
<td>Net Operating Income*</td>
<td>$61,702</td>
<td>$61,988</td>
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</tbody>
</table>

*Does not incl. Retail Base Rent
5.33) Philipp Square
Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 152,796</td>
<td>$ 184,603</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 70,550</td>
<td>$ 71,124</td>
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<tr>
<td>Net Operating Income</td>
<td>$ 82,246</td>
<td>$ 83,479</td>
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</table>

5.34) Northridge Court
Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
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<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 177,114</td>
<td>$ 194,714</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 67,670</td>
<td>$ 62,889</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$ 109,444</td>
<td>$ 121,825</td>
</tr>
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</table>

5.35) Glendale Place
Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 148,490</td>
<td>$ 161,505</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 53,229</td>
<td>$ 59,438</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$ 102,968</td>
<td>$ 120,077</td>
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</table>

5.36) Market Village
Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 140,051</td>
<td>$ 146,959</td>
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<tr>
<td>Operating Expenses</td>
<td>$ 70,628</td>
<td>$ 73,727</td>
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<tr>
<td>Net Operating Income</td>
<td>$ 69,423</td>
<td>$ 73,232</td>
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5.37) Brentwood Court
Housing Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 136,275</td>
<td>$ 137,678</td>
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<tr>
<td>Operating Expenses</td>
<td>$ 61,844</td>
<td>$ 53,203</td>
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<tr>
<td>Net Operating Income</td>
<td>$ 74,431</td>
<td>$ 84,475</td>
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</table>

5.38) The Henderson
Pro Forma vs. 1st Quarter 2017

<table>
<thead>
<tr>
<th></th>
<th>YTD Proforma</th>
<th>YTD Actual</th>
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</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$ 126,154</td>
<td>$ 138,363</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 52,465</td>
<td>$ 56,087</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$ 73,689</td>
<td>$ 82,276</td>
</tr>
</tbody>
</table>

5.4) 2017 First Quarter Agency Financials
Finance Director Gulstad briefed the Board on the financials and answered Commissioners’ questions. The Finance Director also provided a handout of federal program funding levels through September.

5.5)* Cash Flow Projection Worksheet
[Consent item; no discussion]

5.6) Belle Haven Financing
Finance Director Gulstad explained how this was structured.

(6) OLD BUSINESS

6.1) Affordable Housing Programs

6.11)* Affordable Housing Occupancy Report
[Consent item; no discussion]
6.12)* Housing Choice Voucher Utilization Report
[Consent item; no discussion]

6.13) SEMAP Scoring
Housing Director Siegert indicated that the Agency was once again rated as a
“high performer”. She cited the great work of the Section 8 and finance staff.

6.14) Income Limits
RESOLUTION NO. 10-17: ADOPTING INCOME LIMITS FOR SECTION 8 HOUSING
CHOICE AND PROJECT BASED VOUCHER AND PUBLIC HOUSING PROGRAMS
EFFECTIVE APRIL 14, 2017.
Commissioner Zweber made a motion to approve Resolution No. 10-17.
Commissioner Sotis seconded the motion. Unanimous roll call vote followed.
Motion carried.

6.2) Home Ownership Programs

6.21)* Homeownership Programs Report
[Consent item; no discussion]

6.3) Liaison Report – Scott County Commissioner
Not present; no report.

6.4)* First Stop Shop (FSS)
[Consent item; no discussion]

6.5)* Maxfield Research Studies
[Consent item; no discussion]

6.6) SC-CDA Development Activities

6.61)* The Henderson
[Consent item; no discussion]

6.62) Pike Lake Marsh (Prior Lake) Tax Credit Development (Ron Clark)
RESOLUTION NO. 11-17: AUTHORIZATION TO PROVIDE DEFERRED LOAN TO
RON CLARK CONSTRUCTION AND DESIGN/PIKE LAKE MARSH LIMITED
PARTNERSHIP, FOR SECTION 42 TAX CREDIT DEVELOPMENT, PIKE LAKE
MARSH, LOCATED IN PRIOR LAKE, MINNESOTA
Executive Director Jaffa briefed the board on the series of events and reaffirmed
the need for workforce housing in the County. Commissioner Robbins made a
motion to approve Resolution No. 11-17. Commissioner Sotis seconded the
motion. Unanimous roll call vote followed. Motion carried.

6.63) RESOLUTION NO. 12-17: AUTHORIZATION TO ENTER A LOAN AGREEMENT AND
SUPPORTING DOCUMENTS WITH PIKE LAKE MARSH LIMITED PARTNERSHIP,
TO ASSIST A 68 UNIT AFFORDABLE HOUSING DEVELOPMENT IN PRIOR LAKE,
MINNESOTA.
Commissioner Robbins made a motion to approve Resolution No. 12-17.
Commissioner Zweber seconded the motion. Unanimous roll call vote followed.
Motion carried.
6.64) Louisiana Lofts (Savage) Tax Credit Development (MWF Properties)
RESOLUTION NO. 13-17: AUTHORIZATION TO PROVIDE DEFERRED LOAN
TO MWF FOR SECTION 42 TAX CREDIT DEVELOPMENT
LOCATED IN SAVAGE, MINNESOTA

Executive Director Jaffa indicated that if this project receives a tax credit award, the Agency could request a shorter loan term (17 instead of 30 years).

Commissioner Victorey made a motion to approve Resolution No. 13-17.
Commissioner Robbins seconded the motion. Unanimous roll call vote followed. Motion carried.

6.7)* Families and Individuals Sharing Hope (FISH)
[Consent item; no discussion]

6.8) River City Centre Master Lease Tenant
Executive Director Jaffa updated the board on his meeting with Great Lakes Management and his request that they ascertain the market rate value for the space. Further communication was received from Steve Dombrovski indicating that a deli may be interested in approximately 2,000 square feet of space. Commissioners discussed the portion of Bond Counsel’s email that indicates that the Agency should request current leases and also if that memo was public information. Executive Director Jaffa indicated that it may be beneficial to share that memo with Mr. Dombrovski for transparency.

6.9)* Life Cycle Housing Educational Presentation to Cities
[Consent item; no discussion]

6.10) National Association of Local Housing Finance Agencies (NALHFA)
Commissioner Robbins provided information on his presentation at the NALHFA conference. It was very well attended and there was a lot of interest. He passed around a few of the presentations that were given on homelessness and shared how San Francisco and New York were addressing the issue. Commissioners were emailed Commissioner Robbins presentations after the meeting.

(7) NEW BUSINESS

7.1) Vista Apartments (Jordan) Tax Credit Application (Sand Companies/St. Michael Development Group)
Jamie Thelen, CEO/President, Sand Companies, was in attendance to present information regarding the 49 unit tax credit development they are proposing in the City of Jordan. Sand Companies met with the City of Jordan a couple months ago and have been approved for Tax Increment Financing (TIF) up to 15 years. The property is already zoned and approved for this density of housing. Executive Director Jaffa indicated the good relationship Sand has with Jordan based on the tax credit property they developed there in 2008, Jordan Valley Townhomes. The City also expressed that they would be pleased to add students to the school district. Mr. Thelen discussed the loan that is being requested and the fact that it would be paid back upon refinancing which takes place at about year 17. Mr. Thelen also answered Commissioners’ questions.
RESOLUTION NO. 14-17: AUTHORIZATION TO PROVIDE DEFERRED LOAN TO ST. MICHAEL DEVELOPMENT GROUP, LLC, FOR SECTION 42 TAX CREDIT DEVELOPMENT, VISTA APARTMENTS, LOCATED IN JORDAN, MINNESOTA
Commissioner Croatt made a motion to approve Resolution No. 14-17. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

7.2) Sand Lot Housing Concept – Downtown Belle Plaine
Executive Director Jaffa indicated that Cynthia Smith-Strack was pleased to learn about the concept plan that the Agency had developed for either mixed-use/residential or strictly residential which Ms. Smith-Strack asked approval to share with developers as appropriate. The City is still hoping for business/retail activity on that site.

7.3) Shakopee Village Apartments
This item was added as an agenda modification. Executive Director Jaffa explained that Wishrock, a national company, is interested in purchasing these apartments if they receive tax credit funding from the MHFA for extensive rehabilitation of the property. Should that occur Wishrock would take over the federal subsidy for these apartments ensuring that they continue to remain affordable for seniors 62 and over, who pay rent based on their income. Wishrock is requesting no monetary support, rather that the Agency express its endorsement of the acquisition and preservation of Village Apartments in Shakopee. Commissioner Croatt made that motion, which was seconded by Commissioner Sotis. Unanimous voice vote followed. Motion was carried.

(8) SET NEXT MEETING DATE, TIME AND PLACE
8.1) Regular Meeting June 13, 2017
8.2) SPECIAL Meeting: as needed

(9) ADJOURN
Commissioner Robbins made a motion to adjourn the Meeting of the Scott County CDA Board of Commissioners at 5:35 p.m. Commissioner Zweber seconded the motion. Unanimous voice vote followed. Motion carried.

DeAnn Croatt, Chair
Jane Victorey, Secretary

Recording Secretary Date

6/14/17