

**ANOKA COUNTY**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**BOARD AGENDA**

FOR THE JUNE 27, 2023 MEETING

10:15 A.M. or Immediately Following the  
Board of Commissioners Public Comment Period  
Whichever is Later

County Board Room #705  
Anoka County Government Center

1. Chair calls meeting to order.
2. Trustees: Matt Look  
Julie Braastad  
Jeff Reinert  
Scott Schulte  
Mike Gamache  
Julie Jeppson  
Mandy Meisner  
  
Others:
3. Chairs remarks.
- \*4. Consider approving the minutes from the ACHRA board meeting of April 25, 2023. **See attached** minutes.
- \*5. ACHRA Management Committee report.
- \*6. Consider approving the following CDBG-CV and HOME funding extensions:
  - A. CDBG-CV funding agreement extension until September 30, 2023 for previously awarded Program Year 2019 Community Development Block Grant Covid funds (CDBG0-CV) to Southern Anoka Community Assistance (SACA). The CDBG-CV project funding agreement for a delivery van – electric powered (\$63,600) OR gas (\$60,750) expired on March 31, 2023.
  - B. HOME Program funding second extension to December 15, 2023 for previously awarded Program Year 2021 HOME Investment Partnerships Program (HOME) funds to Twin Cities Habitat for Humanity. The agreement is for two scattered site acquisition/rehabilitation of single-family dwelling units. The total amount of HOME funds is \$160,000.

**See attached** worksheets.

- \*7. Consider approving the following lease agreements starting at \$10.11 per square foot, with a \$0.50 increase per square foot every two years:
- A. Contract #C0010054 with Learn and Grow Child Care, LLC, with a six-year term through June 30, 2029. After the initial six-year term, this lease has an automatic two-year term renewal clause unless terminated.
  - B. Contract #C0010055 with Achieve Services, with a two-year term through June 30, 2025. This lease has an automatic two-year term renewal clause unless terminated.
  - C. Contract #C0010056 with ACCAP, with a six-year term through June 30, 2029. After the initial six-year term, this lease has an automatic two-year term renewal clause unless terminated.

**See attached** worksheets.

- \*8. Consider approving Amendment 6 with the Department of Employment and Economic Development (DEED) at a rate of \$10.11 per square foot, for a two-year term through June 30, 2025 with no option to renew. **See attached** worksheet.

\*Requires ACHRA Board approval.

**ANOKA COUNTY HOUSING AND REDEVELOPMENT  
AUTHORITY MEETING MINUTES**

Government Center  
Board Room  
Anoka, Minnesota

April 25, 2023

Trustees Present:     Mike Gamache (Chair)  
                              Matt Look  
                              Julie Braastad  
                              Jeff Reinert  
                              Scott Schulte

Absent:                 Julie Jeppson  
                              Mandy Meisner

Others Present:       Karen Skepper, ACHRA Executive Director; Rhonda Sivarajah, County Administrator; Dee Guthman, Deputy County Administrator; David Pedersen, Assistant County Attorney; Linda Hedstrom, Community Development Program Assistant; Tina Pedersen, Administrative Assistant; and citizens

Chair Gamache called the meeting to order at 11:02 a.m.

\* \* \* \* \*

Trustee Look made motion approving the ACHRA minutes from the board meeting of March 28, 2023. Trustee Reinert seconded the motion. Motion carried.

\* \* \* \* \*

Chair Gamache presented the Management Committee report from the meeting of April 14, 2023:

1. Trustee Look made motion approving two, \$25,000 forgivable grants (Contracts #C0009954 and #C0009955) to the Anoka Technical College for a total amount of \$50,000 to purchase two basic machine trades pieces of equipment, subject to review by the county attorney as to form and legality. Trustee Schulte seconded the motion. Upon roll call vote, motion carried.

\* \* \* \* \*

The Anoka County Housing and Redevelopment Authority meeting adjourned at 11:07 a.m.

ATTEST:

**ANOKA COUNTY HOUSING AND  
REDEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Jeff Reinert, its Secretary/Treasurer

By: \_\_\_\_\_  
Mike Gamache, Chair

*Motion carried means all trustees in attendance voted affirmatively unless otherwise noted.*

**ANOKA COUNTY**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MANAGEMENT COMMITTEE REPORT**

FOR THE JUNE 27, 2023  
HOUSING AND REDEVELOPMENT AUTHORITY MEETING

The Anoka County Housing and Redevelopment Authority (ACHRA) Management Committee meeting was held June 13, 2023, in Conference Room - #772, Anoka County Government Center, Anoka, Minnesota.

Present: **Committee Members** – Trustee Mike Gamache (Chair); Trustee Julie Jeppson; Trustee Jeff Reinert; and Trustee Mandy Meisner

**Others** – Karen Skepper, ACHRA Executive Director; Renee Sande, Community Development Manager; David Pedersen, Assistant County Attorney; Jessica Cook, Ehlers Inc., Linda Hedstrom, Associate Community Development Specialist; and Tina Pedersen, Associate Administrative Assistant

**Action Items**

- \*1. The committee recommends the ACHRA Board of Trustees approve the 2024 senior housing budgets, which include a four percent (4%) rent increase for the following Anoka County Housing and Redevelopment Authority senior housing apartments:
  - A. The Willows of Ham Lake
  - B. Savannah Oaks
  - C. Chauncey Barrett Gardens I & II
  - D. The Oaks of Lake George

**See attached** worksheet and memo from Ehlers, Inc.
- \*2. The committee recommends the ACHRA Board of Trustees approve adding additional activity to the Program Year 2023 Action Plan allocating \$900,661 in unallocated Community Development Block Grant (CDBG) funds to the Anoka County’s CDBG Single-Family Home Rehabilitation Loan Program. **See attached** worksheet.
- \*3. The committee recommends the ACHRA Board of Trustees authorize the ACHRA Executive Director to purchase the HUD-approved program management system, Neighborly Software package, for use within the Community Development department. Total cost for implantation and first-year is \$19,400. **See attached** worksheet.
- \*4. The committee recommends the ACHRA Board of Trustees approve travel for one person to attend the National Association for County Community and Economic Development (NACCED) Annual Conference and Training in September. Costs to include \$600 registration, \$730 airfare, \$800 lodging, \$288 per diem, \$75 mileage and \$60 ground transportation.

**Informational Items**

5. For informational purposes, the committee discussed smoke-free senior housing campuses.
6. For informational purposes, the ACHRA received an invoice from Greater MSP in the amount of \$75,000.

\*Requires ACHRA Board Approval.



# ANOKA COUNTY HRA ACTION ITEM

June 13, 2023

HRA

ACTION REQUESTED	Consider approval of the 2024 senior housing budgets.
BACKGROUND	<p>Anoka County HRA owns and operates four senior housing apartment buildings. Each year we work with Great Lakes Management and Ehlers to establish a budget for each property. Key issues to be considered include:</p> <ul style="list-style-type: none"><li>• Rent increases based upon current market conditions</li><li>• Striking a balance between affordability and financial self-sufficiency</li><li>• Cash flow</li><li>• Capital Improvement budgets</li></ul>
SUPPORTING DOCUMENTATION	<ul style="list-style-type: none"><li>• Memo from Jessica Cook, Ehlers</li><li>• Budget and Narrative for the Willows of Ham Lake</li><li>• Budget and Narrative for Savannah Oaks in Ramsey</li><li>• Budget and Narrative for Chauncey Barett Gardens in Centerville</li><li>• Budget and Narrative for the Oaks of Lake George in Oak Grove</li></ul>
FUNDING SOURCE	100% HRA levy pledge required by Bonds Rents collected
RECOMMENDATIONS	Consider approval of the 2024 senior housing budgets.

# MEMORANDUM

**TO:** Anoka County HRA Board of Trustees  
**FROM:** Jessica Cook and Schane Rudlang  
**DATE:** June 22, 2023  
**SUBJECT:** Financial Overview of Senior Housing Projects and 2024 Budgets

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In the summer of each year, the HRA Trustees consider the annual budget for each of the HRA's four senior housing projects. The HRA Management committee considered the proposed budgets at their meeting on June 13<sup>th</sup> and recommended that the Trustees adopt the budgets set forth below as prepared by staff and Great Lakes Management and reviewed by Ehlers. The budget recommendation includes a 4% annual rent increase on each tenant's lease renewal date. The memo below is the information the Committee received at its June meeting and is provided for your reference.

## Background

The Anoka County HRA owns and operates four senior housing apartment buildings listed in the chart below.

Senior Building	City	Number of Units	Security for Financing	Year Constructed
The Willows	Ham Lake	49	City G.O.	1996
Savannah Oaks	Ramsey	50	County G.O.	1998
Chauncey Barrett Gardens	Centerville	47	County G.O.	Phase I – 1997 Phase II – 2004
The Oaks of Lake George	Oak Grove	52	County G.O.	2004 - 2005

The HRA's senior housing development began in the mid to late 1990's. At that time, independent senior housing had become an established product in the housing industry. However, the private sector, by and large, was not bringing the product to Anoka County. Several communities in the County requested assistance from the HRA to construct independent senior living, and each of the participating communities contributed land, credit enhancement on the bonds and/or other resources to their respective projects. Moderately priced, high quality buildings were constructed in the cities of Ham Lake, Ramsey, Centerville, and Oak Grove. The HRA financed the properties and owns and manages them through a fee management company. The buildings offer independent senior housing to low- and moderate-income seniors, with priority given to Anoka County residents.

Three of the projects (The Oaks of Lake George, Chauncey Barrett Gardens, and Savannah Oaks) are financed with revenue bonds backed by a general obligation ("G.O.") pledge from Anoka County. The Willows is financed with revenue bonds backed by the City of Ham Lake's G.O. pledge. The HRA has pledged all or a

portion of the levy it collects in the respective cities to fund project shortfalls, should they occur, and has used the levy to pay for capital improvements.

When the first three projects were financed, it was the intent of the HRA Trustees to use the levy annually to keep projects affordable. The policy emphasis was to keep annual rent increases at or below the cost-of-living increases provided by Social Security. In the last several years, the HRA Trustees have sought to make the projects financially self-sufficient and have implemented rent increases accordingly. The rent increase in 2023 was 6% to keep pace with inflation. The levy has been reserved, when needed, to make capital improvements to the properties. The annual budget process has been the mechanism for balancing the competing goals of affordability and financial self-sufficiency for each project.

## Proposed Rent Increases

This year, inflation is posing a continued challenge to balancing the goals of affordable rents with financial performance of each project. In response to inflation, we are proposing 4.0% rent increases in 2024. This compares to the 8.7% cost of living (COLA) increase social security recipients received in 2023, and the 3.1% COLA increase preliminarily forecast for 2024.

Great Lakes Management annually surveys the senior housing communities in the Anoka County market area using CoStar, a subscription market research service. The HRA's rents continue to be lower than the market average with the exception of The Oaks of Lake George. In that property higher rents are driven by high sewer and water costs.

Property	Property Average One Bdrm. Rent	Market Area Average One Bdrm. Rent/Sq. Ft.	Difference
Willows of Ham Lake	\$920	\$1,161	\$241
Chauncey Barrett Gardens	\$964	\$1,110	\$146
Savannah Oaks	\$1,079	\$1,185	\$106
The Oaks of Lake George	\$1,100	\$1,065	(\$35)

## Budget Process

Ehlers was requested to review the proposed budgets as prepared by Great Lakes Management and HRA staff, and to prepare this overview. The 2024 budget packet includes for each project:

1. An Operating Budget Narrative and Capital Improvement Budget; and
2. A budget worksheet that shows the historical financial performance of the projects and the proposed 2024 budget.



The team has carefully reviewed all budget line items and is proposing 2024 budgets that limit the annual operating expenditure increases to less than 5% for all properties.

## Operating Costs

Across all the properties, operating expenses are increasing 1.6% to 4.7%. The highest line-item expense increase is for salaries. This is due to the strategic recommendation that the HRA increase maintenance staff to supplant some of the contracted services. Inflationary cost pressures are highest in contract services such as temporary cleaning to cover for vacations (increases of over 100%) and other services such as snow removal and window washing. While in this first year we anticipate that switching from contract services to additional on-site staff will be a “break-even” proposition, we believe that in future years we will have better control over staff costs than contracted service and outside repair and maintenance costs.

## Capital Improvement Budgets

The senior housing buildings range in age from 19 to 27 years and are facing the need for increased capital improvements. Rents and accumulated project reserves are sufficient to fund 100% of the identified capital needs at The Willows. For Savannah Oaks and The Oaks of Lake George, the HRA levy accumulated for each respective community is available to pay for upcoming projects. Chauncey Barrett Gardens, however, is projected to not have enough HRA levy to pay for all the capital needs of the development. By 2027 other sources of funding or financing will need to be identified for Chauncey Barrett Gardens.

## The Willows of Ham Lake

This project has historically performed well financially because it has its own well and septic system and does not pay city utilities. Being the oldest building, it also has the lease debt outstanding. The 2023 net income is expected to be approximately \$70,821. The bonds that financed the project will be paid in full in 2025.

**2024 Budget** – The proposed budget shows the project is expected to have positive net income of \$74,735 with a 4.0% rent increase. It includes a 4.0% increase over expected 2023 operating expenses and assumes 97% occupancy. Current occupancy is 100%.

While the anticipated annual capital improvement expense exceeds the projected net operating income in 2024, The Willows has sufficient cash reserves to fund all needed capital improvements.

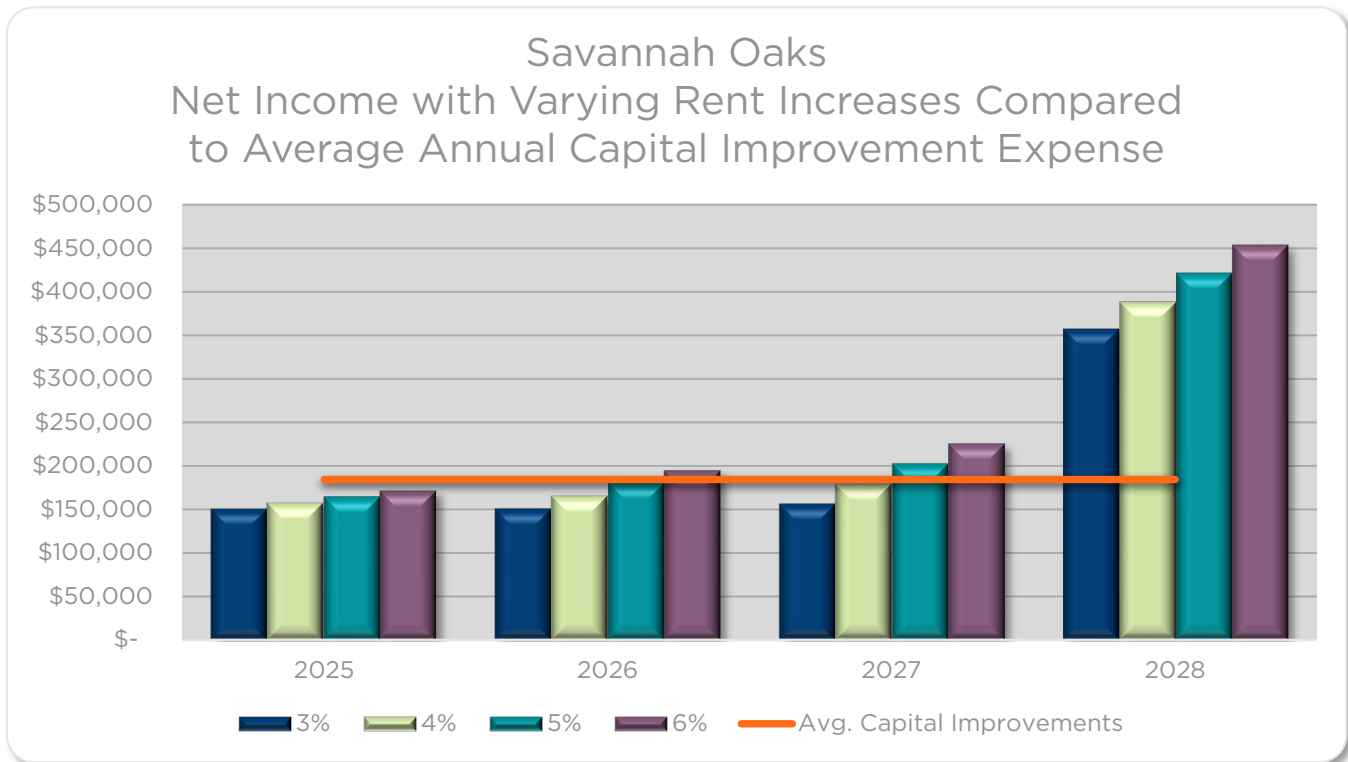
## Savannah Oaks

Savannah Oaks has maintained positive healthy cash reserves which were used to replace the HVAC systems recently. Future capital improvements will be funded with net income and HRA levy. Net income of \$85,365 is expected in 2023. The bonds that financed the project will be paid off in 2027.

**2024 Budget** – The proposed budget shows a positive net income of \$140,156 with a 4.0% increase in rents. The jump in net income over 2023 is due to declining debt service. Expenses are expected to

increase 1.6% over expected 2023 expenses. The budget also assumes 97% occupancy. Current occupancy is 100%.

The graph below compares annual net operating income at varying future rent increases to the average annual capital improvement expense (represented by the orange line). Expenses are assumed to increase 5% annually beginning in 2025. Savannah Oaks will need to rely on some HRA levy funds from the City of Ramsey to pay for capital improvements in 2025 and 2026. Net operating income jumps up when the debt is fully retired in 2028.

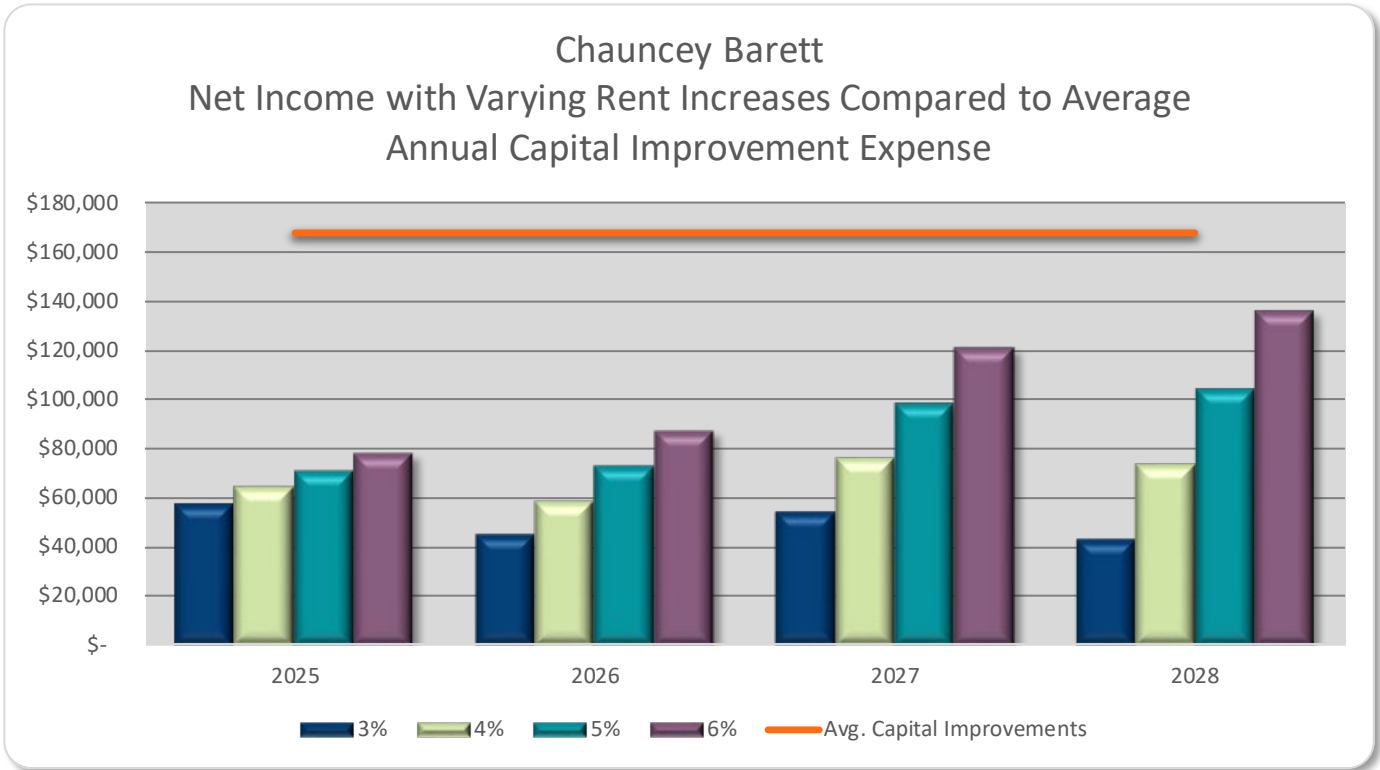


## Chauncey Baret Gardens

Historically, the HRA has contributed a portion of its HRA levy from the City of Centerville toward annual debt service on Chauncey Baret Gardens’ bonds. Through careful management and steady rent increases, the project has started to have positive cashflow. The projected net income for 2023 is \$36,083 . The bonds that financed the project will be paid in full in 2033.

**2024 Budget** – The proposed budget shows a net income of \$51,714 with a 4.0% rent increase. Expenses are proposed to increase 3.3% over expected 2023 expenses and 97% occupancy is budgeted. Current occupancy is 100%.

The graph below compares annual net operating income at varying future rent increases to the average annual capital improvement expense (represented by the orange line). We have assumed a 4.0% rent increase in 2024. Expenses are assumed to increase 5.0% annually beginning in 2025. This graph shows that the HRA will need to rely on HRA levy funds from the City of Centerville to pay for capital improvements. After 2027 the accumulated levy funds are projected to be fully expended and the HRA will need to find other funding sources or finance the capital improvements at the property.



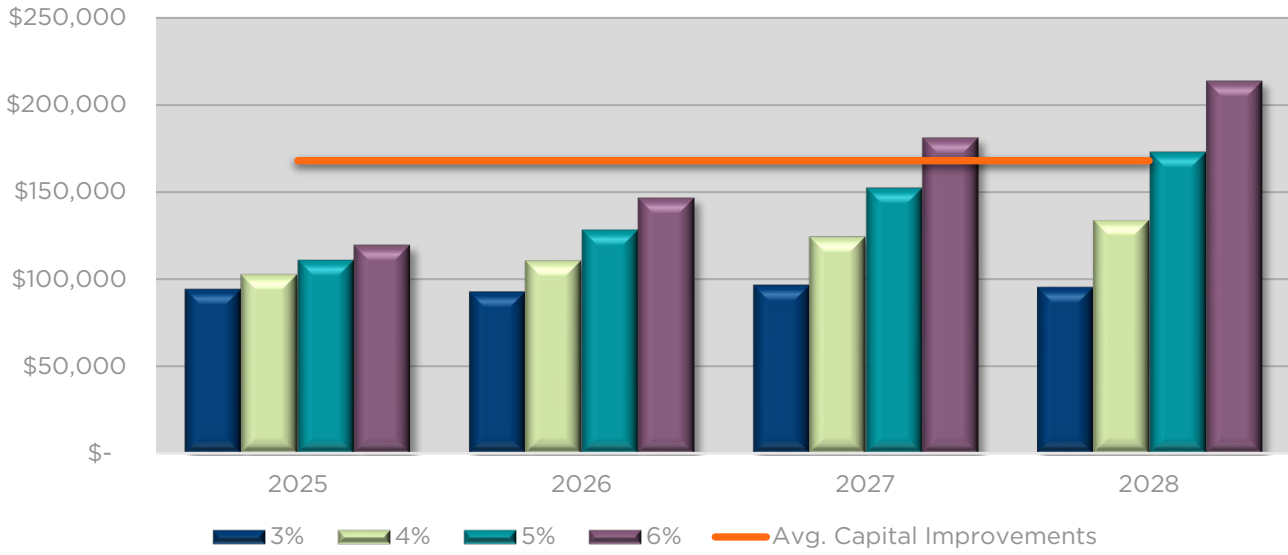
## The Oaks of Lake George

The Oaks project is expected to have net income of \$69,453 in 2023. The bonds that financed the project will be paid in full in 2035.

**2024 Budget** –The budget shows a net income of \$84,994 with a 4.0% rent increase. Expenses are expected to increase 4.7% over expected 2023 expenses. The proposed 2024 budget assumes a 97% occupancy rate. Current occupancy is 100%.

The graph below compares annual net operating income at varying future rent increases to the average annual capital improvement expense (represented by the orange line). We have assumed a 4.0% rent increase in 2024 and expenses are assumed to increase 5% annually beginning in 2025. This graph shows that the HRA will need to rely on HRA levy funds from the City of Oak Grove to pay for capital improvements.

### The Oaks of Lake George Net Income with Varying Rent Increases Compared to Average Annual Capital Improvement Expense



# The Willows 2024 Budget Narrative

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June 8, 2023

## PROJECT SUMMARY

The Willows is a 49-unit senior housing building in the City of Ham Lake. The project is 100% occupied.

**The proposed 2024 budget reflects a 4.0% rent increase.** A 4.0% rate increase would result in the following rents:

Floor Plan	Total Units	Square Feet	Current Rent	Renewal
1 BR	12	660	867	902
1 BR	6	705	1,018	1,058
1 BR	1	718	935	972
1 BR	5	776	996	1,036
1 BR	2	854	1,123	1,167
1 BR + Den	11	920	1,141	1,186
2 BR	9	1,037	1,208	1,257
2 BR	3	1,220	1,415	1,472

No increase is proposed to the monthly parking rate of \$40.

## OPERATING REVENUE

**Gross Apartment Rent** is the total potential apartment rental revenue at 100% occupancy assuming a 4.0% rent increase at lease renewal. \$640,006

**Gross Revenue** is the gross apartment rent, plus gross parking income and miscellaneous income. 662,773

**Net Revenue** is the gross revenue less a projected vacancy loss of 3%. **\$642,565**

# The Willows 2024 Budget Narrative

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## OPERATING EXPENSE

Due to inflation pressures in 2023, operating expenses in the current year are expected to be 2.3% higher than the current 2023 budget. Operating expenses in 2024 are budgeted to increase 4.0% from 2023 year end estimated expenses.

Salaries & Benefits	\$119,025
Assumes 11.4% increase over 2023 year end estimate. Salaries are proposed to increase up to 5% based on merit and increases to the hours of the maintenance staff to avoid higher contract cleaning costs. Salaries at this property are higher because the manager is paid a salary in lieu of a rent concession.	
General Administration	24,802
Assumes 3.8% increase over 2023 year end estimate.	
Professional Services	51,866
Assumes 4.9% increase from 2023 year end estimate. The HRA plans a 2% increase in its management fee. The Great Lakes Management fee is based on the contract amount approved following the recent RFP process.	
Utility Expense	34,129
Assumes a 4.7% increase from the 2023 year end estimate. The Willows utilities are lower than the other buildings because the property has its own well and septic system.	
Contract Services	49,825
Assumes an -4.0% decrease over the 2023 year end estimate. Contract Services includes elevator and lawn maintenance, snow removal and the like. The decrease is the result of increasing maintenance staff time.	
Repairs & Maintenance	25,324
Assumes a -1.6% decrease from 2023 year end estimate.	
Insurance & Taxes	45,684
Assumes a -2.2% decrease over the 2023 year end estimate. The property is tax-exempt and makes a Payment in Lieu of Taxes (PILOT) calculated at 5% of 2023 effective revenue less utilities. The budget allows \$28,004 for PILOT and \$16,200 for insurance (decrease of \$2,886 from 2023 due to altering the coverage requirements). Special assessments are \$1,480.	
<b>Total Operating Expense</b>	<b>\$350,655</b>
<b>Net Operating Income</b>	<b>\$291,910</b>

## The Willows 2024 Budget Narrative

<b>Net Operating Income</b>	<b>\$291,910</b>
(From previous page)	
Less Debt Service	\$(204,875)
Principal and interest payments on the bonds	
Less Other Non-Operating Expenses	\$0
Less Operating Reserve	(9,800)
Bond covenants require the project to set aside \$200 per unit per year into a replacement reserve held by the Bond Trustee.	
Less Bond Trustee Fee	(2,500)
The annual fee paid to the Bond Trustee.	
<b>Net Income (Loss)</b>	<b>\$74,735</b>

\*Losses are funded with the HRA levy and/or cash reserves.

In addition to operating expenses, the HRA will need to invest in capital improvements for The Willows.

### PROPOSED CAPITAL IMPROVEMENT PLAN

Project Name	Budget		Annual Capital Expenditures			
	2023	2024	2025	2026	2027	2028
Unit Flooring Replacement	\$ 14,700	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Appliance Replacement	9,000	10,000	10,000	10,000	10,000	10,000
HVAC Common Area	3,500	6,000	6,000	6,000	6,000	6,000
Unit Cabinets	30,000	30,000	30,000	30,000	30,000	30,000
Common Area Flooring	18,000	10,000	50,000	100,000	-	-
Common Area Furniture	30,000	-	6,000	-	-	-
Common Area Painting	4,000	4,000	6,000	6,000	6,000	6,000
Building	6,500	85,500	18,000	-	-	150,000
Window Replacement	10,000	-	25,000	200,000	-	-
Lighting	-	6,500	-	-	-	-
Signage	-	1,200	-	-	-	-
Concrete Repairs	-	7,500	-	-	75,000	-
Landscaping	-	6,000	-	-	-	-
Water Softener	-	20,000	-	-	-	-
Trail	-	-	-	-	-	-
Elevator Upgrades	125,000	-	-	-	-	-
Asphalt	25,000	-	-	-	-	-
Fire/Sprinkler	5,000	5,000	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 280,700</b>	<b>\$ 206,700</b>	<b>\$ 166,000</b>	<b>\$ 367,000</b>	<b>\$ 142,000</b>	<b>\$ 217,000</b>
Per Unit Costs	\$ 5,729	\$ 4,218	\$ 3,388	\$ 7,490	\$ 2,898	\$ 4,429

## The Willows 2024 Budget Narrative

The HRA has two primary sources for funding capital improvements: cash available in the project's various accounts and the HRA levy collected in the City of Ham Lake. The charts below show proposed funding sources for the capital improvements, and the projected balance in the HRA levy account for the City of Ham Lake. Project cashflow will be sufficient to pay for all capital expenses.

### CAPITAL IMPROVEMENT FUNDING

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
<b>Beginning Cash (Jan 1)</b>						
Great Lakes Checking	\$26,225					
Repair and Replacement Account	160,106					
Surplus Account	369,774					
<b>Subtotal Beginning Cash</b>	<b>\$ 556,105</b>	<b>\$ 356,026</b>	<b>\$ 223,526</b>	<b>\$ 331,665</b>	<b>\$ 199,416</b>	<b>\$ 320,535</b>
Annual Net Income/(Loss)*	\$ 70,821	\$ 74,735	\$ 281,354	\$ 282,800	\$ 283,921	\$ 284,689
<b>Plus Additions to:</b>						
Repair and Replacement Account	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800
Less Capital Expenditures**	(280,700)	(217,035)	(183,015)	(424,848)	(172,602)	(276,953)
Annual Cashflow before HRA Levy	\$ (200,079)	\$ (132,500)	\$ 108,139	\$ (132,249)	\$ 121,119	\$ 17,536
<b>Transfer In: HRA Levy</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Cash (Dec 31)</b>	<b>\$ 356,026</b>	<b>\$ 223,526</b>	<b>\$ 331,665</b>	<b>\$ 199,416</b>	<b>\$ 320,535</b>	<b>\$ 338,070</b>

Notes: \* - Assumes a 4% rent increase in 2024 and 3% annual rent increases thereafter.

\*\* - CIP costs are inflated 5% annually from the Capital Improvement Plan shown above.

### HRA LEVY ACCOUNT PROJECTED CASH BALANCE

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
Beginning Cash (Jan 1)	\$ 3,893,621	\$ 6,123,387	\$ 6,456,451	\$ 6,792,845	\$ 7,132,603	\$ 7,475,759
Less: Crosstown Business Park	1,900,000					
Plus Levy Receipts**	329,766	333,064	336,394	339,758	343,156	346,587
Less Funding Senior Project	-	-	-	-	-	-
<b>Ending Cash (Dec 31)</b>	<b>\$ 6,123,387</b>	<b>\$ 6,456,451</b>	<b>\$ 6,792,845</b>	<b>\$ 7,132,603</b>	<b>\$ 7,475,759</b>	<b>\$ 7,822,346</b>

Note: \*\* - Assumes a 1% annual increase in levy receipts



# The Willows 2024 Budget Narrative

## 2024 COMPARATIVE BUDGET ANALYSIS

	2022 Actuals	Approved 2023 Budget	2023 Year End Est	2023 Variance Budget vs. Y/E	2024 Budget	Variance over 2023 Y/E Est
<b>REVENUE</b>						
Gross Apartment Rent	\$ 584,777	\$ 610,451	\$ 610,451	0.0%	\$ 640,006	4.8%
Gross Revenue	607,077	633,035	633,035	0.0%	662,773	4.7%
<b>Net Revenue</b>	<b>\$ 606,099</b>	<b>\$ 614,747</b>	<b>\$ 619,747</b>	<b>0.8%</b>	<b>\$ 642,565</b>	<b>3.7%</b>
<b>EXPENSES</b>						
Salaries	\$ 100,850	\$ 104,340	\$ 106,840	2.4%	\$ 119,025	11.4%
General Administrative	17,013	19,075	23,899	25.3%	24,802	3.8%
Professional Fees	48,770	49,459	49,459	3.8%	51,866	4.9%
Utility Expense	30,791	32,585	32,585	0.0%	34,129	4.7%
Contract Services	44,883	51,920	51,920	0.0%	49,825	-4.0%
Repairs and Maintenance	30,430	22,730	25,730	13.2%	25,324	-1.6%
Insurance and R.E. Taxes	48,359	49,378	46,693	-5.4%	45,684	-2.2%
<b>Total Operating Expense</b>	<b>\$ 321,096</b>	<b>\$ 329,487</b>	<b>\$ 337,126</b>	<b>2.3%</b>	<b>\$ 350,655</b>	<b>4.0%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 285,003</b>	<b>\$ 285,260</b>	<b>\$ 282,621</b>	<b>-0.9%</b>	<b>\$ 291,910</b>	<b>3.3%</b>
Debt Service	\$ (199,000)	\$ (199,500)	\$ (199,500)	0.0%	\$ (204,875)	2.7%
Replacement Reserve	(9,800)	(9,800)	(9,800)	0.0%	(9,800)	0.0%
Other Non-Operating Expenses	(153)	-	-	0.0%	-	0.0%
Trustee Fee	(2,500)	(2,500)	(2,500)	0.0%	(2,500)	0.0%
<b>Debt Service and Related Costs</b>	<b>\$ (211,453)</b>	<b>\$ (211,800)</b>	<b>\$ (211,800)</b>	<b>0.0%</b>	<b>\$ (217,175)</b>	<b>2.5%</b>
<b>NET INCOME</b>	<b>\$ 73,550</b>	<b>\$ 73,460</b>	<b>\$ 70,821</b>	<b>-3.6%</b>	<b>\$ 74,735</b>	<b>5.5%</b>

# Savannah Oaks 2023 Budget Narrative

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June 8, 2023

## PROJECT SUMMARY

Savannah Oaks is a 50-unit senior building in the City of Ramsey. The project is 100% occupied.

**The proposed 2024 budget reflects a 4.0% rent increase.** A 4.0% rent increase would result in the following rents:

Floor Plan	Total Units	Square Feet	Current Rent	Renewal
1 BR	18	705 sf.	990	1,030
1 BR + Den	11	908, 910 sf.	1,169	1,216
1 BR + Den	9	948,958 sf.	1,208	1,256
2 BR	12	1,020 sf.	1,433	1,490

No increase is proposed to the monthly parking rate of \$40.

## OPERATING REVENUE

**Gross Apartment Rent** is the total potential apartment rental revenue at 100% occupancy assuming a 4.0% rent increase at least renewal. \$717,377

**Gross Revenue** is the gross apartment rent, plus gross parking income and miscellaneous income. 743,867

**Net Revenue** is the gross revenue less a projected vacancy loss of 3%. \$706,650

# Savannah Oaks 2023 Budget Narrative

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## OPERATING EXPENSES

Due to inflation pressures in 2023, operating expenses in the current year are expected to be 0.3% higher than the current budget. The operating expenses in 2024 are budgeted to increase 1.6% compared to the 2023 year end estimate.

Salaries & Benefits	\$96,928
Assumes a 7.6% increase over 2023. Salaries increase up to 5% for merit pay increases plus additional maintenance staff time is budgeted to avoid higher contract cleaning fees and other contract services.	
General Administration	26,726
Assumes a -1.8% decrease from expected 2023 costs.	
Professional Services	58,970
This reflects a 2.9% increase from the 2023 year end estimate. The HRA plans for a 2.0% increase in its management fee. The Great Lakes Management fee is based on the contract amount approved following the recent RFP process.	
Utility Expense	49,061
Assumes a 2.5% increase from 2023 year end estimate.	
Contract Services	47,454
Assumes 2.7% increase from 2023 year end estimate. Contract Services includes elevator and lawn maintenance, snow removal and the like.	
Repairs & Maintenance	22,200
Assumes 2.9% increase over 2023 year end estimate.	
Insurance & Taxes	51,155
Assumes a -9.6% decrease from 2023. The property is tax exempt and makes a Payment in Lieu of Tax (PILOT) calculated at 5% of 2023 net shelter rent less utilities. The budget allows \$30,783 for PILOT and \$18,972 for insurance (down by \$7,784 from last year due to changes to the coverage requirements). Special assessments are \$1,400.	
<b>Total Operating Expense</b>	<b>\$352,494</b>
<b>Net Operating Income</b>	<b>\$354,156</b>

## Savannah Oaks 2023 Budget Narrative

<b>Net Operating Income</b>	<b>\$354,156</b>
(From previous page)	
Less Debt Service	\$(204,000)
Principal and interest payments on the bonds.	
Less Other Non-Operating Expenses	\$0
Less Operating Reserve	(10,000)
Bond covenants require the project to set aside \$200 per unit per year into a replacement reserve held by the Bond Trustee.	
Less Bond Trustee Fee	\$0
<b>Net Income (Loss) with a 4.0% rent increase</b>	<b>\$140,156</b>

\*Losses are funded with the HRA levy and/or cash reserves.

In addition to operating expenses, the HRA will need to fund capital improvements for Savannah Oaks. Savannah Oaks is budgeted to complete a roof replacement and a major elevator project in 2023.

### PROPOSED CAPITAL IMPROVEMENT PLAN

Project Name	Budget	Annual Capital Expenditures				
	2023	2024	2025	2026	2027	2028
Unit Flooring Replacement	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600
Appliance Replacement	9,000	10,000	10,000	10,000	10,000	10,000
HVAC Replacement	-	-	-	-	-	-
Common Area Painting	6,500	6,500	6,500	15,000	-	-
Common Area Carpet	-	-	-	25,000	25,000	25,000
Soil Erosion	5,000	-	-	-	-	-
Building	274,000	14,000	14,000	14,000	14,000	14,000
Security	1,920	-	-	-	-	-
Building Windows	15,000	15,000	65,000	250,000	-	-
Concrete	-	-	-	-	-	-
Lighting	-	5,000	5,000	5,000	-	-
Garage/Parking Lot	71,500	15,000	50,000	-	-	10,000
Elevator	150,000	-	-	-	-	-
Sprinkler/Fire Safety	5,000	55,000	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 559,520</b>	<b>\$ 142,100</b>	<b>\$ 172,100</b>	<b>\$ 340,600</b>	<b>\$ 70,600</b>	<b>\$ 80,600</b>
Per Unit Costs	\$ 11,190	\$ 2,842	\$ 3,442	\$ 6,812	\$ 1,412	\$ 1,612

## Savannah Oaks 2023 Budget Narrative

The HRA has two primary sources for funding capital improvements: cash available in the project's various accounts and the HRA levy collected in the City of Ramsey. The charts below show proposed funding sources for the capital improvements and the impact on the HRA levy account for the City of Ramsey.

### CAPITAL IMPROVEMENT FUNDING

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
<b>Beginning Cash (Jan 1)</b>						
Great Lakes Checking	\$24,607					
Repair and Replacement	114,927					
Surplus Account	35,256					
<b>Subtotal Beginning Cash</b>	<b>\$ 174,790</b>	<b>\$ 75,635</b>	<b>\$ 76,586</b>	<b>\$ 67,576</b>	<b>\$ 54,349</b>	<b>\$ 135,053</b>
Annual Net Income/(Loss)*	\$ 85,365	\$ 140,156	\$ 150,730	\$ 151,060	\$ 156,519	\$ 356,882
<b>Plus Additions to:</b>						
Repair and Replacement Account	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Less Capital Expenditures**	(559,520)	(149,205)	(189,740)	(394,287)	(85,815)	(102,868)
Annual Cashflow before HRA Levy	\$ (464,155)	\$ 951	\$ (29,010)	\$ (233,227)	\$ 80,705	\$ 264,013
<b>Transfer In: HRA Levy</b>	<b>\$ 365,000</b>		<b>\$ 20,000</b>	<b>\$ 220,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Cash (Dec 31)</b>	<b>\$ 75,635</b>	<b>\$ 76,586</b>	<b>\$ 67,576</b>	<b>\$ 54,349</b>	<b>\$ 135,053</b>	<b>\$ 399,067</b>

**Notes:** \* - Assumes a 4.0% annual rent increase in 2024 and a 3% annual rent increase thereafter

\*\* - CIP costs are inflated 5% annually from the Capital Improvement Plan shown above beginning in 2024.

### HRA LEVY ACCOUNT PROJECTED CASH BALANCE

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
Beginning Cash (Jan 1)	\$ 1,737,195	\$ 1,169,834	\$ 1,621,949	\$ 2,058,586	\$ 2,299,789	\$ 2,765,604
Less: Funds for Riverdale Project	(650,000)					
Plus Levy Receipts**	447,639	452,115	456,637	461,203	465,815	470,473
Less Funding Senior Project	(365,000)	-	(20,000)	(220,000)	-	-
<b>Ending Cash (Dec 31)</b>	<b>\$ 1,169,834</b>	<b>\$ 1,621,949</b>	<b>\$ 2,058,586</b>	<b>\$ 2,299,789</b>	<b>\$ 2,765,604</b>	<b>\$ 3,236,077</b>

**Notes:** \*\* - Assumes a 1% annual increase in levy receipts.

# Savannah Oaks 2023 Budget Narrative

## 2023 COMPARATIVE BUDGET ANALYSIS

	2022 Actuals	Approved 2023 Budget	2023 Year End Est	2023 Variance Budget vs. Y/E	2024 Budget	Variance over 2023 Y/E Est
<b>REVENUE</b>						
Gross Apartment Rent	\$ 655,773	\$ 683,627	\$ 683,627	0.0%	\$ 717,377	4.9%
Gross Revenue	684,659	709,607	709,607	0.0%	743,867	4.8%
<b>Net Revenue</b>	<b>\$ 666,841</b>	<b>\$ 674,202</b>	<b>\$ 679,202</b>	<b>0.7%</b>	<b>\$ 706,650</b>	<b>4.0%</b>
<b>EXPENSES</b>						
Salaries	\$ 88,346	\$ 88,056	\$ 90,056	2.3%	\$ 96,928	7.6%
General Administrative	21,736	22,600	27,220	20.4%	26,726	-1.8%
Professional Fees	58,078	57,318	57,318	3.8%	58,970	2.9%
Utility Expense	39,343	47,848	47,848	0.0%	49,061	2.5%
Contract Services	45,037	49,219	46,219	-6.1%	47,454	2.7%
Repairs and Maintenance	32,807	21,580	21,580	0.0%	22,200	2.9%
Insurance and R.E. Taxes	53,379	59,197	56,596	-4.4%	51,155	-9.6%
<b>Total Operating Expense</b>	<b>\$ 338,726</b>	<b>\$ 345,818</b>	<b>\$ 346,837</b>	<b>0.3%</b>	<b>\$ 352,494</b>	<b>1.6%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 328,115</b>	<b>\$ 328,384</b>	<b>\$ 332,365</b>	<b>1.2%</b>	<b>\$ 354,156</b>	<b>6.6%</b>
<b>DEBT SERVICE AND RELATED COSTS</b>						
Debt Service	\$ (239,800)	\$ (237,000)	\$ (237,000)	0.0%	\$ (204,000)	-13.9%
Replacement Reserve	(10,000)	(10,000)	(10,000)	0.0%	(10,000)	0.0%
Other Non-Operating Expenses	(157)	-	-	0.0%	-	0.0%
Trustee Fee	-	-	-	0.0%	-	0.0%
<b>Debt Service and Related Costs</b>	<b>\$ (249,957)</b>	<b>\$ (247,000)</b>	<b>\$ (247,000)</b>	<b>0.0%</b>	<b>\$ (214,000)</b>	<b>-13.4%</b>
<b>NET INCOME</b>	<b>\$ 78,158</b>	<b>\$ 81,384</b>	<b>\$ 85,365</b>	<b>4.9%</b>	<b>\$ 140,156</b>	<b>64.2%</b>

# Chauncey Baret Gardens 2024 Budget Narrative

June 8, 2023

## 2023 PROJECT SUMMARY

Chauncey Baret Gardens is a 47-unit senior housing development in Centerville. The first phase of the project, containing 16 units, was completed and leased in 1999. The second phase was constructed in 2004 and has higher rents due to higher construction costs. The project is currently 98% occupied.

The proposed 2024 budget reflects a 4.0% rent increase. A 4.0% rate increase would result in the following rents:

### Chauncey Baret Gardens Phase I

Floor Plan	Total Units	Square Feet	Current Rent	Renewal
1 BR	2	750	\$ 979	1,018
1 BR + Den	6	1,005	\$ 1,095	1,139
2 BR	8	970	\$ 1,194	1,242

### Chauncey Baret Gardens Phase II

Floor Plan	Total Units	Square Feet	Current Rent	Renewal
1 BR Home	2	705 - 786 sf.	896	923
1 BR	3	705 sf.	1,119	1,153
	3	786 sf.	1,119	1,153
1 BR + Den	1	907 sf.	1,230	1,267
	10	909 sf.	1,230	1,267
	2	925 sf.	1,266	1,304
2 BR	7	964 sf.	1,378	1,419
	1	970 sf.	1,378	1,419
	2	1,020 sf.	1,418	1,460

No increase is proposed to the monthly parking rate of \$40.

## OPERATING REVENUE

The budget assumes an occupancy rate of 97%.

**Gross Apartment Rent** is the total potential apartment rental revenue at 100% occupancy assuming a 4.0% rent increase at lease renewal. \$692,087

**Gross Revenue** is the gross apartment rent, plus gross parking income and miscellaneous income. 714,849

# Chauncey Baret Gardens 2024 Budget Narrative

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**Net Revenue** is the gross revenue plus a projected vacancy loss of 3% and the lost rent on the resident manager's apartment. The resident manager receives free rent as part of her compensation. \$677,739

## OPERATING EXPENSE

Due to inflation pressures in 2023, operating expenses in the current year are expected to be 1.5% higher than the current budget. Operating expenses in 2024 are budgeted to increase 3.3% over the year-end estimated expenses.

Salaries and Benefits	\$104,682
Assumes a 15.8% increase over 2023. This includes up to a 5.0% merit-based increase in salaries plus an increase in the number of maintenance staff hours to avoid higher contract cleaning costs and other contract maintenance and repair costs.	
General Administration	23,440
Assumes a -2.4% decrease from year end. General administration includes marketing, postage, copies, telephone, and other administrative costs, excluding salaries.	
Professional Fees	56,623
This reflects a 3.4% increase from last year. The HRA plans a 2% increase in its management fee. The Great Lakes Management fee is based on the contract amount determined in the recent RFP process.	
Utility Expense	48,967
Assumes a 5.1% increase from the 2023 year-end estimates.	
Contract Services	51,584
Assumes a 3.3% increase over the 2023 year-end estimates.	
Repair & Maintenance	36,950
Assumes a -4.3% decrease over 2023 year-end estimates.	
Insurance & Taxes	46,671
Assumes a -11.7% decrease over 2023. The property is tax-exempt and makes a Payment in Lieu of Tax (PILOT) calculated at 5% of 2023 effective revenue less utilities. The budget allows \$29,377 for PILOT and \$15,744 for Insurance (down from \$24,000 in 2023 or a decrease of \$8,256 due to a change in the coverage requirements). Special assessments are \$1,550.	
<b>Total Operating Expense</b>	<b>\$368,917</b>
<b>Net Operating Income</b>	<b>\$308,821</b>



## Chauncey Baret Gardens 2024 Budget Narrative

Net Operating Income (From previous page)	\$308,821
Less Debt Service Principal and interest payments on the bonds and County loan.	\$(247,707)
Less Other Non-Operating Expenses	\$0
Less Replacement Reserve Bond covenants require the project to set aside \$200 per unit per year into a replacement reserve.	(9,400)
Less Bond Trustee Fee When the Bonds were refunded in 2019 the County opted to manage bond repayment and reserves without a Trustee.	\$0
<b>Net Income (Loss) with a 4.0% rent increase</b>	<b>\$51,714</b>

\*Losses are funded from available cash reserves or tax levy.

This is the fifth year in a row the budget projects a positive ending net income instead of net loss. Regardless, the HRA will need to continue to fund capital improvements for Chauncey Baret Gardens from the HRA levy.

### PROPOSED CAPITAL IMPROVEMENT PLAN

Project Name	Budget		Annual Capital Expenditures				
	2023	2024	2025	2026	2027	2028	
Unit Flooring Replacement	\$ 14,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	
Appliance Replacement	8,500	10,000	10,000	10,000	10,000	10,000	
HVAC Apartment	19,500	30,000	30,000	30,000	30,000	30,000	
HVAC Common Area	9,850	10,000	10,000	10,000	3,500	3,500	
7026 countertops	2,400	-	-	-	-	-	
Common Area Furniture	-	-	-	-	-	-	
Common Area Painting	-	-	-	-	-	-	
Building	38,900	89,500	40,000	61,500	61,500	11,500	
Security	6,000	37,000	-	50,000	-	-	
Unit Cabinets	2,500	15,000	15,000	15,000	15,000	15,000	
Concrete	20,000	-	-	-	-	-	
Garage/Parking Lot	18,000	-	7,500	-	75,000	-	
Landscaping	-	20,000	-	-	-	-	
Lighting	-	-	8,000	-	-	-	
Window Replacement	20,000	20,000	20,000	20,000	20,000	20,000	
Elevator	-	-	125,000	-	-	-	
Fire Suppression	24,000	-	-	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>\$ 183,650</b>	<b>\$ 246,500</b>	<b>\$ 280,500</b>	<b>\$ 211,500</b>	<b>\$ 230,000</b>	<b>\$ 105,000</b>	
Per Unit Costs	\$ 3,907	\$ 5,245	\$ 5,968	\$ 4,500	\$ 4,894	\$ 2,234	

## Chauncey Baret Gardens 2024 Budget Narrative

The capital improvements listed in the previous chart are the priority projects. The HRA has two primary sources for funding capital improvements: cash available in the project's various accounts and the HRA levy collected in the City of Centerville. The charts below show the proposed funding sources and the impact on the HRA levy account for the City of Centerville. Beginning in 2027, these sources will no longer be sufficient to pay for all of the capital improvements.

### CAPITAL IMPROVEMENT FUNDING

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
<b>Beginning Cash (Jan. 1)</b>						
Great Lakes Checking	\$14,863					
Repair and Replacement Account	32,443					
Surplus Account	20,379					
<b>Subtotal Beginning Cash</b>	<b>\$ 67,685</b>	<b>\$ 39,518</b>	<b>\$ 56,807</b>	<b>\$ 64,756</b>	<b>\$ 54,413</b>	<b>\$ (51,784)</b>
Annual Net Income/(Loss)*	\$ 36,083	\$ 51,714	\$ 57,800	\$ 45,094	\$ 54,528	\$ 43,592
<b>Plus Additions to:</b>						
Repair and Replacement Account	\$ 9,400	\$ 9,400	\$ 9,400	\$ 9,400	\$ 9,400	\$ 9,400
Less Capital Expenditures**	(183,650)	(258,825)	(309,251)	(244,838)	(279,566)	(134,010)
Annual Cashflow before HRA Levy	\$ (138,167)	\$ (197,711)	\$ (242,051)	\$ (190,344)	\$ (215,639)	\$ (81,018)
<b>Transfer In: HRA Levy</b>	<b>\$ 110,000</b>	<b>\$ 215,000</b>	<b>\$ 250,000</b>	<b>\$ 180,000</b>	<b>\$ 109,442</b>	<b>\$ 74,349</b>
<b>Ending Cash (Dec 31)</b>	<b>\$ 39,518</b>	<b>\$ 56,807</b>	<b>\$ 64,756</b>	<b>\$ 54,413</b>	<b>\$ (51,784)</b>	<b>\$ (58,453)</b>

**Notes:** \* - Assumes a 4.0% rent increase in 2024 and 3% annual rent increases thereafter.

\*\* - CIP costs are inflated 5% annual from the Capital Improvement Plan shown above beginning in 2025.

### HRA LEVY ACCOUNT PROJECTED CASH BALANCE

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
Beginning Cash (Jan 1)	\$ 503,597	\$ 464,337	\$ 320,784	\$ 142,946	\$ 35,830	\$ 0
Plus Levy Receipts**	70,740	71,447	72,162	72,883	73,612	74,348
Less Funding Senior Project	(110,000)	(215,000)	(250,000)	(180,000)	(109,442)	(74,349)
<b>Ending Cash (Dec 31)</b>	<b>\$ 464,337</b>	<b>\$ 320,784</b>	<b>\$ 142,946</b>	<b>\$ 35,830</b>	<b>\$ 0</b>	<b>\$ (0)</b>

**Notes:** \*\*\* - Assumes a 1% annual increase in levy receipts

# Chauncey Barrett Gardens 2024 Budget Narrative

## 2024 COMPARATIVE BUDGET ANALYSIS

	2022 Actuals	Approved 2023 Budget	2023 Year End Est	2023 Variance Budget vs. Y/E	2024 Budget	Variance over 2023 Y/E Est
<b>REVENUE</b>						
Gross Apartment Rent	\$ 629,383	\$ 657,237	\$ 657,237	0.0%	\$ 692,087	5.3%
Gross Revenue	652,083	679,809	679,809	0.0%	714,849	5.2%
<b>Net Revenue</b>	<b>\$ 630,943</b>	<b>\$ 644,434</b>	<b>\$ 649,434</b>	<b>0.8%</b>	<b>\$ 677,739</b>	<b>4.4%</b>
<b>EXPENSES</b>						
Salaries	\$ 84,861	\$ 83,935	\$ 90,435	7.7%	\$ 104,682	15.8%
General Administrative	24,186	22,515	24,015	6.7%	23,440	-2.4%
Professional Fees	55,039	54,770	54,770	3.8%	56,623	3.4%
Utility Expense	41,273	44,612	46,612	4.5%	48,967	5.1%
Contract Services	56,646	41,457	49,957	20.5%	51,584	3.3%
Repairs and Maintenance	44,785	49,600	38,600	-22.2%	36,950	-4.3%
Insurance and R.E. Taxes	47,588	55,213	52,855	-4.3%	46,671	-11.7%
<b>Total Operating Expense</b>	<b>\$ 354,378</b>	<b>\$ 352,102</b>	<b>\$ 357,244</b>	<b>1.5%</b>	<b>\$ 368,917</b>	<b>3.3%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 276,565</b>	<b>\$ 292,332</b>	<b>\$ 292,190</b>	<b>0.0%</b>	<b>\$ 308,821</b>	<b>5.7%</b>
Debt Service	\$ (245,507)	\$ (246,707)	\$ (246,707)	0.0%	\$ (247,707)	0.4%
Replacement Reserve	(9,400)	(9,400)	(9,400)	0.0%	(9,400)	0.0%
Other Non-Operating Expenses	(139)	-	-	0.0%	-	0.0%
Trustee Fee	-	-	-	0.0%	-	0.0%
<b>Debt Service and Related Costs</b>	<b>\$ (255,046)</b>	<b>\$ (256,107)</b>	<b>\$ (256,107)</b>	<b>0.0%</b>	<b>\$ (257,107)</b>	<b>0.4%</b>
<b>NET INCOME</b>	<b>\$ 21,519</b>	<b>\$ 36,225</b>	<b>\$ 36,083</b>	<b>-0.4%</b>	<b>\$ 51,714</b>	<b>43.3%</b>

# The Oaks of Lake George 2024 Budget Narrative

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June 8, 2023

## PROJECT SUMMARY

The Oaks of Lake George is a 52-unit senior housing building in Oak Grove. The project was financed in 2004 and opened in 2006. There are two HOME units with lower rents. The project is 100% occupied.

**The proposed 2024 budget reflects a 4.0% rent increase.** A 4.0% rate increase would result in the following rents:

Floor Plan	Total Units	Square Feet	Current Rent	Renewal
1 BR HOME	2	691	\$ 896	932
1 BR	11	691	\$ 1,095	1,139
1 BR	1	757	\$ 1,244	1,294
1 BR + Den	18	887	\$ 1,390	1,445
2 BR	6	935	\$ 1,409	1,465
2 BR	8	1,060	\$ 1,568	1,630
2BR + Den	6	1,225	\$ 1,826	1,899

No increase is proposed to the monthly parking rate of \$40.

## OPERATING REVENUE

**Gross Apartment Rent** is the total potential apartment rental revenue at 100% occupancy assuming a 4.0% rent increase at lease renewal. \$881,188

**Gross Revenue** is the gross apartment rent, plus gross parking and miscellaneous income. 908,108

**Net Revenue** is the gross revenue plus a projected vacancy loss. The proposed budget assumes 97% occupancy through 2023. Net revenue includes the lost rent on the resident manager's apartment. **\$866,980**

# The Oaks of Lake George 2024 Budget Narrative

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## OPERATING EXPENSE

Due to inflation pressures in 2023, operating expenses in the current year are expected to be 3.0% higher than the current 2023 budget. Operating expenses in 2024 are budgeted to increase 4.7% over the 2023 year-end estimated expenses.

Salaries & Benefits	90,359
Assumes a 10.9% increase from 2023. Salaries are proposed to increase up to 5% based on merit and maintenance staff hours are proposed to increase to avoid higher contract cleaning and other maintenance contract costs.	
General Administration	24,751
Assumes a 3.9% increase from 2023 year end estimates.	
Professional Fees	60,072
This reflects a 2.8% increase from last year. The HRA plans a 2% increase in its management fee. The Great Lakes Management fee is based on the contract amount approved after the recent RFP.	
Utility Expense	105,272
Assumes a 1.1% increase over 2023 year end estimates.	
Contract Services	54,698
Assumes a 10.3% increase from the 2023 year end estimate. Contract services include window washing, snow removal, elevator service, and other contracted maintenance services. Some of the increase is due fire/life safety repairs due to project's age.	
Repairs & Maintenance	37,965
Assumes a 14.5% increase from the 2023 year end estimate.	
Insurance & Taxes	61,895
Assumes a -4.4% decrease from 2023. The property is tax exempt and makes a Payment in Lieu of Tax (PILOT) calculated at 5% of effective net revenue less utilities. The budget allows \$35,315 for PILOT and \$25,080 for insurance. (Down \$5,277 from last year as a result of coverage requirement changes). Special assessments are \$1,500.	
<b>Total Operating Expense</b>	<b>\$435,012</b>
<b>Net Operating Income</b>	<b>\$431,968</b>
Net Operating Revenues less Operating Expenses. Available for debt service and reserves.	

## The Oaks of Lake George 2024 Budget Narrative

Net Operating Income (From previous page)	\$431,968
Less Net Debt Service Principal and interest payments on the bonds	\$(336,574)
Less Other Non-Operating Expenses	\$0
Less Operating Reserve Bond covenants require the project to set aside \$200 per unit per year into a replacement reserve.	(10,400)
Less Bond Trustee Fee When the Bonds were refunded in 2019, the County opted to manage bond repayment and reserves without a Trustee.	\$0
<b>Net Income (Loss) with a 4.0% rent increase</b>	<b>\$84,994</b>

\*Losses are funded with the HRA levy and/or cash reserves.

In addition to operating expenses, the HRA will need to fund capital improvements for The Oaks of Lake George.

### PROPOSED CAPITAL IMPROVEMENT PLAN

Project Name	Budget	Annual Capital Expenditures				
	2023	2024	2025	2026	2027	2028
Unit Flooring Replacement	\$ 12,875	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Appliance Replacement	9,000	10,000	10,000	10,000	10,000	10,000
HVAC Apartment	38,000	42,000	42,000	42,000	42,000	42,000
HVAC Common Area	-	-	-	-	-	-
Painting	6,500	7,500	7,500	-	-	-
Common Area Carpet	-	-	60,000	-	-	-
Common Area Furniture	15,000	-	-	-	-	-
Building	83,000	48,000	-	15,000	15,000	15,000
Security	-	5,000	-	-	-	-
Unit Cabinets	16,000	16,000	16,000	16,000	16,000	16,000
Concrete	-	-	-	-	-	-
Landscaping	-	-	-	-	-	-
Signage	-	-	-	-	-	-
Plumbing	12,000	12,000	12,000	-	-	-
Mechanical	-	-	12,000	12,000	12,000	12,000
Asphalt	-	75,000	-	-	-	10,000
Elevator	-	-	-	-	-	150,000
Fire/Life Safety	6,200	-	20,000	50,000	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 198,575</b>	<b>\$ 230,500</b>	<b>\$ 194,500</b>	<b>\$ 160,000</b>	<b>\$ 110,000</b>	<b>\$ 270,000</b>
Per Unit Costs	\$ 3,819	\$ 4,433	\$ 3,740	\$ 3,077	\$ 2,115	\$ 5,192

## The Oaks of Lake George 2024 Budget Narrative

The HRA has two primary sources for funding capital improvements: cash available in the project's various accounts and the HRA levy collected in the City of Oak Grove. The charts below show the proposed funding sources for the capital improvements, and the impact on the HRA levy account for the City of Oak Grove.

### CAPITAL IMPROVEMENT FUNDING

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
<b>Beginning Cash (Jan 1)</b>						
Great Lakes Checking	\$136,486					
Repair and Replacement Account	38,487					
Surplus Account	30,943					
<b>Subtotal Beginning Cash</b>	<b>\$ 205,916</b>	<b>\$ 122,194</b>	<b>\$ 200,563</b>	<b>\$ 200,180</b>	<b>\$ 192,565</b>	<b>\$ 190,277</b>
Annual Net Income/(Loss)*	\$ 69,453	\$ 84,994	\$ 93,653	\$ 92,205	\$ 96,018	\$ 94,860
<b>Plus Additions to:</b>						
Repair and Replacement Account	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
Less Capital Expenditures**	(198,575)	(242,025)	(214,436)	(185,220)	(133,706)	(344,596)
Annual Cashflow before HRA Levy	\$ (118,722)	\$ (146,631)	\$ (110,383)	\$ (82,615)	\$ (27,288)	\$ (239,336)
<b>Transfer In: HRA Levy</b>	<b>\$ 35,000</b>	<b>\$ 225,000</b>	<b>\$ 110,000</b>	<b>\$ 75,000</b>	<b>\$ 25,000</b>	<b>\$ 210,000</b>
<b>Ending Cash (Dec 31)</b>	<b>\$ 122,194</b>	<b>\$ 200,563</b>	<b>\$ 200,180</b>	<b>\$ 192,565</b>	<b>\$ 190,277</b>	<b>\$ 160,941</b>

**Notes:** \* - Assumes a 4.0% annual rent increase for 2024 and 3% per year thereafter.

\*\* - CIP costs are inflated 3% annually from Capital Improvement Plan shown above beginning in 2025.

### HRA LEVY ACCOUNT PROJECTED CASH BALANCE

	Expected	Budget	Projected			
	2023	2024	2025	2026	2027	2028
Beginning Cash (Jan 1)	\$ 665,938	\$ 802,487	\$ 750,751	\$ 815,749	\$ 917,496	\$ 1,071,010
Plus Levy Receipts**	171,549	173,264	174,997	176,747	178,515	180,300
Less Funding Senior Project	(35,000)	(225,000)	(110,000)	(75,000)	(25,000)	(210,000)
<b>Ending Cash (Dec 31)</b>	<b>\$ 802,487</b>	<b>\$ 750,751</b>	<b>\$ 815,749</b>	<b>\$ 917,496</b>	<b>\$ 1,071,010</b>	<b>\$ 1,041,310</b>

**Notes:** \*\* - Assumes a 1% annual increase in levy receipts

# The Oaks of Lake George 2024 Budget Narrative

## 2024 COMPARATIVE BUDGET ANALYSIS

	2022 Actuals	Approved 2023 Budget	2023 Year End Est	2023 Variance Budget vs. Y/E	2024 Budget	Variance over 2023 Y/E Est
<b>REVENUE</b>						
Gross Apartment Rent	\$ 805,798	\$ 838,089	\$ 838,089	0.0%	\$ 881,188	5.1%
Gross Revenue	834,231	864,813	864,813	0.0%	908,108	5.0%
<b>Net Revenue</b>	<b>\$ 797,825</b>	<b>\$ 822,633</b>	<b>\$ 825,633</b>	<b>0.4%</b>	<b>\$ 866,980</b>	<b>5.0%</b>
<b>EXPENSES</b>						
Salaries	\$ 71,354	\$ 72,492	\$ 81,492	12.4%	\$ 90,359	10.9%
General Administrative	24,506	22,400	23,822	6.3%	24,751	3.9%
Professional Fees	59,106	58,460	58,460	3.8%	60,072	2.8%
Utility Expense	92,281	104,135	104,135	0.0%	105,272	1.1%
Contract Services	50,266	48,000	49,600	3.3%	54,698	10.3%
Repairs and Maintenance	52,608	30,470	33,170	8.9%	37,965	14.5%
Insurance and R.E. Taxes	63,863	67,397	64,727	-4.0%	61,895	-4.4%
<b>Total Operating Expense</b>	<b>\$ 413,984</b>	<b>\$ 403,354</b>	<b>\$ 415,406</b>	<b>3.0%</b>	<b>\$ 435,012</b>	<b>4.7%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 383,841</b>	<b>\$ 419,279</b>	<b>\$ 410,227</b>	<b>-2.2%</b>	<b>\$ 431,968</b>	<b>5.3%</b>
Debt Service	\$ (333,974)	\$ (330,374)	\$ (330,374)	0.0%	\$ (336,574)	1.9%
Replacement Reserve	(10,400)	(10,400)	(10,400)	0.0%	(10,400)	0.0%
Other Non-Operating Expenses	(178)	-	-	0.0%	-	0.0%
Trustee Fee	-	-	-	0.0%	-	0.0%
<b>Debt Service and Related Costs</b>	<b>\$ (344,552)</b>	<b>\$ (340,774)</b>	<b>\$ (340,774)</b>	<b>0.0%</b>	<b>\$ (346,974)</b>	<b>1.8%</b>
<b>NET INCOME</b>	<b>\$ 39,289</b>	<b>\$ 78,505</b>	<b>\$ 69,453</b>	<b>-11.5%</b>	<b>\$ 84,994</b>	<b>22.4%</b>



**Anoka County HRA  
Project Summary  
Per Unit Basis**

	<b>Willows of Ham Lake</b>	<b>Savannah Oaks</b>	<b>Chauncey Barett</b>	<b>Oaks of Lake George</b>
<b>Rent Increase</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>2024 Rents</b>				
1 BR: Various Sizes	\$902 - \$1,186	\$1,030 - \$1,256	\$923 - \$1,304	\$932 - \$1,445
2 BR: Various Sizes	\$1,257 - \$1,472	\$1,490	\$1,242 - \$1,460	\$1,465 - \$1,899
<b>Net Revenue</b>	<b>\$ 13,114</b>	<b>\$ 14,133</b>	<b>\$ 14,420</b>	<b>\$ 16,673</b>
<b>Expenses</b>				
Salaries & Benefits	\$ 2,429	\$ 1,939	\$ 2,227	\$ 1,738
General Administrative	506	535	499	476
Professional Fees	1,058	1,179	1,205	1,155
Utility Expense	697	981	1,042	2,024
Contract Services	1,017	949	1,098	1,052
Repairs & Maintenance	517	444	786	730
Insurance & Taxes	932	1,023	993	1,190
<b>Total Expenses</b>	<b>\$ 7,156</b>	<b>\$ 7,050</b>	<b>\$ 7,850</b>	<b>\$ 8,365</b>
Net Operating Income	\$ 5,958	\$ 7,083	\$ 6,570	\$ 8,308
Debt Service and Costs	(4,432)	(4,280)	(5,470)	(6,673)
<b>Net Income</b>	<b>\$ 1,526</b>	<b>\$ 2,803</b>	<b>\$ 1,100</b>	<b>\$ 1,635</b>
Capital Improvements	\$ 4,218	\$ 2,842	\$ 5,245	\$ 4,433



# ANOKA COUNTY HRA ACTION ITEM

June 13, 2023

ACTION REQUESTED	<p>Consider recommending adding an additional activity to the Program Year 2023 Action Plan allocating \$900,661 in unallocated Community Development Block Grant (CDBG) funds to the Anoka County's CDBG Single-Family Home Rehabilitation Loan program.</p> <p>In accordance with our Citizen Participation Plan, a 30-day public comment period was held May 26, 2023 - June 26, 2023. A public hearing to obtain comments on the use of Program Year 2023 CDBG funds was held on March 28, 2023. HUD recommended the allocation of all PY23 CDBG funds.</p>
BACKGROUND	<p>Anoka County Community Development department administers a CDBG-funded Single-Family Home Rehabilitation Loan program to income-qualified residents. A second FT position was recently added to work with our homeowner loan programs. Funds can be reallocated to a different future project if needed.</p>
SUPPORTING DOCUMENTATION	<p>Application funding request is available for review in the Community Development department.</p>
FUNDING SOURCE	<p>CDBG funding is provided through the US Department of Housing and Urban Development.</p>



# ANOKA COUNTY HRA ACTION ITEM

June 8, 2023

HRA

ACTION REQUESTED	Consider authorizing the Executive Director to purchase the Neighborly Software package for use within the Community Development department.
BACKGROUND	<p>Neighborly is a cloud-based solution for residents and vendors to work securely with the Anoka County Community Development team managing state and federal programs.</p> <p>The State of MN and several MN Counties (Hennepin, Dakota, Washington, and Olmsted) along with more than 400 government entities and non-profit organizations are using this HUD-approved program management system.</p> <p>Neighborly provides secure handling of data, improves efficiencies, reduces the paper-based management of the Federal CDBG and HOME programs including grant funding, loans, construction, contracts, environmental worksheets, and project narratives. The software also rolls data up to two major HUD reports during the year.</p> <p>Applicants will be able to log in to start an application and have visibility to the status of their application. This will improve customer service and reduce follow-up phone calls.</p> <p>Neighborly is compatible with Microsoft Azure for secure sign on and allows for two factor authentication. All documentation is stored in Neighborly, and workflow has date and time stamps for visible audit trails.</p> <p>The Software Executive Committee has approved the purchase of Neighborly software. Staff is currently working with IT to answer any remaining questions and with Purchasing for procurement.</p>
OTHER	Any software solution must be HUD approved and options are very limited. Currently the most used program across the country is Neighborly although there are several other options that provide some of the modules that are included with the Neighborly solution.
FUNDING SOURCE	<ul style="list-style-type: none"><li>• CDBG and HOME administrative funding will be used for the purchase and licensing of Neighborly. There is a one-time implementation cost of \$2,500 per program (recommend starting with 2 programs for a total cost of \$5,000)</li><li>• Admin Licenses \$2,400 annually per person (6 licenses) for a total cost of \$14,400</li><li>• Total cost for implementation and first year is \$19,400.</li></ul>



## ANOKA COUNTY HRA ACTION ITEM

June 27, 2023

ACTION REQUESTED	Consider recommending the ACRHA Board of Trustees approve a CDBG-CV funding agreement deadline extension until Sept. 30, 2023 for previously awarded Program Year 2019 Community Development Block Grant Covid funds (CDBG-CV) to Southern Anoka Community Assistance (SACA). The CDBG-CV project funding agreement for a delivery van - electric powered (\$63,600) <b>OR</b> gas (\$60,750) expired on March 31, 2023.
BACKGROUND	<p>On August 23, 2022, Anoka County allocated Community Development Block Grant Covid funding (CDBG-CV) to Southern Anoka Community Assistance (SACA) to purchase a delivery van - electric powered (\$63,600) <b>OR</b> gas (\$60,750). SACA was unable to secure an electric delivery vehicle and will focus on completing the purchase of a gas-powered delivery van by September 30, 2023.</p> <p>SACA operates a food shelf located in Columbia Heights. Expenses are not covered by another funding source (local, state, or federal.)</p>
SUPPORTING DOCUMENTATION	The application is available for review in the Community and Government Relations office.
FUNDING SOURCE	CDBG-CV (Covid) funds. Extending the deadline for spending previously awarded PY19 CDBG-CV (Covid) funds. No new funds requested.



## ANOKA COUNTY HRA ACTION ITEM

June 27, 2023

ACTION REQUESTED	<p>Consider recommending the ACHRA Board of Trustees approve a HOME Program funding agreement deadline for a second extension until December 15, 2023, for previously awarded Program Year 2021 HOME Investment Partnerships Program (HOME) funds to Twin Cities Habitat for Humanity (TCHFH). The HOME project funding agreement is for 2 Scattered Site Acquisition/Rehabilitation of single-family dwelling units, upon completion of rehabilitation each unit shall be sold to HOME Program eligible homebuyers. The total amount of HOME funds is \$160,000.</p> <p>The extension, if approved, will expire December 15, 2023.</p>
BACKGROUND	<p>On October 4, 2021, Anoka County allocated Home Investments Partnership Program funding (HOME) to Twin Cities Habitat for Humanity, Inc. (TCHFH) for the acquisition/rehabilitation of two scattered site single-family units in Anoka County (\$160,000 total/\$80,000 per unit). TCHFH completed the rehabilitation and sale of the first single-family dwelling unit but is unable to complete the rehabilitation and sale of the 2<sup>nd</sup> single-family unit to a HOME program eligible homebuyer prior to the deadline date on October 1, 2023. After rehabilitation began on the second single-family dwelling unit, an increased presence of hazardous environmental materials was discovered, requiring additional labor and time for removal of the materials and completion of rehabilitation. Once completed, TCHFH will focus on closing the sale of the second unit to a HOME Program eligible homebuyer and will submit all required close-out documents and final disbursement request to Anoka County by December 15, 2023.</p> <p>TCHFH acquires, rehabilitates, and sells homes to eligible Low-Moderate Income Homebuyers. Expenses are not covered by another funding source (local, state, or federal.)</p>
SUPPORTING DOCUMENTATION	<p>The application is available for review in the Community and Government Relations office.</p>
FUNDING SOURCE	<p>HUD HOME Program funds. Extending the deadline for spending previously awarded PY21 HOME Program funds. No new funds requested.</p>



## ANOKA COUNTY HRA

### ACTION ITEM

June 27, 2023

ACTION REQUESTED	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract #C0010054, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Learn and Grow Child Care, L.L.C. A Minnesota Limited Liability Company, with an effective date of July 1, 2023.
BACKGROUND	<p>Learn and Grow has been sub-letting the space through ACCAP at the Blaine Human Services Center. ACCAP desired to redo their lease and remove any sub-letting, therefore, allowing the ACHRA to directly lease with Learn and Grow, which is a childcare center.</p> <p>The lease structure is six years (through June 30, 2029), starting at \$10.11 per square foot, with a \$0.50 per square foot increase in rental every two years per the building plan. The Lease has an automatic two-year term renewal clause unless terminated.</p>
CONCLUSION	The Lease terms and conditions are consistent with all other tenants, Learn and Grow is a long-term tenant. Approval is recommended.
RECOMMENDATIONS	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract #C0010054, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Learn and Grow Child Care, L.L.C. A Minnesota Limited Liability Company, with an effective date of July 1, 2023.
FUNDING	No impact on planned funding.



## ANOKA COUNTY HRA

### ACTION ITEM

June 27, 2023

ACTION REQUESTED	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract #C0010055, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Achieve Services, Inc., with an effective date of July 1, 2023.
BACKGROUND	<p>Achieve Services has been sub-letting the space through ACCAP at the Blaine Human Services Center. ACCAP desired to redo their lease and remove any sub-letting, therefore, allowing the ACHRA to directly lease with Achiever Services, a non-profit serving the adult with development disabilities community.</p> <p>The lease structure is two years (through June 30, 2025), with a rate of \$10.11 per square foot. The Lease has an automatic two-year term renewal clause unless terminated. The renewal rate would include the \$0.50 increase per square foot per the Blaine Human Services Building Lease Plan.</p>
CONCLUSION	The Lease terms and conditions are consistent with all other tenants, Achieve Services is a long-term tenant. Approval is recommended.
RECOMMENDATIONS	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract #C0010055, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Achieve Services, Inc., with an effective date of July 1, 2023.
FUNDING	No impact on planned funding.



## ANOKA COUNTY HRA

### ACTION ITEM

June 27, 2023

ACTION REQUESTED	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract #C0010056, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Anoka County Community Action Program (ACCAP), with an effective date of July 1, 2023.
BACKGROUND	<p>ACCAP has had a long-term lease with the ACHRA at the Blaine Human Services Center. Their lease has contained sub-leases with both Achieve and Learn and Grow. It is desired that the sub-leases be changed to be direct leases with the ACHRA beginning on July 1, 2023.</p> <p>The Lease structure remains the same, however, the sub-leases with both Achieve and Learn and Grow have been removed from the ACCAP Lease. Subletting has been removed as an option within the Lease Terms.</p>
CONCLUSION	The Term of the Lease is six years (through June 30, 2029) and includes an initial rental rate of \$10.11 per square foot through June 30, 2025, with increments of \$0.50 per square foot added every two years. The Lease term has an automatic two-year term renewal clause unless terminated.
RECOMMENDATIONS	Recommend the Anoka County Housing and Redevelopment Authority Approve Contract # C0010056, a Lease Agreement between the County of Anoka, a Political Subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, A Public Body Corporate and Politic (ACHRA) and Anoka County Community Action Program (ACCAP), with an effective date of July 1, 2023.
FUNDING	No impact on planned funding.





## ANOKA COUNTY HRA

### ACTION ITEM

June 27, 2023

ACTION REQUESTED	Recommend the Anoka County Housing and Redevelopment Authority Approve Amendment 6 to the Lease Agreement between the Anoka County Housing and Redevelopment Authority (Landlord), and the State of Minnesota, Department of Administration (Tenant) acting for the benefit of the Department of Employment and Economic Development (DEED) with an effective date of July 1, 2023.
BACKGROUND	<p>In September of 2021, DEED executed Amendment 5, which reduced their square footage to 8,000 square feet and allowed for an option to renew the lease for an additional two-years beginning July 1, 2023.</p> <p>Amendment 6 renews the Lease for two years (July 1, 2023, through June 30, 2025) at a rate of \$10.11 per square foot. The Lease Amendment also includes some technical language changes and adjusts the tenant improvement language to meet new State guidelines and removes the option to renew. All other terms remain the same.</p>
CONCLUSION	The DEED Lease executes their option to renew for two years, with an unknown for if they will continue leasing from us after 2025. No other significant changes are within the amendment.
RECOMMENDATIONS	Recommend the Anoka County Housing and Redevelopment Authority Approve Amendment 6 to the Lease Agreement between the Anoka County Housing and Redevelopment Authority (Landlord), and the State of Minnesota, Department of Administration (Tenant) acting for the benefit of the Department of Employment and Economic Development (DEED) with an effective date of July 1, 2023.
FUNDING	No impact on planned funding.