

**SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY**

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**BOARD OF COMMISSIONERS  
MINUTES – REGULAR MEETING  
June 9, 2020**

**(1) CALL TO ORDER AND PLEDGE**

This meeting was held via Zoom videoconferencing. Chair Croatt called the meeting to order at 1:59 p.m.

**(2) ROLL CALL**

Commissioners present:                    District I, DeAnn Croatt  
   District II, Terri Gulstad  
   District III, Jeff Delbow  
   District IV, Patti Sotis  
   District V, Barry Stock

Staff present:                                 Bill Jaffa, Executive Director  
   Julie Siegert, Housing Director  
   Stacy Crakes, Business Development Director  
   Adam Johnson, Finance Director  
   Molly Link, Assistant Housing Director  
   Linda Janovsky, Recording Secretary

Others present:                                Jon Ulrich, Scott County Commissioner

**(3) MINUTES SUBMITTED FOR APPROVAL**

**3.1) CDA Regular Meeting – May 12, 2020**

Commissioner Gulstad made a motion to approve the Minutes of May 12, 2020. Commissioner Sotis seconded the motion. Unanimous roll call vote followed. Motion carried.

**AGENDA ACTION(S)**

**4.1) Agenda Modifications**

An Agenda Modification was requested to add Item 7) George Floyd Events

**4.2) Consent Agenda (6.11, 6.12, 6.21, 6.42, 6.6, 6.73)**

Commissioner Gulstad requested Items 6.11 and 6.12 be removed from the Consent Agenda. With those changes, Commissioner Sotis made a motion to approve the Consent Agenda. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

#### **(4) FINANCIAL REPORT**

##### **5.1) Payment of Bills**

Commissioner Stock made a motion to approve the Check Registers in the amount of \$1,934,575.83. Commissioner Gulstad seconded the motion. Unanimous roll call vote followed. Motion carried.

##### **5.2) RESOLUTION NO. 14-20: APPROVING CAPITAL FUND PROGRAM – FIVE YEAR ACTION PLAN**

Commissioner Gulstad made a motion to approve Resolution No. 14-20. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

#### **OLD BUSINESS**

##### **6.1) Affordable Housing Programs**

###### **6.11) Affordable Housing Occupancy Report**

This item was removed from the Consent Agenda per Commissioner Gulstad's request. Commissioner Gulstad asked about the vacancy rate of affordable housing units. Housing Director Siegert indicated that an occupancy rate of 98% for most buildings equates to one unit. There have been some move-ins/outs at Britland and Belle Haven.

###### **6.12) Housing Choice Voucher Utilization Report**

Commissioner Gulstad also asked about the HCV/PBV/RAD utilization. Housing Director Siegert indicated that staff are working to right size families to the correct unit size so there have been some moves there. Because of COVID-19 evictions due to non-payment of rent are not allowed at this time, but other violations could be cause for eviction. Housing Director Siegert found that there has been a slow down with voluntary moves as some landlords may not allow it during this time in the pandemic.

###### **6.13) RESOLUTION NO. 12-20: AUTHORIZATION TO ENTER INTO A GRANT AGREEMENT WITH MINNESOTA HOUSING FINANCE AGENCY FOR HOUSING TRUST FUND HOMEWORK STARTS WITH HOME ROUND 2 PLANNING GRANT**

Commissioner Sotis made a motion to approve Resolution No. 12-20. Commissioner Delbow seconded the motion. Unanimous roll call vote followed. Motion carried.

Housing Director Siegert indicated that Molly Link, Assistant Housing Director, was in attendance and she did a great job on the grant proposal. Assistant Housing Director Link explained that the purpose of the grant is to develop a program to reduce the number of children in the Shakopee School District that experience homelessness, and to do that, this grant allows the CDA to contract with a consultant, a Project Lead, who would put the program together in conjunction with all the community and governmental partners that collaborated on this grant application—CAP Agency, Shakopee School District, County Health and Human Services, etc. It should be noted that only the Shakopee School District is participating at this time because of the higher homeless rate there. It would be expected this program would be replicated to include other school districts in Scott County if awarded the implementation grant down the road.

## **6.2) Home Ownership Programs**

### **6.21)\* Homeownership Programs Report**

[Consent item; no discussion]

## **6.3) Liaison Report – Scott County Commissioner**

Commissioner Ulrich was in attendance and at this time the County has a hiring freeze and is making no unnecessary expenditures in anticipation of seeing what tax collection is in October. Cities will get an allocation of CARES funds directly. Commissioner Ulrich indicated that the Greater MSP meeting he recently attended focused on the George Floyd event, and the destruction of businesses. FISH is focusing on current issues and how it can assist with needs during this time.

## **6.4) First Stop Shop (FSS)**

### **6.41) RESOLUTION NO. 15-20: APPROVING CREATION OF SMALL BUSINESS RECOVERY FUND**

Commissioner Gulstad made a motion to approve Resolution No. 15-20. Commissioner Stock seconded the motion. Unanimous roll call vote followed. Motion carried.

The Finance Committee (Gulstad and Stock) met on the creation of this fund. Business Director Crakes provided a high level overview. This program would provide \$5000 grants for those eligible according to the Program Guidelines (which were developed and provided “at the table” and are attached to these minutes). The Finance Committee indicated that they bounced around a lot of ideas and the idea was to keep it as simple as possible. Business Development Director Crakes indicated that the application submittal period will be from July 6 to July 17. At that time, Mr. Hall from NextStage

(administrator of program funds) will use a lottery system to select the applications to be considered. In addition, the cities are able to piggy back on this program if they have their own funds they want to use for business recovery loans/grants.

**6.42)\* Elko New Market Sewer/Water Infrastructure Assistance**

[Consent item; no discussion]

**6.5) COVID-19 Updates**

Assistant to Executive Director Janovsky summarized the Preparedness Plan.

**6.6)\* Visioning Session**

[Consent item; no discussion]

**6.7) SC-CDA Development Activities**

**6.71) Brentwood Terrace, Jordan, MN**

Executive Director Jaffa indicated that construction is on target and as part of the campus plan, both parking lots will be paved to tie the project together. The model will be available for tours in August (with COVID-19 protocol).

**6.72) Intensive Residential Treatment Services (IRTS) Facility, Savage**

Executive Director Jaffa indicated that construction is on target and the County has been paying the draws.

**6.73)\* Scott County Community Land Trust**

[Consent item; no discussion]

**6.74) INVEST Program Awards**

**RESOLUTION NO. 13-20: AUTHORIZATION TO PROVIDE INVEST PROGRAM DEFERRED LOAN TO MWF PROPERTIES, FOR SECTION 42 TAX CREDIT DEVELOPMENT, VIERLING FLATS, LOCATED IN SHAKOPEE, MINNESOTA**

Commissioner Sotis made a motion to approve Resolution No. 13-20. Commissioner Gulstad seconded the motion. Unanimous roll call vote followed. Motion carried.

Housing Director Siegert indicated that the Finance Committee (Commissioners Gulstad and Stock) met on this and recommend a 15-year deferred loan of \$200,000 to MWF Properties for Vierling Flats, a 66 unit building in Shakopee, which will most likely add a second phase down the road.

The decision at the time of the Board Meeting was not to award any funds to Beacon for Prairie Point because they are still awaiting some approvals from the City and have yet to find out if they will be awarded project based vouchers from Metro HRA for some of their units. This information is expected by the time of the CDA's next board meeting on July 14, 2020.

**(7) NEW BUSINESS**

George Floyd events was added as an item. Housing Director Siegert indicated that in light of the work we do here, as a PHA, serving low to income households, and our updated Mission, Vision, and Values, especially, Equitable, indicating we should look through an equitable lens in the work we do and that Staff have felt a void that as an Agency we have made no statement. Commissioner conversation ensured on the events, the role of the Agency, Equity/Inclusion training, and if the CDA should put out an official statement. (A formal statement was developed and with Board approval was shared with Staff and posted on Social Media on June 16).

**(8) SET NEXT MEETING DATE, TIME AND PLACE**

- |                        |                          |
|------------------------|--------------------------|
| 8.1) Regular Meeting   | July 14, 2020, 2:00 p.m. |
| 8.2) Visioning Meeting | TBD                      |
| 8.3) SPECIAL Meeting   | as needed                |


**(9) ADJOURN**

Commissioner Sotis made a motion to adjourn at 3:20 p.m. Commissioner Delbow seconded the motion. Unanimous roll call vote followed. Motion carried.

  
Chair Croatt

  
The seal is circular with a dotted border. The outer ring contains the text 'SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY' at the top and '1974' at the bottom. The inner circle features a landscape scene with a sun, trees, and a river, with the motto 'LE TOILE DU NORED' written above the scene.

  
Secretary Gulstad

  
Recording Secretary

07/15/2020  
Date

# SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY

## RESOLUTION NO. 15-20: APPROVING CREATION OF SMALL BUSINESS RECOVERY FUND

**WHEREAS**, the Scott County CDA wishes to assist Scott County small businesses adversely affected by COVID-19 and Governor's Executive Orders 20-04 and 20-08; and

**WHEREAS**, the Recovery Fund of One Hundred Thousand Dollars and No Cents (100,000.00) will provide forgivable loans up to \$5,000.00 per business and can be used for critical expenses such as current payroll obligations, rent or mortgage payments, utilities, accounts payable or other critical business expenses; and

**WHEREAS** eligibility requirements may include demonstration of operations being adversely affected by COVID-19, have a physical establishment in Scott County, have employed between 3 and 20 full-time employees on March 1, 2020, make \$1 million or less in annual gross revenue, and have been operating for at least 6 months prior to March 1, 2020; and

**WHEREAS** terms and conditions will include 0% interest, 12 month term with deferred payments for 12 months; with the loan being forgivable after 12 months providing the business continues to operate in Scott County in good regulatory standing and has provided all required documentation; and

**WHEREAS**, The Scott County CDA will contract with NextStage, a local non-profit to manage and administer loan funds; and

**WHEREAS** NextStage will select grant recipients using a random selection process with funds distributed after eligibility for selected applicants is confirmed; and

**BE IT RESOLVED** that the Scott County Community Development Agency Board of Commissioners hereby approves the creation of a Small Business Recovery Fund according to Program Guidelines attached hereto; and

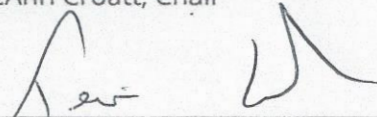
**BE IT FURTHER RESOLVED** that the Scott County Community Development Agency Board of Commissioners hereby authorizes the Board Chair and/or Executive Director to execute any documents necessary for the implementation of this Resolution.

Adopted this 9<sup>th</sup> day of June, 2020.

M/ Gulstad

S/ Stock

  
DeAnn Croatt, Chair

  
Terri Gulstad, Secretary



Croatt	<u>yes</u>
Delbow	<u>yes</u>
Gulstad	<u>yes</u>
Sotis	<u>yes</u>
Stock	<u>yes</u>



COMMUNITY  
DEVELOPMENT  
AGENCY SCOTT COUNTY

# **SCOTT COUNTY CDA: SMALL BUSINESS RECOVERY FUND GUIDELINES**

A small business recovery fund to support and assist local businesses adversely impacted by the COVID-19 pandemic

*June 4, 2020*

To provide emergency recovery support to small local businesses in Scott County adversely impacted by the COVID-19 pandemic, the Scott County Community Development Agency (CDA) Small Business Recovery Fund will provide forgivable loans of up to \$5,000 to small businesses most in need of support.

Funds will help businesses pay for critical expenses such as current payroll obligations, rent payments, mortgage payments, utilities, and payments to suppliers. Providing this support will increase the capacity of small businesses with a physical location in Scott County to rebound from the current crisis and will help prevent potential future blight scenarios.

The Recovery Fund will be administered through NextStage, a local non-profit that brings extensive experience managing and administering loan funds.

## Terms

- One-time emergency forgivable loan up to \$5,000, based on economic injury from COVID-19 and eligible expenses as defined below
- 0% interest, 36 month term, deferred payments for 12 months
- Loan is 100% forgivable after 12 months, provided the business continues to operate in Scott County in good regulatory standing and has provided all required documentation
- Funds can be used for operating expenses, including current payroll obligations, rent payments, mortgage payments, utilities, accounts payable, tax payments, or other critical business expenses as approved by the fund administrator.

## Eligible Businesses

- Must be a locally owned and operated for-profit business with a physical establishment in Scott County
- Must employ between 3 to 20 W-2 eligible employees prior to March 1, 2020, and be under \$1 million in annual revenue
- Must have been operating for at least 6 months prior to March 1, 2020
- Must be licensed, in good standing, and not have any delinquent property taxes
- Must demonstrate a significant loss in revenue since March 15 (no credit score or collateral requirements apply)



Certain businesses are ineligible, including:

- Home-based businesses; those without a physical establishment
- Non-profit organizations
- Self-employed, independent contractors, or businesses with no employees other than an owner(s)
- Corporate chains, multi-state chains
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from gambling
- Businesses that derive any income from adult entertainment
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products
- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

In addition to the Scott County CDA Small Business Recovery Fund, all businesses are strongly encouraged to apply for any and all COVID-related federal funding that may be available, such as the [Small Business Administration](#) (SBA) Economic Injury Disaster Loan (EIDL) or Paycheck Protection Program (PPP).

To preserve local resources and serve as many businesses as possible, duplication of state and local COVID-related emergency funds is not allowed. Businesses that have been awarded or have received COVID-related emergency funds through the State of Minnesota Small Business Emergency Loan (SBEL) are ineligible for this loan.

## Application Process

- Applications will be accepted beginning July 6 through **July 17, 2020 at noon**.
- Application link can be found at: <https://scottcda.org/resource/covid-19-business-resources/>
- If applications exceed the funding available, the fund administrator will select loan recipients using a lottery system.
- The fund administrator, NextStage, will notify approved applicants by email on or before July 31, 2020.

Upon notice of an approved application, applicants are required to submit the following **within 5 business days**:

- 2019 Federal Business Tax Return or appropriate Business Tax Schedule - based on entity type. Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed to qualify for loan forgiveness.
- Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include comparable-period Sales Tax Reporting, Period Statements from 3<sup>rd</sup>-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
- Evidence of employment prior to March 1<sup>st</sup>, 2020. Acceptable documentation may include period reporting from a 3<sup>rd</sup>-party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return, or other State or Federal payroll-related filing.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate loan documents, disburse loan proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of loan award.

**Note:** The Scott County CDA reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.