HEADWATERS
Regional Development Commission

Leading the Way

ANNUAL REPORT

2017

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A LETTER FROM THE CHAIRMAN

Steve Newby

It has been my privilege to serve once again this past year as Chair of the HRDC. I'm honored to serve an organization that attracts great leadership from throughout the region, and committed staff who share our collective vision of creating successful communities. The articles in this Report outline some of the activities that HRDC has been involved in over the past year specifically for this purpose.

We have continued to work hard to achieve our goals. We are enhancing the regional economy through airport improvements as well as business lending through the Headwaters Regional Finance Corporation. We're supporting multiple family housing development to support our workforce, and building affordable housing through the Headwaters Housing Development Corporation. We continue to provide homeownership education and financial coaching to increase the success of home buyers. We have also continued to provide housing rehabilitation resources in order to increase the quality of the existing housing stock. HRDC also completed a Health Impact Assessment of the Paul Bunyan Drive corridor, one of just two such studies completed in Minnesota this past year. Finally, we have had the opportunity to engage in land use planning with both the White Earth and Red Lake nations. This work could only be accomplished with strong board leadership and dedicated staff. Thank you all!

While the HRDC has had much success this year we all recognize that there remains a great deal to do. With the leadership and commitment of the board, staff, committee members and organizational partners, I know that we will continue to provide excellent service to the entire region.

In closing, I would like to emphasize that it has been a privilege to serve and be part of such a wonderful organization!

The Region benefits greatly from the leadership and dedication provided by the HRDC Board and staff.

FROM THE EXECUTIVE DIRECTOR

Tim Flathers

Each year the HRDC Annual Report provides us with the opportunity to showcase a variety of activities that we have been involved with over the preceding year. While the specific activities are typically very eclectic, there are some commonalities that define the types of things that we do.

- **THE HRDC IS COMMITTED TO EFFECTIVENESS.** The HRDC is not just committed to completing a project for its customers, but to effectively satisfying the need the customer initially identified. This means that the HRDC will make the extra effort that is needed to manage process, to resolve conflict, and to provide the products that will satisfy its customers. We want customers to think of the HRDC when it has its next challenging issue to address.
- **SENSITIVITY TO CUSTOMER AND CITIZEN NEEDS AND CONCERNS.** Each project involves a complex interplay between the substance of the issue, local politics, and personalities. HRDC takes pride in our ability to understand these local factors, and to structure and implement a process that has the best chance for success.
- **OWNERSHIP OF OUTCOME.** HRDC feels that a project is a success only if it accomplishes the goals established by customers. We are passionate about results.
- **HRDC IS COMMITTED TO PROVIDING ONGOING SERVICE.** Successful initiatives require ongoing staff support long after the formal project is completed. HRDC expects, and encourages, our customers to contact us for follow-up service at no cost. HRDC commits to the follow-up necessary to ensure project success.

I'm constantly proud of the great work done by staff. The projects highlighted in the Annual Report share the identified common characteristics. The great work is the result of each staff members' interests, skills, abilities, and most importantly, commitment. I'd like to thank the entire staff team for the great work and many accomplishments over the past year.

The great staff work is made possible by the strong support, commitment and leadership displayed by the HRDC Board. We acknowledge that not every organization is as fortunate as the HRDC, and the staff team appreciates the tremendous contributions made by each member.

> *"It's especially important to highlight the contributions of the Executive Committee who consistently go "above and beyond" to make the organization as successful as possible."*

It's also important to acknowledge the Board leadership of our two subsidiary corporations- the Headwaters Regional Finance Corporation and the Headwaters Housing Development Corporation, as well as the Beltrami, Clearwater and Hubbard County HRA's and Northwest Minnesota Emergency Communications Board. Our work could not be successful without the commitment provided by these leaders.

Tim has been with the HRDC since 1983. Prior to becoming Executive Director in 2013, Tim served as Community Development Director for more than 20 years. He continues to be involved in housing, community and economic development activities in addition to his leadership responsibilities.

COMMISSION MEMBERS

The HRDC is governed by a 25 member Commission, with a large majority of the members consisting of local elected officials.

- 6 | County Commissioners
- 5 | Mayors or Councilpersons from Small Cities
- 4 | Township Board Members
- 2 | School Board Members
- 1 | Mayor/Councilperson from Cities over 10,000
- 3 | American Indian Tribal Council Representatives (one each from Red Lake, White Earth, and Leech Lake Reservations)
- 4 | Citizens representing public interests (business, higher education, natural resources, and labor)

Executive Committee:

- Steve Newby - Chair
- Cal Larson - Vice Chair
- Ron Johnson - Treasurer
- Dennis Zeto - Secretary

The present membership is as follows:

- Robert Aitken III – Leech Lake Reservation
- Brad Athmann – Mahnomen County
- Dave Bessler – Hubbard County Townships
- Peter Buesseler – Natural Resources
- Gary Gauldin – School Districts
- Kathy Grell – Business
- Cody Hasbargen – Lake of the Woods County
- Cal Johannsen – Hubbard County
- Ron Johnson – City of Bemidji
- Cal Larson – Clearwater County Small Cities
- James Lee – Mahnomen County Small Cities
- Michael Meuers – Red Lake Reservation
- Kenneth Moorman – Lake of the Woods County
- Jean Nelson – Mahnomen County Townships
- John A. Nelson – Clearwater County
- Steve Newby – Labor
- Jay Pike – School Districts
- Erika Randall – Hubbard County Small Cities
- Rick Rone – Lake of the Woods County Small Cities
- Mike Triplett – White Earth Reservation
- Keith Winger – Beltrami County
- Dennis Zeto - Beltrami County Townships
- Vacant - Beltrami County Small Cities
- Vacant – Clearwater County Townships
- Vacant - Higher Education

TALENT & PROSPERITY

LAKE OF THE WOODS COUNTY **EDA**

HRFC ACTIVITIES

CEDS (COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY)

BEMIDJI AIRPORT

IMPACT 20/20

LAKE OF THE WOODS ECONOMIC DEVELOPMENT AUTHORITY

Home to Willie the Walleye, and one of the most popular northern vacation destinations for anglers and sports enthusiasts, Lake of the Woods County is a very special place. Historically, the Lake of the Woods County economy has revolved around tourism related businesses. The total economic impact of tourism is more than just the dollars a visitor spends in a community. Tourism contributes to sales, income, jobs, and tax revenues. Those dollars spill over to a host of businesses. Other major employers are ANI Pharmaceuticals, a pharmaceutical manufacturer that employs over 150 people, and health care professions which account for nearly 10% of employment in the County.

In early 2016, the Lake of the Woods County Economic Development Authority (EDA) approached the HRDC for help in staffing the organization. The EDA had been working without a director and was looking for a creative way to staff the organization. Subsequently, the HRDC and EDA entered into a staff services agreement which began in June, 2016. Under this agreement, the HRDC helps the EDA implement its ongoing program activities, undertakes its management duties, and develops new initiatives to help the organization achieve its mission consistent with its business model.

In addition to the traditional EDA activities of business expansion and retention, infrastructure, loan making, etc., the EDA has focused on efforts at retaining and attracting workers in Lake of the Woods County. Like many parts of the State, one of the most critical local challenges is the shortage of available workforce. There is a misperception that there is a lack of jobs in Lake of the Woods County; the reality is that there is a lack of available workers to take jobs.

In discussions with local employers, a shortage of available childcare was seen as a barrier to fill open positions. Business owners have lost existing staff after they have had not been able to find childcare and prospective workers turned down job offers because they could not find a place for their children. It's clear from available data that there is a significant shortage of childcare in the County. Currently, Lake of the Woods County only has seven licensed home childcare providers and zero childcare centers.

> *"The HRDC team provided the leadership and direction to jump start two projects that will help address our local workforce needs. A shortage of daycare providers and single family housing have been issues the community has struggled with for some time."*
>
> -Buck Nordlof, Lake of the Woods County Board

In response in January, the EDA applied for and received a grant from the Greater MN Childcare Grant Program for the purposes of establishing a loan fund that will provide funds to childcare providers needing financing and technical assistance for start-up or expansion.

A shortage of housing options available in Baudette has also hampered the ability of local employers to attract and retain the workforce they need. Demand for housing in Lake of the Woods County is high and there's not enough supply. There are a number of reasons for the market not responding to increased demand, but the greatest barrier is a "value gap" for new housing development. With few sales with which to compare the values tend not to change much. However, development costs continue to rise. The result is that cost of construction often exceeds the appraised value of the home. From a developers' perspective, it is nearly impossible to pursue a project where the revenues will not cover the cost of development.

To increase the supply of housing in the community, the EDA is leading an effort to develop single family homes on unused lots donated by the City of Baudette. As a result of this project there will be 2 new single family homes in the City of Baudette by summer of 2018. More importantly, the community will increase its capacity to address its housing issues. Finally, when these homes sell, a more accurate market price will be established and stimulate private development.

The HRDC will continue to provide staffing to the EDA and bring our broad range of skills to help the organization become more effective in responding to economic opportunities, providing technical assistance and leveraging financial resources that serve to retain and expand businesses, create jobs and promote and retain economic growth throughout the County.

HEADWATERS
Regional Finance Corporation
Leading the Way

Revolving Loan Fund Activity

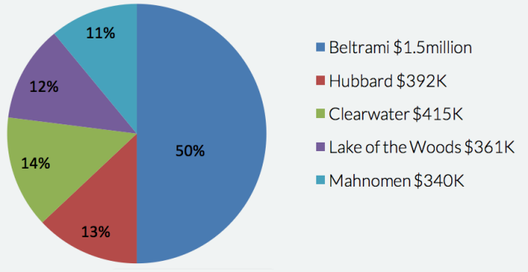
Headwaters Regional Finance Corporation continues to be a vital part of our economic development efforts providing financing through several loan funds. The primary RLF is funded through the Economic Development Administration. The EDA revolving loan fund currently has $2 million in principal outstanding among 22 active loans. This RLF helps to leverage other loan dollars in the Region, like public and private investments, with over $29 million leveraged by the current loan portfolio. We have also aided in saving and/or creating 664 jobs through our active loans and 4,233 throughout the fund's history. The HRFC also manages smaller pools of RLF dollars, including the Emerging Entrepreneurs Fund provided by Minnesota Department of Employment and Economic Development, which targets assistance to women- and minority-owned businesses. This fund has five active loans. Additionally, the HRFC manages the Federal monies previously lent out to businesses for flood recovery efforts in the early 2000's. Such monies have revolved back to the HRFC and provide another financing option for valuable business projects in our Region. Currently there are seven active loans in this portfolio. Adding to the 'gap financing' options in the Headwaters Region are the 11 City, County, and Utilities RLFs to which the HRDC provides administrative assistance. The pie chart shows the county distribution of active loans in the portfolio. The strong growth in the Bemidji area in recent years has contributed to a demand for financing options like our RLFs.

Across our Region's RLFs, there are monies available for eligible projects. More information is available at www.hrdc.org/about-hrfc.

HRFC LOANS FUNDED AND/OR COMMITTED IN FISCAL YEAR 2016			
TEAM Industries Bagley-Audubon, Inc. - Bagley	140,000	LDO	8/16
Park Rapids Aviation, Inc. - Park Rapids	100,000	EDA	9/16
Choice Therapy/Nodak Group - Bagley	100,000	LDO	5/17
Watermark Art Center - Bemidji	260,000	EDA	6/17
Stittsworth Meats - Bemidji	252,500	EDA	6/17

EDA – Revolving loan fund capitalized by the Federal Economic Development Administration
LDO – Revolving loan fund capitalized by the Federal Minnesota Investment Fund and reserved for Bagley-area projects

RLF FUNDS BY COUNTY



Highlighted Borrowers

watermark art center

The Watermark Art Center, in existence since 1982, moved forward with its relocation and expansion after much planning and fundraising over the past five years. Watermark is a regional art center that features visual artwork created by area artists. Their move in 2015 from the old Carnegie Library Building to the former Lueken's Grocery location set the stage for expanded programming and learning opportunities, as well as deeper collaborations with local partners. Upon completion of the new space, Watermark will be home to the Miikanan Gallery (to promote contemporary and traditional work of Indigenous artists), an education suite, and its signature gallery: The Marley and Sandy Kaul Gallery. In addition, there will be a Bemidji State University gallery and office space rented by Region 2 Arts Council. The site will also allow for creative outdoor green space opportunities and ample parking for visitors. This highly visible corner in downtown Bemidji will be a centerpiece for the arts and enhance the quality of place in the region.

The project is the culmination of generous support from individual donors, foundations, and other community partners, including early support from the USDA Rural Development Community Facilities Loan Program. Recently, Bank Forward provided the primary financing for construction. The HRFC, in partnership with the Northwest Minnesota Foundation, assisted in the financing to make the package complete.

Expansion in Bagley

Choice Therapy, one of our region's fastest growing businesses, was on the move again in 2017 with their relocation and expansion in the Bagley community. Choice Therapy provides out-patient services for physical therapy, occupational therapy, and speech therapy. Owned by three partners, Jason Brodina, Donald 'Joe' Kaupan, and Cheri Ware, Choice opened its doors originally in Bemidji in 2009 and has since grown to six locations (including Bagley, Blackduck, Kelliher, Clearbrook, and Hibbing) with others in their sights. Choice Therapy made the 2015 Inc. 5000 List of America's Fastest-Growing Companies and experienced revenues of $4.3 million last year.

The relocation in Bagley will allow Choice to nearly triple their square footage allowing their services in the Bagley community to grow. They currently have 2.5 FTEs and with this relocation Choice will add several positions including a physical therapist, a receptionist, and occupational and speech therapists.

"The HRFC assisted with the financing on this project through the use of its newly acquired Bagley RLF monies. In partnership with the City of Bagley, the HRFC has assumed management responsibilities for a portion of its revolving loan fund monies, providing for more flexibility and less restrictions on use."

Current Board

- Cal Larson - Chair
- Ron Johnson - Vice Chair
- Dennis Zeto - Secretary
- Nick McArthur - Treasurer
- Steve Newby
- Jason Funk
- Nate Haskell
- Kurt Knott
- Tim Flathers - Executive Director (non-voting member)

HRFC Loan Committee

- Jason Funk - Chair
- Nick McArthur - Vice Chair
- Dennis Zeto- Ex-officio
- Kurt Knott - Member
- Nate Haskell - Member
- Tim Flathers - Executive Director (non-voting member)

REGION DEVELOPS ITS COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

As the Federal Economic Development Administration's (EDA) designated Development District for the Region, the HRDC develops a Comprehensive Economic Development Strategy (CEDS) every five years. The CEDS provides an economic roadmap to strengthen the regional economy. The CEDS analyzes the strengths and weaknesses of the Region, establishes a vision for the economy of the Region and creates goals, and objectives, and offers useful benchmarks for evaluating progress. The primary goal of this development strategy is to create strategies for a new dynamic innovative economy that links the assets of the Region to generate new knowledge, start new businesses, and transform existing businesses into thriving 21st century companies.

The CEDS uses the Minnesota Association of Development Organizations' DevelopMN Plan as its organizing framework. DevelopMN provides a common outline for regional economic development and identifies approaches to address the special challenges and opportunities of Greater Minnesota. DevelopMN identified the following cornerstones as key components of strong regions and communities. When approached in a coordinated way, these cornerstones will help create prosperity in Greater Minnesota through these four focus areas:

- Human Capital
- Economic Competitiveness
- Community Resources
- Fundamental Assets

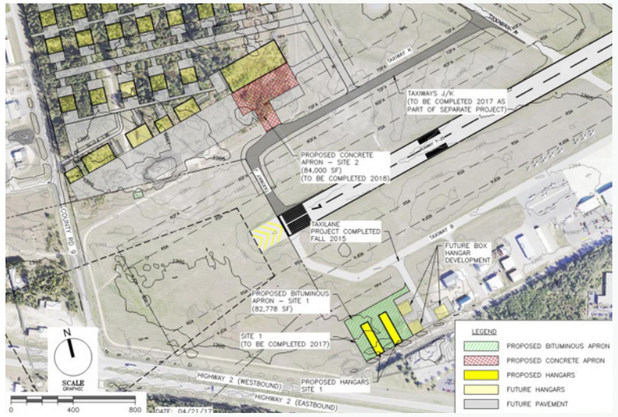
While we cannot list within the scope of this report the individual strategies developed to address the Region's economic development challenges, the plan can be found online at: http://www.hrdc.org/reports.

BEMIDJI AIRPORT

The Bemidji Regional Airport is the fourth busiest airport in Minnesota. Only Duluth, Rochester and Minneapolis / St. Paul enplane more passengers each year. In addition to commercial passenger flights, the airport provides essential services to a variety of other customers, including commercial freight, parcel delivery, medical life flights, and numerous other services. As the only commercial service airport in North Central Minnesota, the Airport is an essential regional asset. Its links to the rest of the world have helped the area overcome the challenges of being relatively remote from major economic markets.

In recent years, the region has seen growing demand for facilities and developable space adjacent to the airport. Specifically, leasable aircraft hangars for maintenance, storage, and production, and infrastructure-served lots are identified as top priorities to support the growth of existing businesses.

In response to these needs the Airport plans on constructing two T-hangars with surrounding pavement. The new T-hangars will be about 225ft X 55ft in dimension. Surrounding these hangars will be pavement which will include taxiways which will allow for the circulation for the aircrafts. In conjunction with the hangar development, the Airport will bring infrastructure to an underutilized "shovel-ready" development area Northwest of the runway. To develop this site for aeronautical use, the Airport will have to construct airside access facilities, including taxiways, taxi lanes, and aircraft aprons. This apron will serve multiple future hangars as part of an upcoming expansion by Bemidji Aviation, a private fix based operator.



Throughout the past year, HRDC has been working with the Bemidji Regional Airport Authority to secure state and federal funding for this infrastructure project. The HRDC prepared an application to EDA which agreed to provide $720,000 in funding for the project. With funding in place we expect that this project will give the airport a set of airport-related infrastructure second to none, providing major economic development opportunities to the entire Region.

IMPACT 20/20
Growing Tomorrow's Economy

Impact 20/20 Day at the Capitol

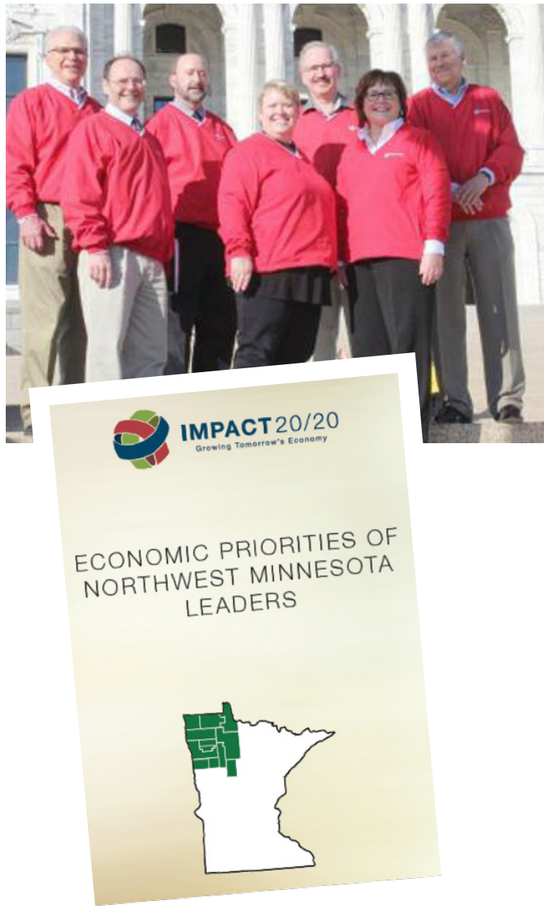
Impact 20/20 is an influential group of decision makers representing diverse interests and working together for economic prosperity in northwest Minnesota. The agenda for Impact 20/20 is set by its Leadership Council. The work of Impact 20/20 is accomplished through four task forces; Education, Workforce, Broadband and Housing (added as a priority issue in 2015).

In February of this year a contingent of members visited several legislators in St. Paul in the initial Impact 20/20 Day at the Capital. Fourteen members boarded a bus graciously provided by the Northwest Minnesota Foundation and visited approximately 20 legislators over the course of several hours.

> *"According to Karen White, Vice President of Programs at the Northwest Minnesota Foundation, "Participants in the Impact 20/20 Day at the Capitol found the legislative visits to be productive, and the trip to St. Paul very worthwhile. It was especially useful to have alignment on several key issues of importance for improving the economy in northwest Minnesota."*

A report entitled "Economic Priorities of Northwest Minnesota Leaders", adopted by the Leader Council and compiled by Northwest Minnesota Foundation highlights priorities of each of the four task forces. The report was provided to legislators as part of the group visits.

A partial summary of the policy positions from each task force is provided below.



IN BROADBAND, IMPACT 20/20 SUPPORTS:

- A minimum of $100 million biennial investment into broadband access and adoption, directing a significant portion of the investment to support infrastructure build-out speeds in rural, remote areas in Minnesota.
- Directing a minimum of $10 million biennial investment to support efforts to increase the adoption of broadband technology by small businesses in key industry sectors such as: agriculture, manufacturing and tourism, and by low income groups to decrease disparities in broadband access in the home.

IN EDUCATION, IMPACT 20/20 SUPPORTS:

- Increased and formula-based funding to the independent school districts for school counselors and student support staff to improve Minnesota's rank to the top 10% in the nation for school counselor-to-student ratio.
- Continue the Rural Career Counseling Coordinators program administered by DEED.

IN HOUSING, IMPACT 20/20 SUPPORTS:

- More funding for the Minnesota Housing Finance Agency Economic Development and Housing Challenge Program to address shortages in workforce housing.
- Allowing workforce housing developments to include a mix of market rate and affordable units based on the unique needs of each community.
- Preserving the existing housing stock as part of the overall strategy of increasing the local supply.

IN WORKFORCE, IMPACT 20/20 SUPPORTS:

- Limiting the Minnesota Workforce Development Fund to only workforce development programs.
- Incentivizing businesses to upskill incumbent workers via third party training providers, possibly by providing tax credits.
- Increasing and making permanent funding to increase the availability and quality of child care so that families can work.
- Incentivizing businesses to help bridge the gap between what families can afford to pay for quality child care and a sustaining wage for providers.

LIVABLE COMMUNITIES

HHDC

BELTRAMI COUNTY HRA

HUBBARD COUNTY HRA

CLEARWATER COUNTY HRA

BLACKDUCK WORKFORCE HOUSING

HOMELESSNESS RESPONSE

HOUSING REHABILITATION

FIRST TIME HOMEBUYER PROGRAMS

AFFORDABLE MORTGAGE FINANCING

PARK RAPIDS ARTS AND CULTURE PLAN

HEADWATERS
Housing Development Corporation
Leading the Way

HHDC Creates an Entry Cost Assistance Program

The HHDC was successful in implementing an entry cost assistance program to address gaps in coverage in the Region. Beltrami and Hubbard Counties are both served by county based assistance programs supported by the HRA's in those Counties. This has meant that Clearwater, Lake of the Woods and Mahnomen counties are largely unserved. The HHDC set aside a total of $100,000 which is available to provide entry cost assistance loans to eligible households. The program provides up to $7,500 in funding that can be used for closing costs, down payment or both. The loans are for a ten year term with payments starting in the 61st month.

This tool represents another option to allow low and moderate income households the ability to obtain affordable mortgage financing to purchase a home.

Development of a New Construction Model

In an effort to take advantage of property the HHDC owns in the City of Bemidji we were able to develop a partnership with a contractor to construct homes that we were able to sell at a price that is more affordable to our primary market of low and moderate income households.

The HHDC partnered with Lake N Woods Realty to determine the key features in a home that are most important to potential home owners so that the end product is in demand. We found that three bedroom, two bathroom homes with attached garages were the most wanted. We also found that open floor plans and a master bedroom suite were preferred. The average square footage in the home is right around 1,300. We were able to construct the homes with a contractor, doing two homes at a time to take some advantage of economies of scale and were able to sell the home at a price where we were able to break even.

Bemidji has one advantage that many other parts of our Region don't, which is a fairly stable housing market. Because new construction has continued in this Community, there hasn't been the separation between the total development costs and sale price that tend to happen in areas where the market is slow.

The HHDC is, however, working to alter this model and seek additional outside resources to cover the value gap (the amount of construction costs that exceed the sale price of the home). We have been successful is securing funding from Minnesota Housing to fund two homes in the Blackduck Community during the 2017 building season.

Partnership with School Provides Housing to the Region

The HRDC, through its housing subsidiary HHDC is partnering with Bemidji High School to promote technical education as well as creating affordable housing.

HHDC has been building single family homes in the Bemidji Community with Bemidji Schools since forming in 1998. Since that time 31 homes have been built by the students. The most recent home built by the high school students was located in rural Bemidji. The HHDC is the developer, secures the building sites, provides the construction financing and provides input into the home design. The school students, under the direction of the instructor, Tony Hommes, build the home during the school year. During the 2016 – 2017 school year, the HHDC was also able to partner with Northwest Technical College plumbing and heating programs to work on those systems at the home as well.

The HHDC sells the completed homes to income eligible households. The organization also has access to affordability gap resources to keep the homes affordable for our target market.

These partnerships have several advantages. First and foremost, it provides a hands-on learning experience to the students that allow them to learn about potential career options that they may not have known about before. As the need for workers in the trades continues to grow this is especially important. In addition, the administrative components of building are moved outside of the school so they can focus on education.

The HHDC was fortunate to secure funding from Minnesota Housing Finance Agency that is recycled each year to provide the construction funding resources. In addition, the HHDC was able to access resources that can be used by eligible households so that the homes are affordable to purchase.

HHDC Board Member Retires

Jim Kochmann, representing Mahnomen County, has served on the HHDC Board since March, 2013 and retired in June. He held several offices for the HHDC, the most recent as the organization's President. Jim is looking forward to traveling during his retirement. Brad Athmann has been appointed to serve in his place and will join the Board on July 1st. We will miss the perspective that Jim brought to the Board and wish him well in this next phase of his life.

HHDC Board of Directors

- Cal Johannsen, Vice President (Hubbard County)
- Joe Vene, Secretary (Beltrami County)
- Rick Rone, Treasurer (Lake of the Woods County)
- John Nelson, Board Member (Clearwater County)
- Brad Athmann, Board Member (Mahnomen County)

Beltrami COUNTY HRA

Utilizing the staff support provided by the HRDC, Beltrami County HRA has been working to further several projects within the county.

Funds Available for Home Buyers

The Beltrami HRA operates an entry cost assistance program for home buyers in Beltrami County. The program allows households to access resources to assist them with the down payment and/or closing costs associated with the purchase of a home. The funds are repaid by the borrower over a ten year period.

High School Partnership

The Beltrami County HRA partners with the Blackduck High School on a home that is built at the school and moved each year. This allows the school more flexibility in scheduling because there is no travel time for the students and teacher. In addition, the students build custom cabinets for this home. The instructor for this program is Jeremy Berg.

Partnerships such as this result in opportunities to expand options for students in our Region as well as increase the supply of affordable homes. The Beltrami County HRA was able to access resources that can be used by eligible households so that the homes are in an affordable price range. In addition, the Beltrami County HRA was successful in securing funding from Minnesota Housing Finance Agency.

Beltrami County HRA Welcome New Board Members

Bruce Meade and Lee Coe, both long term Beltrami County HRA Commissioners, resigned their positions in 2016. We are sad to see these long time members leave the Board but are happy that two new members have been appointed to serve in their place. Orlando Alamano works at Security Insurance. Joe Vene is retired, but is no stranger to service in the community having served as County Commissioner among other roles. Welcome to the new members.

"I decided to join the HRA Board to be a part of an organization that seeks to help people in difficult financial situations find reasonable housing. As Bemidji and its workforce grows, adequate housing is obviously important. To be a part of a board that collaborates with the HRDC to make sure that's available is one way I feel like I can give back to our community."

– Orlando Alamano

Beltrami County HRA Board

- Orlando Alamano
- Lois Anderson
- Travis Barnes
- Joe Vene
- Steve Young

HUBBARD COUNTY HRA

MURL Program

Hubbard County HRA was selected to administer the Minnesota Urban and Rural Homesteading Program (MURL) by Minnesota Housing several years ago. The program is designed to stop or prevent the spread of blight by providing financing to acquire and rehabilitate dilapidated single family housing. Homes are sold to at risk borrowers, who agree to follow a "good neighbor" policy. The borrowers enter into an interest free contract for deed in which the payments are capped at 25% of the households income.

Hubbard County HRA currently has 12 homes in the portfolio. The homes also have covenants attached to them so that if a home owner want to sells the property the HRA has the ability to buy back the house and is then resold to another at – risk household. During the last year the HRA received two homes back under this agreement. One has been resold to an eligible household and the other is in the process of rehabilitation and will be marketed when complete. The program provides a tool that is effective to assist households get into home ownership that might not otherwise have an opportunity to do so.

Housing Management

The Hubbard County HRA owns and manages an 8-unit apartment complex, Cornerstone, which is strictly to serve the homeless population in preparation for transition into permanent housing. Cornerstone tenants are allowed to stay at these apartments for up to two years. The ultimate goal is to get them into stable housing within that timeframe.

In addition to Cornerstone, the Hubbard County HRA also has two supportive housing properties. Each of these homes has room to house three tenants; one house is designated for males and one house for females. In these homes, individuals share the kitchen and living spaces and each of them have their own bedroom. Tenants pay 30% of their income for rent and are allowed to live in the home for 18 months, at which point they move on to more permanent supportive housing or other stable housing. The female house was a new addition to the HRA portfolio in 2016 through a grant from PrimeWest to Hubbard County and then passed on to the HRA.

Down Payment Assistance

In 2011, the Hubbard County HRA created their Entry Cost Assistance Program. The program is designed to assist low income households in purchasing a home by providing funds to put towards their down payment and/or closing costs. These loan funds are then repaid over a ten year period of time at a low to moderate interest rate. We continue to market the program to local lenders and realtors.

New Board Membership

Hubbard County HRA had the opportunity to have two new members join the Board. Charly Henry resigned from the Board due to relocating her residence. Charlene Christenson was elected to the County Board, opening another seat. Rosy Hjermstad and Kathy Henry have both been appointed to the HRA by the County Board. Rosy represents District 3 and Kathy represents District 2. We look forward to working with these new members to continue meeting housing needs in Hubbard County.

The current membership of Hubbard County HRA is:

- *Daryl Bessler - Chair*
- *Kathy Grell - Board Member*
- *Kathy Henry - Board Member*
- *Rosy Hjermstad - Board Member*
- *Craig Mackey - Board Member*
- *Charlene Christenson - Ex-Officio Representing the Hubbard County Board*

> *"I applied to serve on the Hubbard County HRA Board to advocate for low-income families to have access to affordable housing and asset building opportunities through home ownership".* Rosy Hjermstad

HRDC SUPPORTS THE CLEARWATER COUNTY HRA

This past year the HRDC began providing staffing services to the Clearwater County Housing and Redevelopment Authority. The HRDC initially assisted the HRA with the successful closeout of the Section 8 Housing Choice Voucher Program after the retirement of its longstanding Executive Director. The Department of Housing & Urban Development granted authorization for Clearwater County HRA to transfer the oversight of the Section 8 Program to another agency. In order to prepare for the transition a full reconciliation of the accounting records was necessary. The accounting records were reviewed and recreated to determine the exact figure of restricted funds and local funds that were in the HRA's accounts. An audit was preformed and the restricted funds were returned to HUD and the program was successfully closed.

The HRDC provides an innovative approach to supporting HRAs. The approach employed by HRDC enables the HRA to maintain its identity while taking advantage of the administrative efficiencies that can be gained by using a staff team of highly qualified individuals to manage all aspects of the organization. Because the HRDC has similar relationships with two other County HRAs and a non-profit housing development corporation, we can use the partnerships and strength of all of these organizations to create a meaningful impact in the Region.

The HRA has held a series of strategic planning sessions to determine the type of activities the organization is interested in pursuing. The Board expressed interest in looking at responding to the need for housing for individuals with mental health issues, possibly through development of transitional housing that would allow people to transition back home after commitments or mental health crisis. Board members also expressed interest in providing leadership to support other activities in the County that are helping respond to critical local housing needs.

"The Clearwater County HRA considered closing its doors when the Section 8 Housing Choice Voucher Program was transferred to another organization. We're excited to be working with the HRDC to chart a new direction in order to continue serving residents of Clearwater County."

- Cheryl Grover, Clearwater County HRA Commissioner

COMMUNITY PARTNERSHIPS CREATE HOUSING FOR BLACKDUCK

Anderson Fabrics, Inc., the largest employer in the Blackduck community, is looking to add several employees to its workforce. The company has been hampered in its efforts to attract and retain workers by an inadequate supply of adequate housing. As a result of this deficiency, the Blackduck Development Corporation began looking at ways to respond to this need for additional housing. The Beltrami County HRA provided funding to match resources provided to the HRDC by the Minnesota Housing Partnership that allowed staff time to work with the partners in the community to create an innovative model resulting in new housing.

The community was initially hampered in its efforts to get new housing built due to uncertainty in the local market. Developers are typically unwilling to rely on "if you build it, they will come". To overcome this obstacle, Blackduck Development Corporation purchased a parcel of land that it was willing to make available to interested housing developers. After several months of discussions, planning, and setbacks, the community was finally able to create a workable model that will result in much needed housing in the City.

This project would not have been possible without the commitment and dedication of the community working together to pull it off. The BDC provided the land at a reduced rate to the developer and several members of the business community and Beltrami County HRA provided financial support by way of a lease up guarantee in order to reduce the development risk in order to make the project feasible.

A groundbreaking was held in May for Westridge Studio Apartments, owned by Whelan Properties, Inc. The apartments are set to be completed by the end of August or early September, 2017. The complex will have 26 units with the majority being studio apartments that range in size from 400 to 600 square feet.

Groundbreaking for Westridge Studio Apartments

PARTNERS JOIN TOGETHER TO ADDRESS HOMELESSNESS

Park Place

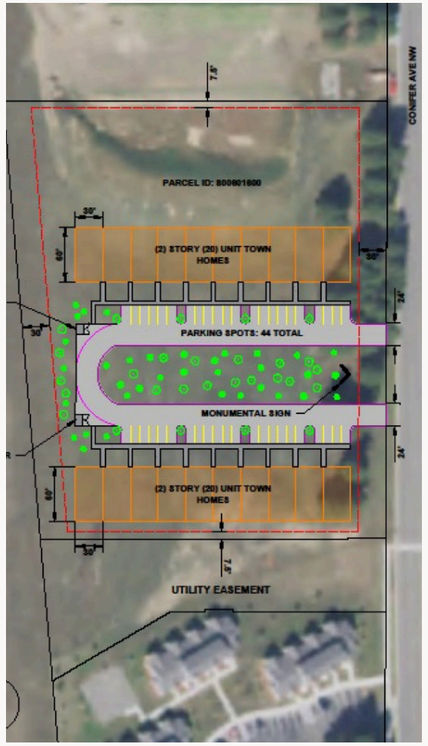
In April 2014, a homeless needs assessment was initiated in the Bemidji area to quantify the numbers and needs of homeless chronic inebriates, to determine the scope of broader homelessness needs, and to begin a community conversation about solutions for meeting the housing and support service needs of the area's most vulnerable homeless persons.

Some of the key findings of the report found that the numbers of people who are homeless is growing; there is a need for low cost housing for multiple populations of homeless and low income people who lack stable housing; and, there is an identified group of homeless individuals who are chronic alcoholics who are visible on the streets of Bemidji. The report recommended, among other things, the development of harm reduction housing models for chronic homeless alcoholics; development of permanent supportive housing units for high-barrier homeless adults without children and expansion of permanent supportive housing for homeless families.

The report provided the catalyst necessary for the community to begin the work to develop Park Place. Center City Housing provided the experience that was needed to develop a harm reduction housing model that will serve both chronic alcoholics and vulnerable adults without children. The City of Bemidji provided the land, Beltrami County HRA provided pre-development funding, HRA of Bemidji provided 20 place based Housing Choice vouchers to support the rents for part of the residents, and Beltrami County secured Group Residential Housing (GRH) vouchers to support the chronic alcoholic population. With the support from all of these partners, and many more, Center City Housing was able to successfully receive funding for the construction of the facility from Minnesota Housing, Greater Minnesota Housing Fund, and Federal Home Loan Bank. Construction began in the fall of 2016, with an expected completion date of October, 2017.

Conifer Estates

In June 2012, Conifer Estates opened. Conifer Estates is a twenty-unit supportive housing project located in Bemidji. The project was the result of a partnership between Headwaters Housing Development Corporation, Beltrami County HRA, Red Lake Housing Authority, Leech Lake Housing Authority, Bi-County CAP, Inc., and DW Jones. Since opening, an average of 57 individuals have been provided housing in the facility at any given time. Of that number, 32 are dependents. As a result the average age of the tenant population is 16. Over 80% of the residents have been American Indian. While we can characterize Conifer Estates as a success, there is a waiting list of about 100 households. That list has been at the same levels the entire 5 years the project has been open. For that reason, development of a phase two is underway. Headwaters Housing Development Corporation will act as the developer and Beltrami County Housing and Redevelopment Authority has committed land to support the development. An application will be submitted to Minnesota Housing in the 2018 competition. At this point, HHDC is hoping to construct a total of 40 units that will serve long-term homeless families.



Rear view of Park Place

Front View of Park Place

HOUSING REHABILITATION

Continuing to Preserve Existing Housing Stock with Rehabilitation

There are several initiatives underway to build new single family and multi-family housing in the Region. These initiatives include affordable, workforce and market rate housing. However, we cannot build our way out of the housing shortage if we continue to lose existing housing stock. The HRDC is playing a very large role in preserving the existing housing stock through a variety of owner occupied rehabilitation programs! Funding sources for owner occupied rehabilitation vary from year to year, and some of the most active programs are highlighted below.

HRDC is Top Producer for MN Housing Fix-Up Program

The Minnesota Housing Top Producing Lender Program awards outstanding Fix Up lenders annually at three levels: Platinum, Gold, and Silver. Lenders meeting the threshold for each level based on regional production are recognized as top producers, and demonstrate a deep understanding of Minnesota Housing's Fix Up Loan Program. For 2016, the HRDC received the Gold Level Annual Achievement Award for MN Housing's Fix-Up Program. In 2014 the HRDC also received an Impact Fund award from MN Housing that allows us to write down the interest rate on Fix-Up loans to very low income households to as low as 1%. Because of past performance under the Impact Fund award, in spring 2017 MN Housing opted to provide another impact award, allowing us to continue to provide lower interest rates to households.

Minnesota Housing
Top Producing Lender Award
Presented to
Headwaters Regional Development Commission
For achieving the GOLD LEVEL of home improvement loan production during 2016.
Kasey Kier, Assistant Commissioner
May 5, 2017
Date
GOLD LEVEL
Minnesota Housing

Rehabilitation loan demand still high for Very-Low Income Residents throughout NW Minnesota

The HRDC has been a Rehabilitation Loan Program (RLP) lender with Minnesota Housing since 2012. This program reaches very low income households across the region and provides up to $27,000 in deferred financing. This financing is made available to make basic improvements that directly affect the safety, livability, or energy efficiency of owner-occupied homes. The HRDC continues to see high demand for 2017 for both the regular Rehabilitation Loan Program and the Emergency Loan Programs and to date has provided over $1.1 Million in Rehabilitation funds to households.

Photo credit: Rosewood Construction

Impact Fund Successful throughout Region

The MHFA Impact Fund is used to maintain and/or increase the supply of affordable, owner-occupied single family housing in neighborhoods and communities throughout Minnesota. HRDC has received $250,000 in owner occupied rehabilitation funds to be utilized for single family rehabilitation in 2017. HRDC was also awarded another $50,000 to continue providing reduced interest rates for some borrowers utilizing the Fix Up program.

Region Well Served by Small Cities Development Program Funding

The Small Cities Development Program (SCDP) is administered by the Minnesota Department of Employment and Economic Development (DEED). DEED awards HUD community development block grant funds to smaller communities in Minnesota through a competitive grant process. The SCDP program funds various activities including rehabilitation of owner-occupied housing, rental housing, and commercial buildings, as well as development of infrastructure, primarily in support of low and moderate income households. Over the past several years the HRDC has been an administrator of the SCDP for various cities and counties throughout the Region.

HRDC is providing administrative support for three active SCDP initiatives.

HOUSING REHABILITATION
(Continued)

City of Baudette

The City of Baudette was awarded $282,000 to complete 12 owner occupied rehabilitation projects in the City. The program is now in full swing and applications are being accepted and processed for single family home projects.

City of Bemidji

In June 2015 the City of Bemidji was awarded $337,500 to complete 15 owner occupied rehabilitation projects in a target neighborhood of Nymore. The City contracted with HRDC staff to administer the award. To date, ten households have received assistance from this award. There is still a small amount of funding available, therefore, applications are still being accepted.

City of Blackduck

The City of Blackduck received SCDP funds to complete owner occupied rehabilitation throughout the City as well as a public infrastructure project. Widseth Smith Nolting (WSN) will administer the overall grant, including the infrastructure component. The City has contracted with the HRDC to administer the owner occupied rehabilitation portion of the project. Applications are now being accepted for the housing rehabilitation activity. Both City staff and HRDC are working hard to make the housing rehabilitation activity successful for eligible households in the City of Blackduck.

Photo credit: Rosewood Construction

FIRST TIME HOMEBUYER PROGRAMS OFFERED BY THE HRDC

Pre-Purchase Coaching

HRDC offers pre-purchase coaching throughout the Region. Coaching consists of one-on-one sessions with a certified professional to help individuals prepare for the home buying process. Topics include budgeting, reviewing credit reports, correcting potential errors in those reports and mortgage qualification. HRDC currently has two staff available to provide pre-purchase coaching and assistance through the entire process of buying a home. This service is available during regular business hours and by special appointment early mornings or evenings in person or by phone. The HRDC provided pre-purchase coaching to 21 individuals in this past year.

Home Stretch

Utilizing the same funding source as pre-purchase coaching, HRDC also provides an interactive workshop called Home Stretch. The Home Stretch workshop is based on seven steps designed to assist individuals with the home buying process. The workshop covers: Becoming a Homeowner; Money Management; Credit; Mortgage Loan; Real Estate 101; Loan Closing; and Life as a Homeowner. The HRDC offers workshops on a monthly basis. Individuals who are unable to attend in person have an online option called Framework. More information and registration for both Framework and Home Stretch is available at www.hrdc.org/home-ownership or by calling (218) 444-4732. Forty-five households completed Home Stretch classes offered by the HRDC this past year, an increase from the previous year. Several classes were offered this year throughout our Region with locations including Bemidji, Blackduck, Park Rapids and Baudette.

Studies have shown that individuals who participate in pre-purchase education and/or coaching are significantly less likely to experience delinquency, which can lead to foreclosure. Participants are also more likely to improve their credit score, increase their savings, and improve their purchasing power. As a commitment to successful home ownership, the HRDC provides these services to households throughout the Region through funding provided under the Homebuyer Education Counseling and Training (HECAT) grant program. This program is funded on a competitive basis each year with funds supplied by Minnesota Housing Finance Agency, Minnesota Home Ownership Center, Greater Minnesota Housing Fund, and Family Housing Fund. Local support is provided by the Beltrami County HRA and the Hubbard County HRA. The HRDC is also a sub-recipient of HUD funds received by the Minnesota Homeownership Center.

> *"The information that was provided to us helped us in securing a beautiful home that not only fits our needs, but is secure, efficient, and fits our budget. I believe this program really benefits our community and its members in only the best way possible." -Cody and Kate – Home Stretch participants*

MINNESOTA HOUSING PROVIDES AFFORDABLE MORTGAGE FINANCING

> *"HRDC has been a strong partner in northcentral Minnesota. Along with a great network of local lenders, HRDC has helped many families to achieve their dream of home ownership."*
>
> *- Minnesota Housing Program Manager Nicola Viana.*

Once again, HRDC is partnering with Minnesota Housing to provide affordable mortgages to first-time homebuyers through the Start Up loan program. HRDC has helped access affordable mortgage financing options for the Region for almost 25 years. Minnesota Housing has been a great partner to help ensure successful home ownership opportunities throughout that time. This year MHFA allocated nearly $1.3 million on affordable mortgage financing in the Headwaters Region through the Start Up loan program. More than $700,000 of that allocation was committed between January 15 and May 2, 2017.

Start Up loans offer fixed interest rates and down payment and closing cost loans up to $12,000 for eligible first-time homebuyers. Buyers can purchase homes in the Headwaters Region that cost up to $253,800.

Minnesota Housing is a state agency that provides access to safe and affordable housing and builds stronger communities across the state. Minnesota Housing offers purchase, refinance, and home improvement loans, as well as financing for affordable rental housing throughout the state.

Eligible households throughout the entire region can access financing through a network of local lenders. First-time buyers can get started by contacting participating lenders in the Headwaters Region. **Visit www.mnhousing.gov** for a full list of approved lenders, current interest rates, and program eligibility.

PARK RAPIDS ARTS AND CULTURE PLAN

Despite its small size, the Park Rapids community is home to numerous arts organizations, individual artists, cultural participants and cultural tourists. An increasing body of research demonstrates how vibrant cultural resources are essential to community livability. Communities across the country are discovering that the arts can intersect with economic and community development planning, offering solutions, improvements, and ways to discover and define place. Consider the following:

- A community's arts and cultural resources and their activities and products are key resources and incubators of creativity. Individuals working in creative industries create new cultural, intellectual, and economic opportunities and innovations. Additionally jobs are generated for people who supply materials and service needs, and present and consume creative work. In addition to adding jobs and an economic boost, growing a substantial arts and culture community will help retain and attract good talent.

- More than ever before, communities compete with thousands of others for business, investment, visitors, and talent. To be successful, the communities must set themselves apart from many other communities offering similar activities and attractions. One way of accomplishing this goal is through a unique cultural identity. By encouraging and supporting art and cultural activity, a community can bring to life their uniqueness and differentiate itself from neighboring communities.

- Developing and growing cultural resources throughout a community is key to expanding economic development opportunities through tourism. Visitors may come for a host of reasons, from conferences, to outdoor recreation, but a wide array of arts and culture activities will give them more things to do and more things to spend money on while in town.

Over the last nine months the HRDC has been working with the City of Park Rapids' Arts Advisory Commission on developing a community Arts and Culture Plan. The purpose of the plan is to provide a roadmap to move the arts forward as a key element in enhancing quality of life, promoting economic development, enhancing education in the community.

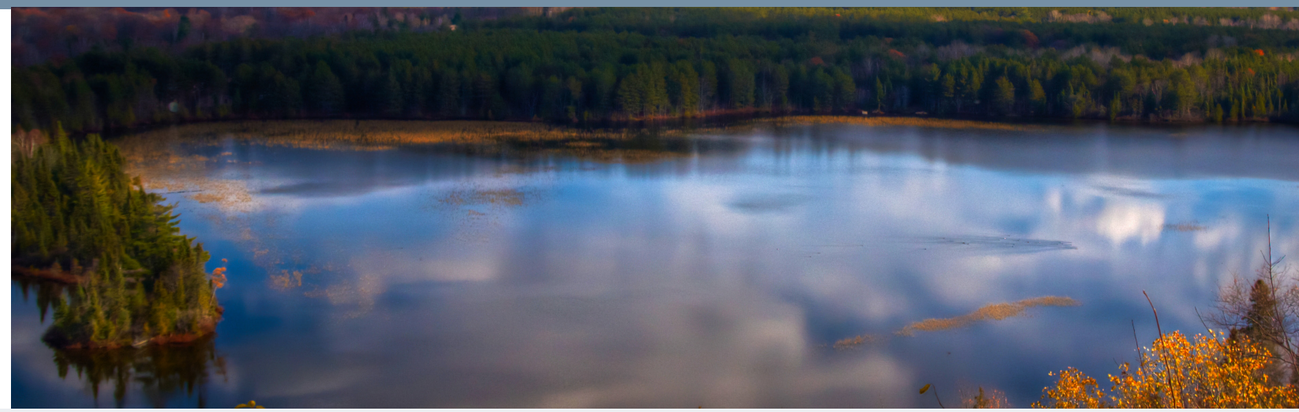
NATURAL RESOURCES

WHITE EARTH LAND USE

RED LAKE LAND USE/
TRANSPORTATION PLAN

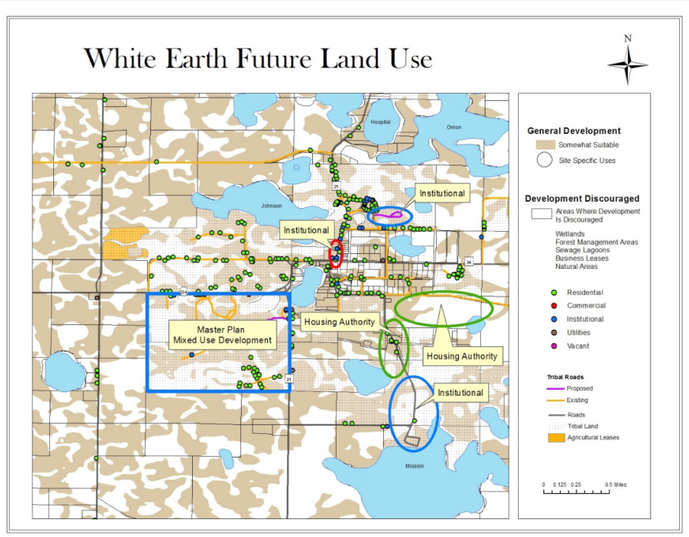
Land Use Planning

Land use plans are a vital part of a jurisdiction's overall planning process, and are used to determine appropriate uses for land based on developability, suitability, sensitive resources, ethical use, and growth needs. With an overall goal of establishing policies and a cohesive vision, plans aim to identify appropriate and compatible use, avoid conflicting uses among adjacent properties, and minimize negative impacts of existing and future development. While land use plans share these common themes and goals, they vary greatly from jurisdiction to jurisdiction based on the needs, compositions, and values of communities.



WHITE EARTH RESERVATION LAND USE PLAN

Over the past year, HRDC worked with White Earth staff to update and improve their Land Use Plan. The existing plan provided a thorough analysis of land use in the five Tribal villages, but did little to address land and resources throughout the Reservation. As land ownership within Reservation bounds is a patchwork with federal, state, county, Tribal, and privately held lands, planning for the future can be difficult. Regardless, White Earth strongly holds that the health of the land is directly tied to that of the people and their traditions. This planning effort took a proactive approach to thinking about land use and the impacts of development.

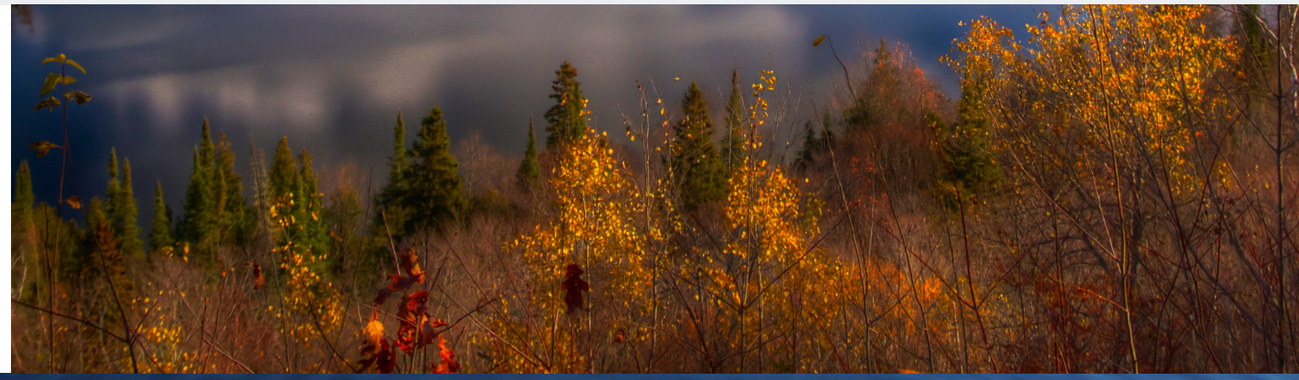


Through a series of meetings, HRDC and White Earth staff identified specific issues and topic areas that should be addressed in the plan, including:

- Development on non-Tribal lands within Reservation bounds;
- Emphasis on the cultural and historical importance of environmental protection;
- Planning for safe, healthy communities;
- Land assessments and needs by department; and
- Bringing Tribal influence to bear throughout the Reservation.

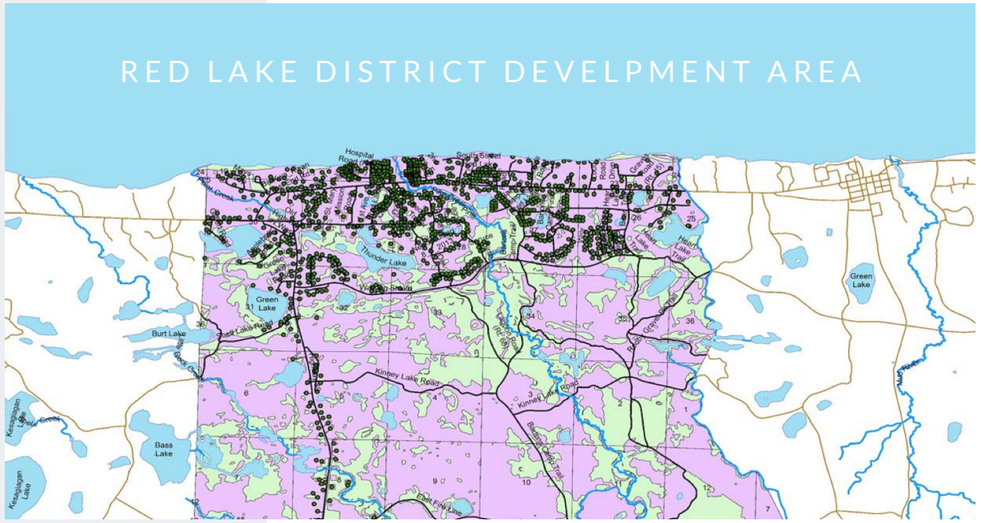
In addition to expanding the Plan to include these broader considerations, staff felt it was important to identify needs and develop criteria for future land acquisition and home site allotments.

This plan aimed to simultaneously affirm Tribal goals and values, express these in land use decisions, and develop a proactive approach to land use and development. White Earth reiterated the importance of their inclusion in all land use decisions within the Reservation bounds, regardless of ownership. They are committed to building on relationships with adjacent jurisdictions to ensure that their land, traditions, and values are respected.



RED LAKE LAND USE AND NON-MOTORIZED TRANSPORTATION PLAN

HRDC staff have been working with the Red Lake Tribe over the past year to update and consolidate their Land Use and Non-Motorized Transportation Plans. As Red Lake is a closed reservation, the Tribe has jurisdiction over all lands within its bounds. This gives the Tribe much more control over land use decisions, and it also requires buy-in from Tribal members. Because of this, a large part of this planning effort included community engagement and incorporating their feedback into the final plan.



One of the most pressing issues facing Red Lake is a lack of developable land. While the diminished Reservation consists of over 650,000 acres, only 117,420 acres are developable. Much of this land is remote, lacking infrastructure, or ecologically unsuitable for development. Because of this, Tribal members were encouraged to consider the following questions:

- What natural areas in your District are important to you?
- What should Red Lake's policy be for the reuse of unused land assignments?
- In order to accommodate new development with the limited land base, should Red Lake consider the following options:
    - Decrease the size of properties allocated to Band members for housing.
    - Develop multi-family housing to create more housing per acre.
    - Consider using mixed-use development.
- Where does it make sense to preserve land to accommodate non-motorized transportation corridors?
    - What specific uses/areas should be connected by non-motorized trails?
    - What places are walking paths most needed?
    - What places would you like to see park and recreation opportunities?
    - Where are safety crosswalks needed?
    - Should opportunities for art placement be provided in and along recreational areas?

Through the public engagement and outreach done in each of the four communities, the common themes for the prioritized non-motorized transportation opportunities included:

- Building sidewalks along main highways in District communities;
- Improving existing community parks and trails rather than building new facilities;
- Establishing trails to connect Districts and high-use areas within communities (i.e. schools, hospitals, and local stores and businesses); and
- Highlighting lakeshores and neighborhood areas for park development opportunities.

Using Red Lake staff expertise, mapped assessments of existing resources and development, and public input, HRDC staff are working to develop a plan that will address critical land use issues on the Reservation. The Plan is expected to be completed in summer 2017.

TRANSPORTATION, HEALTH & SAFETY

MNDOT ACTIVITIES

TRANSPORTATION ACTIVITIES

NORTHWEST REGIONAL EMERGENCY COMMUNICATIONS BOARD

DEPARTMENT OF TRANSPORTATION

This past year, HRDC staff worked on many transportation projects, both regionally and statewide. Minnesota Department of Transportation (MnDOT) contracts with the HRDC each year which supports transportation related activities and targeted projects to be implemented with a focus on improving the overall health and wellbeing of individuals in the communities HRDC serves.

MINNESOTA SAFE ROUTES TO SCHOOL

BEMIDJI AREA SCHOOLS INDEPENDENT SCHOOL DISTRICT 31

Safe Routes to School

The HRDC regularly facilitates and authors Safe Routes to School (SRTS) plans, funded by MnDOT and requested by local school districts. The plans offer strategies and suggested improvements to make walking and biking to school safer and more convenient. SRTS plans also emphasize active living to improve the health of students.

Park Rapids SRTS plan for Century Elementary School was finished in December 2016. This school is relatively new and lies on the edge of Park Rapids with a wide rural area surrounding the school. Many students must be bused more than two miles to school. Because the community serves as a trailhead for the Heartland State Trail and shows a growing interest in bicycling, Century Elementary School is in a prime location to host walking and biking events and allow for these activities to occur safely away from traffic.

Findings from this study identified only a few students walked and biked to school. Some identified barriers included: safety of students, especially crossing Highway 34, the distance students must travel, and cold weather and snow. Strategies such as infrastructure improvements and educational programs and events have been created to address barriers to walking and biking.

HRDC also assisted in updating the SRTS plan for Central Elementary School and J.W Smith Elementary School for the Bemidji School District. The principals of Central and J.W Smith Elementary Schools, along with the District Transportation Coordinator, requested that a more specific set of goals and strategies would be highlighted to improve safety for students at these schools. These two schools exist in the oldest neighborhoods of Bemidji, so many students were already walking or biking to school, but safety concerns were preventing more walking or biking from happening. Our list of recommendations focused on the greatest concerns, like "walking school buses" to encourage safe walking to school, the addition of rectangular rapid flash beacons to supplement crossing guards on Irvine Avenue, increased bicycle education, and other recommendations.

Transportation Alternative Projects (TAP)

HRDC assisted two communities within our region to access Transportation Alternative Projects (TAP) funding: Kelliher and Clearbrook will expand sidewalk and trail infrastructure. These projects will promote non-motorized transportation that improve health and reduce traffic congestion. The new sidewalks will be compliant with the Americans with Disabilities Act and will ensure accessibility for all users. Both of these selected projects will provide access to a local school. Kelliher's TAP project was identified following an approved Safe Routes to School Plan completed in 2014.

TRANSPORTATION PROJECTS

Local Human Service Transit Coordination Plan

HRDC recently completed an update to the 2011 Transit Coordination Plan. This is a 5 year plan that lays out improvement strategies for transit organizations in servicing elderly, disabled, and low-income riders. During this process, we have identified creative transportation partnerships throughout our region and are moving forward in funding options for pilot projects. The coordination efforts and cross sector partnerships have established a common theme amongst key decision makers within our region that a "Systems Change" approach to transportation is needed in order to improve access.

Nice Ride Bemidji Support

In 2013, Nice Ride began a pilot bike-share program aimed at building a more active community through cycling in Bemidji. With the implementation of the easily recognizable orange bicycles on the roads, Nice Ride met its goal of coordinating and promoting bicycle sharing throughout the thriving Bemidji community. As the Nice Ride's original pilot program has come to a close, the committee is exploring options to continue sustainable bike sharing into the future. Nice Ride Bikes were sponsored in full this season through the Carolyn Jacobs Foundation. After this year, new options include continued state organizational partnership, locally developed programs, and partnering with private organizations specialized in sustainable bike sharing. The committee is also seeking to further incorporate local businesses in the overall bike-share architecture, ultimately boosting cycling opportunities and reinforcing program sustainability.

TRANSPORTATION ACTIVITIES

(Continued)

Rapid Health Impact Assessment (HIA) on Mn-197

The Rapid HIA has identified road design modifications through comprehensive "Complete Street" design strategies to help eliminate the physical barrier and economic burden that Mn-197 places on vulnerable populations: low-income families and individuals, residents with low to no access to a vehicle, residents with short commute times to work, residents working on or around this corridor, college students and tourists. A fact sheet was created to provide MnDOT and other key decision makers a quick overview of HIA recommendations to consider for future road design plans and projects along Mn-197 and adjacent streets. The map identifies the specific location (black), the residents living within the scope of the project area (tan), adjacent corridors to consider (black), and potential areas that should be addressed with future assessments (red).

"MnDOT will look for low cost, short term solutions to address recommendations that are viable. The HIA will be used during the project scoping process that will occur in the next 5 years."

– Darren Laesch , MnDOT District Planner

The Installation of a Rectangular Rapid Flashing Beacon (RRFB) on Bemidji Ave. was completed in summer of 2016

Limited safe crossings on Bemidji Ave.

MnDOT District 2 has stated that this HIA will inform how they view new construction projects along this corridor. The City of Bemidji has also shown interest in the HIA informing their future transportation decisions. Both entities would use HIA findings and data to decide how best to make roadway improvements and reconstruction as part of their multi-year transportation improvement plans.

The Health Impact Assessment on MN-197 was selected to be presented at the Minnesota Rural Health Statewide Conference in Duluth with MDH Commissioner Ed Ehlinger on the Triple Aim for Health Equity. The Triple Aim for Health Equity focuses on:

1. Expanding the understating of what creates health
2. Approaching a "health in all policies" approach with health equity as the goal
3. Strengthening the capacity of communities to create their own healthy futures.

This HIA was a great example in discussing bullet point number 2 on the "health in all policies" approach and the intersection of health and transportation. This acknowledgment for Bemidji was outstanding for the work they are doing in collaboration between inter-sectoral partnerships, creating the greatest positive impact on health.

"Very helpful tool to expand the planning and collaboration process to include more the considerations and impacts of health factors for our community. Highway 197 is the main artery of the town, on so many different levels. Great to have the facilitation and background work done and to be shared for further discussions. The HIA process can be useful in other decisions being made for our community also." - Wendy Kvale, Minnesota Department of Health

NORTHWEST REGIONAL EMERGENCY COMMUNICATIONS BOARD

The Northwest Regional Emergency Communications Board (NWRECB) and Advisory Committee (RAC) consist of 14 counties, two tribal nations, and one city. They work together to improve public safety communications throughout the Region and across jurisdictions. Over the past year, the NWRECB has made great strides in increasing communications capabilities for communities in northwest Minnesota. The Northwest Region is close to reaching its goal of complete transition onto the ARMER Network, a public safety communications system used throughout Minnesota. Transition onto this network allows public safety personnel to reliably and efficiently communicate within and across jurisdictions throughout the state.

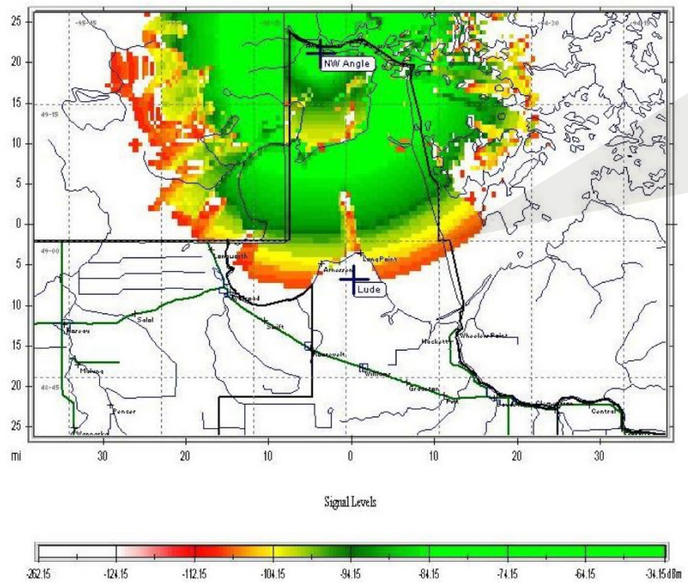
The NWRECB is able to improve communications in large part through grants provided by the Minnesota Department of Public Safety Emergency Communications Network. The Northwest Region has received over $900,000 in the last year alone to implement projects, purchase equipment, contract with planning consultants, and send members to trainings. Following is a list of some of our accomplishments over th last year:

- 30 members attended the Minnesota Public Safety Communications Conference in St. Cloud;
- The region hosted trainings to educate members in radio programming and use;
- Nine counties purchased and installed equipment ranging from bi-directional amplifiers to radio consoles; and,
- Red Lake Nation became a full NWRECB member and is completing an ARMER Participation Plan.

The members of the NWRECB and RAC are deeply committed to improving public safety in northwest Minnesota. They work to stay current on rapid advances in technology and new training practices with the overall goal of sustaining reliable communications networks, even in the most remote parts of our state. As they complete the full transition to the ARMER Network, the NWRECB is looking forward at adopting recent advancements in 9-1-1 capability, response, and dispatch.

"The collaboration of the Board, through its advisory committee, benefits citizens of the region threefold: increasing effectiveness of systems, better interoperability, and lowering costs."

- Deputy Neil Dolan
Clearwater County Sheriff's Office
NWRECB Advisory Committee Chair



Projected portable coverage from NW Angle Repeater site.

WELCOME

We've expanded our dedicated and exceptional HRDC staff team! These new team members have already shown extraordinary leadership and commitment to the organization and to the Headwaters Region. Please join us in welcoming Scott, Levi and Matt!

Scott Smethers joined the HRDC as an Intern in May 2017. He is currently attending Bemidji State University full-time, and will graduate in May 2018 with a B.S. in Project Management. Prior to attending college at Bemidji State he was enlisted as a non-commissioned officer in the U.S. Air Force, during which time he produced multiple operational, contingency, and humanitarian aid/disaster relief plans in preparation and response to global events. He served throughout the world at locations including South Korea, Hawaii, and Australia, and was also deployed twice to the Middle East.

Scott's role is to support planning efforts in the areas of hazard mitigation, livable communities, and economic development. The support he provides in these areas is focused mostly on thorough research and data analysis, which allows the rest of the staff to pursue development of high quality and thorough plans for end users. He is currently focusing on Hazard Mitigation and Land Use Planning for the Red Lake Nation.

According to Scott, "The experience gained in an internship position here is invaluable. Being in an organization that's focused on driving regional growth through community engagement is both challenging and fulfilling. I'm expanding my professional perspective and improving the competitiveness of my qualifications, while helping to steer successful future development of the place which I call home."

Scott was selected as an intern here at HRDC with support from the George W. Neilson Foundation, which awards grant funding in the Bemidji area dedicated to programs and projects with strong impacts on the greater community. The Neilson Foundation provides the same award to 14 additional internship positions with local businesses in an effort to grow new talent within the region.

Levi Haar began working for HRDC in March of 2017. He primarily focuses his time on administering a variety of owner-occupied rehabilitation loan programs as well as assisting with day-to-day accounting activities.

Originally from a small South Dakota town, Levi went on to attain a Bachelor of Science degree in Business Economics from South Dakota State University-Brookings. With a background in retail banking, Levi is excited to be part of the Headwaters team applying his energy and knowledge toward helping the community. He is especially looking forward to helping communities throughout the region respond to their local housing needs.

Levi and his wife Jenni have made their home in Bemidji since 2009. He enjoys the outdoors, travel, disc golf and board gaming

Matt McFarland began working for HRDC in August of 2016. He is the primary staff supporting the HHDC and the HRDC's Rental Housing Rehabilitation Program. He also supports planning efforts in the areas of community and economic development.

Matt has a degree in Political Science from North Dakota State University. Prior to joining the HRDC team, he spent some time in the sales field. In his time at HRDC, he has had the opportunity to leverage his degree and his comfort working with dynamic groups of people. His passion for strategic development has benefitted both the organization and the Region.

Matt and his wife Tami live in Bemidji. He enjoys running and is an avid music fan.

THE HRDC STAFF TEAM

TIM FLATHERS
Executive Director
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218-333-6532

Tim has been with the HRDC since 1983. Prior to becoming Executive Director in 2013, Tim served as Community Development Director for more than 20 years. Tim continues to be involved in housing and community/economic development activities in addition to his leadership responsibilities.

MARY THOMPSON
Operations Director
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218-333-6537

Mary has been with the HRDC since 1992. She is responsible for ensuring organizational effectiveness by providing leadership for the operational and financial functions, as well as partnering with the Executive Director to develop and implement the organizational strategies, policies and practices. Mary also provides the lead staff services to the Beltrami County HRA and the Headwaters Housing Development Corporation.

MATT MCFARLAND
Support Specialist
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Matt joined the HRDC in August of 2016. Matt supports planning efforts in the areas of community and economic development as well as providing support to the Headwaters Housing Development Corportation. He is also the primary staff supporting the HRDC's Rental Housing Rehabilitation Program.

RYAN ZEMEK
Economic Development Director
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Ryan has been with HRDC since 2008. Ryan primarily focuses his time on economic development projects, but also provides development assistance within various functional areas including leadership development, natural resources, community development, and transportation planning.

NAOMI CARLSON
Development Specialist
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Naomi joined the HRDC in January 2017. She primarily focuses on transportation, health, and community development planning.

NIKKI CLANCY
Housing Support Specialist
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Nikki joined the HRDC in May 2010. She provides homebuyer education and counseling services as well as manages rental properties owned by the Hubbard County HRA. Nikki also conducts payroll and various clerical duties.

SARAH LINDA
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Sarah joined the HRDC in December of 2015. She primarily focuses her time on managing the loan portfolio for the Headwaters Regional Finance Corporation.

ASHLEY SHONGO
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Ashley joined the HRDC in May 2014. She focuses her time on receptionist and secretarial work as well as assisting with contract management and marketing.

LEVI HAAR
Lending and Accounting Specialist
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Levi joined the HRDC in March 2017. He primarily focuses his time on administering a variety of owner-occupied rehabilitation loan programs as well as assisting with the day-to-day accounting activities.

TIFFANY FETTIG
Business Loan Consultant
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Tiffany joined the HRDC as a consultant in early 2006. Tiffany manages the Headwaters Regional Finance Corporation (HRFC) and its Revolving Loan Fund. She also manages several additional loan funds on behalf of local customers.

MEGAN FITZGERALD
Development Specialist
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218-333-6533

Megan joined the HRDC in November 2014. She primarily focuses on Community Development and Natural Resource Planning and well as assisting with Transportation Planning activities. Megan also provides the lead staff services for the Northwest Regional Emergency Communications Board.

SCOTT SMETHERS
Intern
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218-333-6543

Scott joined the HRDC as an Intern in May 2017. He supports planning efforts in the areas of hazard mitigation, liveable communities, and economic development. He attends Bemidji State University full-time, and will graduate in May 2018 with a B.S. in Project Management. Prior to attending college at Bemidji State, he was enlisted in the U.S. Air Force.