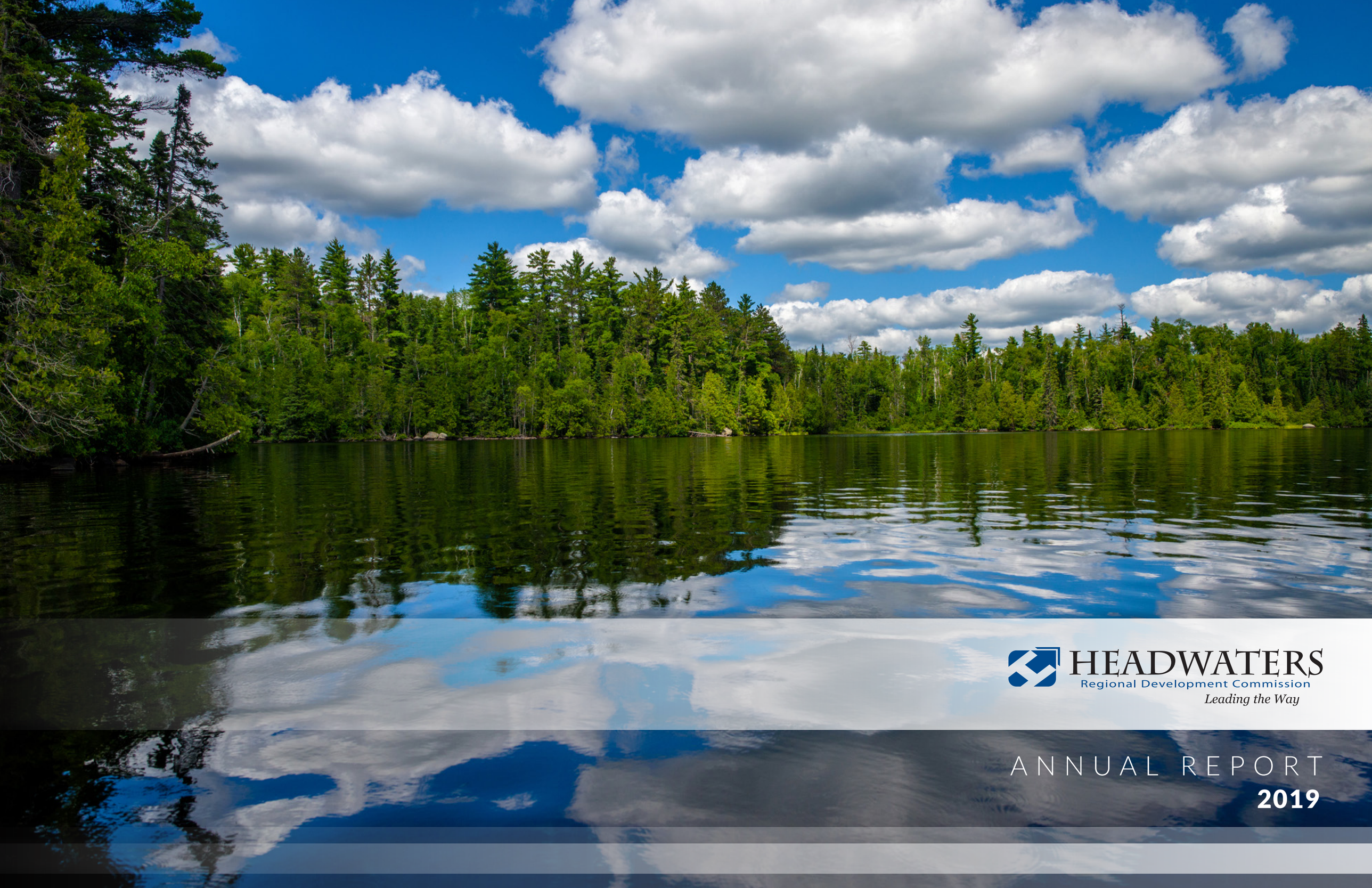


HEADWATERS
Regional Development Commission
Leading the Way

ANNUAL REPORT
2019

CONTENTS

INTRODUCTION 2-6
A Letter From The Chairman 2
From the Executive Director 3-4
Commission Members 5-6

TALENT AND PROSPERITY 7-20
HLDC 9
Mahnomen EDA 10
LOW County EDA 11-12
CEDS 13
HRFC Activities 14-18
Impact 20/20 19
Visitor Profile 20

LIVABLE COMMUNITIES 21-38
HHDC 23-24
Hubbard HRA 25-26
Clearwater HRA 27
Beltrami HRA 28-29
Longtime HRA Member Retires 30
Workforce Housing 31-32
Supportive Housing 33-34
Housing Rehabilitation 35
Baudette SCDP Admin 36
Mahnomen SCDP Admin 36
Mortgage Financing 37-38

NATURAL RESOURCES 39-44
LOW Wildfire Protection 41
Red Lake Hazard Mitigation 42
CERTs 43-44

TRANSPORTATION, HEALTH & SAFETY 45-54
MnDOT Activities 47
SRTS 48
RTCC 49-50
Hubbard County Bike Plan 51
SHIP 52
Bush Grant 53
NW ECB 54

HRDC 2019 55-62

A LETTER FROM THE CHAIRMAN

Cal Larson

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

As Chairman of the HRDC, I want to express my appreciation for the opportunity to serve this organization. It is a great honor to follow Steve Newby in this role, and to serve alongside so many influential leaders who care so deeply about their community and the entire Headwaters Region. Thank you to all of the past and current officers who provide your time and commitment to this organization!

HRDC has continued to be involved in many activities over the past year that have provided significant benefit to the Region. Our economic development staff continued to support improvements at the Bemidji Regional Airport, provided staff assistance to both the Lake of the Woods and Mahnomen County EDAs, and closed several business loans increasing jobs and economic activity throughout the region. Housing activities have resulted in additional affordable mortgage activity, construction of new single family homes and apartment buildings, provision of home ownership education and financial coaching, and rehabilitation of housing throughout the Region and beyond. Community development staff have continued to support important transportation activities in the region including Safe Routes to School planning and implementation and planning for a new Headwaters Regional Transportation Coordinating Council. Additionally, community development activities created a foundation for regional emergency communications work, natural resource protection through hazard mitigation planning, propelling new clean energy initiatives, and fostering environmental stewardship.

> *I am excited to work with the dedicated board and staff team to help build successful communities in the Headwaters Region!*

FROM THE EXECUTIVE DIRECTOR

Tim Flathers

HRDC went through a number of transitions over the past year. Several new staff members joined the team providing new energy and a variety of skills that will benefit the organization and the Region. Sarah Wilcox is focusing her time and talent on development of affordable single family homes, including those built in partnership with High School students in Bemidji and Blackduck. Joel Anastasio began his time with the HRDC as an intern and was later hired to lead our natural resource and clean energy work. Bryan McCoy became our primary Transportation Specialist leading our work with MnDOT and local customers. Missy Malone was hired as our Accounting Support Specialist. Missy provides support to the accounting staff as well as general administrative support for the office. Carolyn Pfeifer joined the HRDC staff to provide property management and general office support based out of the Heartland Regional Economic Commission Office in Park Rapids. As you work with each of these new staff members please welcome them to the team!

In addition to the staff transitions we have had several new Commission members appointed to serve the HRDC. New members include four County Commissioners; Craig Gaasvig from Beltrami, Ted Van Kempen from Hubbard, Jon Waibel from Lake of the Woods and Larry Olson from Mahnomen; two City Council members; Liz Stone from Park Rapids and Deb McArthur from Mahnomen; Randy Finn representing the Leech Lake Band of Ojibwe, and Mike Harrom representing organized labor. Thank you to all of the new members for your leadership and your willingness to serve!

The articles included in this Annual Report are intended to highlight some of the work that staff has worked on over the past year. Some of the work represents ongoing activities undertaken under long term contracts. Others are the result of unique short term projects completed to help local customers address high priority issues. In each case staff has provided leadership and commitment to help make a positive difference in the Region. I'd like to thank the staff for their commitment to successful communities.

As I said last year, none of the staff work could be successful without the strategic direction and strong leadership provided by a board of directors dedicated to the future of the Headwaters Region. Thank you for your service, and for your support!

And once again I would also like to thank the HRDC Executive Committee, HHDC Board, HRFC Board and Loan Committee, Beltrami County HRA Board, Hubbard County HRA Board, Clearwater County HRA Board, Mahnomen County EDA Board, Lake of the Woods County EDA Board and Northwest Regional Emergency Communications Board for providing the leadership needed to help make the Region a better place to live. Your leadership is valued and appreciated!

> *Thank you for your service, and for your support!*

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 | Tribal 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:

- Cal Larson - Chair
- Ron Johnson - Vice Chair
- Tony Peffer- Treasurer
- Rick Rone - Secretary

The present membership is as follows:

- Dave Bessler – Hubbard County Townships
- Peter Buesseler – Natural Resources
- Randy Finn – Leech Lake Reservation
- Gary Gauldin – School Districts
- Craig Gaasvig – Beltrami County
- Kathy Grell – Business
- Cody Hasbargen – Lake of the Woods County
- Mike Harrom – Labor
- Ron Johnson – City of Bemidji
- Cal Larson – Clearwater County Small Cities
- Deb McArthur – Mahnomen County Small Cities
- Brian Merschman- Beltrami County Townships
- Michael Meuers – Red Lake Reservation
- Jean Nelson – Mahnomen County Townships
- John A. Nelson – Clearwater County
- Larry Olson – Mahnomen County
- Rudy Patch - Beltrami County Small Cities
- Tony Peffer - Higher Education
- Jay Pike – School Districts
- Rick Rone – Lake of the Woods County Small Cities
- Liz Stone – Hubbard County Small Cities
- Mike Triplett – White Earth Reservation
- Ted Van Kempen – Hubbard County
- Jon Waibel – Lake of the Woods County Townships
- Vacant – Clearwater County Townships

TALENT & PROSPERITY

HLDC

MAHNOMEN **EDA**

LOW COUNTY **EDA**

CEDS

HRFC ACTIVITIES

IMPACT **20/20**

VISITOR PROFILE

HLDC

Heartland Lakes Development Commission

The newest organization to establish a staffing services relationship with HRDC is Heartland Lakes Development Commission (formally Hubbard County Regional Economic Development Commission). Heartland Lakes Development Commission (HLDC) was formed in 2005 as a partnership between Hubbard County, the City of Park Rapids and local businesses. The membership of the Board includes representatives from the County Board of Commissioners, City Council and business leadership. The organization was unsuccessful in finding a replacement for their Executive Director after he resigned his position of July, 2018, so the HRDC and HLDC entered into discussions to provide staffing services.

The result of those discussions was a unique staffing agreement that allowed Mary Thompson, HRDC Operations Director, to serve as the new Executive Director for Heartland Lakes Development Commission. In addition, the HRDC hired the existing staff person, Carolyn Pfeifer. Heartland Lakes Development Commission kept its existing office space in the Hubbard County Government Center and Carolyn works from that office full time while Mary spends two – three days each week in that office. This arrangement has allowed for greater flexibility in providing services for all of the organizations that the HRDC has staffing relationships with.

The agreement officially took effect on March 1, 2019 and since that time the organization has been undertaking a strategic planning effort. The first action was a name change. This action was taken for a couple of reasons: first, the Board considered the name to be hard to say and confusing and second, to more closely align with the Heartland Lakes branding effort. The Board is also in the process of creating new mission, vision and value statements as well as a new logo. When all of this work is complete, the Board will announce the results.

The current Board of Heartland Lakes Development Commission is Tom Conway, Chair; Charlene Christensen, Vice – Chair; Ryan Leckner, Secretary/ Treasurer; David De La Hunt; Christine Fox; Kathy Grell; and, Brent Swanson. Ex – officio members include Executive Director of the Park Rapids Area Chamber of Commerce, Butch De La Hunt; City of Park Rapids Administrator, John McKinney and Hubbard County Coordinator, Eric Nerness.

MAHNOMEN EDA

A Call for Collaboration in Mahnomen County

The City of Mahnomen, Mahnomen County, and the White Earth Nation all share a stake in the future of the region and share the same challenges. Until recently there was no entity working on behalf of all three stakeholders. On June 20, 2018, the bylaws of the new Mahnomen County Economic Development Authority (EDA) were officially adopted by the 7-member EDA Board, officially establishing a new organization. The Mission of the new EDA is to undertake multijurisdictional projects that encourage job creation and business development on behalf of cities and townships within Mahnomen County but doing so in conjunction with White Earth Nation.

As a new organization with very limited resources, it was essential for the organization find assistance to support identified projects that aligned with the EDA's mission. The HRDC was excited about the potential to create new economic opportunities and improve the quality of life in Mahnomen County, therefore we agreed to provide staffing assistance.

> *"HRDC was instrumental in the formation of the Mahnomen County Economic Development Authority. Staff facilitated this collaboration between the White Earth Nation, City of Mahnomen and Mahnomen County. We are very excited about the opportunities that are possible for this multi government EDA."* - KAREN AHMANN, MAHNOMEN COUNTY BOARD

Within the first year of the EDA's inception, the board began evaluating how the needs of the community would be addressed and how to align resources between the three stakeholders. Priorities were identified across many functional areas including entrepreneurship development, workforce training, and workforce housing development. Highlights of this year's work includes:

- Establishing the Wild Rice Arts and Culture Festival, which is being held this September to capture part of the emerging cultural tourism market,
- Developing a single family rehabilitation program aimed at restoring houses in the area and selling them to low income families interested in home ownership, but who have barriers to the traditional home ownership process.

As the organization matures, the HRDC will continue to provide assistance to the EDA and offer a broad range of skills to help the organization become more effective in responding to economic opportunities.

LOW COUNTY EDA

Catapulting Economic Development in Lake of the Woods

The partnership between HRDC and the Lake of the Woods Economic Development Authority continues to influence the state's northernmost county. 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.

> *"The HRDC team has been great at assisting the EDA address the key community issues and promoting an environment for economic growth."* - JON WAIBEL, LAKE OF THE WOODS COUNTY BOARD

One of the core functions of the EDA is helping local businesses access the capital they need to grow their business. The primary means in which the EDA accomplishes this objective is by providing financing through our revolving loan fund (RLF) and coordinating projects with private lenders or other providers. A highlight of this year's work was our financial assistance to the Northern Farmers Cooperative Exchange of Williams, MN. This entailed the expansion of the co-op through the demolition of an existing elevator on site and the investment of nearly $1,000,000 in a new storage facility. The storage facility would allow the co-op to purchase inputs such as low-cost fertilizer in greater quantities. In-turn, members are more profitable as the costs of their inputs would be greatly reduced, keeping them competitive among larger agribusiness operations. Without this new facility it would be very difficult for the co-op to remain competitive and could jeopardize the sustainability of the organization.

Northern Farmers Co-op Elevator Demolition

To move forward with the expansion, an existing structure on the property needed to be torn down and required an expenditure of $140,000 in demolition costs. Adding this to the anticipated costs of the new building made this a challenge for the co-op to pay costs with existing working capital. Moreover, a project of this nature doesn't lend itself to a traditional bank financing package. As such, the co-op approached the EDA for a loan with flexible terms to take on this venture, and the EDA was able to assist with the financing for this project and allow the cooperative to continue forward with its expansion plans.

In addition to traditional EDA activities, such as business expansion and retention, infrastructure, and loan making, the EDA has prioritized efforts at attracting and keeping workers in Lake of the Woods County. As seen in other parts of the state, one of the most critical local challenges is the shortage of available workforce, which compelled Lake of the Woods County to respond in a number of ways.

- *The EDA agreed to provide $275,000 in loans to the Baudette Housing and Redevelopment Authority for the construction of a new 24-unit apartment building. The new building was completed in December of 2018 and reached full occupancy almost immediately.*
- *The Lake of the Woods County EDA developed a regional recruitment effort entitled "Get Hooked for Life." Through this brand, the EDA currently markets employment opportunities, housing, education, healthcare, childcare, and stories about the region to over 75,000 followers.*
- *The EDA has assisted the Drifters Snowmobile Club with enhancements to the region's snowmobile trails.*

The HRDC is committed to continuing the exciting work that creates a more attractive environment for growth, new jobs, and a more successful Lake of the Woods.

CEDS

Taking Stock in our Region's Youth

Northern MN Entrepreneur Academy

During the HRDC's most recent Comprehensive Economic Development Strategy planning process, youth entrepreneurial exploration was identified as a top priority. In response, HRDC committed to developing a regional entrepreneurship program that enhances existing efforts, fills in local programing gaps, and connects emerging entrepreneurs with resources and networks. HRDC is proud to be offering a new program called the Northern Minnesota Youth Entrepreneur Academy (NMEA). The NMEA is a week-long program that teaches area high school students how to start and run their own real-world businesses. The purpose of the Entrepreneur Academy is to help students discover their entrepreneurial skills, provide opportunities to connect with area entrepreneurs, network with other northern Minnesota students, and encourage graduates to return to northern Minnesota to pursue careers.

Investing in this entrepreneurship education program offers our youth a new mindset where they are able to remain in their hometown and create their own business opportunities.

When young people embrace the entrepreneurial spirit, our communities will begin to revitalize with a new generation of businesses.

HRFC

Revolving Loan Fund Activity

HEADWATERS Regional Finance Corporation *Leading the Way*

The Headwaters Regional Finance Corporation (HRFC) continues to play an integral role in the Region's economic development goals. From financing change-of-ownership loans to major expansions, HRFC's lending activity across the Headwaters Region this year has supported continued growth. In addition to managing the HRFC internal revolving loan funds, HRDC also provides contracted staff support to ten community loan funds throughout our five counties. Financing options like these various revolving loan funds become an important part when traditional financing needs "gap" assistance, or when non-traditional financing is needed to get a project off the ground.

Funds are available for eligible projects across the region. ***Check out www.hrdc.org/about-hrfc for more information.***

Between July 1, 2018, and June 30, 2019, HRFC funded $840,500 in loans to the following borrowers:

STITTSWORTH MSU, LLC
Turtle River

DEER LAKE PROPERTIES, LLC
Bemidji

JACOBSON AUTO BODY SHOP, INC.
Solway

IVERSON CORNER DRUG
Bemidji

MLT&T, LLC
Baudette

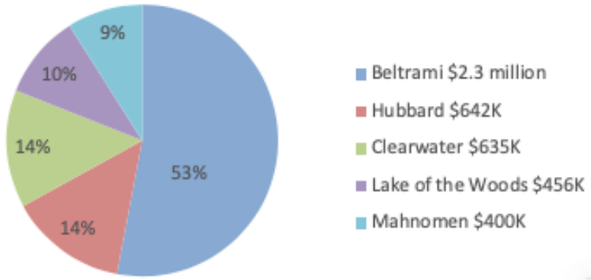
FOX LAKE CAMPGROUND OF BEMIDJI, LLC
Bemidji

NORTHERN HORIZONS SOLWAY
Solway

ROLLING FORTUNES, LLC
Bemidji

LARSON'S PARTS, INC.
Mahnomen

COUNTY DISTRIBUTION OF HRFC PORTFOLIO



HRFC *Continued...*

$16,625,956
LOANED FROM THE EDA RLF
SINCE ITS INCEPTION

191 LOANS
MADE FROM
THE EDA RLF
SINCE ITS INCEPTION

31 ACTIVE LOANS,
$2,400,000 OUTSTANDING,
$18.4 MILLION LEVERAGED
IN CURRENT EDA PORTFOLIO

5,904
JOBS
CREATED OR SAVED
SINCE ITS INCEPTION

497 JOBS
CREATED OR SAVED
IN FISCAL YEAR 2018

OVER
$89,000,000
LEVERAGED SINCE ITS INCEPTION

HRFC notes an increase in change-of-ownership loans

Over the last couple years, HRFC has seen an increase in the number of loan requests involving change of ownership. With many business owners approaching retirement age, they are faced with the choice of selling or closing. We are pleased to have played a part in successful transition of ownership in the following loans.

Jacobson Auto Body Shop:

Jacobson Auto Body Shop was under second generation Jacobson ownership when Ted Jacobson decided to retire. The business was purchased by Brooke and Larry Pond, who worked with Ted on a transition plan while also developing their own pathways to the next generation of this enterprise. HRFC partnered with First National Bank in Bagley to help Brooke and Larry break into entrepreneurship.

Jacobson Body Shop
Solway, MN

Larson's Parts, Inc.:

The owners of the NAPA auto parts store in Mahnomen were ready to retire, and Gary Larson recognized the valuable and timely opportunity. As the owner of Larson Parts & Repair in Bejou, Gary appreciates what open storefronts bring to small communities. United Valley Bank in Mahnomen partnered with HRFC and Northwest Minnesota Foundation to put together a loan package for this change of ownership transaction.

LARSON
PARTS &
REPAIR, INC.

HRFC *Continued...*

Fox Lake Campground of Bemidji:

Mark Haugen has been taking family camping trips to Fox Lake since childhood, and continued to do so with his wife, Amanda, and young daughters. When the Ducharme family decided to sell the campground after 42 years, Mark and Amanda knew they had a life-changing opportunity. The Haugens have overhauled the campground's marketing and booking system, along with updates to the campground. Working with RiverWood Bank in Bemidji, HRFC helped the Haugens plunge into lake life.

Iverson Corner Drug:

Iverson Corner Drug had been owned by Paul Iverson since 1990. When he decided to retire and sell the business, he made a transition plan with Ryan Okerlund, an Iverson Corner Drug pharmacist. RiverWood Bank teamed up with HRFC to complete the transaction and keep a long-standing Bemidji business open. At this time, Iverson Corner Drug is the only independently-owned pharmacy in Bemidji.

Current HRFC Board: Officers

Cal Larson - Chair

Ron Johnson - Vice Chair

Rick Rone - Secretary

Nick McArthur - Treasurer

Jason Funk

Nate Haskell

Kurt Knott

Tim Flathers - Non-voting member

HRFC Loan Committee:

Jason Funk - Chair

Nick McArthur - Vice Chair

Rick Rone - Ex-officio

Kurt Knott - Member

Nate Haskell - Member

Tim Flathers - Non-voting member

HEADWATERS
Regional Finance Corporation
Leading the Way

IMPACT 20/20

2019 Legislative Agenda

Impact 20/20, which began in 2008, is an influential group of Northwest Minnesota leaders with the purpose to be a catalyst for economic prosperity and well-being in Northwest Minnesota. The agenda for Impact 20/20 is set by its Leadership Council. A Report entitled "Economic Priorities for Northwest Minnesota Leaders," compiled by Northwest Minnesota Foundation, highlights priorities in each of the four priority areas and was provided to legislators as part of the annual Day at the Capitol. The four priority areas, set by the Leadership Council, include improved broadband, increased availability of child care, more resources to support additional housing units and support for career matching for High School students.

Karen White, President of the Northwest Minnesota Foundation stated, "We have found the trips to St. Paul to meet with legislators to be very worthwhile. Impact 20/20 has provided a forum that brings leaders from northwest Minnesota together for the purpose of promoting economic prosperity throughout the region."

Karen White
President of the Northwest Minnesota Foundation

VISITOR PROFILE

Visit Bemidji Completes Visitor Profile

Visit Bemidji has recently completed a visitor profile study in order to clearly understand characteristics and travel behaviors of visitors to the Bemidji area. The study was overseen by the University of Minnesota Tourism Center with financial support from Visit Bemidji, Northwest Minnesota Foundation, and the Northwest Regional Sustainability Partnership, while HRDC served as the fiscal host in order to support completion of the study.

The year-long study, across all four seasons, provides current and comprehensive information about the characteristics of visitors to the Bemidji area. The data will not only offer valuable insight for formulating marketing strategies, but also provide perspective regarding improved infrastructure needs and development, thereby maximizing tourism benefits to the community.

The results of the Profile are available here:

http://hdl.handle.net/11299/202778

"We're excited to have this important Visitor Profile finally completed. The Profile will be a great resource for Visit Bemidji, and the data made available through the comprehensive research will provide additional benefits for the Bemidji area. We truly appreciate the role that HRDC played as fiscal host."

Susan Goudge
Executive Director, Visit Bemidji
(Recently Retired)

LIVABLE COMMUNITIES

HHDC

HUBBARD **HRA**

CLEARWATER **HRA**

BELTRAMI **HRA**

LONGTIME HRA MEMBER RETIRES

WORKFORCE **HOUSING**

SUPPORTIVE **HOUSING**

HOUSING REHABILITATION

BAUDETTE **SCDP ADMIN**

MAHNOMEN **SCDP ADMIN**

MORTGAGE FINANCING

HEADWATERS
Housing Development Corporation
Leading the Way

Coming Together to Make Affordable Housing a Reality

There is a need for quality affordable housing in our communities and HHDC has been working hard to develop a replicable model to spur new construction. In communities where little to no new development occurs, appraisals will often fall short of total development costs. This will keep the private market at bay as prospective buyers will usually be unable to obtain financing to purchase a house that appraises less than total costs. This is where community support is instrumental in the success of housing projects. The City of Baudette has stepped up to the plate! To help keep costs down, building lots were provided by the City. An application for funding was approved by the Minnesota Housing Finance Agency (MHFA) that provided the remaining value gap. Headwaters Housing Development Corporation was then able to develop two single family homes in Baudette this year and both have sold. Due to the timeliness of the construction and sales HHDC was successful in applying for an Incentive Fund grant through MHFA that will allow for another phase of construction this coming summer. We are now beginning to see an incline in appraisals. As the value gap diminishes then the market can grow organically requiring less subsidy assistance over time.

Youth Partnerships Spur Housing Growth

The HHDC has been building single family homes in the Bemidji community with Bemidji schools since forming in 1998. Previously, the Beltrami HRA built houses in partnership with the high school since 1994. The Bemidji High School usually builds 2 homes each year, resulting in roughly 50 homes since the beginning of the innovative partnership. The HHDC is the developer, responsible for securing building sites and construction financing, and providing input into home design. The HHDC also sells the homes to income eligible households and has access to affordability gap resources for households if needed.

The original funds that were used to create the program originated from the Minnesota Housing Finance Agency. HHDC has been able to recycle the funds year after year to keep the program going. The success of the program is largely due to the hard work and dedication of the construction teacher, Tony Hommes. The students do everything except for the concrete, plumbing and electrical work. Concrete work is completed prior to school starting, and the plumbing and electrical work is performed by licensed contractors. The contractors typically demonstrate their skills to the students, adding to their knowledge base. Many students have gained skills directly transferrable to the workplace. Those interested in higher education have two colleges in Bemidji that offer trades programs- Bemidji State University and Northwest Technical College.

The Beltrami HRA funds the Blackduck High School building trades program and manages the sale process. The Blackduck High School builds one home per year at the school and the home gets moved from the school to the purchaser's location once complete. Additionally, the students build and install the cabinets themselves in another class offered at the school, while also installing custom trimming around the windows.

If a signed purchase agreement has been provided, a purchaser is able to add additional features at their own cost. This customization can add value to the student's learning experience with both customer relations and new skills. This year's house had several additional features such as a custom tile shower and a fireplace with a stonework wrap. Programs of this nature show the importance of partnerships and how they support community infrastructure.

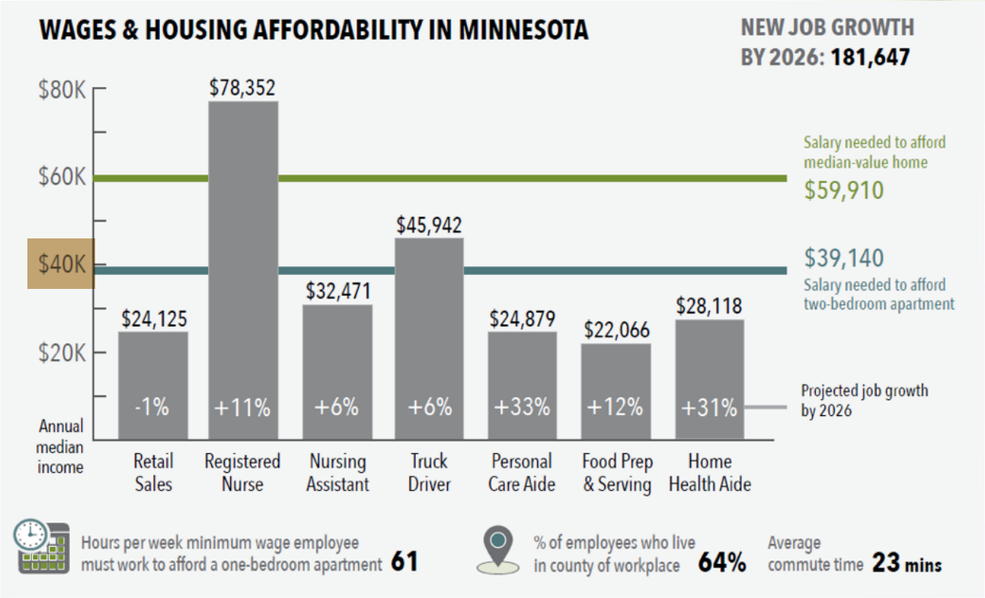
HUBBARD COUNTY HRA

The Hubbard County HRA owns and oversees the management of Cornerstone, an 8-unit transitional housing apartment building, which provides temporary accommodations meant to bridge the gap from homelessness to permanent housing. Our mission is to create partnerships with local service providers, as Cornerstone prepares individuals to transition into permanent, stable housing. We remove the daily struggle of finding shelter by offering a safe environment to those in need. In turn, Cornerstone residents can shift their focus to improving their quality of life through education, job search, and mental health services. Additionally, Cornerstone tenants are responsible for paying rent, up to 30% of their income, and are allowed to live at the property for up to two years. Throughout this program, we hope to foster successful outcomes for every tenant. Due to mental health issues and strain on local professional capacity, we encounter challenges. However, in 2018, 90% of the residents who moved from Cornerstone transitioned into stable, long-term, housing, showing the importance and positive effect of the program.

Cornerstone is an 8 unit transitional housing facility which provides temporary housing for the homeless.

The Hubbard County HRA, with the assistance of Minnesota Housing Finance Agency, purchased the Regency Apartments in August of 2017 as a means to provide safe, affordable housing options for residents of Park Rapids. This facility is composed of 15-units, and is regularly rented to capacity with minimal turn-over. In the event a tenant decides to vacate, our staff works efficiently to ensure the unit is rented to another individual or family and does so within days. As a result, the Hubbard County HRA sees the importance and value for this type of housing but also the need for the city of Park Rapids. Research done by the National Low Income Housing Coalition clearly shows that children who are living in stable, affordable homes are much more likely to stay in school and experience greater success than those who grow up without affordable homes. Therefore, the purchase of Regency Apartments has had a profound effect on the community we serve, while also aligning perfectly with the mission of the Hubbard County HRA.

Regency Apartments is a 15 unit affordable housing facility.



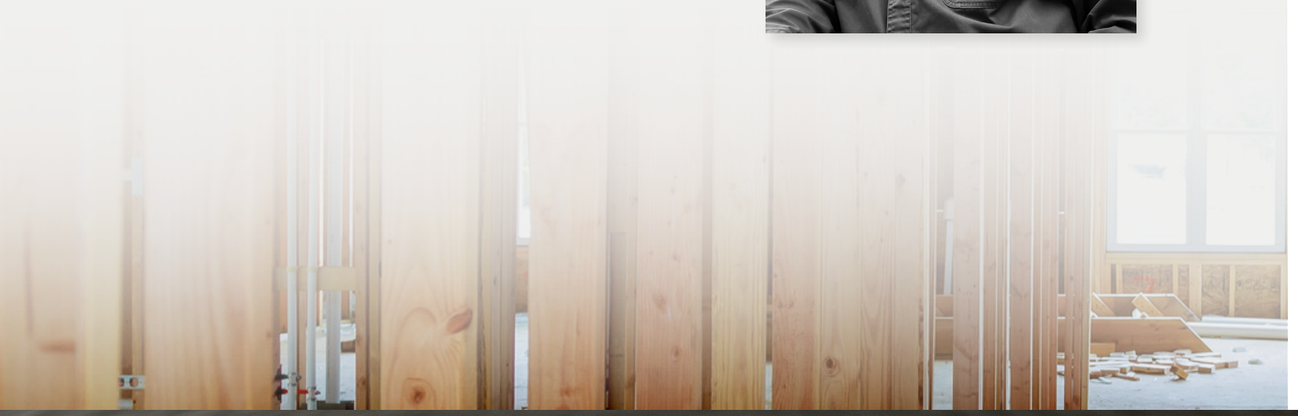
State of the State's Housing 2019 | Minnesota Housing Partnership

CLEARWATER COUNTY HRA WELCOMES NEW MEMBERS

The Clearwater County Housing and Redevelopment Authority has been searching for activities designed to address substantial housing needs in Clearwater County. The intent of the HRA is to seek partnerships and possible collaboration to address issues of housing affordability, housing quality and home ownership while developing technical and financial capacity to address the unique needs of the County.

Two new members were appointed to the HRA Board this past year. Devin Aakre and Amanda Haugan were appointed as HRA Commissioners by the Clearwater County Board. Devin and Amanda join Joy Walberg, Cheryl Grover and Marilyn Sunquist on this important Board of Directors.

> *"I'm very pleased to have the opportunity to serve on the HRA Board, and I appreciate working with HRDC staff to create opportunities for affordable housing for Clearwater County residents."* - DEVIN AAKRE, COMMISSIONER



BELTRAMI COUNTY HOUSING STUDY

Through the generous support of several partners including: Northwest Minnesota Foundation, City of Bemidji and Headwaters Housing Development Corporation, Beltrami County Housing & Redevelopment Authority sponsored a Housing Study for Beltrami County. The last study was updated in 2012 and generally the material in the report is out-of-date after about five years. The study provides an overview of the demographic characteristics, household trends, income information and housing supply in Beltrami County.

Studies, such as this one, are used in a variety of ways including by potential developers to determine if there is a market for the project they have in mind, organizations seeking grant funding to justify the project or use of the funds for a specific target group identified by the funding source, governmental units to determine future policy direction to change trends or address specific recommendations found as a result of the plan.

There were several items of interest that were identified in the plan, some of the most notable include:

- *Beltrami County is considered an area of growth; which is a positive indicator for the need of additional affordable housing units. The population for the County was 44,442 in 2010 and is projected to be 47,668 in 2020.*
- *The average household size is 2.51 persons, which doesn't represent any change.*
- *The largest percentages of workers are employed in the services sector (51.1%), followed by the retail trade sector (12.5%) and the construction sector (7.7%).*
- *There is limited affordable housing available for the local workforce.*
- *Of the 16,846 households in the County, 70.4% are owner occupied and 29.5% are renter occupied. Interestingly, in the City of Bemidji, 50.2% are owner occupied and 49.8% are renter occupied.*
- *Of all owner occupied housing units in Beltrami County 51.6% have a value of less than $150,000.*
- *In Beltrami County, 46.7% of the 4,418 rental units occupied by persons under age 62 were found to have conditions while 49.4% of rental units occupied by persons over age 61 were found to have conditions.*
- *Of the rental households in the County, 43.2% are rent over – burdened meaning they pay more than 30% of gross household income on rent.*

BELTRAMI COUNTY HOUSING STUDY

Continued...

The current Beltrami County area economy (as measured in type, number of jobs and wages paid) does not appear to provide adequate financial earnings for many households to afford a quality home or rental property in the County.

Based on the data, there are three housing priorities that are being recommended:

1. *Increase the supply of affordable rental housing for individuals and families at locations convenient to the City of Bemidji to reduce the number of rent over – burdened households.*
2. *Increase the supply of permanent supportive housing for homeless youth and families and explore the development of affordable assisted living facilities for elderly who are rent over – burdened and at risk of becoming homeless.*
3. *Improve the quality of existing rental housing by investing in improvements to existing housing units found to have conditions, including overcrowding. Also develop partnership to fund improvements at a lower cost to property owners for both rental and owner occupied housing units.*

LONGTIME HRA MEMEBER RETIRES

Steve Young retired from Beltrami County Housing & Redevelopment Authority Board of Directors in March, 2019 after 36 years with the organization. Beltrami County approved a resolution in 1972 to authorize the creation of a Housing & Redevelopment Authority after holding a public hearing finding the need for an organization to serve in that capacity. They appointed the first members in August, 1972, but that group was relatively inactive. Given the ongoing need for housing support the County Board took action again in 1980 to establish the HRA and appointed new Board members. In June, 1980 the organization's first Bylaws were adopted. Steve Young joined the Board of Beltrami County HRA in May, 1983.

Beltrami COUNTY HRA

During Steve's participation in the Board he served in each of the officer positions and helped create several of the programs that continue to operate today. Most notably, Beltrami County HRA was the organization that facilitated the development of the Bemidji High School Building Program. Eventually the administration of that program was transferred to Headwaters Housing Development Corporation. Since its inception that program has created over 50 homes purchased by moderate income households. In addition the HRA created an entry cost assistance program, assisted in the development of several supportive housing developments and provided public ownership for bond funded housing developments including Conifer Estates and Village of Hope.

It is through the generous volunteer support such as that of Steve Young that Beltrami County Housing and Redevelopment Authority is able to accomplish its mission. On behalf of the Beltrami HRA we wish Steve well as he moves on.

WORKFORCE HOUSING

Opening Access to Housing through the Workforce Housing Program

As is the theme throughout much of the State, barriers to economic growth include the lack of adequate affordable housing to attract workers to the open jobs that already exist in communities within the Region. One way that Minnesota Housing Finance Agency has sought to assist communities develop housing is through the Workforce Housing Development Program. This is a competitive funding program that targets small to mid-sized cities in Greater Minnesota with rental workforce housing needs. Grant funds and deferred loans are available to build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing.

To date, two Communities in the Region have been awarded funding to support development of market rate housing, with projects located in Baudette and Park Rapids. One of the components of the funding from Minnesota Housing is the requirement for a local match of 2 – 1, meaning there has to be one local dollar for every two dollars of State funding. The match can be in the form of in-kind or cash, but can't be provided by the developer. As a result, this requirement can be prohibitive for some communities. The City of Baudette received funding in 2018 for a 24-unit multi-family housing project, while the HRDC assisted in preparing the application to Minnesota Housing. The City of Baudette provided the land and all of the required infrastructure connections, which contributed to the local match. The Housing and Redevelopment Authority of Baudette is the project owner and manager, which is a new role for this organization as they have historically focused on HUD public housing for the City. Both the City and Lake of the Woods County supported the project with loan and grant funds provided to the HRA to ensure the equity required for bank financing, while Riverwood Bank in Baudette provided the mortgage financing. The developer for the project was Whelan Properties, Inc. and the general contractor was BOD Construction. The building was completed in late 2018 and became fully occupied in less than four months.

The second community in the Region to receive funding, under the Workforce Housing Development Program, is the City of Park Rapids. The funding supported construction of a 28-unit development on the east end of town, which is owned by the Hubbard County Housing and Redevelopment Authority. The development is meant to be targeted, but not restricted to households that are considered rent over-burdened so the rental rates are intended to be lower than the levels of most of the other similar market rate rentals in the community. This project was also made possible because of the strong support in the community. The developer for this project is Headwaters Housing Development Corporation and the general contractor is BOD Construction. The land donation was provided by Northwoods Bank and the mortgage funding was provided by Citizens National Bank. Construction for the project started on June 10 and is expected to be completed in November, 2019.

The key components, in both of these projects, is the community support and effort required to pull them off. Development costs for housing continues to increase at a pace faster than the value of the property for both single family and multi-family development, therefore this forces many developers to forgo doing projects even though there is a documented need and market. Now more than ever, communities need to find creative ways to work with developers to make projects viable and the Workforce Housing Development Program from Minnesota Housing is one tool that local communities may be able to access to address the shortage of workforce housing.

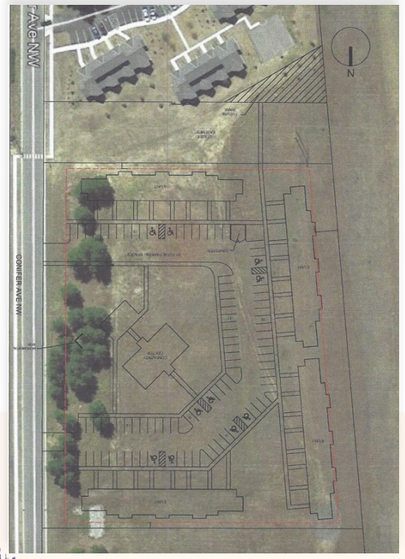
SUPPORTIVE HOUSING

The Conifer Community

When having a discussion about multi-family housing, it's important to understand specific key terms used regularly. For example, market rate housing is housing in which there are no rent or income restrictions but rent is set by whatever price the local market will bear. Affordable housing generally means housing for moderate income households, while housing is considered affordable if the rent is less than 30% of the annual household income. In other terms, supportive housing is a combination of housing and services intended as a cost-effective way to help people live more stable, productive lives. In turn, rents are generally subsidized in some way and is usually targeted at low and very-low income households.

The overall goals of supportive housing are to:

1. *Move people experiencing homelessness into affordable, permanent housing.*
2. *Promote housing stability with services necessary to improve their wellbeing, such as employability, self-sufficiency and other positive social outcomes.*
3. *Reduce the social costs associated with homelessness such as inappropriate use of emergency health care, shelter, chemical dependency, corrections, etc.*



The Conifer community began in 2007 as a result of a tribal round table seeking options to support homeless households in Bemidji. In 2012, Conifer Estates opened as a 20-unit development containing 5 – four-plexes and a small community building/maintenance garage. Since its inception, the development has experienced waiting lists of 100 + households. This prompted the Beltrami County Housing & Redevelopment Authority to reserve land adjacent to the development for a future project.

Through the application process we experienced an obstacle around the rental subsidy needing to operate the facility, however the legislature provided funding in the 2018 session that allocated additional funding to Minnesota Housing targeting households with behavioral health needs. Two weeks before the application deadline it was announced that the funding would be made available in the 2018 Super RFP funding round. Due to the strong partnerships in Beltrami County, we were able to shift the project to target the special funding and move forward with an application.

Conifer Villas received funding for the development of 32 units of supportive housing with the site design encompassing 4 – eight-plexes pertaining 4 – 3BR, 2 – 2BR, and 2 – 1BR. Included at the site is a community building with a training kitchen, offices, conference room and play area, along with a funding package containing Red Lake Tribal Housing, employer contributions, housing infrastructure bonds – behavioral health, tax credits, energy and tax rebates, and Federal Home Loan Bank – AHP. The total funding, in-turn, is $8,747,445.

The proximity between Conifer Estates and Conifer Villas allows for a greater coordination of services and management activities to provide more robust services and better efficiencies with operational processes. Morover, it's important to highlight the development team, which is made-up of: Beltrami County HRA – land grantor, HHDC – project developer, Beltrami County Social Services – primary service provider, Red Lake – lessee & service provider, Rippley Richard Real Estate Development Services – processing agent, Kraus Anderson – construction manager at risk, DW Jones – property management, Lucachick Architectural Services – architect and Hust Law Firm – attorney.

The target market of high priority homeless households that Conifer Villas was originally intended to serve was replaced with the behavioral health focus. As such, the decision was made to proceed with a third phase of the development to serve high priority homeless households. This process was unique in that the application was submitted with a childcare facility included on site, with the intention that the facility would serve all three of the Conifer developments. Subsequently, this phase will provide 24 units, in 4 – eight-plexes with a combination of one, two and three bedroom units. The application for this phase was submitted to both Minnesota Housing and Federal Home Loan Bank in June, 2019 with the funding announcements expected in late November, 2019.

Beltrami County's work surrounding residents facing behavioral health challenges is a major reason behind Conifer Villas successfully receiving funding and why East Conifer has a better than average chance in getting awarded funding. The community has been able to communicate to Minnesota Housing clear community alignment, while Beltrami County Social Services commitment to secure Housing Support Vouchers, and role as the lead service provider, supports the willingness and ability of all of the project partners to be light on their feet for project changes.

HOUSING REHABILITATION

Demand for preserving housing supply fuels Owner-Occupied Rehabilitation Activities in the Region

The Headwaters Regional Development Commission continues to play a large role in helping preserve housing stock including both owner-occupied and single family rental units as well as multi-family properties in the Region. HRDC has continued this role through a variety of housing rehabilitation programs. Some of the projects and programs implemented this past year are highlighted below.

Rehabilitation Loan Program continues to be a popular option for households in the Region

The Headwaters RDC has been a lending partner of Minnesota Housing's Rehabilitation Loan Program (RLP) since 2012. This program reaches the extremely low income households across the Region and provides up to $27,000 for rehabilitation in the form of a forgivable loan. This loan is made available to make basic improvements that directly affect the safety, livability, or energy efficiency of owner-occupied homes. The Headwaters RDC has continued to administer this program for 2018/2019 for both the regular Rehabilitation Loan Program and the Emergency Loan Programs. This program continues to be a very popular option for low income families in the Region who may otherwise not have the resources to get the badly needed home repairs completed.

Fix Up Loan and Impact Fund

For 2018/2019 HRDC has used its latest Impact Fund award through Minnesota Housing to help households who cannot obtain financing through traditional methods. The Fix up loan is one option that has proved to be beneficial to home owners. The loan can be used for a variety of owner occupied rehabilitation work and is paid back monthly by the borrower. It can also be used in conjunction with HRDC's Impact Fund award to offer customers a loan with an interest rate as low as 1%, based on income. This year we have saved families $6,145.12 in reduced interest rates through this program.

HRDC also has the ability with the latest Impact Fund award to offer deferred financing for eligible households who cannot qualify for other programs. This financing is in the form of a 30 year, 0%, deferred loan. The loan can be up to a maximum of $15,000 and be used for eligible repairs. With our latest Impact Fund award we have lent out approximately $100,000 in deferred loans through this program.

Small Cities Development Program

The Small Cities Development Program 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 Headwaters Regional Development Commission has been an administrator of the Small Cities Development Program for various cities and counties throughout the Region.

Baudette SCDP Administration

The City of Baudette was awarded $324,000 from the DEED small cities program for owner occupied rehabilitation within the city limits. We are proud to say that Small Cities project has been successful to date. The program has directly helped the rehabilitation of nine homes throughout the City. It has also indirectly played a part in the rehabilitation of four others.

This house in Baudette was rehabilitated using funds from MHFA.

Mahnomen SCDP Administration

In November, 2018 the City of Mahnomen was awarded $354,000 from a DEED Small Cities Development Program grant for rental rehabilitation in the City. The award is for the rehabilitation of 12 single family units, 2 duplexes and 1 12 unit property within the city of Mahnomen. The program is underway and applications are being taken and processed at this time. The City has contracted with the HRDC to administer the grant program.

MORTGAGE FINANCING

HRDC Supports Home Ownership Through Affordable Mortgage Financing

HRDC has accessed affordable mortgage financing through Minnesota Housing's Cities Participation Program since 2012. Prior to that time HRDC helped local governments in the Region access these resources individually. HRDC has helped access affordable mortgage financing options for the Region for the past twenty five years. Through these efforts the Region has been allocated more than $15 million since 2008 helping well over 100 households become home owners. The Minnesota Cities Participation Program (MCPP) offers affordable mortgages to first-time homebuyers through the Start Up loan program. Minnesota Housing has been a great partner to help ensure successful home ownership opportunities throughout that time. Last year MHFA allocated just over $1.4million of affordable mortgage financing in the Headwaters Region through the Start Up loan program. Lenders in the Headwaters Region utilized the entire allocation plus an additional $600,000 in funds unutilized in other areas.

Starting this spring the HRDC was allocated an additional $1.4 million in MCPP mortgage financing. A total of just under $200,000 has been utilized to date. These funds will be available until November of this year.

Start Up loans offer fixed interest rates and down payment and closing cost loans up to $15,000 for eligible first-time homebuyers. Buyers can purchase homes in the Headwaters Region that cost up to $271,100.

"I appreciate the role HRDC plays in accessing additional affordable mortgage financing through the Minnesota Cities Participation Program. These resources have helped many families achieve their dream of home ownership."

Max Cloose
Platinum Level Top Producing Lender
SecurityBankUSA.

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.

NATURAL RESOURCES

LOW WILDFIRE **PROTECTION**

RED LAKE HAZARD MITIGATION

CERTs

LOW WILDFIRE PROTECTION

Lake of the Woods County Community Wildfire Protection Plan

The Healthy Forests Restoration Act of 2003 (HFRA) was created to improve hazardous fuel reduction aimed at protecting communities and "at-risk" lands from catastrophic wildfire. The HFRA outlines the requirements of a Community Wildfire Protection Plan (CWPP). The Lake of the Woods County CWPP is the result of a planning effort to understand the potential impacts of wildfires in Lake of the Woods County, to identify strategies to reduce their occurrence, and mitigate losses.

A CWPP is developed collaboratively between the local government, local fire departments, and the state agency responsible for forest management, as well as in consultation to any other interested parties on the federal, state, or local level. A CWPP must identify areas for hazardous fuel reduction treatments and an action plan to mitigate losses. A CWPP is also required to recommend measures to reduce structural ignitability.

As of 2019 there were six areas identified for prioritized risk assessments in Lake of the Woods County.

Each area identified has been assessed by a state forester on items that can determine different levels of threats caused by wildfires. Objectives were then taken from the reviewed assessments as priorities to pursue in fire mitigation. The CWPP for LOW is currently being reviewed for approval by the collaborative team. The Plan will be finalized in 2019.

RED LAKE HAZARD MITIGATION

Creating Resilient Tribal Communities Through Hazard Mitigation

The HRDC has a longstanding, important, relationship with the Red Lake Band of Chippewa Indians and our connection with their community involves working to complete the Red Lake All Hazard Mitigation plan. Funding from the Federal Emergency Management Agency (FEMA) allows for the development of a hazard plan, which equips Red Lake Tribe with emergency preparedness procedures but also the tools to respond to manmade and natural disasters. Furthermore, having a hazard plan in place will qualify the tribe for specific, disaster related, federal funding opportunities.

Throughout the past year, the HRDC has worked to hold department meetings in Red Lake to uncover potential threats and assess the current inventory of emergency response plans. Our team also completed an analysis of tribal needs, while beginning the survey process with community members and organizations as a means to prioritize hazard issues. In turn, the tribe will be able to establish methods for mitigating response and recovery to events such as flooding, winter storms, power outages, wind damage, and other threats they may face. Red Lake Tribal Nation values their community and its resources, therefore an all-encompassing hazard plan prepares the community to respond to threats efficiently and effectively.

CERTs

Moving the Needle for Renewable Energy

The HRDC has continued to foster a strong relationship with the Clean Energy Resource Teams and 2018 was no exception. Over the last year, Joel Anastasio has held the role as the Northwest Regional CERTs Coordinator, serving not only HRDC's region but an additional 7 counties in the area. The Clean Energy Resource Team's mission is to connect individuals and communities in Minnesota to the resources they need to identify and implement community-based clean energy projects. CERTs alignment with HRDC's own goals fits perfectly and allows us to offer clients additional capacity and support for environmental stewardship.

In 2018, CERTs and HRDC worked closely with cities in our region to increase growth around the Minnesota GreenStep Cities program. Our team focused on three main objectives including B3 Benchmark training and updating for each GreenStep Cities Coordinator, new city recruitment, and existing city planning. Through our framework we successfully met each objective, which made it possible for city officials to increase their town's energy efficiency, improve their knowledge around monitoring energy usage in the benchmarking program, and resulted in 4 new GreenStep Cities induction for the Northwest region. Our efforts have awarded the HRDC a growing presence in the environmental community and continued partnerships with CERTs in vital to future opportunities.

In direct correlation, our CERTs team participated, planned, and led a multitude of projects and events throughout the year, while simultaneously fostering new initiatives for the new upcoming fiscal year. The highlight of our progrmaming year encompasses two Power of Minnesota events, where communities were brought together to view the Power of Minnesota documentary. This put a spotlight on renewable energy in our state and included a tour of energy efficiency upgrades in the City of Bemidji.

CERTs
CLEAN ENERGY RESOURCE TEAMS

The HRDC and University of Minnesota Extention CERTs team completing a utility business blitz in Crookston, MN.

2018 CERTS PROGRAM HIGHLIGHTS

- POWER OF MINNESOTA COMMUNITY EVENT IN BEMIDJI AND WARREN.
- CONDUCTED 6 ENERGY EFFICIENCY WORKSHOPS IN THE HEADWATERS REGION.
- CLEAN ENERGY EDUCATION PARTNERSHIP WITH THE CENTER FOR ENERGY AND ENVIRONMENT
- ELECTRIC VEHICLE WORKSHOP EVENT IN MOORHEAD.

Additionally, our organization played an integral part in hosting energy efficiency workshops throughout the Northwest region where community members, along with businesses and organizations, were educated on best practices for reducing energy bills and increasing savings. Lastly, our affiliation with environmental entities in the region sustained our efforts around conducting other events, such as educational classes with the Center for Energy and Environment and an electric vehicle conference with the City of Moorhead. The CERTs contract has proved important for the community and especially crucial for the mission of HRDC.

NW Regional CERTs Coordinator, Joel Anastasio, and Mayor Rita Albrecht at the Power of Minnesota Event.

The HRDC CERTs team at the Power of Minnesota Event.

> *"I am so grateful to the HRDC for taking on such an important leadership role in advancing environmental awareness and stewardship in the Bemidji area and beyond! They have been committed to connecting and working with so many different community partners and organizations in our region and have become a key partner in advancing our resilience and long-term sustainability."*
> - DR. ANNA CARLSON, ASSISTANT PROFESSOR, BEMIDJI STATE UNIVERSITY

TRANSPORTATION & HEALTH

MNDOT ACTIVITIES

SRTS

RTCC

HUBBARD COUNTY BIKE PLAN

SHIP

BUSH GRANT **START-UP**

NW ECB

MNDOT ACTIVITIES

MnDOT Partnerships

HRDC continues to maintain a strong relationship with MnDOT by providing support to the agency and representing the Region at transportation meetings. HRDC worked with the City of Mahnomen and Lady Slipper Scenic Byway to obtain state Transportation Alternative Program funds for major construction projects in 2020. Staff members are involved with both District 2 and 4 regional bicycle plans by providing feedback and serving on the Technical Assistance Committee. HRDC has also been involved in the Paul Bunyan Drive/Hwy 197 reconstruction planning process and completed a Corridor Analysis to help MnDOT prioritize survey responses.

SRTS

Providing Safe Routes to School Planning

Headwaters Regional Development Commission typically serves as the lead agency in facilitating Safe Routes to School Plans (SRTS) in the region. Funded by MnDOT, SRTS plans encourage work with local communities to identify improvements and strategies to make it safer for children to walk or bike to school. Furthermore, SRTS plans are intended to encourage active living to improve the health of students.

In June of 2019, the SRTS planning process for Mahnomen Elementary and nearby St. Michael's Charter School were completed and included school staff, Statewide Health Improvement Partnership staff and community members. When evaluating both locations, we uncovered that each school is located near the Boys & Girls Club, which results in many elementary students crossing a busy street after school. In addition, students at St. Michael's walk to a nearby catholic church for their daily lunch. As a result, we identified pressing issues including rolling stops, poor sidewalk conditions, and lack of proper snow removal during the winter.

The completed SRTS plan allows the City of Mahnomen, and corresponding schools, to access resources including potential funding for future active living improvements that address sidewalk repair, development of trails, and health related programs. Moreover, there will be the development of a local committee to take action on items determined in the plan and the facilitation of a bicycle rodeo in September, 2019. Not only is this the fourth SRTS plan completed by HRDC, but we have been approved by MnDOT to begin a SRTS for Naytahwaush Charter School beginning in July, 2019.

RTCC

Uncovering Transportation Needs in the Headwaters Region

Headwaters Regional Development Commission will be serving as host agency for MnDOT's new Regional Transportation Coordinating Council (RTCC) initiative. The RTCC encompasses a group of stakeholders interested in improving mobility for "transportation disadvantaged" populations such as those considered low-income, disabled, elderly, or a veteran. The RTCC will identify barriers to transportation and develop creative solutions to ensure everyone has equal transportation opportunity.

Over the past year, HRDC completed Phase I of the process which involved the planning and structuring of the organization. Various meetings were held across the region with multiple partners and the public to discuss transportation issues and ideas. The HRDC Board agreed to create an RTCC Advisory Board comprised of fifteen members that come from different areas of our Region. The Advisory Board will meet at least quarterly to identify challenges and recommend strategies to respond to the most pressing issues. Some issues identified early-on include inadequate after-hours transportation options, distance to medical facilities, lack of volunteer drivers, and limited information on available services. In addition, the Advisory Board will serve as the liaison between transportation providers, social services, and other agencies. Ultimately, per the RTCC objective, there will be the integration of a mobility manager, who will implement strategies recommended by the Advisory Board as approved by the HRDC Board.

Hubbard County Medical Transportation Collaborative

Coming off the heels of HRDC's BUSH Grant work, staff was invited to attend meetings to discuss starting non-emergency medical transportation from Park Rapids to Fargo. Local community members felt too many individuals were having difficulty obtaining medical care or forgoing appointments when referred to providers outside of the community. A committee of local health, social service, transit, and veteran service partners met monthly to develop a pilot project that would provide transportation from Park Rapids to Fargo twice a week for only $10 per rider. A 15 passenger wheelchair accessible shuttle will be operated by Hubbard County Developmental Achievement Center with HRDC serving as the fiscal host.

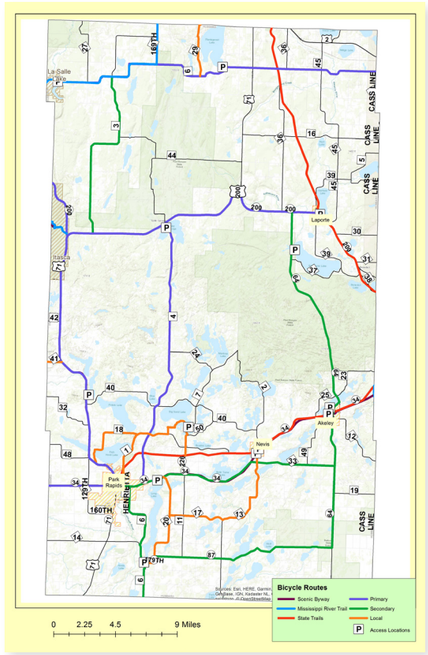
The pilot project is scheduled to begin July 1st and continue until December 31st, 2019. Heartland Public Transit will then begin to provide the service if there is a demonstrated demand. An estimated cost of operation for the six-month project is just over $21,000 and nearly all of the required funding has been raised through community giving and grants. It's anticipated that the service will be fully funded through fares, additional grants, and more community donations by the end of 2019.

Some of the Hubbard County Transportation Community Collaborative after receiving a check from Itasca-Mantrap Cooperative. (From left to right; Melody Jahnke, Essential Health; Robin Hanson, Hubbard County Social Services; Bryan McCoy HRDC; Kelly Hagen, Heartland Transit; Ashley Ylito, Knute Nelson; Gail Leverson, Hubbard County DAC)

> *"The Hubbard County Transportation Collaborative was formed in response to the need of our communities for transportation to medical appointments in Fargo. Through the collaboration and generosity of our great communities, this service will now be available to residents and allow them the ability to receive specialty care when needed and to make their health and wellness a priority."*
> - MELODY JAHNKE, REGIONAL RELATIONSHIP PROGRAM MANAGER ESSENTIA HEALTH WEST MARKET

HUBBARD COUNTY BIKE PLAN

HRDC, through a contract with MnDOT, worked to develop a comprehensive bicycle plan for the area with local support provided by Itascatur Outdoor Activity Club and Hubbard County Parks and Recreation. Bicycling is a popular recreational activity that supports tourism in the area and promotes use of the Heartland and Paul Bunyan State Trails and Mississippi River Trail crossing the County. The plan identified bicycle routes, developed strategies to improve bicycle safety, infrastructure, promotion, and continued support for the Heartland Trail spur and extension. A major purpose of the document is to consider the needs of bicyclists during roadway reconstruction projects. Besides local partners, the plan was also presented to the Minnesota Mississippi River Parkway Commission where it received a lot of interest.



Our organization will support the plan in the upcoming year by coordinating and managing a local stakeholder group to take action on some of the identified strategies. Additionally, the document will also be part of the MnDOT Region 2 Bicycle implementation process. Going forward, HRDC staff is in the planning to stages of developing a county-level bicycle plan each year.

> *"We in Itascatur Outdoor Activity Club, a citizens' organization in Hubbard County dedicated mainly to promoting and encouraging bicycling in the summer and cross country skiing in the winter, appreciate the efforts of HRDC, Bryan McCoy and MN DOT in developing the Hubbard County Bicycle Plan which we supported with a donation of $5,000. We have many bike-able roads as well as dedicated bike trails in our County and believe this plan will help engineers and planners, in consultation with bicyclists, develop and improve bicycling use and safety on these roads and trails in the coming years."*
>
> - MAURICE SPANGLER, TREASURER OF ITASCATUR

SHIP

Creating a Healthy Future for the Regions' Schools

The Statewide Health Improvement Partnership (SHIP) is a Minnesota program that focuses on creating healthier communities by promoting physical activity, healthy eating, and tobacco-free living. Specifically, through HRDC's contract with the North Country Community Health Board, our focus is centered on bolstering school initiatives that promote healthy practices for students and connecting educators and staff with funding opportunities to make the needed changes.

2018 was a busy year for SHIP. We had numerous successful projects with many schools throughout the Headwaters Region.

One of our biggest events of the year was the area food service training, which included a partnership with 14 schools from Hubbard, Beltrami, Clearwater, and Lake of the Woods counties. This training provided a way to connect staff with local farm food for cafeteria use but also offered education around proper food preparation, technical skill training for fresh food, and assistance on how to incorporate Farm to School Learning. As a result, students were exposed to fresh food practices that ultimately impacted the choices they made at home and led to community awareness of our agricultural sector.

HRDC's SHIP team also worked to connect with the different Wellness Committees in the region in an effort to encourage each school to complete the Student Health Index assessment and uncover areas of need. Additionally, we met with schools in Blackduck and Kelliher to help expand the use of their bike fleet and supported Laporte School in their planning of the Walk! Bike! Fun! Training. As a result, we have furnished school staff with the tools and resources needed to successfully complete programming that coincides with SHIPs mission.

BUSH GRANT START-UP

Removing Barriers to Rural Transportation

HRDC was awarded a BUSH Innovation Grant in 2018 to help uncover transportation needs in our regions five counties. Our focus was to create a task force in each county as a means to support populations that lack viable transportation options and uncover the current gaps that exist. Since the projects inception, we have made considerable progress, while adhering to goals and objectives set forth by each transportation task force and the BUSH foundation.

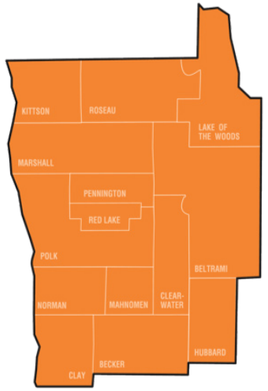
In our region, reliable transportation is often met with barriers and can affect an individual's ability to meet simple every day needs.

Access to transportation for services such as child care, employment, medical, and food is severely reduced for many communities in our region. Our goal for this past year was to address these concerns by designing pilot programs that could potentially improve our transportation status. Task force members took part in a three-hour workshop, hosted by HRDC, and reviewed current transportation inventory. Subsequently, each county came up with viable pilot programs while also brainstorming ways to build on current systems. Some of these pilot program examples include: a transportation resource guide for each county, rideshare program for employers, enhancement of current volunteer driver programs, a transportation apprenticeship education program, and set routes for certain medical and non-medical needs. Through our workshops and quarterly meetings, our task force groups have analyzed gaps, prioritized needs, and come up with applicable solutions, therefore opening the door for implementation in the next phase.

NW ECB

Northwest Regional Emergency Communications Board

The Northwest Regional Emergency Communications Board (NW ECB) and Advisory Committee consist of two tribal nations, the City of Moorhead, and 14 counties in the northwest corner of Minnesota. The focus of the NW ECB is to have effective communication in emergency situations for citizens and emergency responders enhancing public safety. This is accomplished through immediate responses with reliable systems for interoperable communications whether across counties, state, federal and tribal regions. Minnesota has chosen ARMER as their statewide emergency radio system and the NW ECB was tasked with rolling out the system, transitioning on, and then managing upgrades and maintenance.



The NW ECB is funded through grants that assist with planning, administration, trainings for emergency personnel, and equipment.

The NW ECB has two grants this year one at $32,173.71 solely for trainings and exercises that will take place through the region. The other is for planning, training, and equipment at $82,304.98.

HRDC provides staff support for the organization and fulfills duties such as managing the Northwest Region's portion of the ECB website, administrative duties for meetings, facilitating meetings and managing grant writing and reporting.

HRDC
2019

INTERNS

GREENCORPS MEMBER

STAFF

Interns & GreenCorps Member 2019

KARINA EWERT is HRDC's Marketing Intern for the summer of 2019. She is a Marketing Communication senior at Bemidji State University graduating in the fall of 2019. As an active member in the American Marketing Association, she has access to a large network of marketing professionals and learning opportunities. Karina enjoys the multimedia side of marketing including web design, photography, and video production. Some of the current projects Karina is working on include:

- Making graphics and video for the Clean Energy Education Program which works with the community and local schools.
- Producing photo and video projects for the Department of Commerce Eco Experience Program.
- Marketing Lake of the Woods EDA through photo, video, and digital content.
- Designing media for the Hubbard County Medical Transportation Service including posters and schedule cards.
- Creating a brand for the Wild Rice Day festival in Mahnomen including a logo, web page, invitation post cards, and flyers.

This internship will give Karina the opportunity to gain valuable experience and apply the knowledge that she has accumulated during her collegiate career. After graduation she plans to continue her education by earning her Master's Degree.

EMILY TRIBBY

has been serving as an intern at HRDC since September of 2018. During this time, Emily's assistance to the HRDC and our customers has been vital to a number of successful efforts. Emily contributed to a wide variety of project as an intern at HRDC, ranging from economic development, sustainability planning, transportation, and community development. Perhaps her greatest strength is her ability to work on a number of different projects simultaneously in a variety of areas. Some of her projects included:

- Working with the Mahnomen County EDA in the formation of the Wild Rice Arts Festival as they seek to develop cultural tourism assets.
- Grant writing assistance to Lake of the Woods County for a MN DNR Trails application.
- Regional capacity development through a Rural Community Development Initiative (RCDI) proposal to USDA Rural Development.
- Contacting building and business owners along Paul Bunyan Drive to set up meetings with MNDOT regarding reconstruction options.
- Assisting staff with mapping utilizing GIS.
- Working with Clean Energy Resource Teams to connect individuals and businesses with resources needed to identify and implement clean energy projects throughout the region.
- Actively working with the City of Bemidji and Waste Management in researching waste reduction initiatives and plan programming.

Emily grew up in Finlayson, MN. She received her Bachelor of Science in Environmental Studies, with a Policy and Planning Emphasis, and minors in Economics and Political Science from Bemidji State University in 2018.

DANICA SWANSON

began serving as a Minnesota GreenCorps member at HRDC in October 2018. Danica serves in the Community Readiness and Outreach focus area, concentrating on helping HRDC's region mitigate climate change and adapt to other environmental concerns. Minnesota GreenCorps is a statewide AmeriCorps service program that focuses on preserving and protecting Minnesota's environment while training the next generation of environmental professionals. The program seeks to address several statewide needs, including:

- Reduce solid waste and increase recycling in Minnesota communities.
- Reduce greenhouse gases (GHG) and other air pollutants.
- Reduce water runoff and improve water quality.
- Assist community members to take eco-friendly actions.
- Increase community resilience and build local capacity to respond to the threats of climate change.
- Train new environmental professionals.

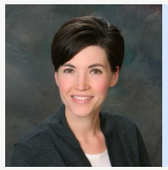
Danica grew up in the southern suburbs of the Twin Cities, and has always had a passion for sustainability and the environment. She received her Bachelor of Arts in Chemistry from Gustavus Adolphus College in 2015, and her Master of Public Health degree with a focus on Environmental Health from Argosy University in 2018. Much of her collegiate research centered on pollution control, water treatment and quality, and community engagement. Danica's studies exposed her to many aspects of environmental stewardship and inspired her to continue seeking ways to improve the world around us.

"I am so grateful that I have been able to serve at HRDC, and I look forward to some exciting new projects we have in the works for the rest of my service year!"

HRDC STAFF

Tim Flathers
Executive Director
tflathers@hrdc.org
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.



Sarah Linda
Loan Portfolio Specialist
slinda@hrdc.org
218-333-6536
218-214-2848

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

Levi Haar
Lending and Accounting Specialist
lhaar@hrdc.org
218-333-6530

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.

Sarah Wilcox
Development Specialist
swilcox@hrdc.org
218-333-6533

Sarah joined the HRDC in August 2018. She primarily focuses on Housing and Community Development. Sarah also provides the lead staff services for the Northwest Regional Emergency Communications Board.

Mary Thompson
Operations Director
mthompson@hrdc.org
218-333-6537

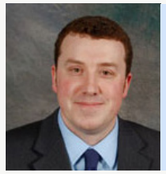
Mary has been with the HRDC since 1992. She is responsible for ensuring organizational effectiveness by providing leadership for the operational and financial functions, as well as partnering with the Executive Director to develop and implement organizational strategies, policies and practices. Mary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

Joel Anastasio
Environmental and Development Specialist
Northwest CERT Coordinator
janastasio@hrdc.org
218-333-6543

Joel joined the HRDC staff team in March 2018. He provides planning support in the areas of natural resource and environmental management, community development, and transportation. In addition, he is the Coordinator for the Northwest Clean Energy Resource Teams (CERTs).

Nicole McKinnon
Financial Officer
nmckinnon@hrdc.org
218-333-6544

Nicole joined the HRDC in December 2017. Her primary responsibility is to manage fiscal functions of the Headwaters Regional Development Commission, its subsidiaries and partner organizations.



Ryan Zemek
Economic Development Director
rzemek@hrdc.org
218-333-6541

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.

Bryan McCoy
Development Specialist
Transportation
bmccoy@hrdc.org
218-333-6544
701-270-7445

Bryan joined the HRDC staff in October 2018. He specializes in transportation planning which includes Safe Routes To Schools, pedestrian & bicycle infrastructure, regional transportation coordination, and MnDOT assistance. He also provides GIS support to HRDC programs.

Ashley Shongo
Homeownership Support Specialist
ashongo@hrdc.org
218-333-6542

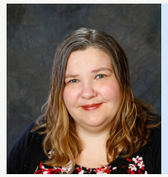
Ashley joined the HRDC in May 2014. Her main duties include administering the Homebuyer Education and Counseling program. Ashley also provides various marketing and administrative services to the HRDC staff team.

Danica Swanson
2018-2019
MN GreenCorps Member
dswanson@hrdc.org
218-333-6539

Danica joined the HRDC in October 2018 as a MN GreenCorps member. During her service year, she will be focusing on climate change resilience, transportation planning, healthy eating and active living in schools, and clean energy.

Missy Malone
Accounting Support Specialist
mmalone@hrdc.org
218-333-6543

Missy joined the staff team in December 2018. Her role is to support the various accounting and administrative activities of the HRDC.



Carolyn Pfeifer
Administrative Support Specialist
cpfeifer@hrdc.org
218-732-2259

Carolyn joined the HRDC in February 2019. Her role is to support the various accounting and administrative activities for the HRDC and she manages the multitude of rental properties owned by the Hubbard County HRA.

Karina Ewert
2019 Marketing Intern
kewert@hrdc.org
444-4732

HRDC's Marketing Intern for the summer of 2019. She is a Marketing Communication senior at Bemidji State University graduating in the fall of 2019. As an active member in the American Marketing Association, she has access to a large network of marketing professionals and learning opportunities. Karina enjoys the multimedia side of marketing including web design, photography, and video production.

Megan Countryman
Administrative Support
mcountryman@hrdc.org
218-333-6534

Megan joined the HRDC in July 2019. She focuses her time on receptionist and secretarial work along with other administrative activities.