

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**June 22, 2016**

A regular meeting of the Board of Commissioners of the Housing and Redevelopment Authority (HRA) in and for the City of Brainerd, Minnesota, was held at 1:00 p.m., Wednesday, June 22, 2016, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Fargo called the meeting to order at 1:03 p.m.
  
2. **ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Patrick Wussow, Marlee Larson, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Tania Eller, and Executive Assistant LeAnn Goltz. Absent from the meeting was Commissioner Eric Charpentier.
  
3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:**  
  
**Commissioner Wussow made a motion to approve the minutes from the May 18, 2016, meeting. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**
  
4. **STAFF INTRODUCTIONS:** Bergman introduced Maintenance Specialists Mike Jones and Dudley Gangestad. Both gentlemen have been with the HRA for nine years and have previous experience in the construction industry. They are responsible for maintaining the HRA properties, which include North Star Apartments, Brainerd South Apartments, Valley Trail Townhomes, and the Scattered Sites.
  
5. **BILLS AND COMMUNICATIONS:**
  - a. **Financial Report:** Young provided the following updates to the Board:  
  
The Brainerd South Board approved a contract with HY-Tec Construction for parking lot improvements at Brainerd South. The improvements will include the full replacement of bituminous and concrete along with demo and grading, electrical and landscaping. HY-Tec is subcontracting with Anderson Brothers for the parking lot replacement. Construction is anticipated to begin in mid-July.  
  
The procurement was through the National Joint Powers Alliance (NJPA) for a contracted amount of \$175,481.80. Brainerd South Replacement Reserves will be used to fund the project.  
  
**Commissioner Johnson made a motion to approve the payments as presented. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**



- b. **HCV Report:** Eller provided the Board with the May HCV Report and an update on the Bridges Program.

As previously discussed, the HRA received a score of 96% on SEMAP and an overall performance rating of high. An appeal was not granted, because we received the highest possible rating. A Corrective Action Plan was sent to the Field Office on May 24<sup>th</sup> and we received a letter in response stating we will not be required to have a Corrective Action Plan in place.

- c. **Public Housing Report:** Hettver provided the Vacancy and Property Performance Reports for May. The two-bedroom public housing waiting list will be closed on June 30<sup>th</sup>. It is currently over three times the number of applicants as units, so the HRA's ACOP requires that the list be closed.

#### **Brainerd South**

Hettver addressed the Board's concerns about the Brainerd South vacancies. She explained that the vacancies are for the two-bedroom units, which some cannot afford without a voucher, and those that get vouchers choose to live in places that come with garages and washers/dryers.

#### **North Start Elevator Upgrade**

We have closed on the POHP construction loan and received the Notice to Proceed. Jeff Banick has begun working with MEI to get the project up and running.

- d. **Executive Director Report:** Bergman reported on the following topics:

#### **Brainerd HRA 50th Anniversary Celebrations**

The City Council declared June 6<sup>th</sup> as Brainerd HRA Day in honor of the Brainerd HRA's 50<sup>th</sup> anniversary. The open house at SEH during History Week was a wonderful event and we had approximately 50 people attend. As a staff, we celebrated over lunch on Thursday, June 16<sup>th</sup>.

#### **College Drive – RRDL Application**

The Brainerd HRA and Minnesota Brokerage Group own College Drive Apartments jointly in an LLC. We have had problems with the Certainteed siding product. The boards are separating and it was replaced once and the cost was covered by Certainteed. However, it is doing the same thing so we have decided to replace it with a different product. We are involved in a class action lawsuit against Certainteed and we will receive some funds as a result but not enough to cover the cost to replace the siding. In addition, there are some run-off issues with the property, so we are working with a landscape architect to identify some ways to fix these issues. The Central Minnesota Housing Partnership (CMHP) administers the Rural Rental Deferred Loan Program through Minnesota Housing and we are preparing an application to finance this project. It is a 0% interest 30-year deferred loan program and 10% will be forgiven after the 30-year term if it continues to be operated as affordable housing. It is our intention to submit this application in July.

#### **Brainerd HRA Parking Lot**

We have been contacted by Lakes Area Pregnancy Support Center (LAPS) requesting to use some of our parking spots. However, according to the City Ordinance, the ordinance requires 2.25 spaces per unit (or 365 parking spaces) which we are significantly under. On June 15<sup>th</sup>, the Planning Commission will be considering removing the minimum parking requirements from the Ordinance and leaving that decision up to the developer. Bergman suggested to LAPS that we wait until after the City Council decides on this, which should be on August 15<sup>th</sup>. They are suggesting that in exchange for 4–8 parking spaces, they would restripe our lot and remove snow in the winter. We



would rather they pay rent for the parking spaces, which was an arrangement we had with Russel|Herder previously.

The Board had a discussion and decided it was not necessary to wait to move forward with the issue.

**Commissioner Larson made a motion to have the HRA begin the process of a parking arrangement with Lakes Area Pregnancy Center. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.**

#### **Congressman Nolan Visit**

Bergman received emails from Congressman Nolan's staff in May. First, she received an email from Emily German stating that Congressman Nolan is co-sponsoring H.R. 4816, the Small Public Housing Agency Opportunity Act, which would provide some regulatory relief for agencies with fewer than 550 units. She also received an email from Taryn Brown asking if we would have time to host the Congressman on the afternoon of July 20<sup>th</sup>.

#### **Her Voice**

Bergman was asked to write an article on Brainerd's housing for the July issue of Her Voice. Meg Douglas will be editing it and Bergman has not received her final version. Much of the information in the article is taken from the Comprehensive Housing Needs Analysis with some additional information.

#### **Star Tribune Reporter**

Pam Louwagie, a reporter from the Star Tribune, is doing an article on the City of Brainerd on how the bypass affected the City and how the City is working to bring people back. The reporter will be discussing downtown Brainerd, the Riverfront, the Brainerd Industrial Center and the NP Center. In addition to Bergman, a number of people participated in an interview with her including Mark Ostgarden, Mayor Menk, Rick Fargo, Mike Higgins, and Eleanor Burkett (Chair of the Bikeable/Walkable Committee). The interviews were conducted on Tuesday, June 14<sup>th</sup> and the article is expected to be in the Star Tribune on July 3, 2016.

#### **Brainerd Oaks/Serene Pines/ Dal Mar Estates Update**

At their June 14<sup>th</sup> Board meeting, the Crow Wing County HRA Board discussed the potential sale of Brainerd Oaks, Serene Pines and Dal Mar Estates. The Board was presented with the information from the City Council on the assessments, SAC and WAC fees and Park Dedication fees. The City Council stated that they would be willing to waive the special assessments on all three subdivisions and left it up to the CWC HRA to determine the amount. However, the City Council stated that they would want to receive full payments on SAC, WAC and Park Dedication Fees. After the discussion, the CWC HRA passed a motion to attend the next Committee of the Whole meeting with the County Board to see if they are willing to deed all three tax-forfeited subdivisions to the CWC HRA and discuss the options of accepting the Paxmar offer or releasing a Request for Proposal. Since the County Board had only requested the CWC HRA's assistance with Brainerd Oaks but have never discussed Serene Pines or Dal Mar Estates, the Board wanted to make sure that the County Board is willing to deed all three until they make a decision on the next step.

Bergman also reported that she received an email from Paxmar after the June 14<sup>th</sup> meeting that stated that if they aren't able to begin construction this year, they are not interested in moving forward with the purchase. Their reason for this is that they anticipate 2017 to be a strong real estate year – one of the strongest in many years – where 2018 will be a soft year. If



they begin construction this year, they will be able to take advantage of a strong 2017 and get some momentum. If they begin in 2017, they will be starting in a soft year, it will be hard to build momentum and they're concerned that it will not work.

Bergman also reported that she is trying to set up a meeting with residents of Brainerd Oaks.

The Brainerd HRA Board had a discussion about City Councilman Scheeler and his attempts to influence others in regards to the offers despite legal counsel directing him to remain silent.

### **CLC Student Housing**

Bergman received a call from Pam Thomsen, Executive Director of the CLC Foundation, who stated that they are considering purchasing The Pines apartments for student housing. Ms. Thomsen asked if the Brainerd HRA would be interested in partnering with them on this acquisition and/or managing the apartments on their behalf. Bergman suggested that Ms. Thomsen reach out to DW Jones to see if they have any interest in managing the apartments.

The Board had a discussion about the possibility of partnering with the CLC Foundation and felt it would not align with their current goals and initiatives.

**Commissioner Wussow made a motion to thank the CLC Foundation for thinking of the Brainerd HRA as a possible partner and to let them know the HRA is not interested in expanding their responsibilities at this time as it is outside of their strategic plan.**

**Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

### **NAHRO Conference**

Several staff and Board members attended the Minnesota NAHRO Conference at Madden's in May and found it very helpful. Commissioner Johnson reported that he attended an interesting training session given by the EDA of Coon Rapids. They had a similar issue with an addition of a bypass that resulted in a dying downtown area and vacant city-owned land that's ready to be developed. They have tried to send RFPs a number of times with no response or interest from developers. He suggested not "wasting your time" with RFPs. Commissioner Larson found the policy session helpful and left the conference feeling confident and proud of the Brainerd HRA.

## **6. REPORTS OF COMMITTEES:**

a. **NAHRO Commissioners Committee:** Nothing to report.

b. **Riverfront Committee: Stakeholder Meeting:** The Brainerd Riverfront Committee continues to make progress on the BLACF grant and has identified the "achievable" project in year one, which is to connect the parks (from Kiwanis to Rotary Riverside) with the river. SEH is exploring funding opportunities to hopefully identify some funding sources to apply for to implement this in Year 2.

Bergman shared that it seems that this identified project is outside the scope of the HRA. If this first year project would have been more redevelopment such as assembling properties, removing blight, etc., it would have made sense to have the HRA continue this grant in Year 2 and 3.

Since the focus seems to be more park-related, Bergman wondered if the City of Brainerd would



be more qualified to administer in Years 2 and 3. If a trail is constructed, the City would be the owner and responsible to make the decisions on how this is completed and paid for in the future.

Bergman spoke with Karl Samp and learned the BLACF grants committee will be meeting in June to consider Year 2 of the grant.

HRA staff met with the marketing department of SEH and they have provided guidance and draft templates for the Brainerd Riverfront website. It is their intention to purchase a dedicated domain name (www.brainerdriverfront.org) and create the website. Sample pages will be shown to the Brainerd Riverfront Committee.

The Board had a discussion about management of the BLACF grant and who they felt would be best suited to continue for year 2.

**Commissioner Wussow made a motion, seconded by Commissioner Johnson, that the HRA is made up of staff and board members, and a committee that are well qualified for this phase and future phases of the Brainerd Riverfront Project and that the HRA should continue its role in the facilitation of the Brainerd Riverfront Grant as directed by the Brainerd City Council. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

## 7. UNFINISHED BUSINESS:

- a. **Approve Guidelines and Scoring Criteria for SCDP Downtown Grant:** The Brainerd HRA, on behalf of the City of Brainerd, received \$715,000 from the Department of Employment and Economic Development (DEED) through their Small Cities Development Program (SCDP) for a commercial and rental rehab program in Downtown Brainerd.

DEED's priority is the preservation of affordable housing with commercial rehab being secondary. Because of this, we need to make sure that we are targeting those rental units in most need of rehab. Dennis Christenson, Rehab Coordinator, created a scoring sheet and will be inspecting all the property owners who submitted a survey and are interested in the program.

Bergman provided the Board with the guidelines and draft scoring criteria for both the rental and commercial programs. She shared her recommended changes and they went through each of their revisions for the amended Guidelines and Scoring Criteria.

**Commissioner Wussow made a motion to approve the Guidelines and Scoring Criteria as amended for the SCDP Downtown Brainerd Commercial and Rental Rehab Program. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

8. **NEW BUSINESS:** Chair Fargo made a suggestion that the Brainerd HRA Board meet with the Brainerd Economic Development Authority (EDA). The Board discussed it and will ask to be on the agenda of their next meeting.

Chair Fargo and Commissioner Wussow shared that the Talking About Brainerd group has been discussing ways they can provide education for renters as it's something that would be helpful in our

community.

**9. ADJOURNMENT:**

**Commissioner Wussow made a motion to adjourn the meeting. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:25 p.m.**

