

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**April 27, 2016**

The April 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, April 27, 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 1:02 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Gabe Johnson, Patrick Wussow, Marlee Larson, and Eric Charpentier. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz with the Brainerd HRA; and Mary Reedy, CliftonLarsonAllen.
3. **Presentation of Audit - Mary Reedy, CliftonLarsonAllen:** The unaudited financial information for the Brainerd HRA was due to the Real Estate Assessment Center (REAC) by April 15<sup>th</sup> and was submitted and accepted. Mary Reedy from CliftonLarsonAllen (CLA) presented the Agency audit. She stated that the process went smoothly with no disagreements, misstatements, or difficulties. As expected, there were no issues or findings nor were there any unusual transactions or significant adjustments needed. She informed the Board that what they are receiving each month is clean, accurate financial information throughout the year. Reedy acknowledged that the financial staff are doing a good job.

Commissioner Steffenson inquired to see if a board member signing a check is considered policy making. Reedy stated she'd check into it.

4. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:** Commissioner Fargo had a correction to last month's meeting minutes. In the second paragraph of the Executive Director's report, it states, "The HRA closed on the purchase of 728 4<sup>th</sup> Street NE..." It should read, "The HRA closed on the purchase of 4<sup>th</sup> Avenue NE..."

**Commissioner Steffenson made a motion to approve the minutes as amended from March 23, 2016. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved as amended.**

5. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:** Young provided the following updates to the Board:

**Bank Rec**

Brainerd South had a negative cash balance for March, which was due to the purchase of four hot water heaters. A transfer of \$34,720.71 was made out of the Brainerd South Replacement Reserve in April as reimbursement to the operating account.



Housing Choice Voucher also had a negative cash balance for March. Since HUD no longer allows us to hold HAP reserves locally, we do not transfer out Admin Fee Revenue from the HAP account until we need it so that there is a cushion in the HAP account. A transfer of \$40,000 in Admin Fee Revenue was made out of the HAP account and into the operating account in April.

### **Downtown TIF District Bonds**

One of the goals in the 2016–2017 Strategic Plan is to explore refinancing the downtown TIF District bonds. The HRA had previously worked with Wells Fargo and Ehlers to see if this was feasible and both entities had declined to participate.

The HRA recently began working with Northland Securities as they showed interest in helping us refinance the bonds. After several months of trying to market the bonds, they have determined that this will not cash flow with a lower interest rate and were unable to generate any interest from lenders.

As part of the original financing for this TIF District, the Board pledged up to \$12,000 of the HRA levy to debt service annually as the increment generated is not enough to cover the debt service payments. The note matures on February 1, 2028, and the TIF District does not decertify until December 31, 2031. We have an interfund loan for principal and interest with the General Fund and the intent is to continue to collect increment until the District decertifies to recover some of the pledged levy.

The TIF Note also states that if the security pledged to the payment of the principal and interest on the Note is insufficient to pay the principal and interest on the Note when due, and principal and interest remain outstanding after February 1, 2028, the maturity date of the Note will be extended to February 1, 2033 and Tax Increment Revenues will be used to pay any principal and interest outstanding on the Note.

Northland Securities has done significant research on this TIF District and has raised several issues that should be addressed. They have agreed to work with us pro-bono to see if there is a solution to help correct the insufficient increment that is generated to make the debt payments or to help us better manage it.

The Board had a discussion about the parcels within the TIF District.

**Commissioner Wussow made a motion to approve the payments as presented. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

- b. HCV Report:** Eller presented the Housing Choice Voucher Report to the Board as well as the Bridges Program Update. She reported the program is going well.

The Board had approved submission of the grant application for the Family Self-Sufficiency Program Coordinator at last month's meeting. Eller provided a copy of the fully-completed grant application, which was submitted on Thursday, April 14<sup>th</sup>.

- c. Public Housing Report:** Hettver provided the Board with the vacancy report and property management report. She also reported that maintenance staff completed all of the public housing property inspections, which is always a big undertaking.



### **POHP North Star Apartments Elevator Upgrade**

The HRA received the initial closing documents from MHFA and had attorney Eric Quiring review the loan documents. He did not have any concerns or recommended changes. MHFA is currently getting all of the documents finalized for the construction loan closing, which is expected to occur the week of May 1<sup>st</sup>.

Hettver also reported that the MHA Working Together Conference was very informative. She learned about the public housing policies regarding criminal activity and discrimination. She stated that the Brainerd HRA's current policy is very specific and very fair. This will also be a topic of discussion at the NAHRO conference Round Table.

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

### **728 4th Avenue NE**

The hazardous building inspection has been conducted on the property and a Request for Proposal for the demolition of the house went out with bids due back May 17<sup>th</sup>. Bergman hopes to have the contract on the May Board Meeting Agenda for approval.

### **DC Visit**

On Monday, April 11<sup>th</sup>, Bergman met with staff from Representative Nolan, Senator Franken and Senator Klobuchar's offices. She left handouts for their staff and was able to spend quite a bit of time with Representative Nolan's staff. She wasn't given much time with the staff of either Senator and will not meet with them again in the future as they have greater issues to deal with. She plans to continue visiting the staff of Minnesota's representatives.

### **NAHRO Conference**

There are 16 commissioners registered for the Minnesota NAHRO conference that will be held at Madden's May 25–27. The Brainerd HRA is hosting the tour on Wednesday afternoon and will include the NP Center, the Brainerd Industrial Center, the Brainerd Riverfront and Downtown Brainerd.

### **Housing/Commercial Rehab Update**

Bergman provided the SCDP Housing/Commercial Rehab update to the Board.

### **Brainerd Oaks**

Bergman also informed the Board that after the Joint Meeting between the Brainerd HRA and the Crow Wing County HRA that was held last week, there was an offer made for Brainerd Oaks and two other tax-forfeited developments: Dal Mar Estates and Serene Pines. The Crow Wing County HRA called a special meeting for Friday, April 29<sup>th</sup>. Bergman has also coordinated a meeting with some City staff for that same day and the assessments discussion has been placed on the City of Brainerd's P&F agenda for Monday, May 2<sup>nd</sup>.

She also reported that she had a discussion with one of the homeowners in Brainerd Oaks, who has offered to help coordinate any meetings with the other homeowners.

Bergman informed the Board that she was interviewed by a staff writer at Her Voice who is going to do an article on housing.



She also reported that the Soup Kitchen in Brainerd purchased the old church next to their facility and would like to tear it down to create a parking lot. They have asked the HRA to help them with demo/redevelopment. It was Bergman's understanding that this might be possible through the Scattered Sites Replacement Program since it would be elimination of blight, but she informed the Soup Kitchen she would have to check into the guidelines. The Board had a discussion and suggested that HRA staff draft a memo to the Board outlining the current policy, what steps would need to be taken to make this project possible, and bring it to May's meeting.

Because Bergman and a number of the commissioners will be attending the NAHRO Conference May 25–27, the Board suggested changing the next Board Meeting to May 18<sup>th</sup>.

**Commissioner Wussow made a motion to move the May 25<sup>th</sup> Brainerd HRA Board Meeting to May 18<sup>th</sup>, 2016. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none opposed. The motion was approved.**

## 6. REPORTS OF COMMITTEES:

- a. **NAHRO Commissioners Committee:** There will be a new commissioner's handbook coming out soon.
- b. **Riverfront Committee:** The Brainerd Riverfront Committee met on March 24<sup>th</sup> to discuss project naming, service club presentation update, and stakeholder meetings and met again on April 21<sup>st</sup> to discuss branding and logos. They also discussed a grant that the City of Brainerd is considering applying for called an Innovative Funding Grant from NJPA (National Joint Powers Alliance). This would fund a feasibility study of a cultural/performing art center on the Mississippi River.

In addition, the Committee discussed a stakeholder meeting that is planned for May 11<sup>th</sup>. The intent is to have three time slots and stakeholders can select which meeting to attend. The meetings will inform them of the current status of the Brainerd Riverfront project and provide an opportunity to gather feedback about the two priorities of the Committee: connecting the parks and exploring a cultural/performing art center. Email invitations were sent today and post cards will follow via regular mail.

The next Brainerd Riverfront meeting is scheduled for May 19, 2016.

## 7. UNFINISHED BUSINESS:

- a. **50th Anniversary Planning:** Based on the ideas generated at last month's board meeting for the Brainerd HRA's 50<sup>th</sup> Anniversary, the HRA put together a preliminary anniversary plan/timeline and provided it to the Board. The Board discussed the June 15th date of History Week and wondered if SEH's building could be part of the History Tour. HRA staff will find out if it's possible.

## 8. NEW BUSINESS:

- a. **Authorize the Submission of the Ross Grant:** On March 31<sup>st</sup>, 2016, HUD released the Resident Opportunity & Self-Sufficiency (ROSS) Program Grant. The ROSS Grant would fund a full-time coordinator position at the North Star to assist with a wide variety of activities for residents. Carrie Burrell is currently working on the grant submission and staff asked the Board to authorize its submission, which is due on May 16<sup>th</sup>.



**Commissioner Wussow made a motion to authorize the submission of the ROSS grant. Commissioner Parks seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.**

**9. ADJOURNMENT:**

**Commissioner Parks made a motion to adjourn the May 11<sup>th</sup> meeting at 2:43 p.m. Commissioner Steffenson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned.**



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