



Brainerd Housing and Redevelopment Authority BOARD MEETING MINUTES

May 27, 2015

The May 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, May 27, 2015, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

- 1. CALL TO ORDER:** Chair Rick 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, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Executive Assistant LeAnn Goltz, as well as Brainerd City Administrator Patrick Wussow and Brainerd City Councilperson Mary Koep.

3. READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:

Commissioner Parks made a motion to approve the minutes from April 29th, 2015. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. PUBLIC HEARING: PROPOSED SALE OF TAMARAC ST. TO LAHFH:

Commissioner Parks made a motion to open the Public Hearing regarding the sale of 614 Tamarac St. at 1:05 p.m. Commissioner Johnson seconded the motion and the public hearing was opened.

Executive Director Bergman provided a brief background about the residential lot. In 2014, the Brainerd HRA purchased and demolished the home at 614 Tamarac Street. Grant funds from the Minnesota Housing Finance Agency (MHFA) were used and MHFA requires that the homes constructed on these lots meet their guidelines including Minnesota Green Communities building, affordability, and income requirements. The Lakes Area Habitat for Humanity (LAHFH) uses these funds annually and the homes they build meet all Minnesota Housing requirements. Bergman recommended selling the lot for \$1,000.

Comments from the public were solicited. Brainerd City Councilperson Mary Koep inquired about taxes on the property and if they are paid to whom they are owed. Bergman explained that all taxes are paid prior to the acquisition of the property.

Commissioner Johnson made a motion to close the Public Hearing regarding the sale of 614 Tamarac St. Commissioner Parks seconded the motion and the public hearing was closed at 1:09 p.m.

Commissioner Parks made a motion to authorize Chair Fargo and Executive Director Bergman to close on the sale of the lots to the LAHFH for \$1,000. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed.

5. BILLS AND COMMUNICATIONS:

a. Financial Report:

Trail Ridge II Limited Partnership

The 15-year tax credit compliance period has expired and Columbia Housing Corporation, the Limited Partner (LP), would like to exit the partnership. The Partnership Agreement allows the LP annual investor services fee payments that are cumulative and increase 3% annually. Per the 2014 audit, PNC has \$29,847 in cumulative fees owed to them. As such, they are requesting a payment of \$29,850 to transfer the ownership to the Brainerd HRA.

Columbia Housing Corporation owns 99.99% as the LP and the Brainerd HRA owes .01% as the General Partner. Upon this transfer, the Brainerd HRA will be the sole owner of the property.

We are working with Jeff Koerselman, an attorney from Winthrop & Weinstine who specializes in tax credit projects, to review the Assignment and Assumption Agreement which we received from PNC. Jeff would like to change a few of the boiler plate sections to be more in our favor and he also mentioned negotiating the exit amount.

We plan to have the Assignment and Assumption Agreement before the Board at the June meeting with a tentative closing date of June 30th.

Chair Fargo received a call and needed to excuse himself from the meeting due to a family emergency.

Commissioner Steffenson moved to have Commissioner Parks preside over the meeting in place of Chair Fargo. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed.

Brainerd South

At the end of April 2015, the Brainerd South's operating account balance was (\$5,430.74). In February, per the Regulatory Agreement with HUD, a required surplus cash deposit of \$10,406 was made into Residual Receipts. In addition, over \$22,000 has been paid to Quick Construction for repairs due to water damage from defective window installation. This has significantly reduced the operating account and we will continue to monitor expenses to allow the account to recover.

- b. HCV Report:** Executive Director Bergman informed the Board that the HCV waiting list total is currently at 653. The HRA closed the HCV/Section 8 waiting list on May 15th, 2015.

Bergman also shared the letter received from HUD that notified the Brainerd HRA of its 100% Section 8 Management Assessment Program (SEMAP) score for 2014.

- c. Public Housing Report:** The Board reviewed the vacancy report and monthly property performance report for April 2015.



Bergman presented the notice received from HUD that stated the Brainerd HRA did not get funded for the 2014 ROSS grant. Staff will apply again for the 2015 ROSS grant.

The Inspection Summary Report from the April 10th REAC inspection was shared with the Board. The HRA received a score of 99b.

Bergman also informed the Board that the Brainerd HRA received a rebate from CenterPoint Energy for its participation in the Conservation Improvement Rebate Program.

d. Executive Director Report:

PHAS Score

The Brainerd HRA received a score of 98 out of 100 for PHAS (Public Housing Assessment System) and are classified as a High Performer. The national average PHAS score is 90 and the regional average is 92. Bergman commended staff for the hard work and dedication to the HRA, public housing and residents. A press release has been drafted and will be sent to the Brainerd Dispatch once it's finalized.

Crosby SCDP Grant Application

Department of Employment and Economic Development (DEED) has awarded \$435,100 of funding for the housing rehab portion of the Small Cities Development Program (SCDP) for Crosby. They did not fund the public facilities project.

Brainerd Oaks

At their May 12th meeting, the Crow Wing County HRA discussed the next steps for Brainerd Oaks. CWC HRA is considering hiring a firm to evaluate options to consider replatting the development. Bergman has since met with the City Planner and City Engineer to discuss the project and the importance of public involvement.

At the 2014 Spring Minnesota NAHRO conference, Bergman was introduced to Urban Land Institute (ULI), a non-profit agency that offers advisory options to policy leaders. They offer services that may be beneficial in moving forward with Brainerd Oaks and has inquired with the agency to learn more. Bergman will notify the Board of what she learns.

Region 5 ArtPlace Grant Finalist

The North Central Economic Development Association, staffed by the Region 5 Development Commission, is a finalist in a \$3 million ArtPlace Grant. If funded, the grant will be used to integrate art into communities. The Housing Institute Downtown Brainerd group has had many discussions on integrating art into downtown Brainerd. Bergman will be participating in the funder site visit and provided the event's itinerary to the Board.

Minnesota NAHRO Conference

The Minnesota NAHRO conference was held at Madden's Resort, May 20–22. Bergman and several other staff and Board members attended the conference. They reported that it was very informative and beneficial.

Housing/Commercial Rehab Update

The SCDP Housing/Commercial Rehab update was presented.



6. REPORTS OF COMMITTEES: None.

7. UNFINISHED BUSINESS:

The Board inquired about the status of the property that was burned down in a fire (located in the Brainerd HRA Downtown TIF District). Bergman reported that currently the property owner is considering donating it to the HRA.

a. Consider Sub-Grantee Agreement with the City of Brainerd for the BLACF Difference Maker Grant

The City of Brainerd was awarded the BLACF Difference Maker Grant to hire a Riverfront Coordinator to implement the design and development of redevelopment along the Mississippi River. They were given \$33,000 for the first year of the grant with an opportunity to renew the grant for an additional two years.

At the April 20th City Council meeting, the Council passed a resolution accepting the grant. They moved to request the grant be administered by the Brainerd HRA and that the HRA submit a proposal to the City Council. At the last Board meeting, the Board reviewed the proposal and authorized staff to work with the City Administrator to draft a Sub Grantee Agreement to be presented to the City Council in May.

On May 18th, the Personnel and Finance Committee reviewed the proposal and Sub-Grantee Agreement. The City Council approved the Sub Grantee Agreement on a 7-0 vote with a couple of minor clarifications. Bergman provided the Agreement for the Board's review and consideration.

Commissioner Johnson made a motion to authorize the Chair and the Executive Director to enter into the Agreement to manage BLACF Difference Maker Grant for the Mississippi Riverwalk Coordinator. Commissioner Steffenson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. ADJOURNMENT:

The next meeting is scheduled for Wednesday, June 24th.

Commissioner Parks made a motion to adjourn the meeting. Commissioner Steffenson seconded the motion and the meeting was adjourned at 1:40 p.m.

