

**Brainerd Housing and Redevelopment Authority  
BOARD MEETING MINUTES  
February 24, 2016**

The February 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, February 24<sup>th</sup>, 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 1:00 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Gabe Johnson, Patrick Wussow, 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.

3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:** The following corrections were requested:

Section 8. New Business, a. Adopt 2016 Payment Standards: Addition to the end of the second paragraph: *“Commissioners Steffenson and Johnson questioned if that percentage should be higher. Bergman explained that Eller monitors the program based on the number of one-, two-, and three-bedroom vouchers, the HAP amount, and HAP funding. Based on this, we believe these are the best percentages.”*

Section 8. New Business, b. Consider Purchase of 728 4<sup>th</sup> Street NE should read, *“b. Consider Purchase of 728 4<sup>th</sup> Avenue NE.”*

Section 10. Adjournment should read, *“Commissioner Steffenson made a motion to adjourn the meeting at 3:46 p.m. 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.”*

**Commissioner Steffenson made a motion to approve the minutes as amended from January 27<sup>th</sup>, 2016. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved as amended.**

4. **BILLS AND COMMUNICATIONS:**

**a. Financial Report:**

**Financial Statement/Payment Approval**

At the January meeting, the Board discussed the action that should be taken to approve financial statements and payments that are presented each month. The majority of the Board members preferred to review the financial statements and formally approve the payment of bills. Following that meeting, Young consulted Mary Reedy, our auditor from CliftonLarsonAllen, and she has seen it done both ways—the Board simply reviews the financial statements or they approve them. She also stated that for disbursements, they normally see them officially approved with a motion to approve payment of bills.



### **2016 Capital Fund Award**

The 2016 Capital Fund Program (CFP) grant awards (federal grant money received annually for the operations and capital improvements of our Public Housing properties) recently became available from HUD. Higher than the past few years, the CFP grant award for 2016 is \$214,984.

### **Brainerd South Tax Claim**

In January, the HRA received a tax exemption claim for Brainerd South of \$7,137 for sales tax paid on construction materials and supplies used on the buildings over the past three-and-a-half years. Another claim will be submitted for just under \$2,500 for the taxes paid by our contractors over this same timeframe.

### **Audit Schedule**

Auditors from CliftonLarsonAllen (CLA) were at our offices during the week of February 8<sup>th</sup> for the Crow Wing County HRA audit and Brainerd South compilation. They were at our offices the following week of February 15<sup>th</sup> for the Brainerd HRA audit. Everything went well with no issues.

The unaudited financial information for the Brainerd HRA is due to the Real Estate Assessment Center (REAC) by April 15<sup>th</sup> and Brainerd South by March 31<sup>st</sup>.

**Commissioner Johnson made a motion to approve the payments as presented. Commissioner Charpentier 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. For the month of January, there were 331 vouchers allocated. Eller also informed the Board that the absorbed Hawaii port-out made a difference of about \$1,500 a month.

A question was raised by the Board about the payment standard and if it should be higher. Bergman explained that Eller monitors the program based on the number of one-, two-, and three-bedroom vouchers, the HAP amount, and HAP funding. Based on this, staff believes these are the best percentages. The Board also discussed the FMR and wondered if that should be higher, but Eller responded that ours is set lower based on our area whereas places like New York would be higher.

- c. **Public Housing Report:** The two-bedroom public housing waiting list was opened effective February 22<sup>nd</sup>, 2016. Pursuant to our ACOP, once the number of accepted applications reaches 36, it will once again be closed. Hettver anticipates it to take about a month to fill the list.

The caretaker position that was open for the past year has been filled by Jeremy and Kendra Anderson. They began employment with the Brainerd HRA as caretakers of Valley Trail and Scattered Sites on February 1<sup>st</sup>.

On November 17, 2015, HUD issued a proposed rule regarding instituting smoke-free public housing, which would require public housing authorities to implement a smoke-free policy. Public comments on the proposed rule were due by January 19, 2016. Although we adopted our smoke-free policy in August 2011, if some of the language in the proposed rule is included in the final rule, it may make it necessary to update our policy. Hettver also informed them that our one-strike policy will need to be changed as HUD considers it too restrictive and calls for a “graduated



reinforcement,” with a verbal warning, written warning, etc. She will bring this back to the Board after HUD issues the final rule.

There was a question posed by the Board about why Board Approval is required to open and close the waiting list for Section 8 but not for Public Housing. Hettver explained that the language in the ACOP allows it to be closed once the number of accepted applications reaches 36. Commissioner Johnson asked if similar language could be included in the Section 8 Admin Plan, so that Board approval is not required to open or close that waiting list. Eller will check into it and report back what she learns.

#### **POHP North Star Apartments Elevator Modernization**

The Brainerd HRA is in the process of preparing the final documentation required to close on the construction loan. There are only a few remaining documents needed from MEI that must be reviewed and approved by Minnesota Housing. Once they have received everything, they will notify us of a closing date.

#### **d. Executive Director Report:**

##### **Deluxe Main Street Makeover**

Deluxe Corporation received 9,305 nominations for 1,100 towns around the United States and informed us their decision will be made the week of May 1<sup>st</sup>.

##### **EPA Cool and Connected Program**

The Environmental Protection Agency announced a Cool & Connected Program for broadband and community development projects. SEH offered to submit a Letter of Interest on behalf of the Brainerd HRA to work with CTC to potentially have a WiFi hot spot on the Mississippi River. The EPA will be awarding five technical assistance grants nationwide. Letters of Interest are due on February 24<sup>th</sup>. Bergman presented a draft letter for the Board’s review and approval.

**Commissioner Wussow moved to approve the submittal of the Letter of Interest for the Cool & Connected Program. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

##### **Brainerd Oaks Update**

The Crow Wing County HRA discussed the reports provided by ULI’s Navigating Your Competitive Future and Technical Assistance Panel at their February 9<sup>th</sup> board meeting. They reviewed the options presented in the report and felt it would be beneficial to host a joint meeting with the Brainerd HRA in April to share strategic plans and possibly discuss the options suggested for Brainerd Oaks. They also agreed that they should meet with the City Council when they have more information to share.

The Brainerd HRA Board had a discussion about whether or not they still wanted to send a thank-you letter to the Crow Wing County HRA Board since they did not come to an agreed-upon suggestion as to how to proceed with Brainerd Oaks. They decided to hold off and discuss the topic at the joint meeting. Bergman suggested the week of April 18<sup>th</sup>.



**Downtown Survey Results**

On January 26<sup>th</sup>, a number of people from the Downtown Brainerd Housing Institute team surveyed downtown businesses. Although the purpose of the survey was to attempt to solicit more surveys for the SCDP application, the group took the opportunity to ask the downtown businesses additional questions about what they feel is needed for downtown Brainerd. Bergman shared the survey responses.

**HCP Housing Task Force Meeting**

An HCP Housing Task Force meeting is scheduled for March 15<sup>th</sup> to reconvene the group. The agenda will include the SCDP application, an update on the SSRP, and a potential survey of NE Brainerd.

**Housing/Commercial Rehab Update**

Bergman shared the SCDP Housing/Commercial Rehab update and reported that the SCDP Full Application for the commercial and rental rehab program for downtown Brainerd was sent to DEED on February 16<sup>th</sup>. We should find out whether or not we're funded by late May 2016. Bergman also provided a copy of the recent article that was printed in the Brainerd Dispatch about the program.

Also, Bergman provided the Board with an informational brochure about what the HRA does. She encouraged them to share with it with others in the community.

Commissioner Wussow informed the Board that the library group would like Bergman to give a presentation on the Brainerd HRA on March 10<sup>th</sup>.

Bergman reported that she will be in Washington DC April 8–12. She plans to meet with staff members of Franken, Klobuchar, and Nolan to discuss issues here in Brainerd.

**5. REPORTS OF COMMITTEES:**

- a. **NAHRO Commissioners Committee:** The MN NAHRO Spring Conference will be held May 25–27 at Madden's. Details are not yet available.
- b. **Mississippi Riverfront Sub-Committee:** Heidi Pepper, SEH, and Bergman are visiting various local clubs to inform them about the project. The next subcommittee meeting is March 24<sup>th</sup>, 2016.

**6. UNFINISHED BUSINESS:**

- a. **Approve Resolution No. 2016-01 Authorizing POHP Loan Document Execution:** Minnesota Housing Finance Agency has a number of documents that must be submitted to close on the construction loan for the North Star Apartments elevator upgrade project, one of which includes the Housing Authority's Borrowing Resolution. This resolution, which was approved by the Board in October 2015 and submitted, must be dated within 90 days of closing, and therefore must be recertified and resubmitted.

**Commissioner Steffenson made a motion to approve Resolution No. 2016-01, authorizing the HRA Board Chair and Executive Director to execute any and all loan documents for the Publicly Owned Housing Program (POHP). Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**



**7. NEW BUSINESS:**

- a. Approval of HCV Administrative Plan Update:** Congress authorized biennial inspections in the Appropriations Act for Fiscal Year 2014 and HUD issued a notice on June 25, 2014, giving PHAs the option to implement biennial inspections. This could be a huge cost savings to the Brainerd HRA and would allow staff to work on other duties and special projects for the HCV department. Eller proposed the following changes to the Administrative Plan (shown in red, italicized text):

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections: The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

Annual/*Biennial* Inspections. HUD requires the PHA to inspect each unit under lease at least annually *or biennially, depending up on PHA policy*, to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

*8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405(a)]*

*The Housing Authority conducts an inspection of each unit under HAP Contract biennially for qualifying units and annually for all other units in the Housing Choice Voucher program. The PHA may approve biennial inspections for a participating unit that has passed an HQS inspection in the past 12 months under the following conditions:*

- 1. The unit passed its previous initial/annual inspection with no physical re-inspections, and*
- 2. The PHA has not received requests from the tenant or other parties during the year to re-inspect the unit, based on allegations of HQS deficiencies.*

Commissioner Steffenson asked about the possibility of agreements with other HRAs to perform the inspections if they are closer or it is more convenient. Staff will look into this.

Fargo abstained from voting for the following action due to potential conflict of interest in his property management profession.

**Commissioner Johnson made a motion to approve the changes to Administrative Plan. Commissioner Steffenson seconded the motion. The motion was adopted by a 6-0 vote with Chair Fargo abstaining.**

Commissioner Wussow requested that the Board have a discussion about standard protocol for correspondence between HRA staff and Board Members. He stated that he feels any issues relating to business of the Board should be directed to Executive Director Bergman. She can then delegate or get the appropriate staff involved. The Board discussed this and agreed that everything should go through Bergman.

**8. ADJOURNMENT:** Next Meeting: Wednesday, March 23, 2016

**Commissioner Charpentier made a motion to adjourn the meeting at 2:34 p.m. Commissioner Parks seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned.**



**a.**

This page has been intentionally left blank.