



Brainerd Housing and Redevelopment Authority BOARD MEETING MINUTES September 30, 2015

The September 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, September 30, 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 1:00 pm.

Chair Fargo asked the Board to observe a moment of silence for Mayor James Wallin. City Administrator Thoreen reported that the city is coordinating with the family to be involved in memorial services for Mayor Wallin, which is scheduled to be held on Saturday, October 3rd.

Chair Fargo recognized Executive Director Bergman for receiving the 2015 Service Award at the NAHRO Conference in Duluth. The Board applauded Bergman's efforts in Public Housing not only for the agency but for the industry as a whole.

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, Finance Assistant Roberta Piekarski, Housing Manager Teresa Hettver, and City Administrator Jim Thoreen.

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

Commissioner Parks made a motion to approve the minutes from August 26th, 2015. Commissioner Wussow seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. BILLS AND COMMUNICATIONS:

a. Financial Report:

Health Insurance Increases

The 2016 health insurance information and rates have been received from the City. The 2016 proposed rates are set to increase about 20%, which is similar to last year. The result will be an increase of approximately \$30,000 for the Agency. This information will be incorporated and presented into the budget and presented at the November meeting.

b. HCV Report: A request at the last Board meeting was made to include the average number of vouchers utilized; this is now reflected in the monthly report to the Board. Staff is also working on getting our average utilization number up to 320 vouchers; they recently sent out 41 notices to applicants to get them screened.

c. Public Housing Report:

POHP Update: North Star Elevator Upgrade

VDA completed the final documents and they were submitted to Minnesota Housing and approved. The RFP will be going out on Friday, October 2nd, 2015, and the project is in conjunction with the Alexandria HRA since they will be doing the same project. This will help reduce costs for both Agencies.

Hettver talked to the Board about the bed bug issues in Brainerd. She stated that bed bugs are not just a public housing issue. They are also present in homes, hotels, apartments, and resorts in the area. She expressed that there is a need to educate residents. Adam's Pest Control will be at the North Star on October 21st at 2:00 p.m. to hold a class to educate residents and staff. The Board was also invited to attend. Bed bugs have become a problem over the last couple years in the properties and can be very costly to exterminate. The Brainerd HRA has spent over \$11,000 in 2014 and over \$6,000 so far in 2015 on bed bug issues. She also noted to the Board that it is our responsibility to address the issue timely and the HRA cannot charge back costs of extermination to the tenants.

After reviewing the vacancy reports provided, the Board inquired as to how many one-, two-, three-, and four-bedroom units the agency owns. Hettver will add that to the report to the Board next month.

d. Executive Director Report:

Mississippi Riverfront Partnership Plan Implementation

A Request for Qualifications (RFQ) was released and due September 30th. To date, three responses have been received for the Mississippi Riverfront Plan Implementation. The next meeting is scheduled for October 6th, 2015, where the Riverfront Sub-Committee will narrow down the applicants and select no more than five firms to submit a full proposal. The Request for Proposal (RFP) will be sent out October 12th, 2015 with a deadline of October 29th, 2015. The Sub-Committee will conduct interviews and prepare a recommendation to the Brainerd HRA Board during the November 18th, 2015 meeting. The plan is to have a consultant start on November 23rd, 2015. Also noted, Commissioner Johnson volunteered to be in attendance as the HRA Board Liaison at future Riverfront Sub-Committee meetings.

Housing Institute

The Downtown Brainerd Housing Institute team will be meeting on October 12th, 2015. They will hear two presentations: (1) The Northeast Investment Cooperative - an organization that was formed to contribute and solicit funds for Northeast Minneapolis; and (2) a marketing specialist to discuss potential marketing for downtown Brainerd businesses. On October 20th and 21st, they will have the final full Housing Institute meeting where they will meet with funders to present a potential project for Downtown Brainerd. The group is considering a project at the Downtown Mall, which is almost vacant. The proposal is to renovate the building so the first floor could be used for retail space and the second floor for studio and one-bedroom apartments. This meeting will have a lot of opportunity with funders in attendance. The Board expressed that as the Housing Institute ends and they move forward with implementation, it would be a good fit if Brainerd Restoration



took the lead on the project. The Brainerd HRA would like to be kept apprised of the status going forward and is willing to continue to guide the group and stay involved as the project moves forward.

2016 HRA Levy

The City Council approved a resolution on a 4-3 vote for the 2016 HRA Levy of \$116,941. This is an increase of \$391 to the HRA. Bergman and the Board showed concern that there was such a close vote and will reach out to Council who voted against the Levy this week to discuss their position on it. The Board felt that some of the Council who voted against the levy were not in favor of the overall 25% levy increase for the City, therefore were taking the stance to vote against any increase of the 2016 levies.

1321 Norwood Ribbon Cutting

The Lakes Area Habitat For Humanity home that was built on 1321 Norwood Street was the 100th house built through the program. The property was obtained due to a partnership between Brainerd HRA, HCP Housing Task Force, and Lakes Area Habitat For Humanity (LAHFH). Minnesota Housing through the Impact Fund also awarded a grant for the purchase and demolition of the property. The lot was then sold to LAHFH at a significantly reduced price. There was a house dedication ceremony on September 29th hosted by LAHFH. Bergman is working with Kevin Pelkey from LAHFH to do a separate ribbon cutting event with the Brainerd HRA and Housing Task Force Boards next week on October 7th, 2015. Bergman will send out information to the Board as it is confirmed for this event.

CWC HRA Veterans Housing Project

CWC HRA hired Hoisington Koegler Group, Inc. (HKGi), to prepare a redevelopment plan for the land owned by the McQuinn family for a potential veterans/service member housing project. A 12-member advisory group is comprised of veterans, active and inactive military personnel, and dependents consisting of various gender and ages. The group will meet on October 7th, 2015, to seek input on the vision of the project and set overall goals and outcomes. HKGi will use this meeting to help the group in the next steps of the project.

Brainerd Oaks

The CWC HRA hired Urban Land Institute-Minnesota to perform their advisory services. One of the things they will do is put together a Technical Assistance Panel. This will consist of a panel of seven professionals including a financial analyst, commercial and housing realtors, developer, planner and an engineer. The panel will be geared towards elected officials, HRA Board members and staff and will be used to assist in informing us of the current market and redevelopment potential for Brainerd Oaks. This event will be scheduled for the second week of January 2016.

Resident Programs Coordinator

A total of four candidates were interviewed for the Resident Programs Coordinator position. Carrie Burrell was offered the position and has accepted. Carrie has been employed by Northern Pines for the past 17 years as an AHRMS worker and is also in charge of their HUD based housing programs. Carrie's first day will be on October 26th.



5. REPORTS OF COMMITTEES:

- a. NAHRO Commissioners Committee:** Chair Fargo reported that the new Vice President of the NAHRO Commissioners Committee is now a HRA Commissioner; this position has been filled by an Executive Director in the past. The committee is working on smaller training for commissioners instead of two day trainings. It is harder for commissioners to attend overnight trainings due to being employed in the working class and having to take time off their jobs to attend.

Chair Fargo, Commissioners Larson, Steffenson, and Parks attended the NAHRO Conference in Duluth last week and shared what they learned with the Board. The Board reported that a majority of what the speakers had suggested to be done by staff was already being done and the HRA is on track.

Other suggestions from the conference included: all appliances in Public Housing should be Energy Star Rated, have a private rental analysis conducted to stay competitive with private market, commissioners business cards with mission statement on the back, using an auditor with payroll expertise, and a GAP analysis evaluation for management to determine where shortcomings are and where efficiencies could be improved. The Board had talked about putting together a sub-committee to gather and report back to the Board some of the key points that the commissioners learned at the conference. They weren't sure about taking the time for another sub-committee and decided to ask those who attended to put together notes and send it to Bergman to compile and distribute to the Board.

- b. Mississippi Riverfront Sub-Committee:** Previously reported in Executive Director Report (4d.)

Commissioner Wussow informed the Board before it became public knowledge that he will be donating his HRA stipend after tax (approximately \$60) to the City of Brainerd.

Brainerd Public Utilities came in and did an energy audit for all Public Housing properties except for the administrative offices. Some of the items that they felt needed to be updated for energy efficiency were the toilets, showers and lighting. These items came as no surprise to staff.

The Board had a discussion on the Housing Study conducted by Maxfield Research and sponsored by the CWC HRA and a number of communities in Crow Wing County. Currently, the study is not complete or as accurate as Bergman thinks it should be. There has been no action on it by the CWC HRA Board at this point. The study will probably be discarded and Bergman talked about looking into getting a refund of what had been paid to date.

Bergman reported to the Board about checking into a company that could possibly put together something to present to HUD about our Fair Market Rents (FMR). Currently our FMRs are based on all rental properties in Crow Wing County. The FMRs are not realistic to Brainerd due to the high market rents throughout the rest of the county in such communities as Baxter, East Gull Lake, and Nisswa. The higher market rents in these communities skew the 80% calculation of FMR in Brainerd for the Public Housing units.



6. **UNFINISHED BUSINESS:** Nothing to report.

7. **NEW BUSINESS:**

- a. **Authorize the Bridges Program Application:** The Bridges Program is a state funded program that assists mentally ill clients with very low income with housing assistance while they wait for a Housing Choice Voucher or other rental subsidy. Morrison County has been administering the program for the past six months which covers Todd, Morrison, Crow Wing, Wadena, Cass and Aitkin counties and currently has 14 vouchers. The legislature has increased appropriations by \$2.5 million for the 2015–2017 biennium. As a result when the application is done, the Brainerd HRA will ask that be increased to 24 vouchers. The Brainerd HRA will receive an administrative fee of \$50 per voucher per month for a maximum of \$14,400. The HRA will contract with other local HRA's to conduct the HQS inspections for \$50 per inspection.

Commissioner Parks made a motion to authorize the submission of the Bridges Application to Minnesota Housing. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved.

8. **ADJOURN TO RIBBON CUTTING CEREMONY:**

Commissioner Parks made a motion to adjourn to the October 7th ribbon cutting ceremony/ dedication at the 1321 Norwood Street Habitat House and the Bed Bug Presentation on October 21st. Commissioner Johnson seconded the motion. All Commissioners voted in favor of the motion and none were opposed. The motion was approved and adjourned to the ribbon cutting ceremony.

