

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**September 27, 2017**

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, September 27, 2017, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Patrick Wussow called the meeting to order at 1:00 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Gabe Johnson, Dale Parks, Rick Fargo, Marlee Larson, and Eric Charpentier. Also present were Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz. Public: Nathan Steffenson. Absent: Krista Brodal.

3. **READING AND APPROVAL OF MINUTES:**

**Commissioner Fargo made a motion to approve the minutes from the August 23, 2017, board meeting. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

4. **PUBLIC HEARING: Adoption of Resolution No. 2017-08 and Approval of Annual Plan**

Chair Wussow opened the public hearing at 1:01 p.m.

The Notice of Public Hearing for 1:00 p.m. on Wednesday, September 27<sup>th</sup>, 2017, at the Brainerd HRA office was posted in the Legal Notice section of the Brainerd Dispatch on August 7<sup>th</sup>.

Hettver explained that the Brainerd HRA is required to develop an Annual Plan each year between the Five-Year Agency Plan. A public hearing must be held regarding any changes to the goals, objectives, and policies of the agency prior to the approval of the Annual Plan, a copy of which she provided to the Board. The changes made to the Annual Plan this year are described in Paragraph B.1(c) pertaining to Violence Against Women Act notices and Paragraph E.1, which lists current and open Capital Fund grants and also includes an updated Capital Fund Program Five-Year Action Plan.

Chair Wussow asked three times if anyone would like to speak in opposition or in favor. Nathan Steffenson, public housing tenant, spoke in favor and confirmed that the improvements on the five-year plan are needed, especially the bathrooms as they are the oldest items in the building.

Chair Wussow closed the public hearing at 1:06 p.m.

**Commission Johnson made a motion to adopt Resolution No. 2017-08 approving the Annual Plan. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion via roll call vote and none were opposed. The motion was approved unanimously.**



## 5. **BILLS AND COMMUNICATIONS:**

### a. **Financial Report:**

#### **Health Insurance Increase**

Young reported that we recently received the 2018 health insurance rate information from the City. Rates will increase about 7% for 2018, which is an increase in the budget of approximately \$14,800. This will be incorporated into the budgets that will be presented at the November meeting.

#### **2018 Appropriations**

On September 8<sup>th</sup>, President Trump signed into law the short-term Continuing Appropriations Act, 2018 (H.R. 601) on the HCV Program. This could affect Public Housing Operating Subsidy and Capital Fund Program as well, but we have only received guidance from HUD regarding the HCV Program. The bill imposes an across the board reduction of .6791% on continuing projects and activities through December 8<sup>th</sup>. HUD intends to apply the November and December reductions to the January 2018 HAP and Admin Fee payments. This would amount to a reduction of approximately \$1,485 in HAP and \$154 in Admin Fee. If a full-year Continuing Resolution is enacted for 2018, the reduction could affect all of 2018 funding.

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

- b. **HCV Report:** Eller reported that the Unit Months Leased (UML) through August is averaging 97%, and HAP utilization through August is at 70%. We notified 47 people in August and 45 in September. The projections from using HUD's Two-Year Tool show that we should lease up to 99% and end the year with \$19,029 left in reserves. She reminded the Board that there is still the potential to go into shortfall if the response rate is greater than projected, and at that point we would have to use our administrative fee reserves as discussed in the past.

The Bridges Report and FSS Report was also provided. Eller informed the Board that the FSS grant was submitted on September 12<sup>th</sup>.

#### **HUD-VASH Vouchers**

On September 1<sup>st</sup>, 2017, HUD published a notice, which Eller provided to the Board. Titled, "Registration of Interest for HUD-VASH Vouchers," the notice informs PHAs that HUD seeks to award tenant-based HUD-VASH vouchers to "self-identified" interested PHAs based on local need. There is a two-step award process. First, PHAs will respond to the published notice with an email and a letter of support from the Department of Veteran's affairs (VA). Second, registered PHAs that are selected based on a need formula will receive an invitation to apply for a specific number of HUD-VASH vouchers. The registration deadline is October 31<sup>st</sup>. Shannon and Carrie will be working on obtaining a letter of support from the Department of Veterans Affairs (VA).



- c. **Public Housing Report:** Hettver provided the Board with the Vacancy, Monthly Property Performance, and ROSS Reports for August. She also informed the Board that after sending out update letters to all applicants on the three-bedroom waiting list, the numbers dropped significantly, so closing the waiting list was not necessary.

Hettver also reported that Shannon just had her first report due for the ROSS Program. In addition, Shannon is attending the NAHRO NAMI training. The Board requested a follow-up on how the training went.

- d. **Executive Director Report:**

**Destination Downtown Brainerd**

Forty-nine applications for Phase 1 of the Destination Downtown Brainerd competition were received and the judges narrowed that down to the top 10. Those 10 worked with the Small Business Development Center (SBDC) to complete their business plans. The judges selected three finalists to advance to Phase 3. The three finalists will give presentations to the judges on October 24<sup>th</sup> and the winner will be announced at the November 16<sup>th</sup> Chamber Annual Event.

**Project Tour**

The Project Tour was held on September 20<sup>th</sup>. Approximately 30 people participated in the tour with about 15 people on the bus for the entire tour including Representative Heintzeman, Representative Lueck, and two of Congressman Nolan's staff.

The Board had a discussion about the tour and agreed it was a worthwhile event. It was a positive step toward education and awareness.

**Brainerd Riverfront Project**

The Brainerd City Council considered the request to use the \$33,000 in the Year 3 BLACF grant to use a match for an NJPA Riverfront Coordinator position. The City Council authorized the City Administrator to work with NJPA to hire the Riverfront Coordinator. It is the intent to have this person in place by the end of the year. The next riverfront meeting is on October 12<sup>th</sup>.

**601 10th Street SE**

We were asked by Tim Caughey, Building Official, to consider the purchase of 601 10<sup>th</sup> St. SE for our Scattered Site Replacement Program. This has been a problem property for the City of Brainerd for several years. Currently there is a total of \$4,470.98 in special assessments from 2011–2016, plus an additional \$1,129.00 that will be assessed for pay year 2018. The delinquent taxes will be forgiven by the County, but if we purchased it, we would still be responsible for the balance of the delinquent assessments that have been accumulated by the City of Brainerd in the amount of \$5,599.88 excluding interest for 2017 assessments. We are working with attorney Martha Ingram with Kennedy & Graven to create a resolution for the City Council to agree not to recertify the special assessments. This will be on the October 2<sup>nd</sup> City Council agenda. If approved, we will have this on the October Board agenda for your consideration of the purchase of 601 10<sup>th</sup> St SE.



**2018 SCDP Applications**

We are in the process of completing the pre-application for the 2018 Small Cities Development Program, which is due in November. We will be applying for an owner-occupied and rental rehab program for NE Brainerd. Surveys have been sent out to property owners in NE Brainerd and we have asked for assistance from the HCP Housing Task Force. In addition, we will be adding a commercial and rental rehab component for the Iron Rail to the SCDP application. A formal request will be brought to the October Board meeting.

Young reported that she and Bergman met with Bremer Bank yesterday. They are working with the Iron Rail's owner in selling it. The sale price has been lowered to \$350,000.

**Policy Update**

The Policy Subcommittee met on September 22<sup>nd</sup> to discuss the next steps. Now that the subcommittee has determined which policies we have, which need to be updated, and which need to be created, it is our intention of having these policies reviewed and approved by the Board in 2018.

**October Board Meeting**

Bergman will be attending the National NAHRO Conference in Pittsburg from October 25–29<sup>th</sup>. She requested to move the October meeting up to October 18<sup>th</sup> so that she may attend the meeting.

**Commissioner Johnson made a motion to move the October board meeting to October 18th. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

**Rehab Update**

The next HCP Housing Task Force meeting will be on October 3<sup>rd</sup>. Goltz reported that Schommer hadn't gotten the response he had hoped for and that more applications were needed. They hope to get the Task Force's assistance by spending the next meeting visiting homes in NE Brainerd.

**6. REPORTS FROM COMMITTEES:**

a. **Brainerd Riverfront Committee (BRC):** Previously discussed.

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

**8. NEW BUSINESS:**

a. **Adopt 2018 Payment Standards:** Eller reported that FY 2017 Fair Market Rents (FMR) have been published.

All of our payment standards fall within the 90–110% range. The zero, one, and two bedrooms are close to the 90% range, and we are proposing to increase the payment standards for January 1, 2018, for those three-bedroom sizes as follows:



Bedroom Size	0	1	2
Current Payment Standard	\$460	\$557	\$726
Proposed Payment Standard	\$470	\$570	\$740
Currently Using this Payment Standard	7	124	111

At present, seven families are using a zero-bedroom payment standard, 124 are using the one-bedroom payment standard, and 111 are using the two-bedroom payment standard. The financial impact of the increase, based on current voucher holders, for 2018 is approximately \$18,977.

**Commissioner Johnson made a motion to adopt the 2018 Payment Standards. Commissioner Larson seconded the motion. With Commissioner Fargo abstaining, the remaining commissioners voted in favor of the motion. The motion passed on a 5:0 vote.**

**9. COMMISSIONER COMMENTS:** Commissioner Johnson met with NJPA to see if they would be able to help the HRA as we are not considered government. He also shared that next year we could maybe get an intern through the city from NJPA.

**10. NEXT MEETING:** Wednesday, October 18, 2017

**11. ADJOURN:**

**Commissioner Charpentier made a motion to adjourn. 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 2:10 p.m.**

