

**Brainerd Housing and Redevelopment Authority  
BOARD MEETING MINUTES  
May 18, 2016**

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, May 18, 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 1:03 p.m.
  
2. **ROLL CALL:** Present at the meeting were Chair Rick Fargo, Commissioners Nathan Steffenson, Dale Parks, Patrick Wussow, Marlee Larson, and Eric Charpentier. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, and Executive Assistant LeAnn Goltz. Absent from the meeting was Commissioner Gabe Johnson.
  
3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETINGS:**

**Commissioner Wussow made a motion to approve the minutes from meetings held on April 19 and April 27, 2016. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**
  
4. **STAFF INTRODUCTIONS:** Bergman introduced Kathy Segler, Administrative Assistant, and Carrie Burrell, Resident Programs Specialist. Segler, who has more than 26 years of experience working for a local law firm, has been with the HRA for a year-and-a-half. She works at the front desk helping clients, assisting with recertifications, and much more. Burrell is the newest employee having been with the HRA for seven months. Prior to this position, she worked at Northern Pines for 17 years. She currently coordinates the FSS, Homeownership, and Bridges Programs.
  
5. **BILLS AND COMMUNICATIONS:**
  - a. **Financial Report:** Young provided the following updates to the Board:
    - 2014 Capital Fund Program (CFP) Grant**  
In April, we closed out the 2014 CFP and drew down the entire grant amount of \$204,321 into operations for Public Housing. This grant was required to be fully obligated by May 12<sup>th</sup>, which requires contracts to be signed for the entire grant. We intentionally left this grant open as leverage for the POHP grant in which we are doing elevator improvements. Approximately \$77,000 will be used on the elevator project, \$66,000 was drawn into operations as budgeted, and the remaining \$61,000 will be used for other small projects such as stoves, water heaters, furnaces, and smoke detectors.
  
    - College Drive Distribution**  
In April, we received a developer fee for College Drive of \$13,043. This was deposited into the General Fund as the Brainerd HRA owns 42.5% of the LLC that is the General Partner for College Drive.



Bergman reported that she received a call from Central Minnesota Housing Partnerships about applying for a grant to use for new siding for College Drive Townhomes. Up to \$300,000 may be requested, but we will likely only apply for the amount we need to complete the project. Bergman anticipates presenting the application to the Board in June.

### **Trail Ridge II Partnership Agreement**

In 2015, the Limited Partner in the Trail Ridge II Limited Partnership exited the partnership. After working with attorney Jacob Bean at Winthrop & Weinstine, Minnesota Housing, and Wells Fargo, it was determined that a new limited partner was needed to replace the exiting partner and that the HRA's non-profit, BLAHDC, was the best entity to bring into the partnership.

We are again working with attorney Jacob Bean to update and simplify the existing partnership agreement. It was also suggested that we swap the ownership interests between the General Partner (.01) and the Limited Partner (99.99%). We would like the ownership to change to General Partner (Brainerd HRA) 99% and Limited Partner (BLAHDC) 1%. Minnesota Housing would have to approve the ownership change and we are currently researching this process. We will bring a resolution before the Board when we have a final agreement to present.

**A motion that was made by Commissioner Steffenson to request that staff provide more details by adding a description to all expenses on the Payment Summary Reports failed to receive a second.**

**Commissioner Wussow made a motion to approve the payments as presented. Commissioner Larson seconded the motion. The motion passed 6-1 with Commissioner Steffenson voting no.**

- b. HCV Report:** Bergman reported that the HRA's SEMAP score is 96% (rather than 100%) due to an error when submitting our information. Eller attempted to correct it, but our HUD representative responded by saying not to be concerned since the agency is already considered a High Performer. Eller plans on appealing it anyway.
- c. Public Housing Report:** Hettver was absent, so Bergman presented the Public Housing Report. Chair Fargo expressed his concern about the vacancy rates at Brainerd South and wondered if there is a way we can improve them. The Board asked if we know why people are moving out. Bergman stated that Hettver would be able to inform them.

The Board thanked staff for their work in Public Housing and commended the maintenance workers for a job well done.

Bergman reported on the status of the North Star elevator project with POHP. We received the closing documents from MHFA on May 9<sup>th</sup> and sent them back after she and Fargo signed and had them notarized. MHFA will process them and issue us a Notice to Proceed, which will allow MEI to begin work.

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

### **SCDP Downtown Brainerd**

We were notified that we were awarded \$650,100 from DEED for the Downtown Brainerd Commercial and Rental Rehab program. We have started the process to get clearance from the



State Historic Preservation Office and anticipate being funded in July. Dennis will begin taking applications in June. Bergman reported that the Brainerd Dispatch published our press release announcing the grant.

The Board had a discussion about what control the HRA might have over improvements made downtown and if we could limit amounts to individuals who own the majority of spaces.

Bergman explained that the grant is dictated by DEED and funding for residential rental properties is their priority. The HRA will be creating a ranking sheet and will choose among those with the greatest need.

### **Brainerd Oaks/Serene Pines/Dal Mar Estates**

The Crow Wing County HRA received an offer from Paxmar to purchase three tax-forfeited subdivisions: Brainerd Oaks, Serene Pines, and Dal Mar Estates. After some negotiations, the CWC HRA accepted the developer's last offer of \$912,300. The sale is contingent upon a number of things including the County deeding the land to the CWC HRA and the City of Brainerd waiving a portion of the assessments, among others.

The CWC HRA requested the City Council hold a special work session, which is scheduled for May 23<sup>rd</sup>, to consider the offer. The City of Brainerd has assessments on the lots on all three subdivisions, so the first step is to determine whether or not there is any interest by the City Council to consider the assessments. If there isn't, negotiations would end and the land would not be deeded to the HRA. If the City Council is interested and/or willing to waive some of the assessments but an amount different than proposed by the developer, the CWC HRA Board could approach the developer to see if he would be agreeable to an increase in the purchase price. If there is interest on behalf of the City Council and a motion to do so, then they will proceed to the next step. But, this is ultimately up to the City Council.

The work session that is scheduled for May 23<sup>rd</sup> will be a public meeting and televised. Kent Roessler, the developer, will attend the meeting from Paxmar.

### **NAHRO Conference**

Just a reminder that the NAHRO conference will be held May 25–27 at Madden's. The Mayor will be giving the welcome address at the opening lunch on Wednesday. At this conference, there is a rehab track and this group will be conducting a mock inspection at 715 Laurel Street.

## **6. REPORTS OF COMMITTEES:**

- a. **NAHRO Commissioners Committee:** Nothing to report.
- b. **Riverfront Committee: Stakeholder Meeting:** The Brainerd Riverfront Committee held stakeholder meetings on Wednesday, May 11<sup>th</sup> to gather input from our partners. Approximately 30 people attended including representatives from the City of Brainerd, the Crossing Arts Alliance, ISD 181, MPCA, DNR, BLACF, HRA Board members, Brainerd Riverfront Committee members, BLAEDC, and the Chamber.

There was a lot of great discussion and SEH will be compiling all of the comments for the Brainerd Riverfront Committee to review at their May 19<sup>th</sup> meeting. Bergman provided the Board with the meeting agenda.



### **Pop Up Event**

The Committee hoped to have their first pop-up event at the high school craft fair, but there was no booth space available.

### **Social Media/Website**

Staff met with the marketing department of SEH to discuss a potential website dedicated to the Brainerd Riverfront and the creation of a social media campaign including Facebook, Twitter, and/or Instagram. However, a few members of the Brainerd Riverfront Committee had already created a Facebook page, which is currently being administered by a couple of committee members and HRA staff does not have administrative rights.

Initially the page had been designated as a “Governmental Organization” and represented the HRA, the Brainerd Riverfront Committee, and the BLACF grant. Bergman had a discussion with one of the committee members and expressed her concerns about the page. Since then, the page category has been changed to “Organization.” The committee members who created the page believe that a grassroots effort would be more effective and there has been some frustration about the amount of time it has taken to create a social media campaign. Commissioner Johnson and Bergman discussed this issue and decided to bring it to the Brainerd HRA Board meeting for discussion.

The Board had a discussion and did not feel comfortable with the situation. Consensus of the Board was to make sure someone from the HRA is an administrator since the organization is responsible for the grant and its administration. The HRA has an obligation and should have administrative rights to the page. The Board asked Bergman to share their request at the next Brainerd Riverfront Committee meeting.

## **7. UNFINISHED BUSINESS:**

### **a. 50th Anniversary Planning Update:**

#### **Open House at SEH**

At the last meeting, the Board discussed History Week and the possibility of having an open house at the SEH Building on Wednesday, June 15, which is Downtown Day. We have confirmed with SEH that we may indeed hold the open house there. Bergman and Goltz had the opportunity to visit their office building and believe it will work out nicely. We will have refreshments and posters highlighting the history of the Brainerd HRA. We have not finalized the time of the event, but we are hoping to have it from 5–7 pm. Chair Fargo will be attending the History Week meeting tonight to find out more information.

#### **Celebration and Recognition: June 6th City Council Meeting**

The official 50-year anniversary date for the Brainerd HRA is June 6, 2016. The City of Brainerd has a council meeting scheduled that evening, so we will have cupcakes beforehand to celebrate. In addition, we asked City Administrator Jim Thoreen if they could formally recognize the Brainerd HRA for 50 years of service to the community.



**8. NEW BUSINESS:**

- a. **Authorize Demolition Bid for 728 4th Avenue NE:** A Request for Proposals for the demolition of 728 4<sup>th</sup> Avenue NE was sent to nine contractors. Bids were due by 4:00 p.m. on Tuesday, May 17<sup>th</sup>. Bergman presented the bid summary so the Board could select the lowest, responsible bidder.

**Commissioner Parks made a motion to authorize the demolition contract with DeChantel for 728 4th Avenue NE. Commissioner Larson seconded the motion. Commissioners Parks, Larson, Fargo, and Charpentier voted in favor of the motion and Commissioners Wussow and Steffenson opposed. The motion was approved.**

**9. ADJOURNMENT:**

**Commissioner Steffenson made a motion to adjourn to the May 23rd City Council Meeting, the June 6th City Council Meeting, and Open House on June 15th. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 2:43 p.m.**