

**Brainerd Housing and Redevelopment Authority  
BOARD MEETING MINUTES  
September 28, 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, September 28, 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, Marlee Larson, Eric Charpentier, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Executive Assistant LeAnn Goltz, Brainerd City Administrator Jim Thoreen, and Chuck Marohn. Absent from the meeting: Commissioner Patrick Wussow.
  
3. **READING AND APPROVAL OF MINUTES FROM THE PREVIOUS MEETING:**  
  

**Commissioner Larson made a motion to approve the minutes from the August 24, 2016, board meeting. Commissioner Parks seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved as amended.**
  
4. **STAFF INTRODUCTIONS:** Bergman introduced Finance Director Karen Young. She has worked for the Brainerd HRA for 17 years. She began as an accountant working part-time and has since advanced to her role as finance director. Housing Manager Teresa Hettver was also introduced. She has been employed by the Brainerd HRA for 15 years. She has a background in law and originally was hired to assist with the legal cases. She is now responsible for housing management for both Brainerd and Crosby HRAs.
  
5. **PUBLIC HEARING - ADOPTION OF RESOLUTION NO. 2016-03 AND APPROVAL OF ANNUAL PLAN:**  

Chair Fargo opened the public hearing at 1:08 p.m.

The Notice of Public Hearing for 1:00 p.m. on Wednesday, September 28<sup>th</sup>, 2016, at the Brainerd HRA office was posted in the Legal Notice section of the Brainerd Daily Dispatch. Hettver provided the affidavit of the notice.

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 only changes made were to Paragraph 8.1 regarding Capital Fund Program current and open grants and to the Capital Fund Program Five-Year Action Plan. The Annual Plan itself is not submitted to HUD but certification of the plan is. She noted that the HRA gets about \$204,000 in Capital Funding, which is used for all of the public housing units. Except in the case of emergency, this money can only be used for projects that are listed on the Annual and Five-Year Plans.

Chair Fargo asked three times if anyone would like to speak in opposition or in favor. Nobody spoke.



**Commissioner Parks made a motion to close the public hearing, which was seconded by Commissioner Larson. All commissioners voted in favor of the motion and none were opposed. The motion was passed and Chair Fargo closed the public hearing at 1:19 p.m.**

**Commission Johnson made a motion to adopt Resolution No. 2016-03 approving the Annual Plan. Commissioner Steffenson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.**

**6. BILLS AND COMMUNICATIONS:**

**a. Financial Report:** Young reported on the following:

**Health Insurance Increase**

Young reported that she received the 2017 health insurance rate information from the City stating that rates will remain the same in 2017 with no increases. This will be incorporated into the budgets that will be presented at the November meeting.

**Payment Summary Report**

The HRA recently had a software upgrade that allows employees to enter ACH transactions through the Accounts Payable Module. The August Payment Summary Report now includes ACH transactions that were withdrawn from our bank account along with the checks that were issued. Next month the report will include mortgage payments.

**Commissioner Parks made a motion to approve the 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:** Bergman reported that Lutheran Social Service (LSS) has a new long-term homeless (LTH) program with four to five units available. They have requested a partnership with the HRA to complete the HQS Inspections on those units annually. LSS currently provides case management for the HRA's LTH units and does not charge an administrative fee for those services. In addition, they also provide deposit assistance to many of our Bridges Program participants, so we do not have to use program funds to pay those deposits.

She also told the Board that HUD is proposing to change the way they do inspections by possibly switching to the program UPCS-V. UPCS-V inspections have a higher standard than the current program, HQS. HUD is doing a demonstration and have asked the Brainerd HRA to participate in it. The demonstration will last one to three years and Lindsay and Tania will be involved. This will include free training, free software, and will give the HRA the chance to get in on the ground floor and give feedback. The HRA will need to buy a tablet and provide inspections.

Bergman explained that this is informational at this point as the HRA has not heard from HUD themselves (they learned through a Nan McKay PIH Alert). She wanted to bring this to the Board and get their thoughts. The Board agreed that this sounds good but they would like to get more information.



**Commissioner Steffenson made a motion to have staff look into the HUD demonstration for the UPCS-V program. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.**

- c. **Public Housing Report:** Hettver reported that Brainerd South is full as of the meeting date.

**ROSS – (Resident Opportunity and Self-Sufficiency)**

Staff is currently working on a job description for the ROSS Resident Service Coordinator. The position will be posted by the end of this week and filled by Nov. 14. This person will take the office with maintenance staff at the North Star Apartments.

**POHP**

Parts have been ordered for the elevators at the North Star and they are still on target for an October 17<sup>th</sup> construction start date for the large car and December 5<sup>th</sup> for the small car. There is a preconstruction meeting set for October 6<sup>th</sup>.

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

**Meeting with Hunt Utility Group - 728 4th Ave NE**

Hunt Utility Group (HUG) is looking for a lot to construct a high performance house. Bergman met with HUG to discuss a potential partnership. The plan would be to construct a high performance house on the lot at 728 4<sup>th</sup> Avenue NE, which would first be used for education to show people what a performance house looks like and how it performs. They anticipate having it available for six months to a year. After that, the home would be sold. HUG will be preparing a proposal for the Board to consider at the October meeting.

**Brained Oaks Update**

The CWC HRA approved the Redevelopment Plan and the Purchase and Redevelopment Contract (PRC) with Paxmar-Brainerd LLC at their September board meeting. In order to record the PRC, all 113 lots will be conveyed to the CWC HRA at one time. An application was sent to the State to begin this process. The hope is to have the land conveyed to Paxmar by the end of October.

**CLC Foundation**

The CLC Foundation is purchasing The Pines apartment building and have set up an LLC (CLC Foundation Student Housing LLC). They asked Bergman to be on the Board of Governors. They hope to close on the property on September 30<sup>th</sup> and will enter into a contract with DW Jones to manage the property. The first Board meeting will be on October 10<sup>th</sup>.

**Marketing Tax Forfeited Properties**

The City Council discussed the potential to market other tax-forfeited lots in the City of Brainerd. Commissioner Wussow suggested that the Brainerd HRA Board discuss how they might partner with the City. Because Commissioner Wussow was absent from the meeting, the Board decided to discuss this when he's present.

Commissioner Steffenson suggested going smoke-free at Valley View and would like to discuss this at the next meeting.

**Rehab Program Update**

The HRA received the contract for the SCDP Downtown Brainerd Rental and Commercial Loan program, which will be on the October 3<sup>rd</sup> City Council agenda for approval. DEED issued a nine-month extension to use the grant funds due to the delay of the contract. Bergman also reported that Pueringer’s Small Cities application for solar panels has been withdrawn.

Bergman also informed the Board that currently there is an AT&T cell tower on the North Star and now Verizon is considering it as a new location. They are also considering the Fire Station as a location. The Board agreed that the North Star is a better location.

**Commissioner Johnson made a motion to aggressively pursue this location for the Verizon cell tower. Commissioner Steffenson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

**7. REPORTS OF COMMITTEES:**

- a. **Riverfront Committee:** The Brainerd Riverfront Committee meets the fourth Thursday of each month at 3:00 p.m. Their last meeting was September 22<sup>nd</sup>, 2016.

**Committee Vacancy**

Richard Polipnick has relocated to Alaska and is no longer able to participate on the Brainerd Riverfront Committee (BRC). The BRC discussed possible committee members for Year Two at their meeting and discussed the possibility of creating their own organization, maybe a 5013(c), at some point. The Board requested this item to be placed on next month’s agenda.

**SEH Year Two Contract**

The HRA is approaching the end of its Year One contract with SEH as the Brainerd Riverfront Coordinator. The BRC discussed Year Two at last week’s meeting and anticipate bringing a new contract for the Board’s approval at the October Board meeting.

**Brainerd Riverfront Committee Business Plan**

The BRC formed a subcommittee to develop a business plan as they thought it would be important to have a plan to react to ideas and concepts for the redevelopment of and access to the river. The group created a rough outline for the plan but would like to acquire some additional grant funds to hire someone to develop the plan. Bergman reached out to the Initiative Foundation and they have a grant for up to \$2,500, which would be able to fund this. A Letter of Inquiry (LOI) is due to the Initiative Foundation on October 7<sup>th</sup>. If selected, a full application would be due on November 18<sup>th</sup>.

The Board had a discussion about possibilities for Year Two and Bergman asked them to have further discussion at next month’s board meeting. They will invite Committee Chair Rod Osterloh.

- 8. UNFINISHED BUSINESS:** The Board discussed NAHRO commissioner training and how it is beneficial.



**9. NEW BUSINESS:**

- a. Adopt 2017 Payment Standards:** FY 2017 Fair Market Rents (FMR) have been published. The zero-bedroom FMR for 2017 is \$500 and the one-bedroom FMR for 2017 is \$593. The HRA's payment standards must be set between 90%–110% of the 2017 FMR. The Federal Register Notice states payment standards are to be effective October 1, 2016.

Staff proposed to increase the zero-bedroom payment standard currently set at \$443 (88.5% of the 2017 FMR) to \$460 (92% of the 2017 FMR). In addition, they proposed increasing the one-bedroom payment standard from \$547 (92% of the 2017 FMR) to \$557 (94% of the 2017 FMR).

While the one-bedroom payment standard (\$547) currently fits within the guidelines, the rent amounts for a one-bedroom are closer to the 2017 FMR (\$593) than the current payment standard is and staff felt it would be beneficial to increase the payment standard to \$557 (94% of the 2017 FMR).

With four participants using the zero-bedroom payment standard, the financial impact of implementing the proposed increase payment standard over a 12-month period would be \$816. With 121 participants using the one-bedroom payment standard, the financial impact of implementing the proposed increase over a 12-month period would be \$14,520.

The Board had a discussion about the suggested increase. Chair Fargo abstained from the discussion and voting due to a potential conflict of interest considering his profession.

**Commissioner Parks made a motion to adopt the 2017 Payment Standards. Commissioner Larson seconded the motion. Commissioners Parks, Johnson, Larson, and Charpentier voted in favor of the motion and Commissioner Steffenson opposed. The motion was passed on a 4:1 vote and one abstention.**

- b. Consider the Use of Outlot F:** In order to get basements to work with grades in Brainerd Oaks, Paxmar-Brainerd LLC will need about 200 yards of dirt on about 60 lots.

Paxmar has requested to borrow an area in Outlot F, which is approximately 200 feet by 200 feet and about eight feet deep. Bergman forwarded this information to City Engineer Jeff Hulsether and he was concerned about the depth of eight feet and will be recommending an alternative.

Bergman recommended allowing Paxmar to use Outlot F for the dirt but to follow the City Engineer's recommendation.

**Commissioner Johnson made a motion to allow Paxmar to use Outlot F for dirt under the recommendation of the City Engineer. Commissioner Parks seconded the motion. All commissioners voted in favor and none were opposed. The motion was approved.**

**10. ADJOURNMENT:**

**Commissioner Steffenson made a motion to adjourn the meeting. 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 3:11 p.m.**

