

## Minutes of the September 24, 2014 Brainerd HRA Board Meeting

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 24, 2014, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **Call to Order:** Chair Parks called the meeting to order at 1:07 p.m.
2. **Roll Call:** Present at the meeting was Commissioners Burnett, Parks, Fargo, Steffenson, and Nesheim. Absent was Commissioner Larson. Also present were Director Jennifer Bergman, Finance Director Karen Young and Finance/Administrative Assistant Roberta Piekarski.

3. **Reading and Approval of Minutes from the Previous Meeting:**

**Commissioner Fargo made a motion to approve the minutes for the August 27, 2014 meeting. Commissioner Nesheim 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:**

**AT&T Reimbursement:** In 2013 the air conditioning units in the antenna and elevator room were replaced at a cost of \$38,391. Staff negotiated with AT&T, as the primary user of this space, a partial reimbursement of the cost of the units of \$15,000 which was received in August.

**Tenant Accounts Receivable Ratio:** The current year to date Tenant Accounts Receivable (TAR) ratio score through August reflects 0 points. This is because the ratio of TAR compared to total tenant revenues is greater than 2.5%. This will be resolved at year end when any TAR greater than 90 days past move out date will be written off. The Board stated according to a speaker at the NAHRO Conference earlier this month that it was suggested to write off TAR on a quarterly basis. Karen stated that it is done on a yearly basis to save time for the Board and staff. If it is done quarterly then it would have to be brought to the Board and action would have to be taken to write it off. The Board decided against doing it quarterly since they are being made aware of it on a monthly basis they didn't see a benefit to doing the write off quarterly.

Karen is in process of starting the 2015 budgets. One significant change in 2015 is the City of Brainerd has gotten the bid back for their health insurance policy and they are seeing there is going to be a 20-24% increase in health insurance premiums next year.

**b. HCV Report:**

The 2015 proposed Fair Market Rents (FMR) for a 3 bedroom is going from \$1,062.00 to \$1,096.00. Payment Standards have to be set at 90% - 110% of FMR. We are proposing to increase the payment standard of a 3 bedroom to \$999.00 which is 92% of the FMR effective October 1, 2014.

The Agency is also predicting 100% utilization at year end.

**c. Public Housing Report:**

The waiting list for two, three and four bedroom units will be closed effective October 1, 2014. According to our policy set forth in our ACOP plan is that we close the wait list when the number of applicants reaches three times the number of units for a particular family size.

We are predicting we will be very close to the two percent vacancy rate for Public Housing for the PHAS score. November and December will be very critical factors in determining if we will be over or under for the year. 2014 is our PHAS scoring year and being below two percent will guaranty us to get our full points in this scoring category.

**d. Executive Director Report:**

**Veterans/Service Member Market Study:** Maxfield Research has completed the market study for the properties on North Long Lake in Nisswa to determine the housing needs for Veterans and Service Members. A presentation to review the study is scheduled for October 7<sup>th</sup> at Cragun's Resort.

**Resilient Region Housing Forum:** The Resilient Region Champions will be holding a meeting of HRA personnel and real estate professionals on October 9<sup>th</sup> at Greater Lakes Association of Realtors in Baxter. The agenda will include an overview of Resilient Region Plan 2035 and interactive discussion of current identified goals for housing in our area.

**Assistant Director Position:** A considerable amount of time has been spent meeting with staff and speaking with other HRA's in determining gaps in the agency. A majority of the Assistant Director's duties have been absorbed by staff, so it has been determined that this position is to be more of a Special Projects Coordinator with more of an emphasis on redevelopment projects. Jennifer is working on a salary range and hopes to have this position posted by early October.

Marilynn Barrett, Housing Specialist, will be retiring on November 25<sup>th</sup> and it is planned to have her replacement start on December 1<sup>st</sup>. The organization has also been restructured in the wake of these events and the change in staff duties.

**Update to the City Council:** Jennifer attended the September 2<sup>nd</sup> City Council meeting and presented to the Council an update on the HRA. A lot of good feedback and discussion was received. The HRA appreciates the ongoing relationship we have with City Council and staff.

**SCDP Application:** An application will be submitted to DEED for the Small Cities Development Program on behalf of the City of Crosby. This application will include funds for approximately 20 single family homes located in Northeast Crosby and a public facilities application targeting the sewer system also located in Northeast Crosby. Approximately 55 homeowner applications have been received.

**NAHRO Conference:** Three Commissioners attended the training session at the NAHRO Conference in Duluth on September 18<sup>th</sup>. They reported that this was one of the best trainings for commissioners they have attended. They talked a lot about policies and had recommendations for staff such as providing bar graphs on key financial reports. They also asked staff if outside vendors audited on different aspects of the agency such as physical inspections and file audits. Staff responded that most of those audits already take place.

**Housing/Commercial Rehab Update:** All applications were processed for the Small Cities Development Program (SCDP) grant and funds are still available. Letters were sent out again this month to homeowners in the Southeast Brainerd target area.

5. **Reports of Committees:** None to report

6. **Unfinished Business:** None to report

7. **New Business:**

**a. Consider Proposal for Physical Needs Assessment:**

The legislature appropriated \$20 million for a public housing rehabilitation program. The Publically Owned Housing Program (POHP) Grant will provide a zero percent interest, 20 year deferred loan to HRA's for capital improvement to public housing. Once the loan matures, if the property remains public housing, the loan would then be forgiven. Minnesota Housing requires each applicant to have a Physical Needs Assessment (PNA) conducted by a third party to identify physical needs of the housing properties.

HUD has an interim rule on obtaining a Green Physical Needs Assessment (GPNA) for approximately the last two years. This rule has not become final and we are not clear when it may become final. HUD has continued to delay this ruling because of decrease in funds.

A Request for Proposal (RFP) was prepared for both a PNA and a GPNA last month. The RFP's for the GPNA's we received ranged from \$15,000 to \$160,000. After much discussion we have decided to go with the PNA that is currently required by Minnesota Housing due to the cost of a GPNA. Ringdahl Architects will be conducting the PNA for Brainerd & Crosby HRA. If a GPNA becomes required in the future we would jointly do one with other HRA's in the West Central Region.

The POHP application is due on November 5<sup>th</sup> and we will also be submitting an application for the Crosby HRA. The POHP application will request funds to replace the North Star elevators, along with kitchen remodels and window replacements at Valley Trail and scattered site locations.

**8. Adjournment:**

**Commissioner Burnett made a motion to adjourn the meeting. Commissioner Fargo seconded the motion and the meeting was adjourned at 2:39 pm.**