

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
May 30, 2018

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 30, 2018, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 1:02 p.m.
2. **OATH OF OFFICE:** Rebekah Kent, who was appointed to the Brainerd HRA Board by the City Council at the April 16th meeting, took her oath of office.
3. **ROLL CALL:** Present at the meeting were Commissioners Marlee Larson, Gabe Johnson, Eric Charpentier, and Bekah Kent. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Rental Assistance Manager Tania Eller, Housing Manager Teresa Hettver, Executive Assistant LeAnn Goltz, and Rehab Coordinator John Schommer. Absent: Patrick Wussow, Ashley Storm, Krista Brodal.

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

Commissioner Johnson made a motion to approve the minutes from the May 2, 2018, board meeting. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

5. **BILLS AND COMMUNICATIONS:**

- a. **Financial Report:** A \$44,478 cash distribution was processed by D.W. Jones for Trail Ridge asset management fees. As a 30% General Partner owner in Trail Ridge, Brainerd HRA received a deposit in April of \$13,343, which was reflected in the April General Fund financial statements.

Young reported that the 2018 Capital Fund award was just released and the appropriation was over \$800 million more this year. The Brainerd HRA will receive \$336,000 compared to last year's amount of \$220,000.

Commissioner Kent made a motion to approve the April payments as presented. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

- b. **HCV Programs Report:** Eller provided reports for the FSS, Bridges, and Section 8 programs. Unit Months Leased (UML) through April was 99% and HAP utilization was 33%. On May 7th, we received notice that our SEMAP score for fiscal year 2017 was 100%. She also informed the Board that currently only 14 vouches are leased up in the Bridges Program. The program has been more time consuming than anticipated and has caused staff to re-evaluate its administration. Although there is great need in the community for these vouchers, the extensive time spent on this program has taken staff time away from the FSS and Section 8 programs. And with an administration fee of only \$8,400 annually, it makes it even more difficult.



In addition, Eller reported that staff met to discuss the two additional funding opportunities for new vouchers and their capacity to administer the following programs:

Mainstream Voucher Grant Opportunity

This grant application is due June 18th, 2018. After reviewing the NOFA, staff will not be applying for this grant opportunity as they believe this program would be labor intensive and feel they do not have the capacity.

Family Unification Program (FUP) Grant Opportunity

Staff also reviewed the Family Unification Program (FUP) grant, which is due July 24th, 2018. The FUP Program assists youth and families that are at risk of homelessness with a voucher. This program would enhance our current HCV and FSS programs and the County is encouraging them to apply. Staff may have capacity if they eliminated the Bridges Program or at the very least, with some changes to it.

Eller also reported that the Section 8/HCV Waiting List to be closed effective June 7th at 4:30 p.m.

- c. **Public Housing Report:** Hettver provided the Board with reports on vacancies, property performance and the Ross Program. She also reported that HUD issued its final rule on February 15th, 2018, that requires PHAs to implement smoke-free public housing policies by July 30th, 2018. Although the Brainerd HRA has been smoke-free since August 2011, the final rule states, “PHAs may not evict for a single incident of smoking in violation of the smoke-free policy.” The current policy has a “one strike rule” for violating the smoke-free policy. Hettver has drafted an updated version of the policy, which will be provided to tenants tomorrow, May 31st, 2018, for comments. She will bring the policy to the Board for approval in June.

- d. **Executive Director Report:** Bergman gave an update on the following items:

River to Rail Initiative Update

The River to Rail Steering Engine groups are starting to meet. She attended the New Development/Redevelopment Engine meeting this morning. Bergman is the lead person on the Existing Buildings, Business, and Housing and has scheduled her first meeting for June 7th at 8:00 a.m.

Federal Home Loan Bank Affordable Housing Program

The application to the Federal Home Loan Bank was submitted. We are proposing to provide deferred loans to six rural households in greater Crow Wing County for rehabilitation. As the sponsor, we would verify the applicant’s income meets the guidelines, meet with the homeowner to assess their rehabilitation needs and write a scope of work that would be sent to the contractors for bids. We also would monitor progress and get lien waivers and completion certificates at project closeout. Our member partner, Brainerd Savings and Loan, will handle the administrative part of the program.

MN NAHRO Tour

Bergman gave a CR&D tour to 18 Minnesota NAHRO members on Wednesday, May 23rd. They toured Serene Pines, Brainerd Oaks, Downtown Brainerd, and the Riverfront. Bruce Buxton gave



a presentation on the River to Rail Initiative at the Lakes Area Music Festival. There was positive feedback and they were excited to see all of things happening in Brainerd.

Destination Downtown Brainerd 2.0

The first round of Brainerd Destination Downtown contest was such a success that they have decided to bring it back for another round. They are currently in the early stages of planning, but Bergman anticipates another request for a rent subsidy.

Bergman also informed the Board that Jeff Banick, maintenance supervisor, is planning to retire by the end of September. She is working on his job description and hopes to get someone on board for August.

- e. **Rehab Report:** Schommer provided an update on the rehab projects. The Downtown SCDP projects should be completed by the end of July. He also shared that a DEED representative visited last week and gave positive feedback on our NE Brainerd SCDP application.

6. UNFINISHED BUSINESS:

- a. **Approve Revised Tax Forfeited Property Policy:** Bergman informed the Board that she has received calls from a couple of cities who have been interested in exploring options to get their tax forfeited properties back on the tax rolls. The City of Baxter is extending Cypress Drive and as a result has five homes that will need to be moved. They have offered these homes to Lakes Area Habitat for Humanity (LAHFH) and would like to place at least one home on a tax forfeited property.

The policy that was approved by both the Brainerd HRA and CWC HRA does not allow for an option where a developer approached the HRA. The policy assumed that the HRA would select the lots and then do a Request for Proposal (RFP) for a developer. Martha Ingram drafted an amended policy to allow for a developer to approach us and it was provided to the Board.

Commissioner Johnson made a motion to approve the revised Brainerd HRA Tax Forfeit Hold Policy and Sales Procedure. Commissioner Kent seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

7. NEW BUSINESS:

- a. **Authorize Demolition Contract:** Bids were solicited for the demolition of 601 South 10th Street based off of the results of the hazardous materials assessment survey. An RFP was sent to nine contractors and two bids were received.

Hengel Construction	\$13,400
Schrupp Excavating	\$ 8,200

Both bids contained the required bid security and documentation. Schommer recommended awarding the contract to Schrupp Excavating.



Commissioner Johnson made a motion to authorize entering into a contract with Schrupp Excavating for \$8,200 for the demolition of 601 South 10th Street in Brainerd. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.

8. POLICY REVIEW AND APPROVAL:

- a. Tenant Accounts Receivable Policy:** The purpose of the Tenant Accounts Receivable Policy is to monitor tenant accounts receivables of the Brainerd HRA to ensure timely payments and write-offs. In an effort to maximize our Public Housing Assessment System (PHAS) scoring with HUD, we will write-off appropriate accounts receivable balances annually.

When collection efforts are unsuccessful, it is necessary to remove the amounts from the accounts receivable balance in order to successfully meet PHAS ratio requirements. Collection efforts are still pursued and when appropriate, account balances are submitted to the State of Minnesota Department of Revenue – Revenue Recapture program.

Commissioner Charpentier made a motion to approve Resolution No. 2018-10 amending the Tenant Accounts Receivable Policy. Commissioner Kent seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

- b. Capitalization Policy:** The purpose of the Capitalization Policy is to establish capitalization thresholds for the proper recording of asset acquisitions of the Brainerd Housing and Redevelopment Authority.

When an asset is acquired, the Capitalization Policy determines when an acquisition should be recorded as an asset and depreciated over its useful life or directly expensed.

Commissioner Charpentier made a motion to approve Resolution No. 2018-11 amending the Capitalization Policy. Commissioner Johnson seconded the motion. Via roll call vote, all commissioners voted in favor and none were opposed. The motion passed.

- 9. COMMISSIONER COMMENTS:** The Board had a discussion about the exciting things that are happening in our community. Commissioner Charpentier reported that the Brainerd Jaycees are working on ways to improve the process of the 6th Street reconstruction. Commissioner Larson shared that the Crossing Arts Alliance currently has a great Van Gogh exhibit.

10. ADJOURN:

Commissioner Charpentier made a motion to adjourn the meeting. 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 1:54 p.m.

