

## Brainerd Housing and Redevelopment Authority BOARD MEETING MINUTES May 31, 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 12:00 p.m., Wednesday, May 31<sup>st</sup>, 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 12:02 p.m.
2. **ROLL CALL:** Present at the meeting were Chair Patrick Wussow, Commissioners Rick Fargo, Marlee Larson, Eric Charpentier, Krista Brodal, and Gabe Johnson. Also present were Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, Executive Assistant LeAnn Goltz, and Paul Johnson. Absent: Commissioner Dale Parks.
3. **BRAINERD HRA GOALS SESSION:** Most of the goals and action steps in the two-year strategic plan for 2016–2017 have been successfully completed, so staff facilitated a new goals session. Prior to the meeting, commissioners were asked to identify two to three goals for the HRA and action steps to fulfill those goals.

The Board brainstormed and discussed their ideas while staff listed the commissioners' priorities and took notes to assist in identifying their 2017/2018 goals and action steps.

### Goals and Action Steps

#### **1. Continue the redevelopment of commercial, rental and owner-occupied properties in the City of Brainerd.**

- » Secure funding for rehab funds for NE Brainerd or other identified area.
- » Continue the implementation of the Brainerd Riverfront Committee.
- » Explore funding to acquire one to two more properties under the SSRP.
- » Create a new rental rehab program.
- » Continue working with Brainerd Industrial Center and the NP Center.

#### **2. Continue providing high quality, safe and affordable housing for existing and potential residents and participants.**

- » Assist the City with revising the Rental Housing Maintenance Code
- » Review HRA policies.
- » Continue to monitor/fund at the full 320 vouchers/month and adjust as needed.
- » Conduct a physical needs assessment (PNA) on our public housing.

#### **3. Communicate effectively with our partners and the public to enhance collaboration.**

- » Partner/discuss with ISD 181 on addressing and supporting their needs.
- » Identify partners.
- » Coordinate an informational tour with legislators with CWC HRA and Crosby HRA.
- » Annually review/monitor service contracts/management agreements with CWC HRA, Crosby HRA, and the City of Brainerd.



**4. Revitalize Downtown Brainerd**

- » Tour other downtowns.
- » Identify partners to create/initiate a downtown cleanup program (events, community policy, support businesses) for a safe and attractive downtown.
- » Continue to support Brainerd Restoration efforts.
- » Assist and financially support existing and new downtown businesses.
- » Explore mini-park next to Blue Ox.

**5. Maintain and grow the overall health of the organization.**

- » Update job descriptions and conduct a wage study.
- » Analyze the HRA's current debt.
- » Monitor federal funds - other HRAs.
- » Conduct a policy review (commissioner led with staff).
- » Update the personnel policy.
- » Plan for succession/cross training.

Staff will incorporate the identified goals and action steps into a formal strategic plan and bring it to the next meeting for the Board's approval.

- 4. PUBLIC HEARING ON THE SALE OF 728 4TH AVE. NE:** The Brainerd HRA Board authorized the purchase of 728 4<sup>th</sup> Avenue NE at its January 2016 board meeting and the house was demolished in August 2016. Scattered Site Replacement Program (SSRP) funds were used to cover the costs of the acquisition, demolition, and holding costs for the property.

In the past, all HRA lots under the SSRP have been sold to Lakes Area Habitat for Humanity (LAHFH). With this lot, however, we attempted a partnership with Hunt Technologies/Happy Dancing Turtles as well as ISD 181. The HCP Housing Task Force recommended we try selling the lot to a builder/buyer team and list the lot for sale through the summer. If it's not successful, they would recommend selling it to LAHFH.

According to Minnesota Statutes 469.029 Subdivision 2, the HRA may sell land without public bidding but only after a public hearing by the Authority, which must be published between 10 and 30 days prior to the hearing. A notice was published in the Brainerd Dispatch regarding today's public hearing, which stated public comment would be heard regarding the sale of the lot at 728 4<sup>th</sup> Avenue NE for \$8,000.

Commissioner Wussow opened the Public Hearing regarding the sale of 728 4th Avenue NE at 1:02 p.m.

Comments from the public were solicited. Nathan Steffenson at 410 East River Road, Brainerd, Minnesota, expressed his support of the sale. Paul Johnson, interested buyer, was present and informed the Board that he intends to build a home on the lot.

Commissioner Wussow closed the hearing at 1:04 p.m.



**Commissioner Larson made a motion to authorize Chair Wussow and Executive Director Bergman to close on the sale of 728 4th Avenue NE for \$8,000. Commissioner Johnson seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.**

- 5. DISCUSSION ON DOWNTOWN TIF DISTRICT/SEH BOND REFUNDING:** Young reported that staff have continued to work with Springsted and Dougherty to determine if refunding the bonds is a viable option. Based on projections, we are now estimating a 3% increase, which also affects our current schedule. Paul Steinman with Springsted would like to present a proposal to the Board at the June meeting. Commissioner Johnson requested that Steinman provide them with a clear “bottom line” about what it will cost the HRA.

Young also reported that Brainerd Public Utilities is not interested in refunding the bonds for us at a lower interest rate as they have incurred significant costs due to the water main break a few weeks ago.

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

**Commissioner Johnson made a motion to approve the minutes from the May 1st, 2017, board meeting. Commissioner Brodal seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

**Commissioner Larson, seconded by Commissioner Fargo, moved to approve the minutes from the May 9th, 2017, joint board meeting. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

**7. BILLS AND COMMUNICATIONS:**

- a. Financial Report:** Young provided the financial reports for April. She also reported that according to NAHRO, the anticipated Operating Subsidy proration for 2017 is 92.9%. This along with an income inflation factor of 6% and a utility expense deflation factor of 7.01% in the Subsidy calculation causes our Operating Subsidy revenue to be an estimated \$38,800 less than we had budgeted. This is the highest inflation factor that HUD has applied in any prior year and results in the lowest funding for us in over 10 years. The impact of the lower funding amount reduces the Public Housing budgeted surplus to \$2,460. The HRA currently has operating reserves of over six months.

Young also reported that NAHRO estimates that HCV admin fee will be funded between 75.7% to 80% proration. This causes an estimated budget shortfall between (\$8,900) to (\$17,950). We currently have about six-and-a-half months of operating reserves, which can be used to fund the shortfall.

NAHRO estimates that HAP will be funded at 97.277% proration along with a 2.58% inflation factor. This funding along with the use of our HAP reserves would fund us at approximately 99–100% utilization. We can also rely on our admin fee reserves to supplement this as well.

**Commissioner Brodal 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:** Eller provided the Board with reports for HCV, Bridges, and Family Self-Sufficiency. She also informed the Board that the HVC waiting list will close on May 31, 2017. As of today's date, there are 200 on the list.
- c. **Public Housing Report:** Hettver provided the Asset Management Performance Report and the Vacancy Reports. In addition, she provided a ROSS Program update and will do so each month moving forward.
- d. **Executive Director Report:** Bergman reported on the following items:

**Downtown Brainerd Update**

Destination Downtown Brainerd continues to move forward. The competition will kick off the week of June 19<sup>th</sup> and will end at the Chamber Annual Event on November 16<sup>th</sup>. Brainerd HRA staff conducted surveys of downtown business owners to get testimonials for the Destination Downtown website ([www.downtownbrainerd.org](http://www.downtownbrainerd.org)).

**Brainerd Oaks Update**

Paxmar-Brainerd, LLC, requested to purchase four more lots in Brainerd Oaks. The CWC HRA will authorize the sale of those lots and we should be closing in mid-June.

**HRA Legislative Tour**

We are tentatively planning the tour for Wednesday, August 16<sup>th</sup>, 2017. We are researching transportation options and will provide more detailed information as the date gets closer.

**Rehab Update**

The Housing Rehab Update was provided in the board packet.

Chair Wussow suggested doing another tour of our properties for any other interested board members. Commissioners Brodal, Larson, and Charpentier expressed interest. Bergman will connect with them to coordinate a date and time.

**8. REPORTS FROM COMMITTEES:**

- a. **Brainerd Riverfront Committee (BRC):** Bergman reported that the Brainerd HRA has continued to manage the Brainerd Lakes Area Community Foundation (BLACF) Difference Maker Grant that was awarded to the City in 2015. The purpose of the grant was to hire a Riverfront Coordinator. The Board appointed a Brainerd Riverfront Committee (BRC) to oversee the project and hired SEH as the Riverfront Coordinator. The BRC identified the first project as the Three Bridges Trail – an elevated trail that runs from Washington Street to the parking lot just South of the North Star Apartments. SEH is moving forward to secure funding to begin the engineering work on the trail and the City Council authorized the submission of a grant application for \$1 million to the Legislative Citizen Commission on Minnesota Resources (LCCMR).

While it has been advantageous to have SEH act as the Riverfront Coordinator for the first two years of the project, moving forward it will be equally important to identify a person to act as the Riverfront Coordinator.



Rod Osterloh, Jim Thoreen, and Jennifer Bergman met with Anna Gruber from the National Joint Powers Alliance (NJPA) to discuss the potential of NJPA funding a Riverfront Coordinator position for the City of Brainerd—NJPA would pay a portion of the salary and the City could pay a portion. It is Mr. Thoreen’s intent to have something on the City Council agenda in July.

The Board had a discussion about the role of the HRA, how much more of staff’s time is being spent on the project than anticipated, and how they should move forward.

Bergman recommended we bring this back to City of Brainerd and the HRA work will with NJPA to hire a new Riverfront Coordinator. She suggested focusing on Downtown Brainerd, since the Board identified its revitalization as one of its goals for 2017–2018.

## 9. UNFINISHED BUSINESS:

- a. **Authorization to Accept Grant for Bridges Program Administration:** The Announcement of Funding came out for the MHFA Bridges Rental Assistance Program and the Brainerd HRA has been awarded \$222,000.00 for a two-year grant period for 18 households to be served.

Staff requested the Board’s authorization to accept the grant and administer the Bridges Program for the grant period July 1<sup>st</sup>, 2017 through June 30<sup>th</sup>, 2019 by approving Resolution No. 2017-03.

**Commissioner Larson made a motion to authorization administration of the Bridges Program for grant period July 1st, 2017 through June 30th, 2019. Commissioner Fargo seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

- b. **Discussion on NAHRO Conference:** The Board had a discussion about the NAHRO conference and agreed it was very informative. A new commissioners’ handbook is scheduled to be out in July. Commissioner Fargo learned the Board is in charge of setting and reviewing policies and suggested they form a subcommittee to review all of the HRA’s policies. Commissioner Larson and Chair Wussow offered to be part of the subcommittee along with Commissioner Fargo.

## 10. NEW BUSINESS:

- a. **Consider Adoption of Tax Forfeited Property Policy:** The Brainerd HRA Board has discussed the possibility of creating a policy to consider tax forfeited property in the City of Brainerd. The discussion has been in response to the success at Brainerd Oaks, Serene Pines and Dal Mar Estates and to consider other tax forfeited properties that may have the opportunity for redevelopment.

Bergman found a policy that the St. Paul HRA created to redevelop tax forfeited properties, tailored it to the Brainerd HRA, and presented it to the Board. They carefully reviewed it and provided Bergman with recommended changes, which she documented.

**Commissioner Johnson made a motion to adopt the Brainerd HRA Tax Forfeit Hold Policy and Sales Procedure as amended for any agreements made from this day forth. Commissioner Brodal seconded the motion. All commissioners voted in favor and none were opposed. The motion passed.**



Bergman will send the policy to Crow Wing County for their reference in also creating a policy.

- b. Consider Adoption of VAWA Emergency Transfer Policy:** On November 16<sup>th</sup>, 2016, HUD published the Violence Against Women Act (VAWA) 2013 final rule, which requires PHAs to establish and implement emergency transfer plans (ETPs) for victims of domestic violence, dating violence, sexual assault, and stalking by June 14<sup>th</sup>, 2017. Hettver provided the Board with the ETP created for our agency using the template provided as a model by HUD.

**Commissioner Larson made a motion to approve and adopt the VAWA Emergency Transfer Policy. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

The Board also had a general discussion about future downtown properties. Bergman may have more information on this topic on next month's meeting agenda.

**11. NEXT MEETING:** Wednesday, June 28, 2017

**12. ADJOURN TO MEETING:**

**Commissioner Johnson made a motion to adjourn the meeting. Commissioner Larson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved and meeting was adjourned at 3:38 p.m.**

