

**Brainerd Housing and Redevelopment Authority**  
**BOARD MEETING MINUTES**  
**Wednesday, February 27, 2019**

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, February 27, 2019, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. **CALL TO ORDER:** Vice Chair Wussow called the meeting to order at 1:00 p.m.
2. **ROLL CALL:** Present at the meeting were Vice Chair Wussow, Commissioners Eric Charpentier, Gabe Johnson, Bekah Kent, and Marlee Larson (via teleconference). Others present: Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Teresa Hettver, Rental Assistance Manager Tania Eller, Resident Program Coordinator Carrie Burrell, Rehab Coordinator John Schommer, and Executive Assistant LeAnn Goltz. Absent: Commissioners Ashley Storm and Krista Brodal.

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

**Commissioner Charpentier made a motion to approve the minutes from the January 23, 2019, board meeting. Commissioner Kent seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.**

4. **UNFINISHED BUSINESS:** Nothing to report.

5. **NEW BUSINESS:**

- a. **Authorize Submission of the Bridges Program Grant:** The Request for Proposal came out regarding the MHFA Bridges Rental Assistance Program. The purpose of this funding is to provide rental assistance for individuals with a Serious Mental Illness. The rental subsidy is temporary and is intended to bridge the housing gap between treatment centers, institutional facilities, and homelessness to permanent affordable housing.

Burrell provided a revised budget. The Brainerd HRA is requesting \$249,696 for a two-year grant period. The grant is due March 8<sup>th</sup>, 2019, with a two-year funding cycle of July 1<sup>st</sup>, 2019, through June 30<sup>th</sup>, 2021. The grant proposal will include an increase for the average monthly rental subsidy. The previously awarded \$450.00 per household has increased to \$500.00 per household. The target number will still be 18 vouchers and the service regions will remain the same: Aitkin, Cass, Crow Wing, Morrison, Todd and Wadena Counties; and Leech Lake and Mille Lacs Band Tribal Nations.

Projections show the HRA will have approximately \$64,000 in unspent funds at the end of the current grant term. This is due to participants not being able to locate suitable housing, thus not being able to fully lease all 18 vouchers. We have seen an increase in difficulties leasing-up bridges voucher participants. The average lease up time is approximately 4–5 months. In addition, 18 bridges voucher holders have moved onto the Housing Choice Voucher program.

With each grant funding cycle, the HRA is required to enter into a new Cooperative Agreement with the Region V+ Mental Health Initiative. This agreement will be revised from the last one to require more involvement from the counties to reduce the amount of time spent by Brainerd HRA staff.

Once awarded funding, staff will request the Board authorize the executive director to execute the Cooperative Agreement with the Region V+ Mental Health Initiative.

**Commissioner Kent made a motion to authorize staff to submit the the Bridges Program Grant Application. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion passed.**

## 6. BILLS AND COMMUNICATIONS

- a. **Financial Report:** Young provided the financial report for January 2019. She also reported the following:

### Audit Schedule

Auditors from CliftonLarsonAllen (CLA) were at HRA offices during the week of February 4<sup>th</sup> for the Crow Wing County HRA audit and the following week of February 11<sup>th</sup> for the Brainerd HRA audit and Brainerd South compilation. Mary Reedy will be at the April board meeting to present the Brainerd HRA audit.

The agency unaudited financial statements are due to the Real Estate Assessment Center (REAC) by February 28<sup>th</sup> and the unaudited Brainerd South financial statements are due to REAC by March 31<sup>st</sup>.

Additionally, Bergman informed the Board that the fraudulent activities that took place with a former staff member were addressed with CLA. She provided them with the Corrective Action Plan that was implemented. The auditors approved of the plan and were confident that the Brainerd HRA took all necessary measures to correct the issue.

### Capital Fund Operations

Due to the uncertainty of the government shutdown and the ROSS grant not yet funded for 2019, staff drew down \$122,348 in Capital Fund operations out of the 2017 and 2018 grants.

**Commissioner Kent made a motion to approve the January 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/Section 8:** Eller reported that the UML through January was 98% and HAP utilization for was 9%.
- c. **Public Housing Report:** The Vacancy Report, Property Performance Report, and ROSS Report were provided to the Board for the month of January.
- d. **Executive Director Report:** Bergman reported that she met with some potential investors and provided a tour of downtown Brainerd. A few weeks later, she arranged a meeting with a developer, the investor, and Ed Menk about potentially buying Menk's building. They ultimately made an offer to buy the building with future plans of a boutique hotel and restaurant.

Also, Bergman shared that she has met with the Crow Wing Food Co-op who is interested in moving downtown. In addition, she's met with Bremer Bank about the possibility of selling their building as a developer is interested in redeveloping the property. Bremer indicated they would be interested but not until after 2019.

The Brainerd City Council has their retreat on Saturday from noon to 4:00 p.m. Bergman shared that the MN NAHRO Spring Conference is coming up May 22-24, 2019.

Commissioner Wussow shared that Mike Higgins now has ownership of the NP Center.

e. **Rehab Report:** Board requested that John include the total number of homes left.

7. **2019-2020 STRATEGIC PLANNING:** The Board reviewed their previous goals and objectives. Most of the goals and action steps have been successfully completed. They brainstormed and discussed their ideas while staff took notes to assist in identifying the following goals and action steps.

**Mission:** Providing affordable housing and redevelopment opportunities to strengthen our neighborhoods and community.

**Goals:**

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

- Explore funding for rehab around schools.
- Work with ISD 181 to identify homes being purchase and assist families in staying within the City of Brainerd.
- Support the River to Rail initiative and provide a quarterly update.
- Assist new or existing businesses to acquire funds for gap funding including BUF, IF and City Revolving Loan Program.
- Support the Brainerd Industrial Center and the NP Center in redevelopment initiative.

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

- Continue to assist the City with revising the Rental Housing Maintenance Code.
- Apply for VASH vouchers.
- Continue to monitor and fully fund the Housing Choice Voucher program to maintain our utilization at 100%.
- Explore repositioning public housing options.
- Maintain a high performer status in PHAS.

3.) Enhance collaboration and communication with partners and the public to support neighborhood growth and development.

- Continue to identify and communicate with our partners on HRA projects.
- Explore the Housing Supports program with Crow Wing County and Lutheran Social Services.
- Support the Brainerd Riverfront Committee's plaza.
- Annually review and monitor management agreements with CWC HRA, Crosby HRA, and the City of Brainerd.
- Explore efficiencies with other HRAs in Crow Wing County.

4.) Lead the revitalization efforts in downtown Brainerd.

- Identify and support signature projects in downtown Brainerd.
- Solicit and support developers for downtown Brainerd.
- Support a downtown coordinator position.
- Continue to support Brainerd Restoration efforts.
- Assist and financially support existing and new downtown businesses through rehab, acquisition and other programs.

5.) Continue to maintain and grow the overall health of the organization.

- Review policies annually to ensure they are up to date.
- Explore staffing needs and capacity.
- Plan for succession and cross training.

8. **COMMISSIONER COMMENTS:** Nothing to report.

9. **ADJOURN**

Next meeting: Wednesday, March 27<sup>th</sup>, 2019

**Commissioner Charpentier made a motion to adjourn the meeting. Commissioner Kent seconded the motion. The meeting was adjourned at 3:17 p.m.**