

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, May 29, 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, May 29th, 2019, 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 12:59 p.m.

2. ROLL CALL:

Board members present: Chair Marlee Larson, Commissioners Patrick Wussow, Eric Charpentier, Gabe Johnson, Rebekah Kent, and Ashley Storm. **Others present:** Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Shannon Fortune, Rental Assistance Manager Tania Eller, and Executive Assistant LeAnn Goltz. **Absent:** Krista Brodal.

3. READING AND APPROVAL OF MINUTES:

Commissioner Wussow made a motion to approve the minutes from the April 24th, 2019, board meeting. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion and none were opposed. The minutes were approved.

4. UNFINISHED BUSINESS:

a. Discussion on HCV Utilization: There was a gap between the HAP disbursement received and the HAP due for April, because HUD had not yet released our 2019 budget authority. We temporarily used a portion of our admin fee reserves to cover April's HAP shortage. We received our budget authority in May and are now able to front load; however, projecting a 98% UML utilization, we do not have enough funds to sustain at 98%. HUD is projecting we do not have a shortfall, because they are projecting us to end the year at 96% UML.

We can continue to front load, but leasing at 98% will leave us approximately \$25,000 short in December. We currently have approximately \$140,000 in admin fee reserves and using \$25,000 would bring the remaining balance down to about eight months of reserves.

If we lose vouchers, we will not gain them back unless Congress increases appropriations. HUD does have set-aside funds for agencies in shortfall; however, since we have never been in shortfall, we are uncertain about our chances to receive this funding.

The Board had a discussion about their options.

Commissioner Kent made a motion to use admin fee reserves to maintain 98% UML utilization. Commissioner Wussow seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

5. NEW BUSINESS:

- a. **Authorization to Administer the Bridges Program:** The Announcement of Funding came out for the MHFA Bridges Rental Assistance Program. The Brainerd HRA was awarded \$137,237 for a two-year grant period of July 2019 through June 2021.

Our request was for \$260,800 for 18 vouchers per month. We were awarded less because of what we spent during the last grant cycle. There is a webinar to review the overview of the application and scoring process that is scheduled for May 30th and a follow-up conference call on June 4th. Staff will keep the Board informed with what they learn during those calls.

Staff requested the Board's authorization to administer the Bridges Program for grant period July 1st, 2019 through June 30th, 2021, by approving Resolution No. 2019-04.

Commissioner Johnson moved to approve Resolution No. 2019-04, Authorization to Administer the Bridges Program, for grant period July 1st, 2019 through June 30th, 2021. Commissioner Storm seconded the motion. By roll call vote, all commissioners were 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:

2009 FSS Grant Funds

In 2009, the Brainerd HRA was over funded for the FSS grant by \$14,068. We have retained these funds since then and recorded them as deferred revenue for Housing Choice Voucher. We finally received approval from HUD to use these funds to cover prior years in which we were under funded for the FSS grant. This revenue has now gone into Admin Fee Reserves and can be used for any HCV expenses, including HAP.

2019 Capital Fund Program Grant (CFP)

We received our 2019 CFP obligation from HUD. The award of \$353,628 is approximately \$13,750 more than the 2018 grant and significantly higher than the prior 20 years with an average of \$231,320.

2019 Operating Subsidy Grant

We received our 2019 preliminary Operating Subsidy Grant eligibility from HUD. The eligibility amount is \$268,196 and is subject to proration. This award is approximately \$7,750 higher than the 2018 grant eligibility and significantly lower than the past 10-year average of \$320,470.

Commissioner Johnson made a motion to approve the payments as presented. Commissioner Kent 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 HAP utilization through April was 99% and Unit Months Leased was 35%. Danny Banks, construction analyst with HUD, came on April 30th to train/re-train our department on the updated UPCS-V inspection protocol. Ryan is using this inspection protocol.

On May 1st, we received notice that our SEMAP score for fiscal year 2018 is 100%.

c. Public Housing Report: Fortune provided Vacancy and Property Performance Reports to the Board. She also reported that Erik Warner was hired as the ROSS Service Coordinator. His first day was May 6th. Erik will be starting off by getting our program tracking and reporting set up in Grant Solutions/inForm, the HUD-approved platform. He will also be looking into options for attending an in-depth ROSS program training, hopefully sometime in this first year.

d. Executive Director Report:

Update to City Council

On Monday, May 20th, Bergman gave an update to the City Council and provided the Board with her presentation.

NP Center

Bergman met with Sharon Higgins and Derek Owen from the NP Center to discuss redevelopment opportunities at the NP Center. They have plans for several different projects on the property and were asking what the HRA could do to provide assistance. With all the moving parts, she suggested they may want to consider a master plan, which would help them plan for their proposed uses.

Workforce Housing Study

At the May CWC HRA Board meeting, the Board recommended hiring Redevelopment Resources, pending a reference check, to conduct the workforce housing and needs analysis. The study will evaluate all of the 18 incorporated cities in Crow Wing County, including the City of Brainerd. They anticipate having the first meeting with the consultant the first week of June. Bergman explained that the first task they will be doing is putting together a task force that will include many representatives from the community.

Downtown Brainerd Coalition

Several business owners in downtown Brainerd have met to create a Downtown Brainerd Coalition. They have created a mission and vision statement and now would like to form a 501(c)(3). Brainerd Restoration met with the downtown business owners to see if there were opportunities to join forces; however, it was decided that at this time they would continue to communicate but that the business owners would like to move their organization forward. The downtown business owners would like to create subcommittees that focus on different aspects. The two they have identified are organization and marketing/events. They asked if Bergman would participate in the organization committee.

NAHRO Conference

Several staff and board members attended the Minnesota NAHRO conference May 22–24. Board members discussed some of what they learned. The Board suggested having the HRA mission statement on the agenda from now on. Also, due to the absence of the current resident commissioner for the past year, they recommended having a new one be appointed. They also asked staff to research the possibility of amending the bylaws to address meeting attendance.

There are a few staff members who attended the Repositioning Public Housing track. Bergman summarized what they learned about conversion options and the Board had a discussion. Staff will provide more in depth information as they learn more in the coming meetings. Bergman also shared that she met with the director of the Pequot Lakes HRA and discussed the possibility of the Brainerd HRA administering the Section 8 program for them if they were to convert their public housing.

NAHRO will be having more educational sessions at the fall conference in Duluth.

e. Rehab Update: Schommer provided an update on the rehab programs.

7. Commissioner Comments: Commissioner Johnson shared that there is a BUF meeting on Friday about a couple potential projects. Also, there is a workshop scheduled for the City of Brainerd and River to Rail on June 10th. Commissioner Larson inquired about having a performance evaluation for the executive director and the Board decided on doing it June. The Crossing Arts is having a Prince-themed quilt display. Bergman also added that the bakery will be leasing at Rumbly Hall.

8. Adjournment:

Commissioner Johnson made a motion to adjourn the June 10th city council workshop, 501 Laurel Street, Brainerd, MN, at 5:30 p.m. 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 2:30 p.m.