

Brainerd Housing and Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, August 28, 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, August 28th, 2019, at the Brainerd HRA Administrative Office, 324 East River Road, in Brainerd, Minnesota.

1. CALL TO ORDER: Vice Chair Patrick Wussow called the meeting to order at 1:01 p.m.

2. ROLL CALL:

Board members present: Vice Chair Patrick Wussow and Commissioners Eric Charpentier, Bekah Kent (via teleconference), Ashley Storm, and Gabe Johnson. **Others present:** Executive Director Jennifer Bergman, Finance Director Karen Young, Housing Manager Shannon Fortune, Rental Assistance Manager Tania Eller, ROSS Coordinator Erik Warner, and Executive Assistant LeAnn Goltz. **Absent:** Krista Brodal and Marlee Larson.

3. INTRODUCTION: Erik Warner, ROSS Coordinator

4. READING AND APPROVAL OF MINUTES:

Commissioner Johnson moved to approve the minutes from July 24th. Commissioner Kent seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

5. UNFINISHED BUSINESS: Nothing to report.

6. NEW BUSINESS:

- a. 2020 Preliminary General Fund Budget Filing with City:** For the August board meeting each year, staff are directed to prepare a letter to the Mayor and City requesting the full HRA levy of .0185 percent of the estimated market value.

Per Minnesota State Statute, the authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city, or if no budgets are required to be filed, by August 1st.

To meet this requirement, staff prepared a preliminary General Fund budget to be filed with the City. This budget is based on estimates and assumptions that will change before the final budget is presented to the Board in November.

The Board had a discussion about the potential levy increase for Crow Wing County (CWC) HRA.

Commissioner Kent moved to put board member stipends back into Downtown Initiatives in the budget with the exception of the resident commissioner, seconded by Commissioner Johnson. All commissioners voted in favor of the motion and none were opposed. The motion passed.

Commissioner Johnson moved to authorize staff to file the 2020 General Fund budget with the City of Brainerd. Commissioner Charpentier seconded the motion. All commissioners voted in favor of the motion and none were opposed. The motion was approved.

- b. Approve Lease Subsidy Agreement with Knotty Pine Bakery:** In 2017, the Brainerd Lakes Chamber of Commerce in conjunction with Range Deluxe and several community partners created the Destination Downtown Brainerd competition. The purpose of the program was to provide an incentive for a business to locate downtown Brainerd. In 2018, the competition continued with a prize package totaling \$50,000 was awarded to the winner of the competition: Knotty Pine Bakery.

The Brainerd HRA's contribution to this prize package was a lease subsidy for 50% of the rent or \$6,000, whichever is less for one year. Knotty Pine Bakery has chosen to locate their business at 707 Laurel Street (Rumbly Hall Building) owned by Sarah Hayden Shaw. The rent is \$1,350 monthly and the lease begins on September 1st, 2019. However, Ms. Kirsch has requested having the subsidy begin on October 1st.

The Brainerd HRA will provide a forgivable loan of up to \$6,000 at zero percent interest. The loan will be forgiven 20% per year and completely forgiven after five years. The Brainerd HRA will pay the subsidy directly to the property owner in the amount of \$500 per month.

The Board suggested changes to the agreement to clearly define dates and the amount paid.

Commissioner Johnson moved to adopt Resolution No. 2019-06 approving a loan agreement with the changes as discussed between the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, and Knotty Pine Bakery. Commissioner Storm seconded the motion. Via roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.

7. BILLS AND COMMUNICATIONS

- a. Financial Report:** Young provided financial information for July 2019.

General Fund Levy

The 2019 budgeted levy amount is \$126,895. A deposit of \$47,409.55 from Crow Wing County was received in June. This represented a 70% advance on estimated property tax collections for the first half of 2019. The remaining 30% of \$21,483.50 was received in July for total levy deposits of \$68,893.05. The second half property tax settlement will be in December.

Bremer Bank

The banking transition to Bremer Bank is nearly complete. We have switched all of our processes over to Bremer and only have outstanding checks remaining to clear at Wells Fargo. We are in the process of closing accounts and transferring the balances to Bremer. It was a relatively smooth process.

Commissioner Charpentier moved to approve the payments as presented. Commissioner Johnson seconded the motion. All commissioners were in favor of the motion and none were opposed. The motion was approved.

- b. HCV/Section 8:** HAP utilization through July was 99% and Unit Months Leased was 61%.

Tammy Widman from the HUD Minneapolis Field Office contacted us on August 14th requesting we update our two-year tool. She stated it appears our agency is in shortfall and needs this information before sending the updated tool to the Shortfall Team. She also asked if we had stopped issuing vouchers. As requested, we updated the two-year tool based on July and August actual numbers and estimated September numbers. Based on this data, we will have a \$68 surplus at the end of the year. However, this does not reflect putting any more people on the program.

As discussed at the May 2019 meeting, the goal is to keep the UMLs above 98%, as required under SEMAP. At that time, the Board authorized using up to \$25,000 in admin fee reserves to do that. At this time, we anticipate using approximately \$20,000 in admin fee reserves, of which \$14,000 is unused FSS dollars from the 2009 grant, which we received permission to transfer to admin fee reserves, ending the year at 98.3% UML.

The VMS audit is in progress. To date, staff has submitted 13 months of documents.

- c. Public Housing Report:**

5-Year Plan

The 5-Year Planning process is underway. Notice of the public hearing was posted in the Brainerd Dispatch. A public hearing for the 2020 5-Year Plan will be held as part of the board meeting in October. The plan will be provided as part of the board packet in September and will be available to the public in the office and on the website from the posting date through the public hearing date.

Fortune also shared that in the past five years, the HRA has provided over \$80,000 to participants of the Family Self-Sufficiency (FSS) Program.

Brainerd South Annual Inspection

Minnesota Housing conducted an annual physical inspection of four (4) units at Brainerd South. The reviewer noted minor damage on the corner of a wall but allowed maintenance to make the repair at the beginning of the next week. After receiving confirmation that the repair had been made to her satisfaction, the reviewer closed out the report noting no compliance violations.

Resident director board members were sought for two (2) vacant positions that were be filled at the August 19th annual resident meeting. There is a meeting in November for approval of the budget.

Crosby HRA: NAHRO Technical Assistance Grant for Repositioning Public Housing

The Crosby HRA collaborated with the Aitkin HRA and the Pequot Lakes HRA in the submission of an application for technical assistance funding to evaluate options for repositioning public housing. The grant application was submitted July 31st.

ROSS Program Update

Erik Warner attended a national training on the ROSS Program hosted by Nan McKay in New Orleans earlier this month. The two-day training covered action plan development, program delivery, outreach and community collaboration strategies, data tracking and reporting requirements, and allowed for some great networking with other ROSS Program providers. He came back with a wealth of information and a list of “next steps.”

Over the past several weeks, Warner has been busy signing up North Star residents to participate in the Senior Nutrition Assistance Program. He now has enough residents to qualify the North Star building as a distribution site for the program. He is working on a collaboration with Humana to provide healthy cooking and nutrition seminars that will be scheduled monthly in conjunction with the food delivery. Warner has been participating in conference calls with the MN Hoarding Taskforce and will be joining their group as an official member in September.

d. Executive Director Report:

CWC HRA Levy Request

On August 6th, the CWC HRA Board held a special meeting to discuss the request by the County Administrator and Commissioner Brekken to consider increasing the CWC HRA levy to address the shortage of workforce housing in Crow Wing County.

Performance Evaluation

Because Chair Larson was not able to be at the August Brainerd HRA board meeting, she asked to do Bergman’s performance evaluation at the September meeting instead.

Workforce Housing Study

The last Workforce Housing Task Force meeting was held on Thursday, August 15th. The group reviewed the follow-up data from the previous meeting and discussed the three surveys (full-time residents, second homeowners and employers/employees). In addition, Kristen Fish-Peterson interviewed 15–20 partners. The next meeting will be held on September 19th.

Update on 2019/2020 Goals

An updated 2019–2020 HRA Goals and Action Steps Status Report was provided to the Board.

YMCA

Shane Riffle, executive director of the YMCA, and Bergman met regarding a potential expansion of the YMCA to see if there was any assistance the Brainerd HRA could provide. They are considering adding some programming for preschool and early childhood. Bergman also participated on a community forum they hosted this morning, August 28th.

Children’s Museum

Bergman met with Peter Olson and discussed potential ways the HRA could help.

National NAHRO

Bergman will be attending the National NAHRO Conference in October. She was asked to present on the Brainerd Oaks project.

Bergman also reported on the CWC HRA Brainerd Oaks project. The current developer, Paxmar, is looking to transfer its agreement to another developer, Level Contracting. A reference check will be performed on the new developer and the CWC HRA Board will decide if they approve.

e. Rehab Update: An update on the rehab programs was included in the board packet.

8. Commissioner Comments: Commissioner Johnson reported that they have selected the final 10 contestants in the Destination Downtown contest. He also shared that Brainerd Restoration hosted a mural dedication at the American Legion on August 8th. Commissioner Charpentier spoke with Crow Wing County Commissioners about the potential increase in the CWC HRA levy. Commissioner Kent reported that the college is doing well for enrollments.

9. Adjournment:

Moved by Commissioner Charpentier and seconded by Commissioner Johnson, the meeting was adjourned at 2:07 p.m.