



**Brainerd Housing & Redevelopment Authority
BOARD MEETING MINUTES
Wednesday, May 27, 2020**

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 via Webex video/teleconference at 1:00 p.m., Wednesday, May 27th, 2020.

- 1. CALL TO ORDER:** Chair Marlee Larson called the meeting to order at 1:03 p.m
- 2. ROLL CALL:** Board members present via remote video conference include Commissioners Marlee Larson, Bekah Kent, Ashley Storm, and Gabe Johnson. Interim Executive Director/Finance Director Karen Young, Executive Assistant LeAnn Goltz, Rental Assistance Manager Tania Eller, Housing Manager Shannon Fortune, Rehab Coordinator John Schommer, and Brenda Billman-Arndt with Destination Downtown Brainerd Coalition were also present. Absent: Patrick Wussow.
- 3. READING AND APPROVAL OF MINUTES:**

Commissioner Kent moved to approve the minutes from the regular meeting on April 22nd, 2020. Commissioner Johnson seconded the motion. Through roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.
- 4. UNFINISHED BUSINESS:**
 - a. Approve First Amendment to Purchase & Redevelopment Agreement for 1201 Pine Street:** At the January board meeting, the Board approved the transfer and assignment of the Master Purchase and Development Agreement to Lakes Area Habitat For Humanity from Galilee Ministries for the tax forfeited tract they purchased. When LAHFH agreed to accept the parcel, they indicated they would not be able to complete the minimum improvements until sometime in 2021. Attorney Martha Ingram drafted an amendment extending the deadline for LAHFH to complete minimum improvements by December 31st, 2021.

Moved by Commissioner Kent and seconded by Commissioner Johnson to approve Resolution No. 2020-05 to approve amending the Purchase and Redevelopment Contract extending the deadline for minimum improvements until December 31st, 2021. Through roll call vote, all commissioners were in favor of the motion and none were opposed. The motion was approved.
 - b. Consider Amendment to Tax Forfeited Property Policy:** One of the Workforce Housing Study recommendations is to consider amending the Tax Forfeited Property Policy to encourage development and redevelopment by dropping acquisition prices to 10% of market value (or even \$0) plus costs.

In considering the recommendation, staff reviewed the policy and found areas that should be changed to coincide more accurately with the County's policy. Those changes were incorporated

and an updated policy was provided to the Board. The policy was sent to Attorney Martha Ingram from Kennedy and Graven for her review and staff is awaiting her response.

Commissioner Johnson moved to adopt Resolution No. 2020-06 amending the Brainerd HRA Tax Forfeited Hold Policy and Sales Procedure contingent on any changes as recommended by the HRA's attorney. Commissioner Kent seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved.

5. NEW BUSINESS:

- a. Approve Lease Subsidy Agreement with Crow Wing Food Co-op:** Crow Wing Food Co-op was the grand prize winner and the Brainerd HRA's contribution to this prize package was a lease subsidy for 50% of the rent or \$8,000, whichever is less for one year. Crow Wing Food Co-op has chosen to locate their business at 624 Laurel Street owned by Smith Commercial Properties LLC. The rent is \$2,000 monthly and the lease began on April 1st, 2020. The Brainerd HRA will provide a forgivable loan of up to \$8,000 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 \$900 per month for the first four months and \$550 per month for the remaining eight months beginning on June 1st, 2020.

Commissioner Johnson moved to adopt Resolution No. 2020-07 approving a loan agreement between the Housing and Redevelopment Authority in and for the City of Brainerd, Minnesota, and Crow Wing Food Co-op. Commissioner Kent seconded the motion. Via roll call vote, all commissioners were in favor and none were opposed. The motion was approved.

- b. Consider Termination of MOA with City of Brainerd for Administration of Revolving Loan Fund:** A request from the City of Brainerd for the termination of the Memorandum of Agreement between the HRA and the City of Brainerd for the administration of the City of Brainerd Revolving Loan Program was provided to the Board.

There have been no loans made from these funds since entering into this Agreement in April 2018. As such, staff recommended accepting the request to terminate the MOA associated with the administration of the Revolving Loan Program and also waiving the 60-day notice requirement in the MOA. Per the agreement, within 30 days after termination of this Agreement, the Brainerd HRA shall deliver to the City an accounting of the Program funds and the entire cash balance of the Program funds in our possession.

The Brainerd HRA initially received \$100,000 from the City and expended \$874 in legal fees to Kennedy & Graven and \$49 in postage expense. The cash balance is \$99,077 that shall be returned to the City of Brainerd.

Commissioner Johnson moved to terminate the MOA with City of Brainerd for administration of the Revolving Loan Fund and return the cash balance of \$99,077 to the City of Brainerd. Commissioner Kent seconded the motion. Through roll call vote, all commissioners were in favor and none were opposed. The motion passed.

- c. **Consider Destination Downtown Brainerd Coalition Request for Funding:** The Brainerd HRA received a request to consider supporting the Destination Downtown Brainerd Coalition's (DDBC) efforts toward a thriving Downtown Brainerd. The letter, which was reviewed by the Board, provided information about the organization's current initiatives and projects the HRA might consider funding. Brenda Billman-Arndt, president of DDBC, attended the meeting to introduce herself and personally make the request.

Young reported that she had reached out to Attorney Martha Ingram with Kennedy & Graven regarding this funding request to ensure that this initiative supports the purpose of revitalizing downtown and assisting with the elimination of blight. She suggested that should the HRA choose to fund these initiatives, a way to execute this would be through a contract with DDBC for the services on behalf of the HRA as outlined in the letter.

The Board had a discussion about the importance in supporting downtown revitalization efforts and the amount they should contribute.

Commissioner Kent moved to authorize the Brainerd HRA to enter into a contract for services with Destination Downtown Brainerd Coalition for revitalization projects as recommended by staff in the amount of \$5,000. Commissioner Storm seconded the motion. Via roll call, all commissioners voted in favor of the motion and none were opposed. The motion was approved.

6. **BILLS AND COMMUNICATIONS**

a. **Financial Report:**

2020 Capital Fund Program Grant (CFP): The Brainerd HRA received its 2020 CFP obligation from HUD. The award of \$379,530 is the highest allocation received in the 20-year history of funding and almost \$24,000 more than last year.

CARES Act Supplemental Funding: The CARES Act provided additional funding to prevent, prepare for, and respond to coronavirus, including funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. Staff received clarification that any current eligible expenses are also allowed in addition to the coronavirus-related expenses.

The supplemental funding amounts were announced for PHAs and the agency received an additional \$42,091 in Public Housing Operating Funds and \$38,332 in HCV Admin Fees. The funds can only be used for eligible expenses back to March 27th and expire at the end of the year.

Trail Ridge

In April, a \$12,700 distribution was received from the Trail Ridge development as reflected in the General Fund.

Moved by Commissioner Kent and seconded by Commissioner Johnson for approval of payments as presented. Through roll call vote, all commissioners were in favor and none were opposed. The motion passed.

- b. **HCV/Section 8:** The Unit Months Leased (UML) through April was 99% and HAP utilization through April was 32%. Notification continues to keep numbers above 95%. Seventy families were notified on March 14th. Staff plans to follow the same process used in April when 30 families were notified to keep client contact to a minimum.
- c. **Public Housing Report:** Fortune reviewed the Vacancy Report and Property Performance Report for April 2020.

Resident Commissioner Candidate Search

Candidate informational packets have been sent out to the 16 individuals that self-nominated for the resident commissioner position. The packets are due back June 1st. From the candidate questionnaires, a summary packet will be compiled and then posted on the website. An election is tentatively scheduled for early July.

Fire Unit

There was a small electrical fire in the exhaust fan at one of the scattered site units on the evening of May 4th. The fire department responded very quickly and thankfully there was only minor damage with no injuries. Red Cross put the household in a hotel for the night. Based on the repair work schedule, it was determined that it would be easiest to keep the household in a hotel for one week to allow for all necessary trades to complete work in the unit. The cleaning aspect of the work has taken the longest, with a partial delay due to the tenant herself not being ready. The Service Master team has been very accommodating and patient through this process and the last cleaning tasks were wrapped the week of May 20th.

Ongoing COVID-19 Response

Work orders are still being considered on a case-by-case/priority basis, additional cleaning and sanitizing tasks have continued, common areas still remain closed, educational activities and gatherings are still cancelled. Move-ins have continued using an extremely limited contact model, as have interim and annual recertifications. As an example of how the team has adapted to the “new normal” without sacrificing productivity, all residents in the North Star Apartments are entering the final stages of their annual recertification process, which happens every year at this time. The process has been slightly different, but is still on track to be completed timely.

ROSS Program Updates

- There are 14 active participants in the ROSS program, including one newly enrolled in the past month.
- A total of 16 COVID-19 resource packets have been taken from the display rack.
- There were no new outreach activities in April. All events and educational presentations for April remain cancelled or postponed. Once Erik is able to again offer educational events and activities, he plans on hosting a seminar related to Renter’s Insurance.
- The Senior Nutrition Assistance program had 27 residents participating this past month. The nutrition seminars have been cancelled and will be resumed at a later date. Deliveries are done directly to the apartments to prevent tenants from needing to congregate.
- Facebook Stats: Erik made 11 new posts on the ROSS Facebook page this past month. His posts focused on renter’s insurance, how to confirm and track processing of economic stimulus payments, pop-up produce pantry dates and locations, and easy recipes to try while in quarantine. These posts reached a total of 50 people!
- There are currently 10 followers of the ROSS Facebook page.

d. Executive Director Report:

COVID-19 Update

On May 13th, Governor Walz issued Emergency Executive Order 20-56. As a Critical Business, this EO did not change the parameters in which we are operating. Staff is continuing to work remotely when feasible and our offices are still closed to the public. Masks for all staff have been purchased and are worn in public and in the office when not at our desks. Plexi-glass was installed at the front desk and permanent tempered glass is on order to be installed within the next month. Staff is looking into an intercom system that could be installed at the office front door to work in tandem with the door mechanism to possibly screen visitors prior to allowing them entrance into the building.

A big concern is that the office vestibule and waiting area have very limited occupancy while still accommodating social distancing. Eller notified 70 families for the HCV program and staff does not feel it is possible to safely accommodate the traffic that would occur if the offices were open to the public. Staff's recommendation will be to continue to operate with the offices closed to the public for the time being until measures are in place to control traffic in our limited space. Staff will continue to monitor and adjust to local circumstances.

Request for Technical Assistance (RFTA)

Staff submitted a RFTA to Minnesota Housing Partnership (MHP) on behalf of CWC HRA in mid-April. This application focused on current CWC HRA initiatives as related to the Work Force Housing Study, creation of a Housing Trust Fund and the affordable housing shortage in CWC. Young and Schommer had a follow-up call with MHP and learned the HRA is still being considered for funding. They received 26 applications so the funding is very competitive this year. They estimated that it will still be a couple of more weeks until they make their awards.

CWC HRA Tax Forfeit Property Policy (TFP)

The CWC HRA Board took action at their May meeting amending the CWC HRA Tax Forfeit Property Policy and Sales Procedure to reflect a reduced acquisition price to developers of 0% of the assessed market value as recommended in the Workforce Housing Study.

CWC HRA Housing Trust Fund (HTF) Guidelines

The CWC HRA Board also took action adopting the Housing Trust Fund Guidelines as presented by staff. These guidelines present the four different programs that can be funded by the HTF. They consist of:

1. Workforce Housing Assistance Program
2. Homebuyer Assistance Program
3. Rehabilitation Assistance Program
4. New Construction/Development Financing Program

CWC HRA Tax Forfeit Property Policy (TFP) Application

Staff received an application from a developer interested in acquiring 143 tracts of land in Breezy Point through the CWC HRA TFP. Staff has requested that the tracts be put on hold by the County and taken off of their tax forfeit property list. Additional information has been requested from the developer regarding his plans for the tracts of land.

- e. **Rehab Update:** An update on the current rehab projects was provided to the Board.

SCDP Preliminary Proposal

Staff is working with Loren Larson, the mayor for the City of Garrison, to try to determine if there are enough manufactured and stick built homeowners that have a need and would be interested in rehab to have a competitive preliminary proposal. They met Wednesday, May 13th, and came to the conclusion that the city needs to see if they have capacity for the grant.

FHLB

Another application for the Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP) will be submitted, which opens May 1st. Staff anticipates seeking approximately \$175,000 for five units of owner-occupied rehab throughout Crow Wing County. Funding awards are announced in December.

- 7. **Commissioner Comments:** Commissioner Larson reported that Bridges of Hope is currently working with Econo Lodge to house people in need. Commissioner Johnson reported that the City of Brainerd is offering small business grants of \$3,000 for small businesses with less than 10 full-time employees in the City of Brainerd. More information can be found on the City's website.

- 8. **Adjournment:**

Commissioner Larson made a motion to adjourn the meeting at 2:08 p.m. All commissioners voted in favor of the motion and none were opposed. The motion was approved.