



Brainerd HRA BOARD MEETING MINUTES

Wednesday, September 27th, 2023 @ 1:00pm

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 in person at Brainerd HRA Offices located at 324 East River Road, Brainerd, MN at 1:00 p.m., Wednesday, September 27th, 2023.

1. **CALL TO ORDER:** Vice Chair Kent-Ehlebracht called the meeting to order at 1:00 p.m.
2. **ROLL CALL:** Present: Commissioners Gabe Johnson, Michael Duval, Wayne Erickson, Janet Decker, Kevin Yeager, Rebekah Kent-Ehlebracht & Allie Verchota. Absent: Others present: Executive Director Eric Charpentier, Finance Director Karen Young, Housing Manager Shannon Fortune, Rehab & Maintenance Director John Schommer & Rehab Administrative Specialist Kristin Miller. Guests: None Absent: Rental Assistance Manager Tania Eller
3. **REVIEW AND APPROVE AGENDA:**
Moved and seconded by Commissioners Duval and Erickson to approve the agenda as amended for the September 27th, 2023, board meeting. All commissioners were in favor, and none were opposed. The agenda was approved.
4. **READING AND APPROVAL OF MINUTES:**
 Approval of minutes from Regular Board Meeting on August 23rd, 2023
Moved and seconded by Commissioners Yeager and Duval to approve the minutes from the August 23rd, 2023, regular board meeting. All commissioners were in favor, and none were opposed. The minutes were approved.
5. **UNFINISHED BUSINESS:**
 - a. Strategic Goals Update
 We have updated the status of the goals that we have been working on in the past few months. As we review this quarterly it will be helpful for staff to get feedback and/or guidance from the board to ensure we are making any priority adjustments as we work towards fulfilling these goals. This will continue to help guide staff on our path forward. Many of these goals will be ongoing throughout this two-year cycle, but there could be shifts in the priority as we work through these. I have updated the status column with progress on specific goals that has occurred in the past 3 month period. Staff would also like to propose a workshop meeting to discuss our options for projects that the HRA could complete with the budgeted funding that is available to the board for other initiatives.
Discussion: Johnson – What is the road block for the developer with Outlot F? (Infrastructure cost for roadway development).

Duval- What is the anticipated length of the workshop? (1hr) He would like to see the three platforms presented ahead of time to be able to look them over and come prepared for discussion. Adding a scoring system to the options would aid in decision making.

The board would like staff to bring back these platforms at the October meeting.

b. Office Building Update

Potential Relocation of Office

Staff have investigated what the process would be if we wanted to sell our current office building in favor of moving to another location. This process would mimic the disposition process that the agency would go through if we were to ever look at selling one of our public housing scattered site locations and would involve public hearings and opportunities for tenant and public comment.

Staff also reached out to a local builder to inquire as to a cost estimate for an office remodel based off of site drawings and our rough sketches to indicate what changes staff would envision. We are anticipating a rough estimate to come back, hopefully before our board meeting so that we can discuss these items further.

Discussion: Duval commented that capitol funds could be utilized so less bonding would be needed.

Erickson would like to see staff remain in the current building.

Yeager agreed with Erickson. Also stated he would like staff to keep looking for a turn key building.

Johnson stated there is plenty of room within the current building for Brainerd HRA staff and we should look to the County HRA for help with staffing accommodations because that is the staff that has grown.

6. NEW BUSINESS:

a. Keyless Entry Project for Public Housing Units and Office Building

During our capital improvement assessments, we identified the need to improve our security by replacing the door entry phone system at North Star Apartments and moving to keyless entry at our facilities. This project was included in the approved 5-Year Action Plan for the years 2022 to 2026 and includes keyless entry for the North Star, Scattered Sites, Valley Trail and the HRA office building. We issued an Invitation For Bid (IFB) and received one responsive bid at \$248,251.00 from Safeguard Security. 2022 Capital Fund Program (CFP) dollars will be used to pay for this project.

We did move forward with the contract and were recently made aware that we did not bring it to the board for approval, per our Procurement Policy, prior to having the contract executed. We have postponed installation until we can have the board approve the contract retroactive to the execution date. We have included the executed contract for your review.

Commissioner Erickson moved to approve the contract with Safeguard Security for \$248,251.00 to install a new front entry phone system at North Star Apartments and keyless entry at our Public Housing facilities and the office building retroactive to April 12th, 2023. Commissioner Johnson seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion carried.

b. Insurance Claim Project for Scattered Sites for Roof Replacement

Last summer we were notified of there being some shingles missing from the back of one of the units at Valley Trail Townhomes. The shingles were missing due to one of the storms that had moved through the area, so we submitted a claim with our insurance company. We learned that all of the Valley Trail roofs, with the exception of 622 which was replaced due to the garage fire, were covered. We then had the adjuster look at all of our properties and we found out that all of the scattered site roofs had enough damage to have insurance replace them as well.

We did issue an Invitation For Bid (IFB) for replacement of all of the roofs (except 622 Valley Trail which was replaced due to the garage fire) and received one responsive bid for \$395,668.00. Our net cost for our deductible is \$61,918.22 which will be paid with 2022 Capital Fund Program (CFP) dollars. The project will be covered in the approved 5-Year Action Plan for the years 2022 to 2026 under roofing replacement due to damage done by natural occurrence.

We did move forward with the contract and recently realized that we did not bring it to the board for approval, per our Procurement Policy, prior to having the contract executed. We have postponed replacement of the roofs until we can have the board approve the contract retroactive to the execution date. We have included the executed contract for your review.

Moved and seconded by Commissioners Duval and Verchota to Approve the contract with Quick Construction for \$395,668.00 to replace roofing at our Valley Trail and Scattered Site Public Housing properties retroactive to August 22nd, 2023. All commissioners were in favor, and none were opposed.

7. BILLS & COMMUNICATIONS:

a. Financial Report:

Young presented the August 2023 Financial Reports and supporting information.

Banking RFP

In 2018 we issued a Request for Proposals (RFP) for banking services and awarded our banking services contract to Bremer Bank. We are in the process of creating an updated RFP for banking services to be published this fall. With our last RFP, we had a board member appointed to the evaluation committee to assist in scoring the submitted proposals. It would be timely to have a board member appointed to the committee, if the board would like to proceed with that same process. **Duval volunteered to join the committee.**

Public Housing Insurance Claim Payment

In August we received the first loss payment of \$234,832.78 from Housing Authority Insurance for the property damage to the roofs at our Public Housing Scattered Site and Valley Trail properties.

Mainstreet Revitalization Program Payment

In August we processed the \$20,000 payment out of the General Fund to Lakes Area Habitat for Humanity for the DEED Mainstreet Revitalization Program. These funds will be used towards the construction of an affordable home to be located at 1108 Oak Street.

Commissioner Duval moved 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 carried.

b. HCV Report:

Fortune presented HCV reports and supporting information.

HCV Report (Report was presented)

Please see the attached reports.

- Through August, our Unit Months Leased (UML) is 106% and HAP utilization is 59%.
- Ryan Barnett attended the NAHRO conference on behalf of the HCV department and participated in sessions on NSPIRE (changes to inspections), HOTMA (changes to income, assets, and program operation), and the HCV Roundtable with HUD staff.
- Please see attached report.

Bridges Report (Report was presented)

- We have 11 families on the program with a monthly HAP payment of \$6,457.00
- Please see attached report.

Family Self-Sufficiency (FSS) Report (Report was presented)

- We have 50 families on the program and 30 families currently escrowing a total of \$10,446.00 per month.
- Please see attached report.

“Bring It Home” State Rental Assistance Vouchers

Staff attended NAHRO conference sessions related to the “Bring it Home” state rental assistance vouchers, which are anticipated to be available to PHA’s with HCV programs sometime in 2024. This is just one of the 16 new programs that are rolling out for MN Housing, which is currently focusing on hiring new staff, developing policies, and determining the exact budgets. Early estimates appear to show an 18% increase in admin fees per voucher.

Discussion:

c. Housing Management Report:

Fortune presented her reports and supporting documents.

Vacancy Report for August 2023 (Report was presented)

Monthly Property Performance Report for August 2023 (Report was presented)

Pest Management Update

So far this year we have completed 138 inspections and 90 treatments for pest infestations in tenant units. Only a small number (5) have been re-treated for the same type of infestation. Following the recommendations of our pest control vendor, we do not spray without first conducting an inspection of the unit. This not only minimizes unnecessary chemical exposure to our tenants and staff but also is helpful in slowing down how quickly insects adapt to or become immune to a specific treatment solution. According to our vendor, having approximately 30% of units with an active infestation could indicate that we have a systemic infestation. During a recent training session, staff learned that the most effective tools in the fight against infestations are education, sanitation, and physical exclusion and that the use of over-the-counter sprays should be discouraged as they can interfere with the effectiveness of professional treatments. Staff are working on additional awareness/education materials, including a hosted Q&A session with Public Health and our pest control vendor.

ROSS Program Updates

- 17 active participants in the ROSS program; 2 newly enrolled participant; 0 exited participant.
- 6 new contacts with non-enrolled residents for more limited resource/referral work.
- Food Program Participation

- SNAP Food Boxes: 25 residents; shelf-stable box; elderly tenants only.
- Catholic Charities: 12 residents; 210 frozen meals (10 - 30 each); elderly tenants only
- Activities Recap:
 - Humana-hosted health seminar “Train Your Brain” (4); ROSS-hosted “New Recreational Marijuana Use Laws & How They Affect You” (11); PH-Team hosted “Ask Me Anything!” (10).
- Facebook Stats:
 - 6 new posts on the ROSS Facebook page this past month (including information related to the boil water order) which reached 20 individuals, with no likes or comments, but there were 3 viewers clicking through for more information and 1 person sharing a post.

Discussion:

d. Rehab Programs Report:

Schommer presented his reports and supporting information.

SE Brainerd SCDP Application

We received notice from DEED on September 1st that our Small Cities Development Program application for SE Brainerd was successful. The application was for 8 units of Owner Occupied and 12 units of single-family Rental Rehab with a total investment of approximately \$745,000.

Camera System Replacement

We are currently working on issuing an IFB (Invitation For Bid) to replace our existing camera system for public housing. The current system we have is beyond the end of its useful life and the manufacturer of the NVR's went out of business many years ago. Staff applied for a grant through our insurer's Loss Prevention Fund and we were awarded \$225,000 toward the project. This project was included in the approved 5-Year Action Plan for the years 2022 to 2026. The balance of the funds to complete the project will come from our 2022 Capital Fund Program (CFP) dollars.

Discussion:

e. Executive Director Report:

Charpentier presented his reports and supporting information.

MN NAHRO Fall Conference Recap

We had 5 staff members attend all or portions of the MN NAHRO fall conference in Duluth from September 12th – 14th. There were several trainings surrounding the new HUD initiatives for HOTMA and NSPIRE as well as updates surrounding the new state programs being created by MN Housing for the Bring It Home MN housing bill that was passed. This was a very well attended conference, and we are thankful that staff was able to attend.

Operational Update

As staff continue to refine our processes and procedures and our roles continue to evolve, I have asked Karen to take on an operational oversight role for our staff supervisors. This is a formalized extension of what is already occurring internally with our department head staff. Karen will still have oversight of the finance department and will be adding operational supervision of our department heads. This shift will continue to allow me to focus on housing development and redevelopment initiatives for Brainerd and our agency while also continuing to build and maintain strong relationships throughout the community to advance our strategic initiatives. I have attached an updated organizational chart reflecting this change.

Brainerd HRA Levy Request

We submitted our budget and letter of request to the Brainerd City Council for our 2024 levy which was reviewed by the Council at their regular meeting on September 18th. The preliminary levy amount that was adopted by the City Council for the HRA was in the amount of \$173,960 which represents a difference of \$16,665 less than was requested to the Council. A copy of the letter and budget that was sent to the city as well as the preliminary levy resolution is attached to this memo for your information.

Discussion:

8. COMMISSIONER COMMENTS:

Rebekah Kent-Ehlebracht – Thank you to staff for being proactive with our funding as the possible federal shut down approaches.

Gabe Johnson – There were a few areas within the city that needed to be held flat for this new budgeting cycle.

Allie Verchota – Nothing at this time.

Michael Duval – Thank you John, Kristin and Eric for getting the SCDP Grant for the City of Brainerd.

Wayne Erickson – Would it be helpful to have a member of the Brainerd HRA staff at City Council meetings? Staff does an excellent job!

Janet Decker – Nothing at this time.

Kevin Yeager - Nothing at this time.

9. Next Meeting: Wednesday, October 25th, 2023

10. ADJOURN:

Commissioner Johnson made a motion to adjourn the meeting. Commissioner Erickson seconded the motion. All commissioners voted in favor of the motion, and none were opposed. The motion was approved, and the meeting was adjourned at 2:39 p.m.



To: Brainerd HRA Board Members

From: Eric Charpentier, Executive Director

Date: October 19th, 2023

Re: Strategic Goals and Project Opportunities – Scattered Site Replacement Program

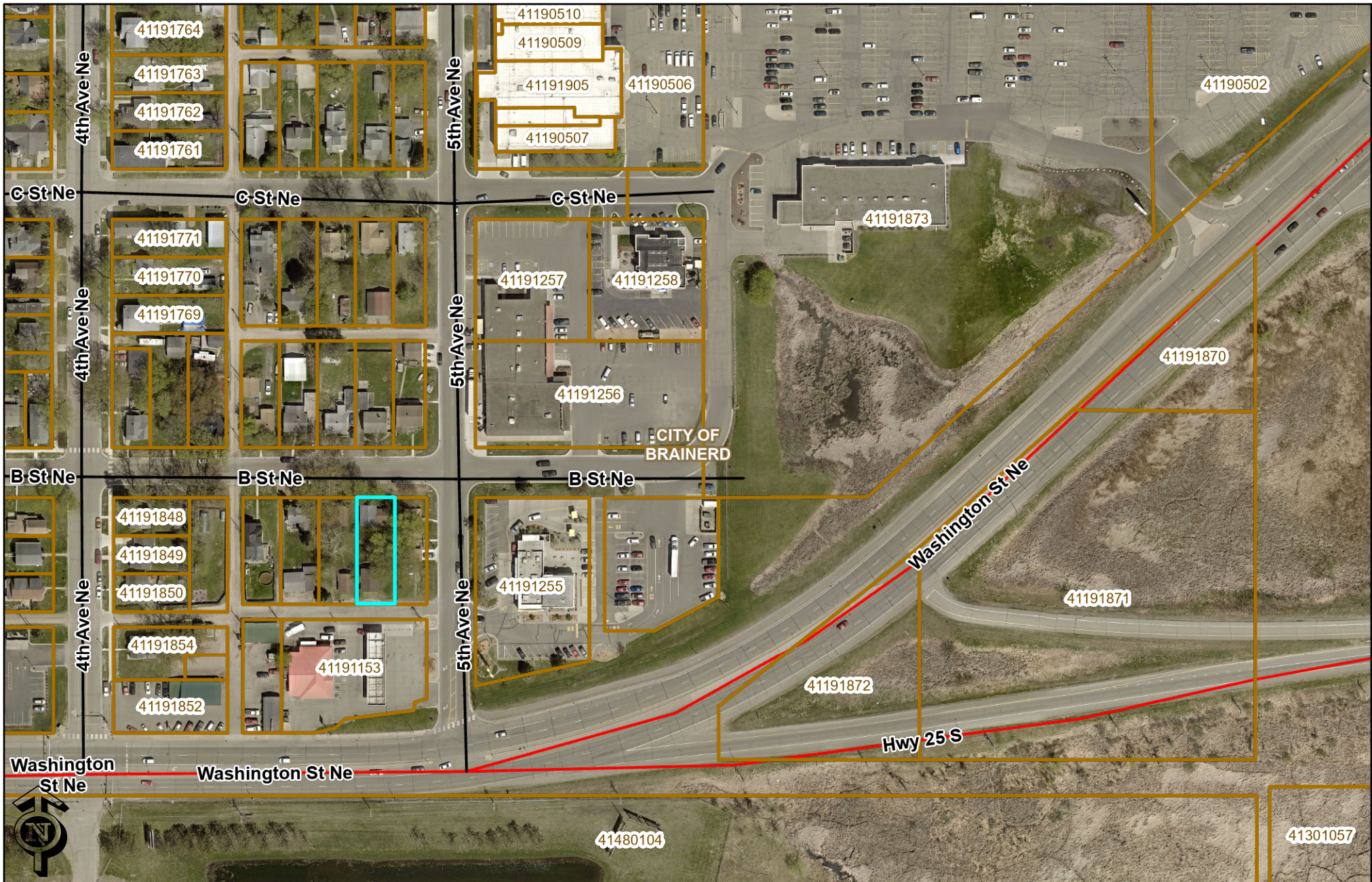
Since our last meeting in September staff was approached by the owner of the property located at 426 B Street NE in Brainerd to discuss any options that they may have to rehabilitate the home on this property. This is a property that staff had identified as a potential opportunity for our scattered site replacement program due to a fire at the home in the spring of 2023. Since that fire occurred the property ownership changed and the individual that purchased the property had believed that it could be rehabilitated. Per guidance from the city and from the Brainerd Fire Department it does not appear that the structure of the home can be saved. In discussing possible options with the property owner staff did talk about the SSRP program and the property owner was open to selling the property for this purpose.

Staff have reached out to the City of Brainerd to see if there are any funds that could potentially be utilized to partner in a project to purchase the property, tear the structure down and bring the property back to a buildable grade for an infill project. City staff did state that there may be local program dollars that could potentially be utilized for a partnership like this. We believe this could be a win-win for the HRA and City as both entities would like to see the blighted property corrected. We would like to pursue this opportunity further to help defray any costs associated with this as we can.

I have attached a few photos of the subject property along with the overhead GIS view of the parcel in question. There is also a detached garage structure on site that would not necessarily need to be demolished and could be rehabilitated by the eventual new property owner. I have spoken with City staff about the garage, and they also believed that the structure did not necessarily need to be included in the site demolition.

In previous SSRP projects the HRA has reached out to Lakes Area Habitat for Humanity to partner with them to have them purchase the cleaned-up site to build a home for a low to moderate income family. Staff is requesting the authority to negotiate a purchase price for the property with the current owner and to work with Lakes Area Habitat for Humanity on a purchase and redevelopment agreement to provide a new affordable single-family home on this site.

Action Requested: Authorize staff to negotiate a purchase agreement for the property located a 426 B St NE with the intent to demolish the current structure and bring the property back to a buildable grade. Staff would also request that the agency be authorized to work with Lakes Area Habitat for Humanity on a purchase and redevelopment agreement to build a single-family home at this site that would be affordable to a household of low to moderate income.



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

426 B St NE

Date: 10/19/2023 Time: 10:52 AM

Pg. 65 of 122

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To: Brainerd HRA Board Members

From: Eric Charpentier, Executive Director

Date: October 19th, 2023

Re: Strategic Goals and Project Opportunities – Outlot F – Brainerd Oaks

Outlot F in Brainerd Oaks is a 4+ acre parcel adjacent to the Brainerd Oaks housing development that the Brainerd HRA purchased when this development was originally being created. This property was not included in the original plat mapping to contain any housing, but staff do believe that this would be the highest and best use of this property. The site is currently landlocked and does not have a roadway into it. We do believe that a roadway could be created on what is currently Outlot E.

Staff has discussed options that the agency would have for development of this parcel and believe that the best opportunity to have this parcel developed would be within the next 2 years prior to when Level Contracting has completed their build projects in Brainerd Oaks.

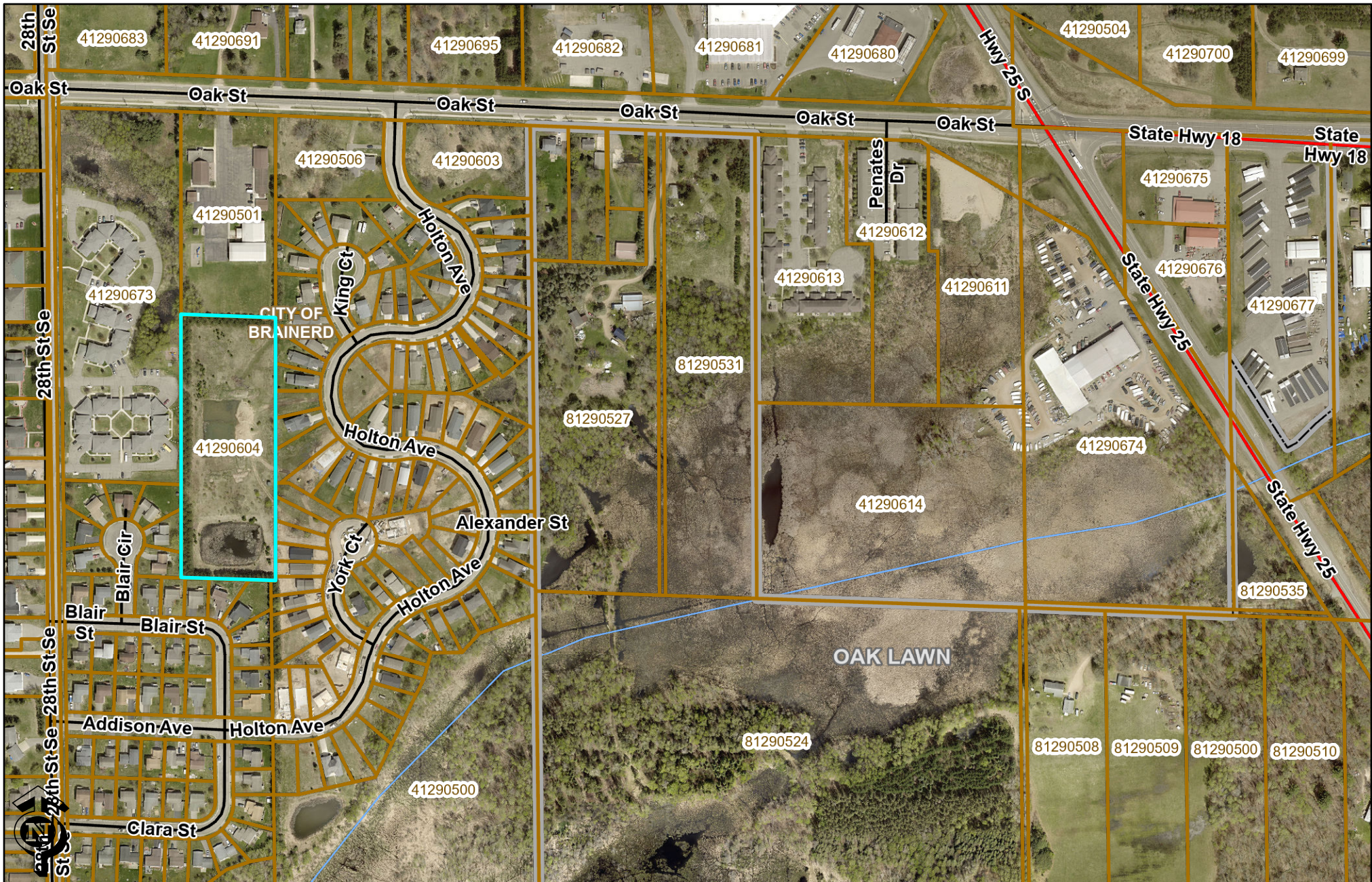
Staff believes that the current developer is best positioned to be able to provide a consistent product to those surrounding it while also being able to take advantage of cost savings while they are mobilized in the area while they finish up their builds in Brainerd Oaks.

Staff have had general discussions with the developer in the past regarding the opportunity to build on Outlot F which have typically been met with some resistance due to the costs associated with the infrastructure to get the roadway and utilities to the site. The developer is currently looking into grant opportunities for infrastructure through the State funding in the housing bill from 2023 but it is not yet clear if they would qualify for any of this funding as the program guidelines have not been released yet. The infrastructure needs continue to be the prohibitive hurdle to the developer and prevent an offer to move forward.

We would like the opportunity to negotiate with the developer and propose an incentive package that could include conveyance of the land along with a possible grant of funds to be used for the infrastructure needs to move a housing project forward on this site. We are optimistic that an incentive package could provide the boost for a project to move forward.

Staff are having legal counsel investigate any restrictions that there could be within state statute if the agency were to sell or convey this land to a developer and what if any requirements there are from an affordability standpoint. Our counsel was still reviewing these questions at the time of the packet being put together. We will have further clarification on this by the board meeting.

Action Requested: Discuss if an incentive package for Outlot F is warranted and at what level would the board be comfortable with for the incentive package.



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Outlot F - Brainerd Oaks

Date: 10/19/2023 Time: 11:16 AM

Pg. 73 of 122