

**MINUTES OF THE REGULAR MEETING
OF THE HOUSING AND REDEVELOPMENT
AUTHORITY OF AUSTIN, MINNESOTA**

January 21, 2004

1.) Roll Call.

The Regular Meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, January 21, 2004, at the HRA Office. The meeting was called to order by Vice-Chairman Goodnature. Present were Commissioners Lang, Nelson, and Valerio. Also present were Executive Director Hurm, Deputy Director for Housing Volstad, Deputy Director for Community Development Smith, HRA Finance Director Detloff, City Finance Director Dankert, Community Development Director City of Austin Hoium, Lynnette Slater of Dorsey & Whitney, and Ben Schmidt of Farr Development. Chairperson Jorgenson, Commissioner Nordin, and Commissioner Chamberlain were absent.

2.) Approval of the meeting minutes of December 17, 2003.

It was moved by Commissioner Nelson and seconded by Commissioner Lang to approve the minutes of December 17, 2003. All present voted in favor thereof, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

3.) Approval of the claims for payment.

It was moved by Commissioner Lang and seconded by Commissioner Nelson to authorize payment of the list of claims for payment as presented. All present voted in favor thereof, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

4.) Other Business:

a. Cedars of Austin.

1. Resolution giving preliminary approval to use the Austin HRA as a "pass through" to refinance approx. \$5,830,000 of Housing Revenue Bonds.

Farr Development has requested to use the Austin HRA as a "pass through" agency to refinance approx. \$5,830,000 in debt on behalf of the Cedars of Austin. Dorsey and Whitney and Craig Johnson have reviewed the documents and determined that the interests of the City of Austin and the HRA are protected and the transaction poses no financial risk. All legal costs associated with the transaction will be paid by Farr Development.

The following Resolution was introduced by Commissioner Nelson and seconded by Commissioner Lang.

RESOLUTION 411

GIVING PRELIMINARY APPROVAL TO THE PROPOSED ISSUANCE OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (CEDARS OF AUSTIN PROJECT), (A) SERIES 2004A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,580,000 AND (B) TAXABLE SERIES 2004B, IN THE APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED

All present voted in favor of the Resolution none in opposition thereto. The Vice-Chairman declared the Resolution passed and adopted.

2. Set the date for the Public Hearing: It was moved by Commissioner Valerio and seconded by Commissioner Nelson to set the date for the Public Hearing for the Cedars of Austin revenue refunding bonds for Wednesday, February 18, 2004, at 4:30 P.M. at the HRA offices. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.
3. Fee for "pass-through" services. It was moved by Commissioner Nelson and seconded by Commissioner Valerio to charge a bond fee of 1/10 of 1% (.1%) of the projected bond sale or \$5,830.00 on this transaction. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

5.) **Community Development:**

a.) Murphy Creek - Approval of Developer's Agreement.

Craig Hoiium reported that Podawiltz Development has requested amendments to the original Developer's Agreement for Phase II of the single-family portion of the Murphy Creek Housing Project. Some of the key changes are in the cost of lots and the income threshold for qualified first-time home buyers. In Phase I, lots for first-time buyers were sold for \$1.00 and market rate lots were sold for \$16,000.00. In Phase II, first-time buyer lots will sell for \$5,000.00 and market rate lots will sell for \$20,000.00. The income for first-time homebuyers will be raised from 80% to 100% of median.

The primary reason for requesting the changes is that State assistance will be unavailable to assist with site improvements. These costs will be paid by the developer. The net cost to the developer will be no less and possibly more than projected.

Craig Johnson has examined the amended agreement and approved the requested changes with minor modifications. It was moved by Commissioner Nelson and seconded by Commissioner Lang to authorize execution of the revised developer's agreement for Phase II of the Murphy Creek single family housing project with the suggested changes to item 8B recommending sale of market rate lots at \$20,000.00 each. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

b.) Flood Project update. Sixty-three homes have been acquired in the flood are. The demolition process is well underway. The HRA and City Engineer have prioritized five additional homes for acquisition. The City Engineer is preparing estimates for site grading of the cleared properties. They will also gather costs for removal of abandoned streets. If sufficient funds remain and it proves feasible, it may be possible to construct flood berms to protect some of the remaining flood threatened areas.

6.) **Public Housing & Section 8:**

a.) TT Discussion on exterior renovation. At a previous HRA meeting, Jim Springborg of TSP Engineering, suggested that there may be an advantage in covering all of the exterior walls at the Twin Towers with the EEFS system.

The HRA Board was unwilling to approve the change in the project without review by the City Engineer's office. The Engineers preferred the original plan to use EEFS to cover only the non-brick areas. They cited concerns about dramatic change in appearance, concerns about durability, and concerns about possible moisture problems that could develop behind the EEFS product.

b.) PH & S8 - Approval of changes to the Section 8 Admin. Plan and changes to the PH Lease and Admin Plan.

Karen Mattson presented a memorandum to the Commissioners outlining changes in the Section 8 Admin. Plan and changes in the Public Housing Lease and Admin Plan. The changes requires criminal background checks for all Section 8 applicants and the requirement that all non-exempt public housing tenants perform ten hours of community service per month are HUD mandated. The other changes are staff recommended.

It was moved by Commissioner Valerio and seconded by Commissioner Nelson to accept the memorandum outlining Section 8 and Public Housing Administrative Plan changes. All present voted in favor of the motion, none in opposition thereto. the Vice-Chairman declared the motion passed and carried.

The Commissioner's were asked to approve changes in the Public Housing leases raising minimum rents from \$25.00 to \$50.00, and raising late rent fees from \$5.00 to \$10.00. The following resolution was introduced by Commissioner Valerio and seconded by Commissioner Nelson.

**RESOLUTION #412
RESOLUTION AUTHORIZING THE HOUSING AND
REDEVELOPMENT AUTHORITY OF AUSTIN, MN TO CHANGE THE
PUBLIC HOUSING LEASES TO READ AS FOLLOWS:**

All present voted in favor of the resolution,
none in opposition thereto. The Vice-Chairman declared
the resolution passed and adopted.

7.) Market Rate Housing:

a. Courtyard Apts. - Report on labor to install carpet.

Quotes were solicited for labor to install carpet in units at the Austin Courtyard Apartments. Two quotes were received. The low quote was given by Michael Hodnefield. He will install carpet in the occupied units. For vacant units, if a quick "turnover" is needed, Doors and Floors will do the installation.

It was moved by Commissioner Lang and seconded by Commissioner Valerio to accept the quote from Mike Hodnefield. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

8.) Executive Director Report:

None

9.) Adjourn:

There being no further business it was moved by Commissioner Lang and seconded by Commissioner Nelson to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

Wayne Goodnature, Vice-Chairperson

SEAL

Gloria Nordin, Secretary

