

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

May 19, 2004

1.) Roll Call.

The Regular Meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, May 19, 2004, at the HRA Office. The meeting was called to order by Chairperson Jorgenson. Present were Commissioners Lang, Nelson, Nordin, Chamberlain, and Pacholl. Also present were Executive Director Hurm, Deputy Director for Housing Volstad, Deputy Director for Community Development Smith, Deputy Director for Family Housing Mattson, and Darwin Viker of LAWCO. Commissioner Valerio was absent.

2.) Approval of the meeting minutes of March 17, 2004.

It was moved by Commissioner Nelson and seconded by Commissioner Nordin to approve the minutes of March 17, 2004. All present voted in favor thereof, none in opposition thereto. The Chairperson declared the motion passed and carried.

3.) Approval of the claims for payment.

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

4.) Housing.

a. Audit Report by Darwin Viker of LAWCO. Darwin Viker appeared before the Board to review LAWCO's audit of the financial statements for the fiscal year ended September 30, 2003. Mr. Viker explained that report differs from past reports in that it incorporates the newly required Government Accounting Standards Board Statement No. 34 (GASB 34) system.

The new accounting and audit report incorporates entity wide business accounting with traditional government accounting practices. The new system takes more account of long term projections and is more easily understood and potentially more useful. Mr. Viker said that the audit was clean and without findings.

It was moved by Commissioner Nordin and seconded by Commissioner Lang to accept the Audit of Financial Statements and Supplementary Information for the Year ended September 30, 2003. All present voted in favor of the motion, none in opposition thereto. The Chairperson declared the motion passed and carried.

b. Resolution to approve Capitalization Policy. A Capitalization Policy detailing depreciation and capitalization policies and schedules was presented. The following Resolution was introduced by Commissioner Nordin and seconded by Commissioner Nelson.

**RESOLUTION #414
RESOLUTION ADOPTING THE CAPITALIZATION POLICY
FOR THE AUSTIN HRA**

All present voted for the Resolution, none in opposition thereto. The Chairperson declared the Resolution passed and adopted.

c. Resolution to approve Public Housing Operating Subsidy. A calculation of the annual public housing operating subsidy for the fiscal year ending 9/30/2005 was provided. The calculation requested totaled \$212,840.00. HUD will determine the percentage of subsidy that will be funded at a later date. The following Resolution was introduced by Commissioner Nelson and seconded by Commissioner Nordin.

**PHA BOARD RESOLUTION APPROVING OPERATING
BUDGET OR CALCULATION OF PERFORMANCE FUNDING SYSTEM
OPERATING SUBSIDY FOR FYE 9/30/05**

All present voted in favor of the Resolution, none in opposition thereto. The Chairperson declared the Resolution passed and adopted.

d. Twin Towers Exterior. Gwen Volstad reported that the exterior renovation of the Twin Towers is proceeding on schedule. The "A" tower has been power washed and caulked and 75% of the brickwork is complete. The entire project should be complete by September or October.

5.) Section 8.

a. Discussion and resolution to revise Payment Standards. Karen Mattson reported that HUD is cutting funds for the Section 8 Housing Choice Voucher Program. The Housing Assistance Payments (HAP) that we receive from HUD will be based upon the average Austin HRA housing assistance payments to landlords for May, June, and July of 2003. This will effectively reduce program funding since HAP payments to landlords have risen since that date. To minimize the effect of this reduction it is recommended that the payment standard which is currently at 110% of fair market rent be reduced to coincide with current fair market rents. The following Resolution was introduced by Commissioner Lang and seconded by Commissioner Nordin.

RESOLUTION #416

**RESOLUTION AUTHORIZING THE HOUSING AND
REDEVELOPMENT AUTHORITY OF AUSTIN, MN TO CHANGE THE
SECTION 8 HOUSING CHOICE VOUCHER PAYMENT STANDARD**

All present voted in favor of the Resolution, none in opposition thereto. The Chairperson declared the Resolution passed and carried.

b. Discussion and resolution to deny Portability in certain circumstances. Section 8 vouchers are portable and travel with the voucher holder. If a voucher holder chooses to move to another locality with a Section 8 program they may do so. The voucher may be absorbed by the receiving Housing Authority, however, if the receiving agency refuses to absorb the voucher, the originating agency must continue the HAP payment in a new area at a cost that may be significantly higher than the originating agency standards. This limits the funds available and the number of families that can be assisted.

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

RESOLUTION #415

**RESOLUTION AUTHORIZING THE HOUSING AND
REDEVELOPMENT AUTHORITY OF AUSTIN, MN TO DENY
PORTABILITY OF A SECTION 8 HOUSING CHOICE VOUCHER
UNDER CERTAIN CIRCUMSTANCES**

All present voted in favor thereof, none in opposition thereto. The Chairman declared the Resolution passed and carried.

6.) Community and Economic Development.

a. Mower County Transit Report. The first meeting of the Transit Board was held on May 6, 2004. The next meeting is scheduled for June 17. Mickey Jorgenson was named Vice-Chair of the Transit Board. A name change to the Austin Mower County Area Transit (AMCAT) was discussed. Jim Hurm said that he has been told that the capital grant approval process for the transit program is moving ahead. When the grant is approved, the property for the transit hub can be transferred and re-construction can begin.

b. Economic Development Partnerships. Jim Hurm said that a new housing needs assessment is needed. Proposals to prepare the needs assessment will be solicited.

7.) Other Business:

None

8.) Adjourn:

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

5/19/04 Minutes:

Michelle Jorgenson, Chairperson

SEAL

Gloria Nordin, Secretary