



308 Second Ave. NE, Austin, MN 55912
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REGULAR MEETING AGENDA

THURSDAY, MAY 19, 2016 @ 4:30 PM

Please let Jon or Sherri know if you cannot attend this meeting.

Four Commissioners must be present to constitute a quorum.

1. **Roll Call.**
2. Approve **Meeting Minutes** of April 21, 2016.
3. Review **Accounts Payable.**
4. **Housing:**
 - a. Twin Tower & Pickett Place – Resolution to increase flat rents.
 - b. All Public Housing Units - Resolution to increase security deposits.
 - c. All Market Rate Housing Units – Resolution to increase security deposits.
 - d. Twin Towers – Mower County radio request for roof installation.
5. **Executive Director Reports:**
 - a. Fox Pointe Townhomes – Resolution to support the Section 42 Tax Credit Application to MHFA by Three Rivers Community Action and land donation if successful.
 - b. Mayor’s Ad-hoc Housing Committee update.
 - c. Employment Applications update.
 - d. Motion to change VEBA post-retirement policy.
 - e. Bed Bug update.
6. **Adjourn.**



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

1.) Roll Call.

Date & Time: May 19, 2016 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Janet Anderson, Secretary
Jerry McCarthy
Marvin Repinski
David Hagen

Commissioners Absent: Vernon Lippert
Leona Ruehmann, Vice-Chair

HRA staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Director

Others Present: Christopher Flood with Three Rivers Community Action

There being a quorum, the meeting was called to order by Chair Enright.

2.) Approval of Minutes.

It was moved by Commissioner Hagen and seconded by Commissioner McCarthy to approve minutes of the regular meeting on April 21, 2016. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

3.) Approval of Accounts Payable.

It was moved by Commissioner Anderson and seconded by Commissioner Hagen to authorize payment of the list of accounts payable. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

4.) Housing:

a.) Resolution to increase Flat Rents on all Public Housing units.

HUD requires HRA's to set flat rents for Public Housing residents that are a minimum of 80% of the current Fair Market Rent for each bedroom size as established by HUD. Twin Towers and Pickett Place currently are not in compliance based on the new FMR's

that were published 1/1/2016. Scattered Sites are currently in compliance. It is the recommendation of staff that we keep the 80% calculation instead of something higher for Twin Towers and Pickett Place. The new flat rents would be effective 7/1/16 for all new residents and for current residents the new flat rents would occur at their next annual re-exam. The tenant has the option to either pay 30% of their income or the flat rent. Approx. 17% of tenants at Twin Towers and Pickett Place pay the flat rent.

It was moved by Commissioner Hagen and seconded by Commissioner McCarthy to adopt the new Flat Rents effective 7/1/16 for Twin Towers & Pickett Place as follows:

**RESOLUTION #569
RESOLUTION TO INCREASE THE FLAT RENTS
AT TWIN TOWERS & PICKETT PLACE**

<u>Fair Market Rents</u> Effective 1/1/16	<u>Current Flat Rents</u> Effective 7/1/14	<u>Increase</u>	<u>New Flat Rents</u> Effective 7/1/16
1BR \$550	1BR \$426	+\$ 14	1BR \$440
2BR \$736	2BR \$560	+\$ 30	2BR \$590

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

b. Resolution to increase Security Deposits for all Public Housing units.

The \$300 security deposit required for Public Housing tenants has not changed since 2003 and there is an increasing number of tenants moving out that have damages and/or unpaid rent and staff feels that the security deposit required should be increased to \$500. This would become effective July 1, 2016 for all new tenants moving in. The following resolution was introduced by Commissioner Hagen and seconded by Commissioner McCarthy:

**RESOLUTION #570
RESOLUTION TO INCREASE THE SECURITY DEPOSIT
ON ALL PUBLIC HOUSING UNITS.**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

c. Resolution to increase Security Deposits for all Market Rate Housing units.

The \$750 security deposit required for Austin Courtyard and Chauncey Apartment tenants has not changed since 2005. In order to keep pace with increased rent amounts and industry standards in the private rental market, staff wishes to change the security deposit to equal One Month's Rent effective July 1, 2016 for all new tenants moving in. The current rent structure would have this range from a low of \$755 to a high of \$1,015.

The following resolution was introduced by Commissioner McCarthy and seconded by Commissioner Repinski:

**RESOLUTION #571
RESOLUTION TO INCREASE THE SECURITY DEPOSIT
ON ALL MARKET RATE HOUSING UNITS.**

All present voted in favor thereof, none in opposition thereto. The resolution was declared passed and adopted.

d. Twin Towers – Mower County radio request for roof installation.

Mower County has requested permission to install a Data Link Radio system on the roof of Twin Towers contingent upon successful testing of the system. The lease would stipulate an annual fee of \$50 plus utility cost reimbursement for 10 years along with other lease conditions.

It was moved by Commissioner Anderson and seconded by Commissioner Repinski to grant permission for this radio link. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

5.) Executive Director Reports:

a. Fox Pointe Townhomes – Three River’s workforce housing update:

Grant Application Points discussion: Christopher Flood from Three Rivers Community Action was in attendance to answer any questions about the grant application for tax credit funding through Minnesota Housing Finance Agency (MHFA) to build 38 rental townhomes in Austin.

MHFA is putting an emphasis on proving supportive housing for families that are Long-Term Homeless this year. In order to make the grant application more competitive we can gain 13 points if the HRA can use four (4) of its tenant based vouchers and attach them to the project thus making them project based vouchers for homeless families to utilize. HUD would have to give approval in order for this to happen. The risk to the HRA is if these vouchers are not used for any given month, the HRA would be responsible for 80% of the contract rent for a period of 60 days upon occurrence. Three Rivers would own and manage the property and also be responsible for the supportive housing piece that the Long-Term Homeless families would need to be successful.

Long-Term Homeless Vouchers Motion: It was moved by Commissioner Hagen and seconded by Commissioner McCarthy to support using four (4) vouchers for the Long-Term Homeless initiative contingent upon a successful application and HUD approval. All present voted in favor of the motion, none in opposition thereto. The motion was declared passed and carried.

Site purchase & donation: Executive Director Erichson has negotiated a Purchase Option with Pro-Growth Bank for \$7,500 and is non-refundable if the project does not receive tax credits. If the project is successful, these funds would be applied toward the purchase price of \$640,000 for approx. 18 acres in Fox Pointe with approx. 4.5 acres of this parcel to be donated to Three Rivers for this project. ED Erichson stated that there would be approx. 13.5 acres remaining for future housing development opportunities if everything falls into place.

The following resolution was introduced by Commissioner Anderson and seconded by Commissioner Repinski to support the application/project, acquire the property and donate approx. 4.5 acres to Three Rivers Community Action if the application is successful:

RESOLUTION #572

**RESOLUTION BY THE AUSTIN HRA SUPPORTING THE SECTION 42
TAX CREDIT APPLICATION TO MINNESOTA HOUSING FINANCE AGENCY
BY THREE RIVERS COMMUNITY ACTION.**

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

b. Mayor's Ad-Hoc Housing Committee update.

At the last Board meeting there was some general discussion regarding recommendations that came out of the Mayors Ad-Hoc Housing Committee and how that might impact the HRA. ED Erichson distributed the Mayor's White Paper on housing suggestions, a compilation of housing surveys completed by the community and the current rent schedules for Courtyard and Chauncey for Board discussion.

c. Employment applications update.

Two (2) job categories were advertised with an application deadline of May 13, 2016. The Austin Courtyard Manager position received 19 applications and the pool of part-time candidates to perform vacant apartment cleaning received 30 applications. At first glance there were some good candidates that applied for either position. Interviews will be held the week of May 23rd for the Austin Courtyard Manager position. Rod Johnson will continue to work into June in order to train the new person.

d. Motion to change VEBA post-retirement policy.

Currently the HRA rolls 100% of a retired employees banked PTO into a Post Retirement VEBA to be used for eligible medical expenses. With upcoming retirements, employees would like the option to take some of their banked PTO either in cash or rolled over to their deferred compensation account instead of rolling it all into their VEBA account.

It was moved by Commissioner Anderson and seconded by Commissioner Hagen to change from 100% to a 15% rollover to an employees' VEBA account. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

e. Bed Bug update.

ED Erichson reported that after the last inspection that Adam's Pest Control performed, that there were only 6 units at the Twin Towers that had a few active bed bugs. There were none reported at Pickett Place, Courtyard or Chauncey. It has been a three (3) year battle at Twin Towers and approx. \$60,000 per year has been spent in extermination costs to get the infestation under control. Funds were also spent two (2) years ago to hinder their movement between apartments which seems to be working.

6.) Adjourn:

There being no further business it was moved by Commissioner Hagen and seconded by Commissioner McCarthy to adjourn the meeting. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried. The meeting was adjourned at 5:30 PM.

Judy Enright, Chair

SEAL

Janet Anderson, Secretary