



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

THURSDAY, JANUARY 19, 2017 @ 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. Employee wage adjustment request.
3. Approve **Meeting Minutes** of November 17, 2016.
4. Review **Accounts Payable.**
5. **Public Housing & Section 8:**
 - a. Twin Towers – Motion to approve MinnCor for the Kitchen Remodeling Project.
 - b. Twin Towers and Pickett Place – Resolution to increase Flat Rents effective 4/1/17.
 - c. Section 8 – Resolution to increase Payment Standards effective 2/1/17.
 - d. Public Housing & Section 8 – Resolution to change language that triggers Interim Rent Re-examinations in both the Public Housing ACOP Policy and Section 8 Administrative Policy.
6. **Market Rate Housing:**
 - a. Courtyard & Chauncey – Common Area Cleaning Services discussion.
7. **Executive Director Reports:**
 - a. Fox Pointe Townhomes update.
 - b. Redevelopment of 8th Ave. NE and Post Office neighborhood – Hormel grant request.
 - c. Murphy Creek conduit debt request update.
 - d. Succession Planning.
8. **Election of Officers:**
Chair, Vice-Chair and Secretary Positions.
9. **Adjourn.**



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

1.) Roll Call.

Date & Time: January 19, 2017 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Janet Anderson, Secretary
Jerry McCarthy
Marvin Repinski
Vernon Lippert

Commissioners Absent: David Hagen
Carole Granholm

HRA staff Present: Jon Erichson, Executive Director
Sherri Detloff, Finance Manager
Linda Grover, Pickett Place Property Manager
Karen Mattson, Scattered Site Property Manager

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

2.) Employee wage adjustment request.

The Pickett Place Property Manager addressed the Board regarding the wage increase for fiscal year 2017. The Property Manager position (3 total positions in the Austin HRA) has had two wage schedules since 2010. The higher paid wage schedule was frozen in 2010 because surveys done at that time indicated that the Austin HRA paid approx. \$3 to \$4/hour more than the survey average. The Pickett Place and Scattered Site Property Managers were in the higher schedule which was frozen. When a new person is hired as Property Manager after 2010 they start at the lower paid wage schedule. When wages were adjusted on 10/1/16, the lower paid Property Manager position exceeded the higher paid position by .10 cents, thus eliminating the dual category for the first time since 2010. In reviewing the positions and comparing to a new survey that was done in 2016 it still indicated that the Property Manager Position was paid \$.46 more than the average maximum pay for that position. It was the recommendation of the Executive Director to still stay with the \$.10 increase and the position would no longer be frozen for future years. It was also pointed out that Property Managers that were on a step system continued to receive steps during the period wages were frozen.

It was the request of the Pickett Place Property Manager that the frozen position also receive a 3% raise that most of the other administrative categories received which would be an additional \$.60/hour. After discussion the following motion was made: It was moved by Commissioner McCarthy to not adjust the Property Manager wage which was seconded by Chair Enright. The following Commissioners voted in favor of the motion: McCarthy, Enright and Anderson. Commissioner Repinski voted against the motion and Commissioner Lippert abstained.

3.) Approval of Minutes.

It was moved by Commissioner McCarthy and seconded by Commissioner Anderson to approve minutes of the regular meeting on November 17, 2016. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

4.) Approval of Accounts Payable.

After several questions, it was moved by Commissioner Anderson and seconded by Commissioner McCarthy 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.

5.) Public Housing & Section 8:

a. Twin Towers – Motion to approve MINNCOR for Kitchen Remodeling Project.

Executive Director Erichson has begun the process of having MINNCOR draft two floor plans for the installation of cupboards at the Twin Towers which will be our next big project with Capital Fund Grant dollars. One of the floor plans addresses handicap accessibility. The Pickett Place cupboard project has just been completed and staff was pleased with the construction of the cabinets which was done by the state prisoners in Faribault and installed by Wagner Construction. Installations of two mock up kitchens at Twin Towers for each floor plan will occur February 2017 to see how staff likes the layout.

The prison is on the State procurement contract so the HRA is able to purchase the cabinets directly from them without going out for bid. Installation however will be bid and ED Erichson is currently preparing bid solicitations. It was moved by Commissioner Anderson and seconded by Commissioner McCarthy to approve using MINNCOR to construct the cabinets needed for all 205 apartments at Twin Towers. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

a.) Resolution to increase Flat Rents at Twin Towers and Pickett Place.

HUD requires HRA's to set flat rents for Public Housing residents that are a minimum of 80% of the current Fair Market Rent (FMR) 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 1/1/2017. Scattered Sites are currently in compliance. It is the recommendation of staff that we keep the Flat Rents at 80% of the Fair Market Rents. The new flat rents would be effective 4/1/17 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. 20% of tenants at Twin Towers and Pickett Place pay the flat rent.

It was moved by Commissioner McCarthy and seconded by Commissioner Lippert to adopt the new Flat Rents effective 4/1/17 for Twin Towers & Pickett Place as presented:

**RESOLUTION #581
RESOLUTION TO INCREASE THE FLAT RENTS
AT TWIN TOWERS & PICKETT PLACE**

<u>Fair Market Rents</u> Effective 1/1/17	<u>Current Flat Rents</u> Effective 7/1/16	<u>Increase</u>	<u>New Flat Rents</u> Effective 4/1/17
1BR \$569	1BR \$440	+\$ 16	1BR \$456
2BR \$756	2BR \$590	+\$ 15	2BR \$605

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

a. Resolution to change the Payment Standards.

Fair Market Rents (FMR) increased on 1/1/2017. HUD requires Section 8 Payment Standards to be within 90% to 110% range of FMR's. Because of HUD's reduced Section 8 funding, it was proposed that the new Payment Standards remain at 90% of FMR and will not be lower than the current Payment Standard effective 2/1/2017.

The following resolution was introduced by Commissioner McCarthy and seconded by Commissioner Anderson to adopt the new Payment Standards as presented.

**RESOLUTION #582
RESOLUTION AUTHORIZING THE AUSTIN HRA TO CHANGE
THE SECTION 8 PAYMENT STANDARDS EFFECTIVE 2-1-2017.**

<u>New Fair Market Rents</u> (1-1-2017)	<u>Current Payment Standards</u> (2-1-2016)	<u>NEW PAYMENT STANDARDS</u> (2-1-2017)
0BR - \$480	0BR - \$422	0BR - \$432
1BR - \$569	1BR - \$495	1BR - \$513
2BR - \$756	2BR - \$663	2BR - \$681
3BR - \$987	3BR - \$851	3BR - \$889
4BR - \$1,042	4BR - \$1,027	4BR - \$1,027
5BR - \$1,161	5BR - \$1,182	5BR - \$1,182

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

d. Public Housing & Section 8 – Resolution to change language that triggers Interim Rent Re-examinations in both the Public Housing ACOP Policy and Section 8 Administrative Policy.

The Interim Reexamination Section of the Public Housing Admissions and Continued Occupancy Policy and the Section 8 Administrative Policy did not match what is required in the Public Housing Lease or Section 8 paperwork.

Commissioners were given the red-lined pages showing the changes desired out of both policies which states that “Families are required to report any increases or decreases in income and/or sources as well as any increases or decreases in allowable deductions.” as well as some other minor changes.

The following resolution was introduced by Commissioner Anderson and seconded by Commissioner Lippert to adopt the changes as presented.

RESOLUTION #583

**RESOLUTION TO CHANGE LANGUAGE IN THE
INTERIM RENT REEXAMINATION SECTION
OF THE PUBLIC HOUSING
ADMISSIONS AND CONTINUED OCCUPANCY POLICY
AND THE SECTION 8 ADMINISTRATIVE POLICY**

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

6.) Market Rate Housing:

a. Courtyard & Chauncey – Common Area Cleaning Services discussion.

The HRA currently contracts with B&K for cleaning the common areas at Courtyard and Chauncey. Their required cleaning time is 12 hours per week at a cost of \$1,300/month for both buildings. Over the past 18 months we have been experiencing issues with the quality of service and after repeated attempts to resolve the issues with the contractor services have not improved and staff determined that alternatives should be explored.

ED Erichson solicited a price from Cedar Valley for a cost of \$1,800/month for the same number of hours plus we would have to purchase approx. \$5,000 in cleaning equipment initially. Another alternative is to have the part-time cleaning staff that we now employ for unit turnovers do this work also. Estimated cost at 15 hours per week at \$12.41/hour (Step B) plus benefit costs would be approx. \$875/month and we would also need to purchase \$5,000 in cleaning equipment initially.

It was moved by Commissioner Repinski and seconded by Commissioner Anderson to authorize the current part-time cleaning staff to also clean all common areas in both buildings and to cancel the current cleaning service with B&K. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

7.) Executive Director Reports:

a. Fox Pointe Townhomes – Update.

ED Erichson hired a contractor to perform a Phase I and Phase II Environmental Study before purchasing the property to identify any potential soil issues. Soil borings have shown there is some material that needs to be removed such as concrete and other products where the Fox Pointe Townhome project would be located. Due to the potential risk, further work will be done on the site to investigate conditions before the purchase is completed.

Other potential issue may be with the new political administration coming into office, that tax credits have become less desirable in the face of possible tax reductions for corporate businesses.

b. Redevelopment of 8th Ave. NE and Post Office neighborhood – Hormel grant request.

The HRA Board has approved \$150,000 over a 2-year period (FYE 2017 and FYE 2018) to purchase blighted properties in the two areas cited above along with the City Council also approving \$150,000 towards this venture. ED Erichson submitted a matching grant request in the amount of \$300,000 to the Hormel Foundation to which it was not funded due to other competing projects. ED Erichson wishes to still move forward with purchasing properties in the targeted areas through voluntary acquisition and asked the Board to reaffirm its commitment. ED Erichson will also send a request to the City Council to ask them to continue with the financial commitment of \$150,000 towards this venture. Another grant request will be submitted to the Hormel Foundation in 2018. If progress is shown in this target area over the course of the next year, that may look more favorably on being funded by the Hormel Foundation.

It was moved by Commissioner Lippert and seconded by Commissioner Enright to continue this funding and redevelopment efforts in the two target areas. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

c. Murphy Creek conduit debt request update.

The owners of Murphy Creek requested to do a conduit debt deal through the HRA to make major improvements to their townhomes. Unfortunately, the bonding dollars that they were looking at were all taken within the first day of announcement by other entities. They are now looking at other financing products.

d. Succession Planning.

One of the maintenance staff will be retiring this fall so we will be looking at hiring for this position in late summer. Two of the Public Housing admin. staff have the potential for retirement, but neither one has indicated they wish to retire yet. The Finance Director has announced that she has plans to move in the next 12 months and as early as June of this year depending upon another HRA job opening in central Minnesota. With this announcement, it is the recommendation of the Executive Director that we advertise for an Assistant Finance Director immediately to start the process of training someone in. Any excess time would also be spent at the Twin Towers to address the work load volume there. It would be the goal that this new person would be qualified to apply for the Finance Director’s position in the future. Funding for this position would be a combination of Twin Towers funds and General funds.

It was moved by Commissioner McCarthy and seconded by Commissioner Lippert to authorize the Executive Director to advertise for an Assistant Finance Director and hire as soon as possible. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

8.) Election of Officers:

Nominations were made and seconded to appoint Judy Enright as Chair, Janet Anderson to be Vice-Chair and Jerry McCarthy to be Secretary. All present voted in favor of the nominations, none in opposition thereto. The Chair declared the appointments final.

The following Commissioners will hold officer positions as follows until elections are held January 2018.

Chair	Judy Enright
Vice-Chair	Janet Anderson
Secretary	Jerome McCarthy

9.) Adjourn:

There being no further business it was moved by Commissioner McCarthy and seconded by Commissioner Anderson 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 6:30 PM.

Judy Enright, Chair

SEAL

Janet Anderson, Secretary