



308 Second Ave. NE, Austin, MN 55912
Phone 507-433-1866 Fax 507-433-8317
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REGULAR MEETING AGENDA

THURSDAY, APRIL 23, 2015 @ 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 March 19, 2015.
3. Review **Accounts Payable**.
4. **Executive Director Reports:**
 - a. Workforce Housing update.
 - b. Eagles Club – Reversionary Interest document.
5. **Public Housing:**
 - a. Resolution to increase Pet Deposit amount.
6. **Adjourn.**

Training on ipads.



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

1.) Roll Call.

Date & Time: April 23, 2015 at 4:30 PM

Commissioners Present: Judy Enright, Chair
Joyce Poshusta, Vice-Chair
Janet Anderson, Secretary
Jerry McCarthy
Marvin Repinski
David Hagen
Leona Ruehmann

Commissioners Absent: None

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

Other Attendees: Craig Clark, City Administrator

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

2.) Approval of Minutes.

It was moved by Commissioner McCarthy and seconded by Commissioner Anderson to approve the minutes of the regular meeting on March 19, 2015. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

3.) Approval of Accounts Payable.

Finance Director Detloff verbally added three invoices to the list of accounts payable. After several questions, it was moved by Commissioner Repinski and seconded by Commissioner Ruehmann to authorize payment of the list of accounts payable. All present voted in favor thereof, none in opposition thereto. The Chair declared the motion passed and carried.

4.) Executive Director Reports.

a. Workforce Housing update.

In an effort to address the housing needs in the City of Austin, Executive Director Erichson has been working with Three Rivers Community Action who is interested in developing and managing approx. 30 units at the Fox Pointe site which is located east of the Village Coop. The estimated construction cost for 30 units is \$6.6 million. The site consists of approximately 20 acres and went into foreclosure by a previous developer and is currently owned by the bank and they are asking \$750,000 for the parcel.

The project could be developed in three phases. Phase 1 possibly being single family owned housing and Phases 2 & 3 could be rental housing. There would have to be multiple partners in the project to make this deal happen. Three Rivers is completing an application for Tax Credits through MHFA, the City of Austin is being asked to create a TIF district for infrastructure costs and the Austin HRA is working on land acquisition with the bank. Other community partners will be needed for the project to proceed.

b. Eagles Club – Reversionary Interest document.

The HRA sold the old railroad switch yard to the Eagles in 2006. The deed from the HRA to the Eagles had a built in reversionary interest which says that if the Eagles does not build its building then the title reverts to the HRA.

In 2011, the Eagles refinanced their mortgages and it was discovered that a Certificate of Completion was never recorded documenting that the Eagles had completed their building as required. Also the HRA and the City were both parties to a Contract for Private Development with the Eagles that included a loan by the City secured by a mortgage. That loan is still being paid to the City and the last payment is in 2017.

The City and HRA would be best served if the HRA refrained from signing a Certificate of Completion until the loan was fully paid. That way, all requirements under the Contract for Private Development would be fully performed and the Certificate would document that.

Therefore, in 2011, the HRA executed a Subordination of its reversionary interest in order to facilitate the private lender's refinancing of the private mortgage(s). In other words, if the HRA takes back title, it does so subject to the private lender's interests which was deemed appropriate since those lenders were the ones who provided the financing for the improvements that were constructed and which would be coming back to the HRA under the title reversion.

The Eagles is very close to closing on the refinancing of their private mortgages again and a Subordination of Reversionary Interest is needed in order to keep that interest in place but allow the private lenders to remain in front of it.

It was moved by Commissioner McCarthy and seconded by Commissioner Ruehmann to authorize the Chair and Executive Director to execute said document for the Eagles refinancing. All present voted in favor of the motion, none in opposition thereto. The motion was passed and carried.

5.) Public Housing:

a. Resolution to increase Pet Deposit amount.

There is an increased number of tenants moving out of Public Housing whose pet deposit and interest are insufficient to cover costs of damages and extra cleaning of the unit after the tenant vacates the unit. The pet deposit is currently \$100 for a dog or cat and has never been increased since its inception. It was recommended by staff that this amount be increased to \$300.

It was moved by Commissioner Repinski and seconded by Commissioner Anderson to increase the pet deposit to \$300 to be to be effective for all pets admitted to any public housing unit on or after May 1, 2015.

RESOLUTION #555
RESOLUTION TO INCREASE THE PET DEPOSIT AT
ALL PUBLIC HOUSING UNITS OWNED BY THE HRA

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

6.) Adjourn:

There being no further business it was moved by Commissioner Anderson and seconded by Commissioner Hagen 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