

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

November 24, 2009

1.) Roll Call.

The regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held November 24, 2009 at 4:30 P.M. at the HRA Office. The meeting was called to order by Vice-Chairman Pacholl. Present were Commissioners Lang, Schlieve, Martin, and McAlister. Also present were Executive Director Hurm, Deputy Director for Community Development Smith, Finance Director Detloff and Deputy Housing Director Volstad. Commissioner Clennon and Chairman Nelson were absent.

2.) Approval of the meeting minutes of October 21, 2009.

It was moved by Commissioner McAlister and seconded by Commissioner Martin to approve the minutes of the regular meeting of October 21, 2009. All present voted in favor thereof, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

3.) Approval of accounts payable.

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

4.) Fiscal year end 9/30/09 Financial Statements:

Sherri Detloff presented the following year-end financial statements for all projects and programs the Austin HRA owns or operates.

a. Public Housing. (Including Capital Fund Statement)

After adding back depreciation, all of the projects had positive cash flows. Capital fund grants are being expended and all of the stimulus funds will be committed by the March 2010 deadline.

- b. **Market Rate Housing.** Austin Courtyard and Chauncey Apartments have positive cash flows with debt service ratios in compliance with the bond agreements.
- c. **General Fund.** The General Fund had a net increase of \$129,254 for the year resulting in a cash balance of \$385,897 as of 9/30/09.
- d. **MHFA Programs.** Financial Statements for the MHFA loan programs, the MHFA Transitional Housing, and MHFA Homebuyer Counseling were presented.
- e. **Section 8.** Economic conditions have led to increased Housing Assistance Payments (HAP) over the year leading to a loss in the Section 8 HAP account. Excess reserves from prior years were used to fund the loss. Measures are being taken to limit HAP payments and reducing voucher holders as clients go off the program. If the Section 8 HAP account reaches a negative balance, the General Fund will be tapped and paid back when funds become available.

5.) Public Housing:

- a. **Capital Fund - Resolution to "Buy American" for the 2009 Recover Grant.** The following resolution was introduced by Commissioner McAlister and seconded by Commissioner Schlieve.

RESOLUTION #477
RESOLUTION ACCEPTING THE CONDITIONS OF THE
2009 AMERICAN RECOVERY AND REINVESTMENT ACT
GRANT (AARA) IN ACCORDANCE WITH NOTICE PIH 2009-21
ISSUED AUGUST 21, 2009 WHICH STATES ARRA PURCHASES
MUST BE AMERICAN MADE

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

- b. **Capital Fund - Change Order for wallcovering contract.** It was moved by Commissioner Schlieve and seconded by Commissioner Martin to approve Change Order #1 for additional wallpaper in the Twin Towers in the amount of \$2,788. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

- c. **Public Housing - Resolution to approve the Management Assessment (MASS) Indicators.** The Management Assessment report for the Public Housing projects was presented by Gwen Volstad. The report evaluates management performance of the public housing projects which includes turnaround times for vacant units, Capital fund timeliness of obligations and expenditures, tracks work orders, inspections of dwelling units and security. Changes have been made to improve turnaround time. The other indicators are good. Capital funds are being spent, inspections are being done as required, and work orders are being completed in a timely fashion. The following resolution was introduced by Commissioner Schlieve and seconded by Commissioner Martin.

**RESOLUTION #479
RESOLUTION CERTIFYING THE ACCURACY OF THE
INDICATORS UNDER THE PUBLIC HOUSING
MANAGEMENT ASSESSMENT PROGRAM**

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

- d. **All HRA Owned Housing - Project Performances at FYE 9/30/09.** A summary of each individual project performance for FYE 9/30/09 was presented by Executive Director Hurm. Occupancy levels are good. Waiting lists are adequate and work orders are being completed on time. There are some problems with past due rents on the public housing projects. Changes are being made to improve the delinquency rate.

It was moved by Commissioner McAlister and seconded by Commissioner Schlieve to accept the Project Performance Report for FYE 9/30/09. All present voted in favor of the motion, none in opposition thereto. The Vice-Chairman declared the motion passed and carried.

6.) Section 8:

- a. **Resolution to keep existing payment standards.** The Section 8 resolution passed last year stated that payment standards would automatically increase when

area fair market rents are raised. The current financial situation of the Section 8 budget makes additional payments to landlords unaffordable, so we would like to keep the existing payment standard and not raise it to the level of the current fair market rents. The following resolution was introduced by Commissioner McAlister and seconded by Commissioner Martin.

RESOLUTION #478
RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF AUSTIN TO KEEP EXISTING SECTION 8
PAYMENT STANDARDS

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

b. Resolution to change Section 8 Homeownership

Administrative Policy. Julie Ackland requested the following changes to be made in the Section 8 Homeownership Administrative Policy: 1.) Require HAP payments to be made directly to the lender and not the voucher holder and 2.) Clients with disabilities can have their assistance reinstated if they become income-eligible again. The following resolution was introduced by Commissioner Lang and seconded by Commissioner Martin.

RESOLUTION #480
RESOLUTION AUTHORIZING THE HOUSING AND
REDEVELOPMENT AUTHORITY TO CHANGE THE
ADMINISTRATIVE POLICY OF THE SECTION EIGHT
HOME OWNERSHIP PROGRAM

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

7.) Other Business:

a. Resolution to adopt a new Procurement Policy.

HUD has issued an updated Procurement Handbook and all HRA's are required to adopt a new procurement policy which follows the new handbook guidelines. The new policy was reviewed by the HUD area office. This new policy will replace the existing policy adopted in 1993.

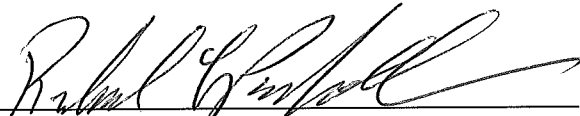
The following Resolution was introduced by Commissioner Schlieve and seconded by Commissioner Lang.

**RESOLUTION #481
RESOLUTION APPROVING NEW PROCUREMENT POLICY
FOR THE HOUSING AND REDEVELOPMENT
AUTHORITY OF AUSTIN, MN**

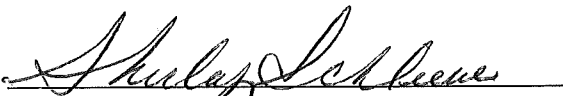
All present voted in favor of the resolution, none in opposition thereto. The Vice-Chairman declared the resolution passed and adopted.

- c. Southeast Service Coop - Voting Ballots for open position on their board.** The HRA is a member of the Southeast Service Coop (SESC). Ballots to elect a new member of the cooperative's board were distributed to the HRA commissioners. Voting took place, ballots were collected and mailed to the SESC.

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


Richard Pacholl, Vice-Chairman

SEAL


Shirley Schlieve, Secretary