

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

**December 11, 2002**

The Regular meeting of the Housing and Redevelopment Authority of Austin, Minnesota was held at 4:30 PM, December 11, 2002 at the City Council Chamber. The meeting was called to order by Chairman Lang. Present were Commissioners Nelson, Nordin, and Jorgenson. Also present were Interim Executive Director Dankert, Deputy Director for Community Development Smith, Deputy Director of Housing Volstad, HRA Finance Director Detloff, City Administrator McGarvey, and Mayor Rietz. Commissioner Chaffee was absent.

It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to approve the minutes of the regular meeting of November 13, 2002. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

**AUSTIN COURTYARD & CHAUNCEY APARTMENTS:**

**Discussion Regarding Safety Meeting With Tenants.** In November there was a break-in and assault on a resident of Chauncey Apartments. The police continue to investigate the incident. Officer Curt Rude of Austin Police Department and Jessica Bell of the Victim's Resource Center have met with tenants in both buildings to discuss safety issues and recommend ways to minimize risks. Locking doors and windows and using caution on who is let into the building were stressed. Additional locking devices for windows have been approved by the Fire Department and have been made available to first floor tenants in all HRA owned apartment buildings.

Bids are being gathered for "motion activated" lighting for the south courtyard area of the Chauncey building and the west courtyard area of the Austin Courtyard building. It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to pursue additional lighting at both buildings. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

**Rent Increases at Courtyard Apartments.** At the last Regular Meeting the budget and rent structure for Austin Courtyard and Chauncey Apartments were approved. Twelve

units at Austin Courtyard received notices of rent increases averaging \$80.00 per month. The increase was based on the fact that the twelve apartments were paying less per square foot rent than other comparable apartments in the building.

A number of the effected tenants stated their displeasure with the size of their increase. It was explained by Tom Dankert that the increase is needed to bring equity and insure that the project is able to meet the needed 105% debt service ratio.

Two options for dealing with the increase were proposed. Option 1 would leave the increase as proposed with an average increase of \$80.00 that includes an average "catch up" increase of \$45.00. Option 2 would spread the "catch up" over two years, with an average increase for 2003 of \$50.00 that included \$15.00 "catch up". The 2004 increase would be based on costs plus the remaining "catch up".

It was moved by Commissioner Jorgenson and seconded by Commissioner Nordin to approve the rent increase as outlined in Option 2. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

#### **PUBLIC HOUSING:**

**Pickett Place - Brick Restoration Project.** Brick restoration work at Pickett Place is complete. The project engineer and HRA staff are pleased with the final appearance and the quality of the work that was done.

Work on insulating and repairing the front canopy at Pickett Place is scheduled to begin this week. JD Driver is the contractor on the canopy project.

**Discussion of a Tenant Board Member and By-Law Update.** Federal regulations require that the HRA Board include a tenant commissioner. The Board must consist of at least five members and cannot include more than seven. Craig Johnson is awaiting receipt of a copy of the HRA Articles of Incorporation before offering an opinion on how to proceed toward compliance with requirements.

It was moved by Chairman Lang and seconded by Commissioner Jorgenson to table action on changes in the make-up of the Board until Craig Johnson has prepared a legal opinion. All present voted in favor of the motion, none in

opposition thereto. The Chairman declared the motion passed and carried.

**Resolution Certifying the Indicators for the Public Housing Management Assessment Program.** The following Resolution was introduced by Commissioner Nordin and seconded by Commissioner Jorgenson.

**RESOLUTION #395**

**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 Chairman declared the Resolution passed and adopted.

**Cell Tower Rent - Lease Extension and Amendment for Midwest Wireless.** Midwest Wireless has requested that their lease of space on the roof at Twin Towers be extended with an amendment allowing expansion of their existing building from 11' x 14' to 14' x 14'. The lease amendment allows for the increased building size with a rent increase to \$900.00 per month.

It was moved by Commissioner Jorgenson and seconded by Commissioner Nordin to approve the first amendment to the Equipment Location Lease for Midwest Wireless. Approval of the amendment is subject to review by the HRA attorney. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

**COMMUNITY DEVELOPMENT:**

**East Side Homeownership Program.** A third flood home has been moved into the East Side neighborhood from the flood area. The home will be sold to an income-qualified buyer following required repairs. Two homes were previously moved. The first was sold on December 10, 2002. The second will be sold as soon as quiet title actions are complete.

A dilapidated triplex at 708 9<sup>th</sup> St. NE has been demolished and the lot is available for redevelopment. When

flood homes are available, a home can be relocated or the lot can be given to Habitat for Humanity. Tom Smith requested that the Board consider deeding the lot at 813 5<sup>th</sup> Ave. NE to Habitat for Humanity to build a home. Chairman Lang questioned the status of the vacant lot immediately north of the lot at 813 5<sup>th</sup> Ave. NE. The HRA attempted to purchase the property, but serious title problems made acquisition impractical according to the legal counsel. Chairman Lang moved that the lot at 813 5<sup>th</sup> Ave. NE should be transferred only as part of a transaction that includes the lot to the north. All present voted in favor thereof none in opposition thereto. The Chairman declared the motion passed and carried. Tom Smith will contact the HRA attorney and resurrect the effort to acquire the lot north of 813 5th Ave. NE.

**Railroad Yard Project.** The remaining piles of soil and debris have been removed from the Railroad Yard property. The City Engineer is getting estimates for bringing in additional fill, grading and winterizing the site. When this work is complete the site will be ready for redevelopment. Some expressions of interest in the property have been received recently.

**Flood Progress Report.** Historical clearance has been received on the homes identified for possible acquisition in the flood area. Clearance letters have been received by FEMA and environmental approvals are pending. The project is now in the signature chain at FEMA and approval is expected soon. When grant agreements are signed and funds are released the HRA will begin sending offers for acquisition.

The final demolition work is complete on the six homes acquired in the flood area this year. The grant to acquire the six homes will be closed soon.

**OTHER:**

**Health Insurance Re-visited Discussion - Rates change 1/1/03.** At the November meeting the Board voted to adopt a health insurance plan incorporating a high deductible with a

medical savings plan (MSA). In later discussions with Blue Cross/Blue Shield of Minnesota, it was disclosed that employees cannot be covered by secondary insurance and qualify for the MSA plan.

It was moved by Commissioner Nelson and seconded by Commissioner Jorgenson to approve a modified version of the current plan that requires selection of a primary care facility and a \$200.00 deductible. The change will be effective January 1, 2003. All present voted in favor of the motion, none in opposition thereto. The Chairman declared the motion passed and carried.

**Executive Director Discussion.** City Finance Director, Tom Dankert, has been serving as HRA Executive Director on an interim basis. The Commissioners were asked for their input on the long-term direction the HRA should pursue.

Commissioner Jorgenson expressed her belief that the HRA needs a full-time Executive Director. It was moved by Commissioner Jorgenson that George Brophy be hired as Executive Director of the HRA. The motion died for lack of a second.

Commissioner Nordin said that she sees no need for a quick decision. She thinks the HRA is operating smoothly and a decision should be delayed until concerns about budgets and the future of LGA is clear.

Commissioner Nelson said the HRA should explore all options including re-opening the search for a Director. Chairman Lang said that with Director Mahan gone and Pat McGarvey retiring in the spring he is concerned about a void in leadership.

It was moved by Chairman Lang and seconded by Commissioner Nordin to table discussion of the Executive Director position until the January meeting. Voting in favor of the motion were Commissioner Nordin and Nelson. Voting against the motion were Commissioners Jorgenson and Lang. The motion died for lack of majority.

Since Commissioner Chaffee was absent, it was moved by Commissioner Jorgenson and seconded by Commissioner Nelson to schedule a special meeting of the HRA for Monday, December 16, 2002, at 7:15 following the City Council meeting when all Commissioners could be present. Voting in favor of the motion were Commissioners Lang, Jorgenson, and Nelson.

Voting against the motion was Commissioner Nordin. The Chairman declared the motion passed and carried.

**BILLS:** It was moved by Commissioner Nordin and seconded by Commissioner Jorgenson to authorize payment of the list of accounts payable dated December 11, 2002. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

**ADJOURNMENT:** There being no further business it was moved by Commissioner Jorgenson and seconded by Commissioner Nelson to adjourn the meeting. All present voted in favor thereof, none in opposition thereto. The Chairman declared the motion passed and carried.

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Richard Lang, Chairman

SEAL

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Mickey Jorgenson, Secretary/Treasurer