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## **REGULAR MEETING AGENDA**

**TUESDAY, JULY 19, 2016 @ NOON**

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 June 16, 2016.
3. Review **Accounts Payable.**
4. **Housing:**
  - a. Public Housing – HUD Score Report for FYE 9/30/15.
  - b. Courtyard & Chauncey – Resolution to adopt budget for FYE 9/30/17 and rent schedules.
5. **Executive Director Reports:**
  - a. Redevelopment Proposal for two Blighted Target Areas.
  - b. Downtown Property Acquisition of 117 2<sup>nd</sup> Ave. NE & use of BEEP Funds – Paradise Island.
  - c. Hormel Foundation Grants:
    - 1.) Redevelopment Proposal \$300,000.
    - 2.) Business Encouragement/Enhancement Program (BEEP) \$60,000.
  - d. Tax Abatement Administration for new home construction.
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: July 19, 2016 at Noon**

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

Commissioners Absent: None

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

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

**2.) Approval of Minutes.**

It was moved by Commissioner Repinski and seconded by Commissioner McCarthy to approve minutes of the regular meeting on June 16, 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 Hagen and seconded by Commissioner Anderson 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. Public Housing – HUD Score Report for FYE 9/30/15.**

HUD issued our score for all public housing units for fiscal year ending 9/30/15. We received 94 out of 100 points which puts us in the “High Performer” category. There are 4 categories that HUD scores the public housing units on: 1. Physical condition, 2. Financial Condition, 3. Management 4. Capital Fund obligations.

PHA’s that are classified as High Performer’s receive an additional allotment of Capital Funds.

**b. Courtyard & Chauncey – Resolution to adopt the budget for FYE 9/30/17 and new rent schedules.**

A budget for Austin Courtyard and Chauncey Apartments was presented to the Board for FYE 9/30/2017. The small size apartments will be increased \$10 per month, the medium size apartments will be increased \$15 per month and the large size apartments will be increased \$20 per month. Various expense line items were highlighted that had increases that were larger than normal which included more apartment carpeting of units at turnover, satellite expenses to change over to high-definition receivers, old appliances are starting to fail and the hallways need painting at Chauncey.

The following Capital Projects were also identified that will be paid for with funds in our Replacement Reserve Account: Courtyard roof replacement and Chauncey garage drainage project and new smoke detectors.

The following resolution was introduced by Commissioner Anderson and seconded by Commissioner McCarthy to approve the budget for FYE 9/30/2017.

**RESOLUTION #577  
RESOLUTION APPROVING THE BUDGET FOR THE  
AUSTIN COURTYARD AND CHAUNCEY APARTMENT BUILDINGS  
FOR THE FISCAL YEAR ENDING 9/30/2017**

All present voted in favor of the Resolution, none in opposition thereto. The Chair Declared the resolution passed and adopted.

**5.) Executive Director Reports:**

**a. Redevelopment Proposal for two Blighted Target Areas.**

Executive Director Erichson presented a proposal to clear blighted properties in two (2) target areas. The first area targeted would be the North side of 8<sup>th</sup> Ave. NE from 8<sup>th</sup> St. NE east to the railroad right of way. If there is not enough interest from property owners to sell in that location, the second target area would be the area East of the Post Office bounded by 1<sup>st</sup> St. on the West, Oakland Ave. on the North, 4<sup>th</sup> St. on the East and 3<sup>rd</sup> Ave. on the South. The proposed funding partners would include the HRA, the City and the Hormel Foundation with the HRA the lead administrator. It is proposed that the HRA and City would both contribute \$150,000 each and the Hormel Foundation \$300,000 over a 2-year period.

It was moved by Commissioner McCarthy and seconded by Commissioner Anderson to move forward with the redevelopment proposal by requesting the City to partner with the HRA financially and submit a grant application to the Hormel Foundation for said project. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

**b. Discuss Downtown Property Acquisition & use of BEEP Funds - Paradise Island.**

Executive Director Erichson has negotiated a purchase agreement with the owner of Paradise Island located at 117 2<sup>nd</sup> Ave. NE for \$127,000 which is contingent on the building being vacant. The closing would occur on or before September 1, 2016. Funds currently held at the Port Authority for the BEEP storefront easement program will be used for the purchase. The funds originally came from the Austin HRA and the Hormel Foundation to fund the BEEP program. The HRA Board is being asked to give their approval for using these funds for this purchase. The Hormel Foundation also needs to give approval to use said funds and the Port Authority Board will need to approve the Purchase Agreement as they will be the owners of the building.

It was moved by Commissioner Anderson and seconded by Commissioner Hagen to approve the use of these funds for the acquisition. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

With the previous purchase of The Ville and now Paradise Island, it is the intent to market these two buildings as one bigger building for future redevelopment project. The buildings have a shared upstairs with a common hallway running down the middle of these two buildings for possible apartments. The location is a positive with other downtown attractions like the SPAM Museum, Austin Art Center, Paramount and Hormel Historic Home.

**c. Hormel Foundation Grants:**

**1.) Redevelopment Proposal for Blighted Properties \$300,000.**

ED Erichson will be making an application to the Hormel Foundation in the amount of \$300,000 to fund the Redevelopment Proposal for Blighted Properties over a two year period as indicated in HRA Agenda Item 5.a. above.

**2.) BEEP – Business Encouragement/Enhancement Program \$60,000.**

ED Erichson will also be making an application to the Hormel Foundation in the amount of \$60,000 to fund the BEEP Program to be used for storefront easements and other downtown enhancement projects. This is the ongoing program that used to be the Austin Main Street Project from 2006 to 2014. In 2015 it changed to BEEP and has been funded equally by the HRA and Hormel Foundation.

**d. Tax Abatement Administration for new home construction.**

The Mayors Housing Task Force is recommending the creation of a program called Austin Home Initiative with the purpose to provide incentives to encourage the construction of new owner occupied and rental residential housing units within the City of Austin. These incentives would include tax abatement of real estate taxes for a designated period of time. The tax abatement proposal has been presented to the local taxing agencies (City, School, and County) for consideration. The program is currently being reviewed by all parties with formal actions to occur later this year. Some of the details of the program include:

1. Property is located within the corporate limits of the City of Austin and zoned properly for the proposed development.
2. The applicant shall not have received other financial assistance (Tax Increment Financing, Workforce Housing or Small Cities Development Program).
3. Local government entity shall set a construction date no later than 6 months from the date of final development approval.

With the potential of having multiple government agencies involved and making this process as stream lined as possible, it is proposed that the HRA act as the agency that receives the applications for tax abatement. We will not have any authority to act on the requests but will only provide guidance to the applicants and then distribute to the appropriate government agencies.

It is not anticipated that this will create any significant workload and should make the process easier for the applicant. The intent of the initiative is to create additional housing which fits with our mission of housing and it would be the Executive Directors recommendation that the HRA participate through the application process.

It was moved by Commissioner Hagen and seconded by Commissioner Repinski to approve being the agency to accept the applications , provide guidance and distribute these applications to the appropriate entities. All present voted in favor thereof, none in opposition thereto. The motion was declared passed and carried.

**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 12:45 PM.

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Judy Enright, Chair

SEAL

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Janet Anderson, Secretary