



HOUSING AND REDEVELOPMENT AUTHORITY

CITY OF WELLS, MINNESOTA

Wells Housing and Redevelopment Authority's Mission Statement:
"To provide assistance and advocacy in the development of affordable housing for low and moderate income families and act as a catalyst for the upgrading of the existing housing stock in the City of Wells"

MINUTES

August 19, 2010 5:30pm

Conference Room, Wells City Hall

1) Call To Order / Roll Call

President Schuster called the meeting to order at 5:34 pm.

Members Present: David Braun, Tom Schindler, and Ann Schuster.

Members Absent: Marilyn Birk and Bill Groskreutz.

Staff Present: Lifestyle Inc. Property Director Jim Abbe and Community Development Director Chris Elvebak.

Guests Present: Austin Bleess, Winnebago City Administrator. Chuck Pettipiece, Pettipiece & Associates.

2) Approval of Agenda

Sec. Schindler moved to approve the agenda. The motion was seconded by Mr. Braun and passed unanimously.

3) Approval of Minutes

Sec. Shindler presented the minutes from the previous meeting. Mr. Braun moved to approve the minutes. Sec. Schindler seconded and the motion passed unanimously.

4) Joint SCDP Meeting: HRA, EDA, City of Winnebago

Mr. Pettipiece informed the Board that the pre-application for the Small Cities Development Program is due to DEED by October 1st. He stated that in addition to staff changes between the cities of Wells and Winnebago, there are also recaptured funds available in both cities from previous programs that could be used as leverage funds for this joint application. Referencing previous discussions he said that the

Wells Housing & Rehabilitation Authority Membership:
Ann Marie Schuster, President; Bill Groskreutz Jr., Vice-President;
Tom Schindler, Secretary/Treasurer; Marilyn Birk, Commissioner; David Braun, Commissioner

school district is not a viable partner and that limited staff research indicated that there was some commercial interest in Wells but if the application were to proceed as a comprehensive action, not just residential, then the interested businesses would need to be confirmed.

Mr. Pettipiece informed the commissioners that DEED is still looking for joint applications and for one community to serve as the lead. He said that his gut feeling was that Wells would probably serve as the best lead, since Winnebago had a recent SCDP grant just three years ago, and the last time Wells applied they had faster response times for the commercial component.

Pres. Schuster asked what the level of commercial interest was. Director Elvebak said that in his last conversation with Brad Heggen, EDA President, he was informed that eight businesses were interested.

Mr. Pettipiece said that typically the commercial dropout rate is very high, so a likely minimum number for a successful comprehensive application would be double that amount. At this time he said the cities could submit a comprehensive application but if it looks like the commercial component is too weak, both cities could voluntarily pull that piece of the application and proceed strictly with a residential rehabilitation application.

Pres. Schuster asked if Winnebago and Wells could apply at different levels within the application since the Wells EDA had indicated a strong interest in trying for commercial funding. Mr. Pettipiece replied that both cities should have the same target goal percentage and repayment terms, but each community could show separate leverage funds. Also, each community could have different total number of units within their respective target goals.

Mr. Bleess stated that Winnebago doesn't have as much leverage funds as Wells, but that the Winnebago EDA was excited about the opportunity and is willing to contribute funds from their revolving loan fund.

Mr. Pettipiece informed the Board that the next step would be to form a recommendation and receive authorization from each City Council to begin the pre-application.

Dir. Elvebak said he would attend the City Council meeting the coming Monday night if the HRA passed a recommendation.

Mr. Bless said he would not be able to address his Council until September but that they had informally indicated a willingness to apply via a joint application.

Mr. Pettipiece also said that the list of commercial properties should be confirmed and checked for any additional interest. As of now the waiting list isn't critical, but it will be necessary if we get to the full application. He also informed the Board that the estimated fee shouldn't change for either community.

Sec. Schindler moved to recommend to the City Council jointly applying with the City of Winnebago for SCDP funds with Pettipiece & Associates as the grant consultant. Com. Braun seconded. After brief discussion the motion passed unanimously.

Mr. Pettipiece & Mr. Bless exited the meeting.

By consensus the Board moved to Old Business item E (Cost Share Grant) on the agenda.

7) Old Business

e) Cost Share Grant

The board listened to a presentation from The Window Depot of Wells, MN. The presenters demonstrated the product and discussed cost, performance, and warranties. The presenters were thanked for their time and exited the meeting.

Jim Abbey of Lifestyles, Inc. presented information and a sample product from RJF Windows of Owatonna, MN. He also informed the Board he was awaiting a bid from a third company to be returned.

Dir. Elvebak informed the board of progress to date on the project as recorded by Austin Bless before he left his employment with the City of Wells. Mr. Abbey said he hoped that the dollars displayed in the informational sheets could be applied retroactively so that the HRA could pursue the boiler replacement immediately while there was still just enough time left in the season to get the repairs done this year. Schuster explained a reluctance to pursue with expending the dollars without the new Community Development Director having enough time to get familiar with the program. Dir. Elvebak explained that while he did not yet know the particulars of this program, in his experience most matching grant entities will not reimburse for expenses after installation has been completed.

The Board discussed specifics of the Facilities Cost Share Grant Program and requirements of potential contractors involved. A tentative date of September 3rd was set for a special meeting if it proved necessary.

By consensus the Board moved to Lifestyles Management Report on the agenda.

6) LifeStyle, Inc. Management Report

Director Abbe delivered his report on Broadway Apartments and Park Place Townhomes. The board reviewed the July financial report, unit repairs & maintenance efforts, vacancy rates, and resident appreciation activities.

The Board also discussed vacancies at Park Place Townhomes. Sec. Schindler moved to adopt an incentive option of \$100 rent discount for six months or a flat screen television. Com. Braun seconded. After discussion the motion was adopted. Mr. Abbe exited the meeting.

5) Financial Reports: Bills & Deposits

- a) **LMC Insurance Trust**
- b) **Payment between Broadway accounts**
- c) **Maturation of Certificate of Deposit**

The Board reviewed the financial reports and discussed all bills & deposits. By consensus, the board authorized Dir. Elvebak to access all bank financial information. Sec. Schindler moved to reinvest the maturing one-year CD at the local bank with the best yield rate. Com. Braun seconded and the motion passed.

The Board discussed four pending bills: Frundt & Johnson for \$125, Schrader Enterprises for \$134.66, League of MN Cities Insurance Trust for \$1,520, and a correcting entry of \$1,520. Sec. Schindler moved to approve the bills as presented.

Mr. Braun moved to approve the financials as presented. Sec. Schindler seconded and the motion passed.

Sec. Schindler moved to approve the Lifestyle, Inc. financial statements. Mr. Braun seconded and the motion passed.

Sec. Schindler moved to approve the Schrader Enterprises proposal for parcel cleanup. Discussion of the bill brought up the possibility of possibly obtaining reimbursement for cost from FEMA. Dir. Elvebak said he would check with City Administrator Jeremy Germann and inform the Board if this was possible. Mr. Braun seconded and the motion passed.

The Board discussed the bill from Faribault County for the HRA portion of demolition costs of the trailer court. By consensus, the Board decided to withhold payment of the \$8,750 until it could be determined if a BevComm grant had been distributed to both the City and HRA.

Old Business

- d) Wellington Property:
Nothing new to report at this time.
- e) Rain Garden:
Pres. Schuster distributed some information related to updating the rain garden. Discussion took place for some volunteer activities for maintaining the garden.

Sec. Schindler moved to approve purchase of plants & mulch as recommended in the report. Mr. Braun seconded. Discussions on the motion lead to consensus of the board to obtain the materials from Schrader Enterprises. The motion passed unanimously.

- f) Trailer Court:
All pertinent information was discussed during the review of the bills and financial reports. No new information to discuss.
- g) M CCP:
The Board determined this item has been completed and can henceforth be removed from the agenda.

Notices & Communications

- a) Membership List
Dir. Elvebak distributed a list to collect membership contact information to facilitate quicker and more effective communications.

Public Forum

No one came forward to address the Board.

Adjournment

Seeing no further business Pres. Schuster declared the meeting adjourned at 8:45 p.m.

Respectfully submitted,

Christopher Elvebak
Community Development Director