

March 9, 2010

Meeting 10-04

5:30 p.m.

Official Minutes

Present

Commissioners:

Steve Rudolph, Mike Fossum, Mark Thorson, Steve Elkins, Steve Mahowald

Staff:

Regina Harris, Bryan Hartman

Call to Order

Chairman Rudolph called the meeting to order at 5:30 p.m.

Approval of Agenda

M/Thorson, S/Fossum, to approve the agenda. Motion carried, 4-0.

Approval of Minutes

M/Thorson, S/Mahowald to approve the minutes of the February 9, 2010 HRA meeting as presented. Motion carried, 4-0.

Approval of 2010/2011 Community Development Block Grant (CDBG) Budget and Action Plan/Application 5.1

Hartman stated approval is required for the activities and budget of the CDBG program from the HRA and City Council. Staff anticipates the budget will be the same as last year, approximately \$401,000; however, the Department of Housing and Urban Development (HUD) has not yet released the new budget. CDBG budget year runs from July 1 through June 30. Staff is proposing the same activities as the current year, including single-family rehab, lead-based paint abatement, funding senior H.O.M.E. maintenance program, fair housing activities, and administrative expenses.

The agenda attachment shows rehab funding of \$100,000 being carried forward from this year. Staff is anticipating an increase in repayments from the rehab loan program. Rudolph asked if there has been an increase in foreclosures of homes with CDBG loans, and Harris indicated the percentage is very small.

M/Fossum, S/Mahowald to present the CDBG budget and application to City Council for approval and submission to the Department of Housing and Urban Development. Motion carried, 4-0.

Approval of Operating Support Payment to HousingLink 5.2

Hartman stated staff received a funding request from HousingLink, which is a non-profit organization whose primary mission is to publicize affordable housing options on their website to low-income people. They allow

landlords to list their vacancies free of charge. Hartman commented this is an invaluable resource to the HRA staff for rental option referrals.

M/Mahowald, S/Thorson to approve the operating support payment to HousingLink. Motion carried, 4-0.

(Elkins arrived at 5:40 p.m.)

Foreclosed Home Improvement Program update 5.3

Harris stated thus far, staff has processed 13 loans. A table included in the agenda described each loan, including the dollar amount, household make-up, and the type of work performed. The program places heavy emphasis on exterior improvements but also focuses on health, safety and energy codes. Hennepin County provided \$200,000 with an HRA match of \$200,000. There were limitations on who is eligible for the loan. Any house built prior to 1978 also required lead testing and abatement or stabilization.

Out of a total of 36 applications, 12 were cancelled, 13 processed, and staff is working on 11 more, which will exhaust the balance of the funds. Staff has submitted an application to Hennepin County for an additional \$200,000. The total funds lent to date on the 13 loans is \$253,000, with an average loan of \$19,475. Median 2009 Assessor's market value was \$177,000, and the average sales price was \$131,000. Harris commented that the City Assessor's after-rehab values shown are a year-old and not an accurate reflection of the real value. Staff will meet with them to discuss values that are more market driven in today's dollars.

Demographics of the loans show the average household size was 1.69 persons. The median income was \$37,000; the median age was 35; there were two minority households, and five of the 13 were female heads of household.

The rate of foreclosures seems to be slowing slightly, and there are more short sales to people who rehab the homes and then sell them. There is a shorter supply of foreclosed homes but there may be another wave of foreclosures coming.

The 2010 FHIP program showed an expanded target area to include the area from Cedar to 494 to 35W to the Minnesota River.

Rudolph commented that the map shows the southwest corner of Bloomington has a high number of foreclosures, and Harris explained that it was due to a concentration of condos and townhomes.

Approval of Management Assessment for Public Housing Agencies (MASS) certification for FY 2009 5.4

Hartman explained that as owners of public housing units, the HRA is required to perform an assessment of practices every other year. HUD looks at some primary aspects of management of the Public Housing Program, such as how quickly vacancies are turned around, the number of days required to complete work orders, and whether capital funds are expended in a timely fashion. Hartman pointed out that the higher work order completion days are due to work orders at Lyndale Avenue Townhomes, which is under separate management. Because their score is included with ours, the score was lower.

M/Thorson, S/Mahowald to adopt the resolution approving the Management Assessment for Public Housing Agencies and authorize the Chair to execute the resolution. Motion carried, 5-0.

Action Items

5.5

Oxboro Redevelopment

Harris contacted Richfield Bloomington Credit Union representatives several times but has not yet had a response.

City Council has approved streetscape improvements at Oxboro.

Legislative Update

City Council met with the Bloomington legislative delegation.

Meetings and Agenda

There may not be a need for the March 23rd meeting.

France & Old Shakopee Road

The plan for Aldi's on the northeast site has fallen through.

Blighted Property Program

The HRA is still holding four lots for sale.

Foreclosure Update

Staff will give another update on the FHIP program after meeting with Assessing staff.

90th and Penn

There are rumors of a CVS going into the strip mall on the northeast quadrant.

Approval of new Procurement Policy and Procedures for Public Housing Program (add-on item)

5.6

Hartman stated that when stimulus funds for the capital fund program for Public Housing were awarded, staff was required to update the procurement policy to ensure that it meets all of the requirements of the stimulus bill. That has been incorporated into a separate section of our existing procurement policy as Appendix A and will be the policies and procedures that we'll use to govern the expenditure of our stimulus funds. At the same time, the primary procurement policy was updated to reflect the higher contracting limits that were approved by legislature and subsequently adopted by the City Council.

M/Thorson, S/Elkins to approve the Procurement Policy and Procedures for the Public Housing Program. Motion carried, 5-0.

Election of Officers

4.1

Current officers are Steve Rudolph, Chairman; Mark Thorson, Vice Chairman, and Secretary, Mike Fossum.

M/Mahowald, S/Elkins to retain the current slate of officers. Motion carried, 5-0.

Designation of Place, Time and Dates of 2010

4.2

The HRA currently meets on the second and fourth Tuesday of each month at 5:30 p.m. Elkins requested that the dates be changed to the first and third Tuesdays at the same time and locations.

M/Mahowald, S/Thorson to change the dates of the HRA meetings to the first and third Tuesdays of each month at 5:30 p.m. Motion carried, 5-0.

Approval of Financial Report

4.3

M/Mahowald, S/Fossum to continue this item to a later date. Motion carried, 5-0.

Approval of Resolution Designating Official Depository and Investment Brokers

4.4

M & I Bank is the official depository for the HRA. Investment brokers are Citigroup/Smith Barney, RBC Capital Markets, Sterne Agee & Leach, Inc., Northland Securities, Inc., and Wells Fargo Institutional Brokerage and Sales. These are the same investment brokers used by the City.

M/Thorson, S/Elkins to approve the official depository and investment brokers as listed. Motion carried, 5-0.

Designation of Official Newspaper

4.5

M/Thorson, S/Elkins designating the Bloomington Sun as official newspaper of the HRA for 2010. Motion carried, 5-0.

Adjournment

M/Mahowald, S/Thorson to adjourn the meeting. Motion carried, 5-0. The meeting adjourned at 6:07 p.m.

Approved

Steven K. Rudolph, Chairman

May 18, 2010