

BOARD OF COMMISSIONERS
WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
WASHINGTON COUNTY, MINNESOTA

The Washington County Community Development Agency Board of Commissioners convened in Regular Session at Washington County CDA, 7645 Currell Blvd., Woodbury, MN on December 19, 2017. Staff present: Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Aaron Christianson, Director of Finance; Ann Hoechst, Housing Assistance and Administrative Services Director; Chris Eng, Economic Development Director; Angie Shuppert, Community Development Programs Manager; Kathryn Paulson, Community Development Project Manager; Ryan Gruber, Human Resources and Communications Coordinator; Becky Nelson, Senior Accountant; Kristen Scobie, Community Development Project Manager; Bill Lightner, Community Development Project Manager; Elena Shulman, Community Development Project Manager; and Leni Healy, Administrative Assistant.

Guest present: Sarah Tripple, Washington County Community Services.

Meeting called to order at 3:00 p.m.

ROLL CALL

Commissioners present: Dingle, Miron, Widen, Ryan and Belisle.
Commissioners absent: Hargis and Zeller.

Ms. Dacy informed members of the Commission that Chairperson Hargis and Vice Chairperson Zeller were absent. Secretary Steve Ryan indicated that he would be willing to serve in the capacity of Chairperson Pro Tem for this meeting.

Commissioner Widen moved to approve Commissioner Ryan as the Chairperson Pro Tem. Commissioner Belisle seconded the motion. Motion carried 5-0.

Commissioner Miron moved to amend the agenda to include a presentation concerning the Transit Study from Sarah Tripple of Washington County. Commissioner Widen seconded the motion. Motion carried 5-0.

OPEN FORUM

None

CONSENT CALENDAR

Consent Calendar agenda items are generally defined as items of routine business, not requiring discussion, and approved in one vote. Commissioners may elect to pull a Consent Calendar item(s) for discussion and/or separate action.

Minutes of Regular Meeting
November 19, 2017

Abstract of Bills, November 2017
Total: \$1,481,515.14

A-1 Resolution No. 17-51. Resolution Adopting Classification and Compensation Plan For Management and Non-Union Employees for 2018, 2019, and 2020; Authorize Contribution Amounts for Flexible Spending Account, Health Care Savings Plan and Insurance Plans for Management and Non-Union Employees.

A-2 Resolution No. 17-52. Resolution Approving Low Income Tax Credit Allocation to the Glen at Valley Creek.

A-3 Resolution No. 17-53. Resolution Authorizing Execution of Sixth Amendment to Amended and Restated Employment Agreement.

A-4 Resolution No. 17-54. Resolution Authorizing an Amendment to the 2017 Budget.

A-5 Resolution No. 17-55. Resolution Authorizing Depository Services for Governmental Entities.

A-6 Resolution No. 17-56. Resolution for Adoption of 2018 Approving Operating Budget.

Commissioner Widen moved to approve the Consent Calendar, seconded by Commissioner Miron. Motion carried 5-0.

PRESENTATION

P-1 Washington County Transit Needs Study

Ms. Dacy introduced Sarah Tripple, Planning and Program Manager for Community Services for Washington County. Ms. Tripple provided an overview of the transit needs study. The report has been posted to their website and can be accessed at: <https://www.co.washington.mn.us/2720/Transportation>. Ms. Tripple indicated that public comments will be taken through January 6, 2018.

Commissioner Miron asked if CDA staff would be reviewing this information. Ms. Dacy indicated that staff was already studying the information. She further indicated that the study's overall impact and direction to serve lower income populations does align with CDA goals of fair housing and promotion of integrated neighborhoods with access to transit. Ms. Dacy indicated that CDA staff would be interested in ensuring that the consortium contain adequate representation from a broad array of communities and that the CDA may be open to partnering in those efforts.

PUBLIC HEARING

A-7 Resolution No. 17-57. Resolution Authorizing Sale of 7987 Afton Road, Woodbury, Minnesota to Glen at Valley Creek LLC.

Kristen Scobie explained that Washington County CDA owns real estate at 7987 Afton Road in Woodbury. The CDA proposes to dispose of the property through sale or transfer to the Glen at Valley Creek LLC, of which the CDA is the sole member of its managing member, WCCDA Glen, LLC for the purpose of redevelopment for new affordable senior housing.

She reported that Minnesota Statutes, Section 469.029, Subdivision 2 requires that the CDA hold a public hearing, after publishing notice not less than 10 days and no more than 30 days prior to the date of the hearing, before disposing or conveying of any real property. Notice of the public hearing was published in the Stillwater Gazette on December 1, 2017.

Ms. Scobie indicated that the CDA's Real Estate Acquisition and Disposition Policy allows for disposition of property under certain circumstances including when property is conveyed from the CDA to a limited liability entity of which the CDA is a partner. The CDA proposes the value of the property to the Glen at Valley Creek LLC be valued at \$382,176, the cost incurred by the CDA in September 2016. A portion of the acquisition cost will be reimbursed by Woodbury Community Development Block Grant (CDBG) funds.

Ms. Scobie recommended that the Board conduct a public hearing and then adopt the resolution authorizing the sale or transfer of the property to the Glen at Valley Creek, LLC.

Commissioner Miron moved to open a Public Hearing on Resolution 17-57, seconded by Commissioner Widen. Motion carried 5-0.

No public comments were made.

Commissioner Widen moved to close the Public Hearing, seconded by Commissioner Miron. Motion carried 5-0.

Commissioner Belisle asked if there was an equity investor involved. Ms. Scobie indicated that staff is working with Enterprise Community Investments. Commissioner Belisle then asked about the rate. Ms. Scobie replied that the rate would be eighty-three cents per credit.

Commissioner Miron moved to approve Resolution 17-57, seconded by Commissioner Belisle. Motion carried 5-0.

NEW BUSINESS

A-4 Resolution No. 17-58. Resolution Approving Bond Loan Financing From The Dakota County Community Development Agency; Authorizing Arrangements For Certain Interim and Permanent Financing; and Authorizing Further Actions; Relating to The Glen at Valley Creek.

Melissa Taphorn reviewed the financing plan for the development of The Glen at Valley Creek apartments. Ms. Taphorn indicated that certain actions must occur prior to the issuance and sale of tax exempt private activity bonds for the development. The Dakota County Community Development Agency and Washington County have both held public hearings and passed resolutions to issue the bonds. The City of Woodbury also approved Dakota County Community Development Agency issuing bonds in the city for this development. Ms. Taphorn explained that this resolution would cover three actions: approval of the bond loan financing, authorizing arrangements for interim and permanent financing, and authorizing the CDA Executive Director, Deputy Executive Director and the Board Chairman to execute documents relating to The Glen.

Commissioner Widen moved to approve Resolution No. 17-58, seconded by Commissioner Belisle. Motion carried 5-0.

A-5 Resolution No. 17-59. Resolution Approving and Adopting the 2018 Budget.

Aaron Christianson outlined the proposed budget. He explained that the total revenue assumes 1 percent and 2 percent rent increases, depending on the property, and a 7.1 percent increase in CDA levy. The increase in expenses includes a 16.9 percent increase in debt service due to Piccadilly Square construction bond payoff, and 10.1 percent increase in capital spending. Total operating expenses will decrease by 3.0 percent. He explained that the net impact on cash is due to reserves spent for capital and land purchases.

Mr. Christianson indicated that 92 percent of the CDA's all-sources budget, nearly \$22 million, was invested directly back into Washington County communities. He recommended approval of the 2018 budget.

Commissioner Miron moved to approve Resolution 17-59, seconded by Commissioner Widen. Motion carried 5-0.

DISCUSSION

D-1 Agency Benchmarks

Barbara Dacy outlined the Results Accountability Benchmark system which is recommended by the State's Office of Management and Budget for public sector services. The system is a guide for evaluating the amount and quality of service an agency provides. Ms. Dacy explained how the system would be applied in three scenarios involving the Open to Business program, CDA's Economic Development services and Subsurface Sewage Treatment Systems.

Ms. Dacy indicated that, if approved, the next steps would be to identify measures by each program or service offered by the CDA. Accountability would be tracked for each program. Strategies, partners and stories would be identified. Notable accomplishments or headlines would also be identified. These incidents could be used as part of the CDA's presentations and communication strategies.

Commissioner Ryan asked if this information would be communicated through the website. Ms. Dacy indicated that it would be available on the website and as evidence of success when communicating with outside entities.

D-2 Strategic Planning Status

Ms. Dacy indicated that through community meetings, collaboration with key stakeholders, staff input and John Shardlow, the consultant from Stantec, the CDA will develop and compile goals leading to the 2019 direction and budget development. She outlined the proposed next steps in developing a three-year plan as part of the 2019 budget.

Ms. Dacy stated that, unless otherwise directed, staff will proceed using this model to document the volume and impact of agency services. The Commissioners had no questions.

REPORTS

DEPUTY EXECUTIVE DIRECTOR

Melissa Taphorn thanked Commissioner Miron for his comments concerning the CDA's presentation at the County Board. He had indicated that the CDA staff was able to make a technical subject sound very easy. Ms. Taphorn acknowledged Kristen Scobie, Project Manager II, for her diligence in moving The Glen at Valley Creek forward. Ms. Taphorn highlighted the Homeownership Services staff who have been working with the Black Women's Wealth Alliance to provide homebuyer education. They held six sessions with groups of twenty participants/graduates in north Minneapolis. Minnesota has one of the highest disparities in homeownership rates between races. An evaluation by both the CDA and the Alliance may be conducted to determine if this effort should continue or expand.

ECONOMIC DEVELOPMENT DIRECTOR

Mr. Eng brought attention to copies of the Minnesota Real Estate Journal. He stated that there is a continuation of the September Twin Cities Business Magazine article. There will be additional opportunities to have articles in the monthly publication. An advertisement which uses their branding message was included in the publication. The branding allows entities to get a wealth of information on thirty-three communities with just one call.

Mr. Eng reported that they have been working with county staff, Cottage Grove and St. Paul Park on the Red Rock transit stops for development along the transit corridor. He indicated that there is another opportunity at Jamaica Avenue in Cottage Grove.

FINANCE & PROPERTY MANAGEMENT

Mr. Christianson announced that a Finance Committee will be meeting on January 16th at 2 PM to discuss the initial results of the interim field work with Redpath and Company.

Mr. Christianson distributed packets for the Commissioners. The packets included legal compliance representation letters which indicated that the Commissioners are conflict free with duties at the CDA. He asked Commissioners to sign page 2 and retain the information on state laws and legal requirements for their records.

Mr. Christianson explained that Shelter Corporation had experienced a challenge uploading public housing vacancy information in the Housing and Urban Development (HUD) database. The CDA's units typically run at ninety-eight to ninety-nine percent occupancy but that was not the information received by HUD. Based on the information submitted to HUD, it appeared that the CDA had far more vacancies. Shelter has implemented new policies and procedures to correct the reports and resolve issues going forward.

He reported that the scattered site Real Estate Assessment Center (REAC) inspections were conducted but were invalidated by the Inspector because the sample size included one additional unit. Twenty units were inspected but only nineteen should have been included. Residents will have a reinspection on the 16th and 17th of January which will cause additional cost for staff time and inconvenience to the residents. The initial inspections were very good overall. Mr. Christianson may follow up with the REAC Technical Assistance Center once the reinspection activity has been completed.

RENTAL ASSISTANCE

Ms. Hoechst announced that the Family Self-Sufficiency grant has been awarded again with a \$2000 increase over previous years. She also announced the appointment of Smita Rakshit to the Section 8 team replacing Lucy Chaves.

EXECUTIVE DIRECTOR

Ms. Dacy reported that the County Board has agreed to include the legislative initiative to amend the state law to permit affordable senior housing as an eligible use for housing infrastructure bonds. Hopefully the change will be made in the bonding bill and funds allocated for a new revenue source for affordable senior housing in the state.

Ms. Dacy announced that the National Association of Housing and Redevelopment Officials have asked her to participate in the National Community Revitalization and Development Committee. The Committee meets via conference call and face-to-face at conferences throughout the year. She indicated that there should be no additional cost associated with her participation.

**Commissioner Miron moved to adjourn the Board meeting, seconded by Commissioner Widen.
Motion carried 5-0.**

Meeting adjourned at 4:06 PM.

/Brian Zeller/
Brian Zeller