

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 January 15, 2019. Staff present: Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Chris Eng, Economic Development Director; Aaron Christianson; Finance Director; Ann Hoechst, Housing Assistance and Administrative Services Director; Ashley Engh, Finance Assistant Director; Bill Lightner, Project Manager II; Becky Nelson, Senior Accountant; Kathryn Paulson; Project Manager II; Elena Shulman, Project Manager I; Kristen Scobie, Project Manager II; Dana Slimmer, Homeownership Specialist; Angie Shuppert, Community Development Programs Manager; Sandy Meza, Office Manager.

ELECTION OF OFFICERS AND APPOINTMENTS

Commissioner Zeller stated that he would like for all Commissioners to rotate into each position annually.

Commissioner Zeller moved the following slate of officers:

**Chair - Commissioner Belisle
Vice Chair - Commissioner Ryan
Secretary - Commissioner Widen**

Commissioner Dingle seconded the motion.

Commissioner Widen asked if more discussion should occur since Commissioner Belisle is absent. Commissioner Zeller stated that Commissioner Belisle is aware of this.

Commissioner Green stated that on other boards he has served on, the Chair holds that position for two years.

Motion carried 6-0.

Commissioner Zeller moved the following slate of members for committees:

**Executive Committee will be Commissioners Belisle, Ryan, and Widen.
Finance Committee will be Commissioners Zeller, Belisle, Widen and Ryan.
Personnel Committee will be Commissioners Green, Miron and Dingle.**

Commissioner Green seconded the motion. Motion carried 6-0.

Meeting was called to order at 3:10 p.m.

ROLL CALL

Commissioners present: Green, Zeller, Widen, Karwoski, Ryan and Dingle.

Commissioner Absent: Belisle

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
December 18, 2018

Abstract of Bills December 18, 2018
Total \$2,510,802.30

A-1 Resolution No. 19-01. Resolution Authorizing Mileage Reimbursement Rate for 2019

Commissioner Zeller moved to approve the Consent Calendar, seconded by Commissioner Widen. Motion carried 6-0.

NEW BUSINESS

A-2 Resolution No. 19-02. Resolution Adopting 2019 Meeting Schedule

Ms. Dacy explained the purpose of the resolution is to establish meeting dates for the next twelve months, which reduces publication expenses. The Finance Committee dates line up with regular Board meetings. Those dates will be the third Tuesday in May and the third Tuesday in August. The Personnel Committee meeting will be held the third Tuesday in March.

The annual employee appreciation lunch will be June 12 from 11:30AM to 1:30PM.

Commissioner Zeller moved to approve Resolution No. 19-02, seconded by Commissioner Green. Motion carried 6-0.

DISCUSSION

D-1 Updates to Housing Choice Voucher Administrative Plan and Public Housing Admissions and Continued Occupancy Plan

Ms. Hoechst explained that every year the Housing Choice Voucher Administrative Plan (admin plan) and the Public Housing Admissions and Continued Occupancy Plan (ACOP) must be reviewed. Often these updates include updating the citations in the plans to new dates of HUD directives. The most significant changes this year occurred in the Housing Choice Voucher Administration Plan Chapter 6 and chapter 19. Chapter 6 includes the new policy on using deposits in shown on bank statements as proof of income and Chapter 19 includes all programs that use the admin plan as the basis of that program.

The ACOP included a change mandated by HUD that persons with income over 120% of Area Median income for more than two consecutive years would need to vacate their public housing units. Commissioner Ryan asked if there had ever been a policy like this previously. Ms. Hoechst stated no, this policy is in response to the HUD directive that came out in HOTMA.

REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

Ms. Taphorn presented year end utilization data of the homeownership programs including homebuyer education, pre-purchase and foreclosure counseling, first time homebuyer mortgages, home improvement loans and septic repair grants and loans. She also highlighted external impacts and five year trends for the programs.

Commissioner Zeller asked what impact raising interest rates have had. Ms. Taphorn replied the rate increases are increasing monthly payments which means homebuyers can buy less. At the same time, the home prices are not decreasing and the typical affordably priced housing types are not being added to the market. The market is tightening as more Millennials are entering the market and less Baby Boomers are moving out.

Commissioner Green stated he was one of those Baby Boomers that has not moved out of their home yet and asked what factors are leading to that trend. Ms. Taphorn replied Baby Boomers generally live a more active lifestyle than previous generations and are able to maintain their own single family home longer, rather than moving to single level living or a senior cooperative. Commissioner Zeller added that the price of that next move has increased and is preventing people who are comfortably affording their current home.

Commissioner Green asked how much time was between a pre-foreclosure notice and sale and if that is enough time to make a difference. Ms. Taphorn stated the pre-foreclosure notice is issued when the owner is four months behind which leaves two months to work with the lender or find a solution before a sheriff's sale. Ms. Taphorn said they would have a six-month redemption period before the sheriff would hand the homeowners the papers of eviction.

Commissioner Green asked if the homeowner foreclosure rates were for a specific CDA program. Ms. Taphorn said no the rate is for privately-owned home across the County. Commissioner Green asked if the foreclosure rate was historically the lowest it has ever been, considering full employment and wages going up and the amount of foreclosure seems to be decreasing but leveling out to 17 to 18 percent. Ms. Taphorn said the foreclosure rate is back to normal levels. The rates began rising in 2007, peaked, and has now leveled out.

Commissioner Zeller wanted to be reminded if the septic loan carried a low interest rate. Ms. Taphorn said yes the rate depended on the term of the loan which is paid back through an assessment on the property. Terms are three, five- and eight-year loans. Commissioner Zeller asked if the 2018 average borrower income of \$160,000 was higher than previous years. Ms. Taphorn said it was slightly higher but prior year borrower incomes have averaged around \$100,000.

ECONOMIC DEVELOPMENT

Mr. Eng indicated that the Open to Business Program has completed nine loans in the county. Two loans have been completed in Cottage Grove, one in the Marine on the St. Croix, four in Stillwater, one in Oakdale and one in Lake Elmo. Mr. Eng indicated that Cottage Grove is considering an application for the Predevelopment Finance Fund.

FINANCE AND PROPERTY MANAGEMENT

No additional comments beyond the written report.

RENTAL ASSISTANCE

Ms. Hoechst discussed the Federal Government Shutdown impact on the rental assistance programs. The Rental Housing Assistance Programs include the CDA's 90 Housing Choice Vouchers (HCV), 355 portable HCV vouchers, 3 Veterans Affairs Supportive Housing vouchers (VASH), 105 units of Public Housing, 26 units of Shelter Plus Care housing and the salary for the Family Self Sufficiency staff. Project Based Housing at Raymie Johnson Estates (96 units and 24 townhomes) and the Service Coordinator are not impacted at this time but should the shutdown continue there may be consequences for these programs as well. The Family Unification Program was to start on March 1, 2019 but will be delayed. Grants and other programs at the CDA that may be impacted are the Trailside Build American Bond and Qualified Energy Conservation Bonds which include interest payment rebates from the IRS.

The CDA's 90 vouchers have a monthly budget of about \$58,000 with the VASH program having about a \$3,000 budget. According to the CDA's policy, the CDA will provide up to two months of rent payments for the CDA's 90 vouchers and VASH program participants. The CDA will also provide payment for the port-in vouchers for up to two months. The port-in budget is about \$250,000 but the amount needed may be less because other housing authorities will still be sending the payments for the port-ins depending upon their own reserves. Shelter Plus Care is still available in LOCCS until the contract is finished on 6/30/2019. The CDA will draft a letter to affected rental assistance program participants and landlords to keep them informed of what is happening and the CDA's plans.

EXECUTIVE DIRECTOR

Ms. Dacy said that NAHRO will be conducting its annual day at the Capitol on February 6th and Ms. Dacy will be attending. On January 22, 2019 the County will be hosting its annual legislative meeting with the Deputy Executive Director going to this meeting. Commissioner Rogers asked if he could attend the February 6th Meeting with Ms. Dacy. Ms. Dacy said that would be marvelous.

ADJOURN

Commissioner Zeller moved to adjourn; seconded by Commissioner Green.

Motion carried 6-0.

Meeting adjourned at 4:01 p.m.


Chair/Vice Chair Commissioner