

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 April 16, 2019 at 3:00 p.m. Staff present: Barbara Dacy, Executive Director; Melissa Taphorn, Deputy Executive Director; Chris Eng, Economic Development Director; Aaron Christianson, Finance Director; Ann Lindquist, Housing Coordinator; Ashley Engh, Finance Assistant Director; Becky Nelson, Senior Accountant; Elena Shulman, Project Manager I; Bill Lightner, Project Manager II; Angie Shuppert, Community Development Programs Manager; and Sandy Meza, Office Manager. Guests present: Neil Soltis, City Administrator of Scandia.

ROLL CALL

Commissioners present: Green, Widen, Ryan, Belisle, Miron and Dingle.

Commissioner Absent: Zeller

OPEN FORUM

None

Commissioner Belisle stated that Ms. Dacy requested a change in the agenda which requires Board action. The item was added to the agenda as New Business item A-4.

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
March 19, 2019

Abstract of Bills March 2019
Total \$1,257,200.21

A-1 Resolution No.19-15. Resolution Authorizing the Executive Director to Enter into a Contract for Services with the Golden Shovel Agency to Develop and Maintain an Economic Development Website

**Commissioner Widen moved to approve the Consent Calendar, seconded by Commissioner Green
Motion Carried 6-0.**

PUBLIC HEARING

A-2 Resolution No.19-16. Resolution Endorsing the Washington County 2019 Annual Action Plan and Authorizing Submission to Washington County Board of Commissioners

**Commissioner Ryan moved to open the Public Hearing, seconded by Commissioner Miron
Motion carried 6-0.**

Ms. Shuppert discussed the 2019 Annual Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnerships program (HOME). The program will begin July 1, 2019 and run through June 30, 2020 and is the final year of the 2015-2019 Consolidated Plan. The CDA received six applications on December 7, 2018. The CDA staff and CDBG Citizen Advisory Committee reviewed the applications and made funding recommendations. The public comment period opened on March 15, 2019 for 30 days. No comments were received. The total for the CDBG Projects is \$754,274 and the total for the HOME Projects is \$328,849. Upon County approval, the plans and certifications will be submitted to HUD on or before the May 15, 2019 deadline.

Commissioner Belisle asked whether there is a Community Housing Development Organization (CHDO) in Washington County. Ms. Shuppert said the Community Action Partnership (CAP) of Ramsey and Washington Counties is certified as a CHDO and has received our funds in the past. Right now they are finishing up a project with Ramsey County and hopefully will complete another project in Washington County in the future. Commissioner Belisle asked if Twin Cities Habitat for Humanity qualifies as a CHDO anymore. Ms. Shuppert said under the new CHDO guidelines, they do not qualify any more.

**Commissioner Miron moved to close the Public Hearing, seconded by Commissioner Ryan.
Motion carried 6-0.**

**Commissioner Ryan moved to approve Resolution No. 19-16, seconded by Commissioner Dingle.
Motion carried 6-0.**

NEW BUSINESS

A-3 Resolution No. 19-17. Resolution Authorizing the Application to the U.S. Department of Housing and Urban Development for the Designation of Moving to Work Agency for the Washington County Community Development Agency

Ms. Lindquist discussed an opportunity the CDA has to apply for Moving to Work (MTW) demonstration project through HUD. MTW agencies are able to design and test innovative, locally-designed housing and self-sufficiency strategies for Public Housing and the Housing Choice Voucher (HCV) Program. The CDA would have the authority to waive statutory and/or regulatory barriers, create policies that address local needs and rethink current administration of public housing and HCV programs.

There are four different cohorts focus areas: Rent Reform, Work Requirements, Landlord Incentives, and Overall Impact of MTW Flexibility. The CDA is applying for the Cohort regarding Overall Impact of MTW Flexibility. There are three objectives to the demonstration project; 1. Cost Effectiveness; using MTW funds to leverage other funding, streamlining HUD processes and simplification of rent processes. 2. Self-sufficiency, linking rental assistance with supportive services, earned income exclusions, and self-sufficiency/employment requirements. 3. Housing Choice; program savings could be used for project-based vouchers, tax credit or mixed-income properties and landlord incentive programs.

This flexibility could result in streamlining and simplifying the recertification process by: using last year's tax filing as the basis for this year's rent calculation; change of requirements for interim rent changes; change of basis for minimum rent; changing the deductions for families or persons with disabilities or seniors to an overall amount rather than proving each expense; The CDA could also eliminate utility reimbursement payments. Payments of a dollar or two are expensive to administer.

Ms. Lindquist stated that the next step is to submit a letter of interest and commitment to participate to HUD as the application. If selected to participate, the CDA would then submit a full proposal that would be developed with community partners and determine the policy changes that would meet the needs of Washington County. A Resolution will be need to be approved by the Board in the future.

Commissioner Ryan asked who the Community Partners are. Ms. Lindquist said the Work Force Center, St. Andrew's Resource Center, Valley Outreach, Canvas Health and Salvation Army.

Commissioner Green said how long we would be a demonstration. Ms. Lindquist replied forever. Commissioner Green also asked about changes in policies, would some be administrative things, or would they need to be approved by this Board. Ms. Dacy said we have an Admission Policy and an Administrative Plan for the Housing Choice Voucher Program and will no doubt have to amend that policy and bring it back to the Board for approval. Board action today will allow the CDA to submit a letter of intent by the May 13th, 2019. The CDA will then be placed in a lottery pool for participation. After HUD makes its selections the CDA will then determine what next actions will be required. Commissioner Green asked how big the lottery pool is. Ms. Lindquist said this cohort is only for small PHAs and HUD is looking at geographic location since most of the previous MTWs are located on the coasts. In Minnesota, Minneapolis PHA is the only MTW.

Commissioner Ryan was wondering how it has been working out for Minneapolis and how long has the MTW been around. Ms. Dacy said the Minneapolis has been an MTW since 2008 and actually the MTW Program started in 1996.

Mr. Belisle asked if all the changes that are made require permission from HUD. Ms. Lindquist said that it is designed for us to make our own changes. HUD has some oversight, but it is more of a partnership.

Commissioner Green moved to approve Resolution No. 19-17, seconded by Commissioner Ryan. Motion carried 6-0.

A-4 Sending Letter to the Legislators

Ms. Dacy announced the Senate appropriations bill, currently sent to conference committee, contains language to eliminate the 31 percent set aside in the housing bond pool for single family programs. This set-aside is the funding source for the Minnesota Cities Participation Program (MCPD). MCPD is active in the county and funds the first-time homebuyer mortgage program. MCPD is offered by Minnesota Housing and administered by private lenders. The CDA Homeownership staff provide the homebuyer education. Our concern with the policy of removing the set aside is that it would eliminate the tax-exemption of the bonds funding this program which could lead to a drastic reduction and possible elimination of homebuyer resources in the county.

Commissioner Ryan asked if Ms. Dacy knew why this was proposed to be eliminated. Ms. Dacy said there is a group of private sector, multi-family developers and associates that really want to shift the policy from a 2/3 multifamily and 1/3 single family balance to 100 percent multifamily.

Commissioner Belisle asked if this would eliminate the program. Ms. Dacy stated it would eliminate the tax-exempt bond tool to fund the program. Minnesota Housing could supposedly issue taxable debt to operate the mortgage program but that would likely increase interest rates. Minnesota Housing does not support the elimination of the set-aside but she does not know what the response will be if eliminated. Commissioner Belisle asked if Minnesota Housing could do anything they wanted with their bonds. Ms. Taphorn explained that the set-aside is not from the entitlement bond allocation of Minnesota Housing but of the competitive tax-exempt bonds available through Minnesota Management and Budget, the same source the CDA used for the bonds issued to build Piccadilly Square.

Commissioner Miron asked under what committee this language went through in the Senate. Ms. Dacy said the Tax Committee. Commissioner Miron pointed out that Senator Chamberlin chairs the Tax Committee. Commissioner Miron asked for clarification that this language was not be deleted in the Minnesota House. Ms. Dacy said correct, since the bills differ they are in the conference committee stage. The House has already passed their omnibus tax bill and there is no provision about the set-aside in that.

Commissioner Green moved to approve Letter to Legislators, seconded by Commissioner Widen Motion carried 6-0.

DISCUSSION

D-1 Review Outcomes of 2018 Predevelopment Finance Fund Grants

Mr. Eng stated he heard the Board's previous concerns about the Predevelopment Finance Fund. He reviewed updated information about the recent Cottage Grove grant application from the previous monthly CDA meeting and stated that the property owners have previously completed a study for the site but it was premarket and the City has advised it was not realistic and would not have worked.

Mr. Eng introduced Neil Soltis, City Administrator of Scandia, who joined us to talk about the predevelopment finance fund program and its positive impacts from the City prospective. Mr. Eng provided a summary of the 2018 CDA grant awards that have been funded to-date: including the Cities of Oak Park

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Heights; Scandia; Hugo; Forest Lake and Mahtomedi. In 2019 Cottage Grove and Scandia were awarded grants and Mr. Eng indicated we are anticipating new applications from: Forest Lake (Business Park); Hugo (Hopkins School); Oak Park Heights (King Plant) and potentially Woodbury.. Neil Soltis, City Administrator of Scandia highlighted the Scandia Sanitary Sewer Study that was recently undertaken after two business approached the city with sanitary sewer concerns. Mr. Soltis also provided an overview on Scandia having private water wells. The grant funds are being used to conduct a study to determine if municipal water can be made available for businesses in the downtown area for a public water supply, with good quality and adequate pressure and hopefully for a new water tower in the future.

Mr. Eng provided an overall program summary. We have awarded \$71,533 in grant funds to date; leveraged \$44,859 in City matching funding; includes 268.58 acres. Outcomes include a \$644,000 MNDOT Planning Grant (Oak Park Heights); \$2 million redevelopment effort underway in Oak Park Heights and we are getting closer to having shovel ready business sites.

Chair Belisle asked about the ongoing program funding Mr. Eng said the Finance Committee will be reviewing ongoing program funding in June and this will also be discussed.

D-2 Review Results of 2018 Wilder Homelessness Survey

Ms. Lindquist discussed homelessness in Washington County and presented the results of the Wilder study. I will talk about Wilder Study results, what our homeless system looks like in the county, metro region, state and federal. Barbara is going to discuss the continued collaboration and opportunities with Washington County Community Services staff. The goal is to prevent homelessness whenever possible, and if that is not possible, the experience of homelessness is rare, brief and non-recurring. Wilder Research does a state wide study every three years for one day to better understand the prevalence of homelessness in Minnesota. The study includes face to face interviews that last about 45 minutes to gathers detailed data on individuals and a simple count. The count is the information I currently have with the full study coming out later in the summer of 2019.

The Wilder study uses the Federal Definition of homelessness and includes people that are literally homeless such as living in an emergency shelter, living in a car, abandon building. The definition also includes families with children or unaccompanied youth up to age twenty-four who are unstably housed, or fleeing domestic or dating violence.

Initial observations for Minnesota are children 17 and younger with parents had a -1% of change since 2015-2018; Youth on their own 24 and younger +1; adults 25-54 +20%; other adults 55 and older +25% with a total increase of +10%. The number of homeless people surveyed in Washington County increase from 94 in 2015 to 156 in the 2018 study; Washington County saw an increase of unsheltered people from 2015 to 2018 up from 23 to 61 people. The County saw an increase in homeless adults up from 28 in 2015 to 75 people in 2018; and there was an increase of 47 families in the 2018 study from 43 to 90 families. Ms. Lindquist stated that there are different definitions of homelessness; there is federal definition that was discuss and then the state definition that includes couch hopping or doubled up. Then there is all of the other people that are at risk of homelessness, people facing eviction, living in overcrowded housing or paying over 30% of income towards housing.

Ms. Lindquist stated that the county has a Homeless Outreach Service Team (HOST) that identified 426 homeless in 2018 and had contact with an additional 1,667 people as risk of homelessness. HUD is mandating that Continuum of Care's (CoC's), the regional homeless planning body, have a coordinated entry system for housing program. These systems are required to have some type of an assessment tool to make sure people are housed in the appropriate type of housing to meet their needs. Each partner in the coordinate entry system conducts an assessment to determine the level of need, with the priority to house the hardest to serve. She stated that none of the Washington County access points receive HUD funding to provide this service. Access points are to help connect people to mainstream benefits and services such as food support, health care, transportation, job training/education. We have three types of housing programs; rapid rehousing, transitional housing and permanent housing.

She stated that the Homeless Management Information System (HMIS) data is collected to show how CoC's are performing. HUD is looking at performance measure on how many first time homeless, how many

successful exits from street outreach, total homeless, returns to homeless, successful exits from housing support and length of time being homeless. HUD is looking at the progress CoC's are making on improving performance measures to determine funding. Ms. Lindquist shared three stories of homeless people they have worked with living in their cars at the I-94 rest stop. They face barriers of working overnights and shelters only open in the evenings, afraid of going into the city out of their community they are familiar with, lack of affordable housing and lack of supportive service funding.

Ms. Dacy discussed the collaboration with community services. The CDA staff currently works with the county on Family Unification rental assistance program, Bridges rental assistance program, Heading Home Washington and Suburban Metro Area Continuum of Care (Shelter + Care Program). For this year, one of the CDA's goals for supportive housing is to explore options with Washington County Community Services to develop strategies to address supportive housing and homelessness needs. Ms. Dacy stated that potential issues for the future is the County using CDBG funds for a shelter and the role the CDA properties will play in a future program.

Commissioner Miron stated that we should keep the new county Met Council representatives informed. Commission Belisle asked that if by being a sub-allocator are we missing out in funds; he stated that he talked to two shelters last week and they said they are full. He stated that the fix for this is more money.

Commissioner Green asked if the school districts involved. Ms. Lindquist said yes through Heading Home Washington. Commission Miron said the school districts are involved in the northern cities.

REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

Ms. Taphorn said April is Fair Housing month. The CDA is hosting a human rights training with staff, Washington County staff and Shelter Corporation staff on Thursday April 18, 2019. She further recognized that April 22-26 is Community Development Week.

ECONOMIC DEVELOPMENT

Commissioner Belisle wanted to know about the meeting on April 17, 2019. Mr. Eng said tomorrow at 10:00 am in Hugo with Commissioner Belisle, Commissioner Miron and myself will be at success story to celebrating the rail improvements at the Hugo Industrial Park.

FINANCE AND PROPERTY MANAGEMENT

Mr. Christianson informed the board that the unaudited REAC submission had been accepted by HUD. Mr. Christianson also requested that the Finance Committee meet on Tuesday, June 4 at 3 P.M. in order to discuss the 2020 Budget.

Commissioner Belisle said it looks like the CDA has nine million dollars in checking and savings and asked if the CDA earns interest on those deposits. Mr. Christianson said the CDA is earning between 2% to 2 1/2%. Commissioner Belisle said at the time Piccadilly opened, the CDA was having a hard time filling the units. In response, the CDA lowered the rents and now the property is full, with 187 people on the waiting list. Commissioner Belisle asked if it was time to raise the rents to the original levels. Commissioner Belisle asked to have the topic added to the Finance Committee agenda in June.

RENTAL ASSISTANCE

Ms. Lindquist said we have hired a new employee for the Rental Assistance Specialist and her name is Kara Young-Dybedahl. She came from St. Paul PHA and has extensive experience in the rental assistance programs.

EXECUTIVE DIRECTOR

Ms. Dacy commented that Commissioner Dingle and Commissioner Ryan will be attending the Commissioner Fundamentals sessions at the Minnesota NAHRO conference in May.

BOARD COMMENTS

No Comments.

**Commissioner Widen moved to adjourn; seconded by Commissioner Green.
Motion carried 6-0.**

Meeting adjourned at 5:35 p.m.



Chair/Vice Chair Commissioner