

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 June 18, 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 Hoechst, Housing Assistance and Administrative Services Director; Ashley Engh, Finance Assistant Director; Bill Lightner, Project Manager II; Kathryn Paulson, Project Manager II; Angie Shuppert, Community Development Programs Manager; and Anne Cohoon, Administrative Assistant. Guests present; Kevin Chapdelaine, Newport City Council Member.

ROLL CALL

Commissioners Present: Green, Widen, Ryan, Belisle, Zeller and Dingle.

Commissioner Absent: Miron

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
May 21, 2019

Abstract of Bills May 2019
Total \$1,201,797.69

- A-1 Resolution No.19-23. Resolution Authorizing Construction Contract for Raymie Johnson Estates Parking Lot Rehabilitation
- A-2 Resolution No. 19-24. Resolution Authorizing an Amendment to the Procurement Policy
- A-3 Resolution No. 19-25. Resolution Authorizing the Application to the U.S. Department of Housing and Urban Development for the Designation of Moving to Work Under the First Cohort of the Moving to Work Expansion for the Washington County Community Development Agency

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

PRESENTATION

P-1 2020-2024 Consolidated Plan Process

Ms. Shuppert presented the consolidated plan process. Phase I, II and III were explained. This plan is due May 2020.

Commissioner Ryan asked if a one-year plan is going along with the five-year plan. Ms. Shuppert stated that the first of the five annual action plans will be attached to the five-year plan. It was asked if the action plan will change each subsequent year. Ms. Shuppert agreed stating any change would be based on what comes of the priorities and activities.

Commissioner Green asked about the composition of the citizen advisory committee and if it is the CDBG group. Ms. Shuppert said they are the same and that there are two members from the CDA Board and some citizens that have been appointed by the County Board.

NEW BUSINESS

A-4 Resolution No. 19-26. Resolution Approving Providing Available Tax Increment to City of Newport for Payment of City of Newport Interfund Loan

Ms. Taphorn asked for approval authorizing reimbursement out of Tax Increment Financing (TIF) district 2-2 to the City of Newport for acquisition and demolition in the Red Rock Crossing redevelopment area. The City of Newport is looking to purchase a residential property in the redevelopment area which the CDA choose not to pursue earlier this year. An interfund loan would allow the City to make this purchase. This interfund loan proposal is for \$90,000. Loan interest would be 4%. The interfund loan could be paid out of available tax increment. There would be no risk to the CDA. Ms. Taphorn concluded by recommending this interfund loan be authorized and the resolution be approved. Ms. Taphorn introduced Newport Council Member Kevin Chapdelaine.

Newport Council Member Kevin Chapdelaine reiterated the agreement between the CDA and City of Newport is designed for the betterment of the community and this particular project would meet that overall goal.

Commissioner Zeller asked Mr. Chapdelaine what would happen to the property and how would it be developed. Mr. Chapdelaine said the City of Newport sees it as being added to the properties already owned by the CDA and as a whole to what can be done in the neighborhood. Mr. Chapdelaine added that the city did not want this property to go to private ownership and potentially be more difficult to acquire in the future. The City of Newport Planning Commission is currently finishing the 2040 Comprehensive Plan and would be completing the zoning map. He hopes to get back together to meet with CDA later this year to discuss this redevelopment vision.

Commissioner Zeller asked Ms. Taphorn to clarify his understanding on TIF repayment of CDA then city then developer. Ms. Taphorn explained that this TIF district will not pay private developers, it would reimburse the CDA for site assembly and then the City of Newport. Commissioner Zeller stated that he hopes the site is developed soon and hopes that the CDA does not have to wait long to recoup costs.

Commissioner Dingle asked Mr. Chapdelaine what the City of Newport's vision was for the area. Mr. Chapdelaine said the City of Newport has a great group of people in the Planning Commission and they are working on it and hope to meet with the CDA by the end of this year.

Commissioner Belisle clarified if Mr. Chapdelaine thought that the redevelopment plan would be done by the end of the year. Mr. Chapdelaine said the planning commission needs to finish the 2040 Comprehensive Plan and completion of the zoning map is all that is left to do. Mr. Chapdelaine said once that is finished, they would contact CDA staff to set up a workshop meeting.

Commissioner Dingle moved to approve Resolution No. 19-26, seconded by Commissioner Widen. Motion carried 6-0.

DISCUSSION

D-1 Public Housing Repositioning

Ms. Taphorn explained that the CDA was interested in repositioning the public housing portfolio. This repositioning would stabilize the operational revenue, eliminate the need for local funds to support a federal program, eliminate REAC inspections, eliminate environmental reviews, and lessen the reporting requirements. She reviewed the options available.

Ms. Taphorn recommended converting the Public Housing units under the Streamlined Voluntary Conversion process using a waiver for small public housing agencies (PHAs). This would allow the conversion without the need for a conversion assessment with appraisals of all properties and financial analysis. This recommendation would also ensure no involuntary displacement of any residents if CDA

continues to maintain ownerships of those units. The tax credit units would remain with Duffy Development. Ms. Taphorn thinks the scattered sites could easily be rented for the fair market rents (FMR). The FMRs for the one bedroom at Whispering Pines may need to be reassessed due to the size of the units and the age of the building. The CDA could work with Shelter Management and do some market studies to find the viable rent.

Commissioner Zeller asked for clarification of her recommendation. Ms. Taphorn said the recommendation is to keep all the public housing units but convert them to affordable housing. The rent would be set at the Fair Market Rent under the voucher program. Tenants would receive a tenant protection voucher. Tenants could choose to stay in the current unit or move. Vacated units could then be rented to anyone.

Commissioner Belisle asked if the CDA set rents according to the FMR if the tenant would still pay 30% of their income towards the rent. Ms. Taphorn stated that tenants who are currently paying 30% of their income for the rent would not see an increase. Future residents would pay the set rent amount and would not receive rental assistance. Commissioner Belisle clarified that these would be tenant-based vouchers and not project based. Ms. Taphorn confirmed.

Executive Director Dacy asked about the administrative fee that comes with the vouchers. Ms. Taphorn said there is a monthly administrative fee per voucher of approximately \$80, which would generate enough income to pay for an additional Rental Assistance Specialist.

Ms. Taphorn stated that if commissioners agreed, she would develop a conversion plan and would consult with the resident advisory board and resident councils in July. The timing would converge with the public housing agency annual plan and five-year plan that is due October 15th. There would be a public hearing required and public comment period. The PHA annual plan will be published August 2nd and a public hearing held at the September Board Meeting. This would allow for the timely submission of the plan by October 15th. Once the plan is completed, the application for conversion can be submitted.

Commissioner Green asked what type of feedback was anticipated. Ms. Taphorn referred to meetings that have already been held and the comments received so far indicate that residents believe that this will give them more options.

Commissioner Green asked if the \$80 fee would be the responsibility of tenant. Ms. Taphorn said that the fee comes from HUD.

Commissioner Belisle asked if the next time this topic is looked at if Mr. Christianson, the Finance Director, could put together a very brief financial overview of it. Ms. Taphorn agreed.

REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

Ms. Taphorn said The Glen on Valley Creek is behind schedule. Opening will be delayed to at least September 1st but more likely October 1st.

Commissioner Belisle asked if preleasing has started at The Glen. Ms. Taphorn said out of 42 units, 6 have project-based vouchers. There must be a certificate of occupancy before names can be pulled for those units. That leaves 36 units and 35 have been preleased with the security deposit paid.

Ms. Taphorn has received two 9% tax credit applications. One is a supplemental request from Rosemary Apartments in Hugo and the other is a new application from The Hemingway in Cottage Grove.

ECONOMIC DEVELOPMENT

Mr. Eng stated that in order to be competitive, Washington County needs to help local companies and potential new companies find and retain a talented workforce. Mr. Eng said the Forest Lake school district reached out to him to introduce their new Career Launch program to better coordinate and connect businesses to the students in order to help train and fill employer needs. On July 22nd Mr. Eng will be assisting the Forest Lake Area Schools

with the first in the county Workforce and Business Summit. The partnership will be between the cities of Hugo, Scandia, Forest Lake, a small part of Wyoming, the Forest Lake School District, Washington County CDA and Washington County Workforce Development Board. This is a free event. Businesses will be invited to discuss the type of workforce that they need. Schools will then take this information and develop curriculum that will prepare students for high paying jobs in their communities without the need for a four year college degree.

Commissioner Zeller added that he had a similar discussion with an area business and the Youth Service Bureau dealing with some at-risk kids and alternatives for a brighter future and offered to discuss further with Mr. Eng after the meeting. Mr. Eng added that the Youth Service Bureau is a part of the Forest Lake School District grant through the Department of Labor.

Commissioner Belisle asked how the businesses are being contacted for this event. Mr. Eng is working with the Washington County Workforce Development Division who is reaching out to the businesses directly using lists from Hugo and Forest Lake. Mr. Eng stated he has also directly contacted manufacturing and construction businesses. Washington County Workforce Development Division will send direct email including a flyer and use EventBrite.com to do registrations. Mr. Eng has contacted Wyoming and Scandia and is waiting for those business lists. Mr. Eng stated that the emails will be sent within the next week or two. Commissioner Belisle added that he attended a recent Schwieter's event where they are having challenges getting workers. Mr. Eng stated that Schwieter's has a need for 100 new employees. Mr. Eng helped set up a meeting with the Forest Lake Area Schools Career Launch Program Director, Mike Miron, to talk about starting internships and bringing the building trades into the high school to provide supplies, materials and training so the students may become interested in working right out of high school making good wages.

FINANCE AND PROPERTY MANAGEMENT

Mr. Christianson stated that Raymie Johnson had a successful REAC inspection last Thursday and the finished report was received yesterday. More details will be ready on that inspection for the next Board meeting. Briar Pond will have its REAC inspection next Tuesday.

Commissioner Belisle asked if every unit gets inspected. Mr. Christianson said that 22 of the 120 units were inspected at Raymie Johnson. Mr. Christianson added that the tenants get plenty of notice before the inspections.

RENTAL ASSISTANCE

Ms. Hoechst stated there is nothing to add at this point and would take questions. No questions were raised.

EXECUTIVE DIRECTOR

Ms. Dacy handed out the new CDA program description brochure. These brochures will be used as handouts at events where staff is asked to speak. The brochure is a summary description of what the CDA does and how the CDA is relevant in the county. It is intended to be a living document so that as programs and initiatives change the handout can be easily improved and updated.

Ms. Dacy talked about the tour with MN Housing Commissioner Jennifer Ho scheduled for next Thursday.

Ms. Dacy added that she is part of the City of Cottage Grove's advisory committee on a potential bus loop. DARTS will be looking into a circulator between some of the senior developments and housing developments at 80th Street and south on Highway 61. Ms. Dacy will keep the board notified of the progress.

Ms. Dacy stated that Commissioner's Dingle and Ryan went to the MN NARHO conference where they learned a lot about being a commissioner.

Ms. Dacy asked that after the Board Comments she would like The Board to enter a closed executive session to review security information and data for the annual reminder of how to handle emergency situations during Board Sessions.

BOARD COMMENTS

Commissioner's Dingle and Ryan shared their experience at the NARHO conference with the Board. Some topics from this conference that may be worth while to cover in future Board meetings could be policies on guns, marijuana or pets.

Commissioner Zeller moved to enter Closed Executive Session; seconded by Commissioner Ryan. Motion carried 6-0.

Closed Executive Session began at 3:58 p.m.

Commissioner Zeller moved to adjourn to Closed Executive Session; seconded by Commissioner Dingle. Motion carried 6-0.

Closed Executive Session adjourned at 4:09 p.m.

Commissioner Zeller moved to adjourn the regular meeting; seconded by Commissioner Ryan. Motion carried 6-0.

Meeting adjourned at 4:10 p.m.

Chair/Vice Chair Commissioner