

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 August 20, 2019 at 3:00 p.m. Staff present: 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; Becky Nelson, Senior Accountant; Bill Lightner, Project Manager II; Kristen Scobie, Project Manager II; Angie Shuppert, Community Development Programs Manager; Dana Slimmer, Homeownership Specialist; Ryan Gruber, Human Resources and Communications Coordinator; and Lori Creamer, Administrative Specialist.

ROLL CALL

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

Commissioner Absent: none

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
July 16, 2019

Abstract of Bills July 2019
Total \$ 1,408,673.03

- A-1 Resolution No.19-27. Resolution Authorizing Execution of the Community Development Block Grant Development Agreement for the Accessible Space Incorporated Capital Improvements Project
- A-2 Resolution No. 19-28. Resolution Authorizing Execution of the Community Development Block Grant Development Agreement for the Landfall Site Improvements Projects
- A-3 Resolution No. 19-29. Resolution Authorizing the Deputy Executive Director and Department Directors to Execute Certain Documents on Behalf of the Agency
- A-4 Resolution No. 19-30. Resolution Amending and Restating the Community Development Agency Bylaws

Commissioner Widen moved to approve the Consent Calendar, seconded by Commissioner Dingle. Motion carried 7-0.

PRESENTATION

- P-1 Home Equity Conversion Mortgage Counseling Program
Dana Slimmer, Homeownership Specialist

Ms. Slimmer presented information on the CDA's Home Equity Conversion Mortgage or reverse mortgage Counseling program.

Commissioner Belisle asked if the significant equity requirement is a percentage of the home value or an absolute dollar amount. Ms. Slimmer stated the amount of the mortgage depends upon the interest rate, the homeowner's age and the home's appraised value. A formula is used to calculate how much

can be borrowed. The program is trying to set aside enough funds to off-set the years of interest that might accrue.

PUBLIC HEARING

A-5 Resolution No. 19-31. Resolution Amending Chapters 4 and 19 of the Housing Choice Voucher Administrative Plan

Commissioner Zeller moved to open the public hearing, seconded by Ryan. Motion carried 7-0.

Ms. Hoechst explained the changes that were being made to chapters 4 and 19 of the Housing Choice Voucher Administrative Plan. By making these changes, the CDA provides a safety net to people who are participants in its rental assistance programs, but the programs may be underfunded. This change allows the participant to move to the Housing Choice Voucher program wait list and to receive a preference. Ms. Hoechst read the comments from the Resident Advisory Board into the record. These comments were supportive of this option and no response was needed from the CDA.

Chair Belisle asked the public for any additional comments. No one was there to comment on the proposed changes to the Administrative Plan.

Commissioner Zeller moved to close the public hearing, seconded by Commissioner Widen. Motion carried 7-0.

Commissioner Green commented that staff had prepared the Board well on this action.

Commissioner Green moved to approve Resolution 19-31, seconded by Commissioner Miron. Motion carried 7-0.

NEW BUSINESS

A-6 Resolution No. 19-32. Resolution Adopting A Proposed 2019 Special Benefit Tax Levy Collectible in 2020

Mr. Christianson introduced the 2019 Tax Levy collectible in 2020. The CDA is considered a special taxing district and the levy is subject to consent by the County Board, as the governing elected body. Last week, Ms. Dacy presented the strategic initiatives, budget, and proposed levy at a County Board workshop. On a \$295,000 home, the median value in Washington County, the CDA tax levy would be \$38.49, which is a \$0.67 increase from the prior year. The actual tax rate decreased to 1.35% down from 1.42%. The Washington County Commissioners stated they had no overall concerns. The next step in the budget process is to approve the resolution to provide the County Treasurer the proposed levy. The County will vote to provide preliminary approval in September and final approval will be voted in December, after the truth in taxation hearings.

Chair Belisle entertained any questions or comments. Commissioner Green stated it seems like, in government, when the economy is strong, and everything is good it's easy to come up with a budget with a modest increase in the levy. When things go the other direction and the demand for services increases it is harder to pass levy increases because the value of houses might be going down and it looks like the levy is going up and people get excited about it. The State tries to create a "rainy day" fund to deal with these economic downturns. Commissioner Green asked if the CDA reserves would be adequate to handle a downturn in the economy. Mr. Christianson stated the reserves are designed to consider the risk of an economic downturn. There is basically a year lag time to respond to a downturn and therefore time to react. The policy is mirrored after the County's policy, so it's not designed to be indefinite, but it is adequate to meet the immediate needs and provides an opportunity to plan next steps. The CDA is currently levying 15% below the maximum amount allowed, so there is some leeway if property values do contract, the percentage would be higher, but would remain under the allotted threshold.

Chair Belisle stated this type of long-term planning is discussed at length in the Finance Committee meetings and suggested that Commissioner Green be added to the finance committee if interested.

Commissioner Zeller moved to approve Resolution 19-32, seconded by Commissioner Widen. Motion carried 7-0.

A-7 Resolution No. 19-33. Resolution Adopting Rent Increases for 2020

Mr. Christianson presented the resolution adopting the rent increases for 2020. By passing this in August, it gives the management company time to give a 60-day notice of the rent increase for lease renewals beginning on January 1. The proposed rent increase for all senior housing is at 2% and for family housing 2%, except Briar Pond and Woodland Park will increase 3%. The tax credit developments have 2% rent increases as well, which is in line with the proforma projections that were established with the investor partners. The impact on the households in most cases is \$12-18 per month. This is an increase of \$210,000 in total additional rent revenue which will go to offset increases in operating costs and some capital improvements. Overall, the monthly rents are affordable to the 30% and 50% Area Median Income (AMI) level. There are a few cases, like Briar Pond, where the rent is higher but affordable to the 60% AMI level. The Social Security inflation rate was taken into consideration when setting the rent increases for the senior buildings.

Commissioner Belisle stated this topic has been discussed at length at the Finance Committee. The rent increases have been a bit more aggressive the last two years to plan for possible downturns in the economy.

Commissioner Miron moved to approve Resolution 19-33, seconded by Commissioner Dingle. Motion carried 7-0.

A-8 Resolution No. 19-34. Resolution Adopting Employee Handbook and Personnel Policies

Mr. Gruber presented a revised Employee Handbook and personnel-related policies. The revised handbook and policies remove procedural language from policy documents so staff can handle those matters as standard operating procedures and not bring those items to the CDA Board. The CDA has been working with ADP, which has several human resources services, including personnel documents and policies ADP provides notice of updates to policies, which the CDA would likely compile and bring to the board for adoption on a semi-annual or annual basis as a consent agenda item.

Mr. Gruber highlighted changes to the leave period, compensation adjustment for part time employees, and the grievance policy. In summary, the documents have been developed by ADP. The Family Medical Leave Act language and all the stand-alone documents have been reviewed by Madden, Galanter, Hansen LLP. If approved, the documents would go into effect on September 1, 2019.

Commissioner Green moved to approve Resolution 19-34, seconded by Commissioner Dingle. Motion carried 7-0.

DISCUSSION

D-1 Proposed CDA Property Naming Policy

Ms. Taphorn stated a draft policy has been created regarding the naming of CDA properties. One of the things the policy sets out is current practice. The CDA deliberately names properties that have a location identifier in them. The draft policy establishes the circumstances under which the CDA would name a property or area of the property after a person. The policy states that the CDA would not name a property after a living individual and that the person would have to be deceased for at least 12 months and have made significant contributions to the CDA or affordable housing in Washington County, and then secondarily Washington County or the City or community where the property is located. This policy states that the name of a property will be brought to the CDA Board for approval.

Commissioner Zeller asked about contemplating a donation of land or money in exchange for naming. Ms. Taphorn stated such stipulations were considered but not included. Instead, that would be considered under the individual naming criteria. There are concerns about naming after a living individual. Commissioner Zeller suggested looking at the Stillwater School District's policy as they have been presented with that challenge a few times and have spent quite a bit of time on the policy. When purchasing land or land is being donated the request often comes with some type of naming or recognition.

Commissioner Green asked the question about using the CDA's name for the facilities. Some of the non-profit developers, such as Presbyterian Homes, do a branding approach which consumers then have an expectation of the amenities and service levels.

Ms. Taphorn responded, the CDA has not taken that approach because the CDA has tried to be an invisible owner in the community. Sometimes there is a negative connotation to a government owned facility. Other times, residents do not necessarily want it announced that they live in publicly owned property. Staff will examine that approach or the use of some non-CDA name that would be a branding tool. Ms. Taphorn stated the comments will be taken into consideration and the policy revised for consideration in September.

D-2 CDA Property Maintenance

Mr. Christianson stated, as the Board was briefed last month, there was a complaint at Cobble Hill regarding window cleaning after a renovation. The current approach is to wash the exterior of common area windows annually, except those beyond arms-length, and in-unit windows are washed at turns. Recommendations are to continue to wash the common areas annually, in-unit windows washed at turn, scattered site homes would be the responsibility of the tenant, senior housing window washing would be the responsibility of the CDA as budget allows and family housing will be the responsibility of the tenant but the property management firm will help facilitate the process. All windows impacted by a rehabilitation project would be cleaned.

Mr. Christianson stated that staff is looking for direction from the Board as to how to move forward with window cleaning and general maintenance.

Chair Belisle commented he favors not having a policy, instead use discretion when situations arise.

REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

Ms. Taphorn reported on the groundbreaking of the Legends of Woodbury. Governor Walz attended the groundbreaking which Barbara Dacy spoke at the ceremony. Ms. Taphorn also reported The Glen at Valley Creek continues to experience construction delays, mainly due to excess rain. As the developer and managing member, the CDA is responsible for any tax credits that aren't delivered as promised. Staff has set aside the first developer fee payment to cover any tax credit adjustment imposed by and due to the investing member. Another potential source is liquidated damages paid by the general contractor, if the building is not delivered on the agreed upon date of September 6th. Staff has also earmarked funds to pay for the reserves and escrows that would have normally been paid out of rents collected, but not be available due to the delay.

Commissioner Belisle asked about the construction contingency. Ms. Taphorn replied that staff has been monitoring and projecting the use of the budgeted contingency and there is a cushion, but the goal is to spend it all to maximize the tax credits.

ECONOMIC DEVELOPMENT

Mr. Eng stated there is a Predevelopment Finance Fund application pending for a large master planning project related to the Gold Line Corridor in the City of Woodbury. The existing Predevelopment Finance Fund Policy provides for a \$40,000 cap on CDA Predevelopment Finance Fund grant funds; however, this project will likely be asking for an amendment to the current policy allowing for an amount exceeding \$40,000. This request will be an agenda item at a later meeting for the Board's consideration to approve an amount over \$40,000 at the discretion of the CDA Board. An application for grant funding from the City of Oakdale is also anticipated to

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come in with regards to stormwater planning around the Gold Line Corridor for around \$10,000. An additional application for grant funding is anticipated from the City of Oak Parks Heights for \$25,000.

Commissioner Green commented is it important to focus on the health of the community, not just transportation.

Commissioner Zeller stated he sat on the Gold Line Corridor Task Force from its infancy, and there was quite a bit of involvement from property owners and wondered if they are participating in the costs. Mr. Eng stated he wasn't sure but would reach out to the City of Woodbury staff to ask. Commissioner Zeller stated that everyone should be involved to have some skin in the game. Commissioner Belisle agreed with that comment.

Commissioner Belisle asked if any funding requests above \$10,000 must be approved by the Board. Mr. Eng stated staff approves grant amounts up to \$10,000; anything above that would be brought before the Board for consideration. Commissioner Belisle asked what the amount is in the budget for these projects. Mr. Eng stated the CDA is currently working with 2018 money which is approximately \$85,000, \$150,000 for 2019 and \$150,000 has been budgeted for 2020.

FINANCE AND PROPERTY MANAGEMENT

Mr. Christianson proposed a Finance Committee meeting in October. He proposed one hour before a regularly scheduled Board meeting to discuss a draft of the debt management policy and to have Dave Mol from Redpath and Company preview the 2019 audit process. Mr. Christianson will confirm with the auditors a meeting on October 15th prior to the regularly scheduled Board meeting.

RENTAL ASSISTANCE

Ms. Hoechst stated that there was nothing beyond the report.

EXECUTIVE DIRECTOR

Ms. Dacy was not in attendance.

BOARD COMMENTS

None.

Commissioner Zeller moved to adjourn; seconded by Commissioner Ryan. Motion carried 7-0.

Meeting adjourned at 4:04 p.m.

Chair/Vice Chair Commissioner