Meeting of the Housing and Redevelopment Authority Held at the Elk River City Hall Monday, October 7, 2024

Members Present:	Chair Denny Chuba, Commissioners Mel Beaudry, Lynn Caswell, Nate Ovall, and Jennifer Wagner (5:51 p.m.)
Members Absent:	None
Staff Present:	Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, and Recording Secretary Jennifer Green

1. CALL MEETING TO ORDER
Pursuant to due call and notice thereof, the meeting was called to order at 5:30 PM.

2. PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

4. CONSENT AGENDA
Moved by Commissioner Beaudry and seconded by Commissioner Ovall to approve the following consent items as outlined in their respective staff reports. Motion Carried 4-0.

4.1 Draft Special HRA Minutes - August 20, 2024

4.2 Draft HRA Minutes - September 3, 2024

4.3 Check Register

4.4 Balance Sheet

4.5 Revenue/Expenditure Reports

5. OPEN FORUM
No one appeared for Open Forum.

6. GENERAL BUSINESS

6.1 Housing Rehabilitation Loan Program Update

Mr. Mollan presented the staff report.

The commission discussed the CEE renewal for administering the rehabilitation loan program. Mr. O'Neil explained the two agreements the HRA has with CEE - the origination agreement, which helps them source loans, and the servicing loan agreement, for servicing the current loans. He stated the HRA has been with CEE for the past 7 years and feels there's value in the annual $5000 fee. He stated staff intends to stick with them unless the commission feels otherwise.

Commissioner Beaudry asked if the annual administration fee of $5000 could be recouped in loan fees from the borrower.

Mr. O'Neil stated they certainly could, and there is a closing fee paid for by the borrower, but just having CEE on hold/retainer is a flat $5000.

Commissioner Caswell asked if the Affordable Housing grant funds could be used to pay the administration fee to CEE.

Mr. O'Neil stated that could be a possibility, but there were some income eligibility standards that the city would have to develop as the rehab loan program isn't currently based upon income eligibility requirements.

Commissioner Caswell wondered if that could be used on a case by case basis if a borrower met the income eligibility, and could receive fee reimbursement.

Commissioner Ovall added that he would always defer the needs and wishes of our Finance department and if the fees increased, it may make sense to bring administering the loans in-house. However, he feels CEE offers loan administration efficiency and there is additional value such as CEE finding other loan programs for residents.

Mr. O'Neil stated the Finance department appreciates CEE administering and servicing the loans. If in-house, loan origination would be administered by himself, Joshua, or would have to look at another third party.

6.2 General Updates

Mr. Mollan stated the 2025 downtown flower baskets are currently being planted and staff asked for direction on any color suggestions for next year. He suggested multiple colors with trailing vines that spill out of basket.

Chair Chuba noted most of the plants this year were the same color and suggested more variation. Mr. Mollan would share that feedback with YardWorx.

Mr. O'Neil stated they were very close to having the Main and Gates transaction completed. He stated Mr. Touchette is waiting for the grading work permit to be issued by the Building department, and they would then schedule a closing date, with closing that could occur within a 48-hour notice.

Mr. O'Neil updated the HRA that the Boop property at 19116 Troy Street had two family members who came forward as relatives of Mr. Boop. He stated that may prevent the HRA from redeveloping the property. He stated the city may continue condemnation of the property due to the substandard nature of the building, and if demolition occurs, the property taxes will be assessed for the cost of the demolition.

Mr. O'Neil stated he had just learned the first draft of the Sherburne County housing study was completed.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Caswell and seconded by Commissioner Ovall to adjourn the meeting. Motion Carried 4-0.

The regular meeting adjourned at 5:47 p.m. and the worksession began at 5:51 p.m. Commissioner Wagner arrived.

8. WORK SESSION

8.1 Statewide Affordable Housing Aid

Mr. O'Neil presented the staff report. He outlined the $232,000 in funds received in 2023, 2024, and projected for 2025 with $42,000 continuing thereafter and has four years to spend each allocation. He stated Sherburne County has also received funds and there may be opportunities to partner with the county on joint efforts. He noted the Sherburne County draft housing study may reveal some possible income-based needs.

Mr. O'Neil outlined the following state guidelines for the funds and asked the HRA for additional ideas:
-Emergency Rental assistance and emergency housing
-Financial support to nonprofit providers
-Development of market-rate residential properties
-Construction, acquisition, rehabilitation, razing, relocation of structures
-Financial (construction permanent)

He outlined some other communities, one being in Greater MN (Brainerd area), and their ideas:
-Down payment assistance
-Owner occupied rehab
-Rental rehab
-Redevelopment Project
-Construct new homes
-Deferred financing
-Supportive housing (staffing)
-Habit-for-Humanity partnerships
-Energy improvements

The HRA discussed ideas on how to determine to use these funds. Some ideas discussed were:
-Duffy Development 55+ apartment
-Habitat for Humanity house

-Non-profit needs such as Open Doors for Youth - rental assistance
-Rivers of Hope - temporary housing assistance
-CAER Food Shelf - rental assistance
-Utility assistance - partnership with ERMU
-Grant assistance opportunities on a city loan program - reduced city fees or refund when loan paid off

Commissioner Ovall stated he leans heavily on staff's recommendations and knowledge on where these monies would best benefit the community; he was reticent to establish a legacy program.

Commissioner Wagner agreed with Commissioner Ovall's suggestion of not establishing a new program that would need continuous funding after the money is no longer available. She felt strongly about helping out existing non-profit opportunities such as Open Doors for Youth, and that a small dollar amount could have a huge impact on a non-profit with uses such as help with rental assistance.

Chair Chuba and Commissioner Caswell stated they would prefer aiding projects with smaller dollar amounts rather than one large project.

Commissioner Beaudry stated if a liaison is needed, he would volunteer.

Staff will review the suggestions and bring back more information at a future meeting.

9. MOTION TO ADJOURN

Moved by Commissioner Ovall and seconded by Commissioner Wagner to adjourn the meeting. Motion Carried 5-0.

The meeting adjourned at 06:15 p.m.

Minutes prepared by Jennifer Green.

Denny Chuba, Chair

Tina Allard, City Clerk