

# **BLUFF COUNTRY MINNESOTA MULTI-COUNTY HRA**

**Monday, January 26, 2009  
10:00 a.m.**

**Semcac Office  
204 South Elm Street, PO Box 549  
Rushford, MN 55971**

## **I. CALL TO ORDER**

**Tom Falbo called the meeting to order. New HRA Board Member, Tom Kaase was introduced. Introductions by all were made.**

## **II. ROLL CALL**

**Present: Sandy Wright, Tom Falbo, Bob Carlson, and Tom Kaase**

**Staff Present: Wayne Stenberg and Cindy Vitse**

## **III. APPROVAL OF MINUTES (November 2008)**

**Sandy made a motion to approve the minutes, second by Tom. Motion carried.**

## **IV. BUSINESS**

**A. Election of Officers – A motion was made by Sandy to keep officers as is, seconded by Tom K. Motion carried.**

**B. Review contract for services/sign – Wayne presented the Services Agreement between Semcac and the Bluff Country HRA. No changes to the Agreement were made except for the service dates. The Service Agreement will run from February 1, 2009 to January 31, 2010. Agreement will always run from February 1 to January 31. A motion to sign the Service Agreement was made by Tom K., seconded by Sandy. Motion carried.**

**C. Budget Update/Bills from Maxfield – Wayne handed out the trial balances for the HRA. As of the end of December, the HRA is \$19,153.71 in the red. This amount will be offset by other donations to help pay for the housing studies so it will be less once these monies are deposited. The Houston County Levy is \$39,550.22 in the black. The Fillmore County Levy is \$39,177.35 in the black, and the Spring Grove TIF is \$1,802.47 in the red.**

**The following bills were paid:**

**-Bill for \$7,400 for the Houston County Study was paid December 8, 2008 to Maxfield Research Inc.**

**-Bill for \$5,100 for the Fillmore County Study was paid December 8, 2008 to Maxfield Research Inc.**

**-Bill for \$5,283.69 for Fillmore County Study was paid January 7, 2009 to Maxfield Research Inc.**

**-Bill for \$8,224.27 for Houston County Study was paid January 7, 2009 to Maxfield Research Inc.**

- D. Update on Housing Studies/Comments of Houston County – Total cost for studies will be \$31,000 plus travel expenses. This additional cost will be split between each County, unless County specific.**

**The Houston County study was reviewed. Tom F. felt the study showed what he expected it to show. The Fillmore County study hasn't been received yet. Wayne informed the board that he should have the draft next week.**

**Wayne informed the board that he asked Jay, Maxfield Research Inc., to show more up to date information. Jay said he would work on located more up to date information. Most information is projected from the 2000 Census.**

- E. Discuss how to pay for \$1,000 shortfall from Houston County EDA – Tom F. told the board he talked to the Fiscal Director for Houston County about them withdrawing from paying the last \$500 for the study and for asking for their initial \$500 payment back. Tom F. said the Director told him they interpreted the letter to mean the minimum contribution was \$1,000. A motion was made by Sandy to take the \$1,000 shortfall from the Houston County levy funds, 2<sup>nd</sup> by Tom K. Motion carried.**
- F. Plan days and strategy of delivering new studies to Fillmore and Houston counties – Wayne will contact Jay from Maxfield Research Inc., to see when he would be able to come down and present the studies to each county. Wayne will talk to both County Coordinator's to see when an hour of time can be set aside for this presentation. Wayne will also ask each Coordinator if they would invite representatives from each City, Township, etc. Wayne said he would also like to let SEMDC staff know when the presentations will be. Once a date and time of confirmed, Wayne will let all board members know.**
- G. Review comments from GMHF on matching levy dollars – Wayne just received the revised Participation Agreement. It will be a 0% deferred loan for 15 years. A clause was added where it could be extended for another 15 years if the HRA chooses to do so. \$50,000**

will be received up front and the other \$50,000 will be sent when the initial \$50,000 has been spent. The HRA will get to keep any interest earned (at the end of the 15 year period). Quarterly reports are required. Staff of the HRA will be required to conduct a one time inspection of the work done through the loan. The HRA board wanted to clarify with GMHF if these funds can only be used for households with children. They also want to know if reports can be done semi-annually instead of quarterly. Wayne will talk to Hal Clapp, GMHF, about these questions. Tom F. suggested holding off on presenting the Housing Studies until March, that way they could also present the GMHF Agreement for the levy funds. Tentative dates Wayne will check on are March 10 in Fillmore County and March 17 in Houston County.

- H. Vesterheim update – Wayne met with Dan Christenson, one of the owners. The asking price is \$400,000, which would be \$20,000 per unit. Chuck Phillips, Regional Representative for Rural Development was in Rushford so Wayne talked to him about this potential deal. Chuck informed Wayne that the owners have to contact RD first to let them know they are interested in selling their property. There are a lot of steps that the owners have to go through with RD first before anything else can proceed ahead with the HRA possibly purchasing the buildings. These funds will be very hard to get at this time because of the economic situation. MN Housing right now is focusing their resources on the foreclosure crisis. 2008 rents at Vesterheim are \$450 for 1 bedroom units and \$475 for 2 bedroom units. Wayne wasn't sure if the owners had asked RD for a rent increase for 2009. Budget shows the project is currently losing money. Wayne told Chuck that if the HRA purchases the buildings that rents would have to be raised in order for this project to cash flow.
- I. MURL Program – Wayne told the board MN Housing pulled back Funding for this program. For now it is on hold until further notice.
- J. Open Discussion – Wayne said he received an email from the SWMHP to see if the HRA was still considering purchasing the two properties in Spring Grove and Harmony. Wayne said he told SWMHP that at this time they were not interested because the project wasn't feasible. SWMHP informed Wayne that they were moving ahead with the purchase of these two buildings, as they are part of a larger package. They asked if the HRA would be interested in purchasing these buildings at a later date. The HRA board would be interested in looking at this option. Wayne will let SWMHP know the board is interested.

Cindy updated the board on MCPP funds. For 2008 Houston County used 290.08% of funds and Fillmore County used 85.58%. The 2009 application was submitted to MN Housing the first week of January. In the past Semcac has covered the processing and allocation fees.

**The Minnesota Department of Finance charges a processing fee of \$20 for each \$100,000 allotment provided and a 1% refundable deposit (allocation fee). The allocation fee is returned to participants when the contracts are executed and before bonds are sold. In 2008 the processing fee was \$60 per county and the allocation fee was \$3,413.91 for Fillmore County and \$3,197.27 for Houston County. The board decided to pay the fees out of the levy funds.**

**V. ADJOURN**

**The next meeting will be Monday, February 23 at 10 a.m. at the Semcac Office in Rushford.**

**Tom K. made a motion to adjourn the meeting, seconded by Sandy. Motion carried.**