

BLUFF COUNTRY MINNESOTA MULTI-COUNTY HRA

**Monday, January 11, 2010
10:30 a.m.**

Annual Meeting

**Semcac Office
Rushford, MN**

I. CALL TO ORDER

Tom Falbo called the meeting to order.

II. ROLL CALL

Present: Tom Falbo, Bob Carlson and Sandy Wright
Absent: Tom Kaase
Staff Present: Wayne Stenberg, Cindy Vitse and Vonda Budde
Guest Present: None

III. APPROVAL OF MINUTES (November 2009)

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

IV. BUSINESS

- A. **Election of Officers** – Sandy made a motion to keep Tom F as President, change Bob C to Vice-President and Tom K to Secretary/Treasurer, Bob seconded motion. Motion carried.
- B. **Review contract for services/sign** – Contract between Semcac and the Bluff County HRA will run from January 11, 2010 to January 31, 2011. On page 8 of the board packet, Exhibit A explains the Scope of Services for Semcac. Bob made a motion to keep service contract as is, seconded by Sandy. Motion carried.
- C. **Financial Report** – Wayne reviewed handout with the board. In the Bluff Country TIF/Spring Grove program money is now starting to come in to cover expenses incurred for administering this TIF District. The general funding code (726) is where Wayne, Cindy and Vonda bill time to. 726 is currently at a negative \$1,542.85. Tom F suggested paying 726 off on a quarterly basis. A motion was made by Sandy to use the levy money on a quarterly basis to pay off expenses in 726, seconded by Bob. Motion carried.
- D. **Loan Progress Report** – Not many calls have come in yet for this loan product. Vonda said that she thinks once the rates start going back up that

this loan will look more attractive to those seeking assistance with home repairs. Ads have been run in local papers and also on the radio besides flyers being hung up around the area. Bob feels that once things turn around with the economy and people feel more secure with their employment that they will then be more willing to take on additional debt.

- E. **Spring Stone LLC Update** – The MN Housing HOME Rental Rehab Loan Program is still be worked on by SWMHP and has not been submitted to Semcac yet. Wayne and Cindy have already completed the HQS inspections at both locations. Once the work has been completed, SWMHP will set up a date and time to hold an open house at both locations. Wayne explained that pages 11 through 14 in the board packet is information on an Energy Efficiency and Conservation Block Grant that SWMHP is applying to for assistance with the Harmony building. They felt the Spring Grove building would have sufficient funds available to meet all rehab needs. Wayne will be presenting information about this at the Harmony City Council meeting on Tuesday, January 12, 2010. This information also shows the time line for this grant. Lloyd Management from Mankato has been contracted to be the management company for these two buildings.
- F. **Vesterheim Update** – Page 15 and 16 of the board packet are some emails between Dan Christianson and Wayne Stenberg regarding Vesterheim. Laurie from Rural Development has submitted this potential transaction to Greater Minnesota Housing Fund for a possible case study. Wayne is trying to see if a complete transfer is possible. He is still waiting for the cost information from Dan. Wayne feels this potential project can still happen but it will all depend on the financial portion.
- G. **Liability Insurance** – Wayne talked to both counties about having Errors and Omissions cover for the HRA, both said there wasn't any. Tom F. said it would be time for the HRA to have this coverage. Vonda checked with MN Counties Trust and they are not willing to provide this coverage for the HRA. She also checked with a local insurance company who checked with 6-8 companies and not one responded to their inquiry. Vonda checked with Craig Insurance from Lanesboro and they said the cost would be approximately \$800 per year but that the HRA would still have to apply and go through that process. Vonda also checked with State Farm and they did not provide this coverage. Tom F. suggested getting the application from Craig Insurance and start the process but also to call the Secretary of State for the State of MN to see if an HRA is considered a Corporate Entity like an EDA is. Wayne said he'd also check with some other HRA's to see what they have in place.
- H. **Review Strategic Plan** – The board reviewed the current Work Plan. The new plan will be from 2010 through 2011. The Mission Statement will be kept the same. The Executive Summary gives the HRA's goals and directions. This was created with assistance from MHP in 2008. Under Priorities – it was decided to keep the same priorities. Tom F. asked Wayne to point out to the County Commissioners what has been accomplished from this list the next time he meets with them. Some verbiage needs to be

changed to reflect what has already been completed. Wordage would have to be changed to show past tense. On page 5 of the study, Disaster Recovery in the BCHRA Region, it was decided to have this portion removed from the study. The Housing Needs in Fillmore and Houston Counties portion will need to be updated with information from the Maxfield Study. Page 10 will be updated to reflect this goal has been met and being maintained, page 11 has been met but is also still on-going as potential projects are always being looked at, page 12 Activity 2 the Time Line will be changed to "Open, as staff and funds permit", and page 13 this section will be removed as this has been met with the Maxfield Study. Wayne asked about any new goals. Houston County is interested in developing a Housing Plan. Tom F. would like to see the BCHRA be part of this. Goals could come from the Maxfield Study. Wayne will put together numbers and dollars that have come into each County as a result of the Maxfield Study and present this information at his next visit with the County Commissioners. Tom F. said he wanted the name of this plan changed from Work Plan to Strategic Plan. Wayne said he'd try meeting with each county some time in February.

- I. **Open Discussion** – MCPP application was submitted to MN Housing the beginning of January. Last year this program was put on hold and then canceled by MN Housing. Bob said he wished there was a way the HRA could help those in trouble with housing. Wayne explained that because of the volume of foreclosures in the metro area that most resources have gone to that location. He said there are literally neighborhoods and new housing developments boarded up because of homeowners and/or developers losing their homes and/or development projects. Tom F. mentioned Sunrise in Spring Grove is looking at the old hospital on Division Street, which has since been turned into rental units. They are thinking of expanding by purchasing this property but are looking towards the HRA as a possible partner. Tom F. said there are probably 6-8 rental units in this building. Tom F. said if Sunrise is going to pursue this that he would see about lining up a tour of the building for the HRA. Tom F. thought the sale price is around \$50,000 to \$60,000.

V. ADJOURN

The next meeting will be held on Monday, March 22, 2010 at 10 a.m. at the Semcac Office in Rushford.

Sandy made a motion to adjourn the meeting, seconded by Bob. Motion carried.