

# BLUFF COUNTRY MINNESOTA MULTI-COUNTY HRA

Monday, September 20, 2010  
10:00 a.m.

Semcac Office  
Rushford, MN

## I. CALL TO ORDER

Tom Falbo called the meeting to order.

## II. ROLL CALL

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

## III. APPROVAL OF MINUTES (July 2010)

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

## IV. BUSINESS

**A. Financial Report** – Vonda reviewed the financial report. She pointed out that the TIF amount was a little more in the negative along with the general fund for the HRA. Vonda was instructed to transfer \$3,920.58 over from the levy funds to balance the main fund. Tom K. made a motion to approve the financial report, seconded by Sandy. Motion carried.

**B. Loan Progress Report** – No activity to report.

**C. Minnesota City Participation Program** – Cindy reported that not much has changed since last month. Fillmore is still at 22.82% of funds used and Houston is still at 39.06% of funds used.

**D. Vesterheim Update** – Gerry talked to Chuck Risenberg, GMHF's consultant for working with distressed properties. Gerry informed the board that one of the owners in Vesterheim will have a tax liability with no way to pay. The building has about \$50,000 in reserves and is not eligible for Section 8 but any rental credits would stay with the building. It was suggested to enter into a partnership with the owners first and then work on transferring over the ownership to the HRA. Usually this is an easier way of doing this type of transaction. Other issues are recourse financing and RD. Dan C. contacted Gerry last week about where they are. Dan will be talking to Chuck to see what step is next. Gerry asked the board if they wanted him to keep working

with Dan or end further contact. Gerry said if the board wanted him to he could contact Dan every two weeks for updates. The board thought that was a good idea.

On a side note, Chuck also mentioned to Gerry not to consider moving ahead with the RD property in Mabel. He told Gerry they are in poor shape, have no reserves and would be working with RD.

**E. Old Hospital/Sunrise Care Spring Grove Update** – Gerry, Bob and Vonda meet with the owner and did a thorough inspection of the property. The building is in sound structural shape but does need some interior work. They could not access or see the roof so they are not sure of its condition. Overall the price is right but because it is considered a commercial building the interest rate would be higher and the bank would require a 20% down payment and no financing for any rehab work. Under these circumstances this would not be a financially feasible project for the HRA at this time. The board agreed.

**F. Open Discussion** – Tom F. asked if there are any other properties in the two counties that the HRA serves that could potentially be a project for the HRA. He wants the HRA to stay active with affordable housing. Gerry will stay in contact with Laurie at RD to see what may be available. Tom K. will check on properties in his district.

Springstone LLC – Tom K. had a phone meeting to draft some resolutions for the rehab dollars (HOME Rental). Should be moving forward to construction shortly.

Sandy asked if we had checked any further into purchasing foreclosed homes and rehabbing them and then selling them. This was discussed at the July meeting. Gerry said he hasn't done anything further with this after talking to Three Rivers but he will keep an eye on this as a possible option for the HRA. It will all depend on how the economy in regards to the real estate market.

## **V. ADJOURN**

Gerry suggested doing a monthly update for the HRA, in place of a meeting, when there isn't much activity to report on. Tom F. said for the remainder of the year to do this and then in January hold the annual meeting and then revisit meeting schedule. Tom K. suggested setting up tentative dates for the remainder of the year in case something comes up that the board needs to meet about.

The next meeting is tentatively schedule for Monday, October 18<sup>th</sup> at 10:00 a.m. at the Semcac Office in Rushford. Board members will be notified by October 13<sup>th</sup> if a meeting will be held.

For November the meeting is tentatively scheduled for Monday, November 15<sup>th</sup> at 10:00 a.m. at the Semcac Office in Rushford. Board members will be notified by November 10<sup>th</sup> if a meeting will be held.

There will be no meeting in December.

Annual Meeting will be held on Monday, January 10, 2011 at 10:30 a.m. at the Semcac Office in Rushford. This will also include a planning meeting following the Annual Meeting.

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