



MINUTES OF THE REGULAR EDA MEETING

EDA Members Present: Russ Smith, Shelly Peterson, Steve Micke, Dave Bjerkness, Lara Wilkinson, Mike Schultz, Ross Peterson

EDA Members Absent: None.

Staff Present: Brian Fritsinger, Holly Butcher (City); Kelly Zink (Cloquet Area Chamber of Commerce); Connie Christenson (Carlton County EDA)

Others Present: Deb Shaff, Cindy Slater (Cloquet HRA); Bruce Ahlgren (Housing Institute); Al Cottingham (City)

CALL TO ORDER

President Shelly Peterson called the meeting to order at 8:03 a.m.

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

APPROVAL OF MEETING MINUTES

President Shelly Peterson asked for any corrections or additions to the September 2, 2015 Meeting Minutes? Hearing none she asked for a motion.

Motion: Commissioner Smith moved, and Commissioner Ross Peterson seconded, that the EDA approve the Meeting Minutes from September 2, 2015. (Motion passed 7-0.)

APPROVAL OF AUGUST 2015 EDA FINANCIALS

Ms. Butcher reviewed the August 2015 cash balances and loans for the EDA. For the cash balances, she noted increases in Fund 201 and 203; no change in Funds 202 and 204, a zero balance in Fund 206, and an operational deficit in Fund 207 which will be addressed structurally by the City for future years. Ms. Butcher noted in the future there will be a Fund 208 for new Small Cities funding from DEED. President Shelly Peterson asked for a motion to approve the August Cloquet EDA financials.

Motion: Commissioner Ross Peterson moved, and Commissioner Micke seconded, that the EDA August 2015 financials be approved. (Motion passed 7-0).



APPROVAL OF SEPTEMBER 2015 EDA FINANCIALS

Ms. Butcher reviewed the September 2015 cash balances and loans for the EDA. For the cash balances, she noted increases in Funds 201 and 203, quarterly disbursement in Funds 202 and 204, a zero balance in Fund 206, and an operational deficit in Fund 207 which will be addressed structurally by the City for future years. President Shelly Peterson asked for a motion to approve the September Cloquet EDA financials.

Motion: Commissioner Ross Peterson moved, and Commissioner Micke seconded, that the EDA September 2015 financials be approved. (Motion passed 7-0).

ACTION ITEMS / PRESENTATION / DISCUSSION

Cloquet HRA Discussion

President Shelly Peterson welcomed Deb Shaff, Cloquet HRA Director and Cindy Slater, HRA Board member to the EDA meeting. Ms. Shaff provided an overview of the primary functions of the Cloquet HRA being:

CLOQUET SERVICES

- **Facility Operation of Aspen Arms** (Section 8 public housing facility).
Ms. Shaff mentioned Aspen Arms predominantly individual living units, there are two families, and 55% of the occupancy is seniors, 45% by a broad age spectrum with a mixture of mental/physical disabilities. Units are rented at 80% of Carlton County Fair Market Rent per HUD requirements and eligibility is based only on monthly income. Seven units were removed for HRA office space and eight units were remodeled into four handicapped units.
- **Administration of 155 off-site Section 8 housing vouchers at 110% of Carlton County Fair Market Rent (Duluth-Superior MSA Rents).**
Off-site vouchers are used into the Cloquet community and then within Carlton County if no housing can be found in Cloquet.

OTHER SERVICES

- The Cloquet HRA is paid administration fees from the City of Carlton to operate Woodland Pines which is connected to the Interfaith Care Center, a 19 unit public housing facility.

She stated there are four full time employees at the Cloquet HRA and it is governed by the HRA Board, at the discretion of the City of Cloquet. The current waiting list for Cloquet's Aspen Arms facility is 12-15 months long. Current initiatives of the Cloquet HRA are:



1. **Facility Upgrades.** Implementation of a facilities grant to upgrade boilers, elevators, lighting etc.
2. **Potential acquisition of the HDC Building.** Consideration of obtaining the HDC building via transfer of ownership to the HRA, although it is not known at this time if the 5 units available in the building will cash flow against operational expenses or not.
3. **Pursuit of the “Bridges” program.** Making application for funding for mentally challenged / homeless. This funding provides a “gap measure” to address short term housing needs and is not a voucher but a certificate program. Acknowledge there is significant paperwork with this program. HDC would need to conduct mental/situational assessments while the HRA will not find housing units, instead they will continue to maintain the list of housing facilities in the community.
4. **Housing Institute (a program of Minnesota Housing Partnership).** A committee of community members identifying housing needs on behalf of the HRA Board who have generated a preliminary concept of a 36 unit multifamily building (6/36 unit would be supportive housing) to potentially be located to the north of the existing Aspen Arms building. A RFQ (Request for Qualifications) will be sent out within the next 45 days. Secondly, there is additional land potentially available on the St. Paul’s Church property that the Cloquet HRA is considering the acquisition of to construct single family workforce housing and Carlton County Human Services has expressed interest in possibly leveraging the Department of Correction’s funding program which provides discharged county inmates construction field work experience. Last meeting of the group is in late October 2015.

Ms. Shaff mentioned attending Central Minnesota Housing Partnership’s (CMHP who is Carlton County’s designated Community Housing Development Organization or CHDO) meeting in Braham, MN yesterday and one barrier to furthering affordable housing projects at the state and other levels of government are lack of collaboration. Ms. Shaff expressed concern that one year ago the Cloquet EDA asked the Cloquet HRA to do more in the area of housing and they are attempting to do so but communication and collaboration with the City is non-existent. Mr. Fritsinger asked for some examples, Ms. Shaff stated the fact that the HRA was not contacted to be involved in the Cloquet Housing Study and selection of the study consultant as well as the overall lack of involvement in the Housing Institute. Mr. Fritsinger responded regarding the Housing Institute that the quick decision timeframe that the HRA made in January to move forward with the Housing Institute process was problematic in that the City was in the process of writing a final grant application for the Small Cities Program to obtain funding to rehabilitate both owner, rental, and commercial building stock. At this point, the HI group has been formed and is working on a project, the City is here to respond and review that project. Ms. Butcher mentioned that in regard to the Housing Study, the EDA hired a housing study for the City, market review housing studies do not typically included analysis of HRA



properties or homelessness issues. She did note that in the Housing Study shallow and deep subsidy unit occupancies are part of the study.

Ms. Shaff stated that she feels what the HRA is trying to do and other housing efforts in the City are competitive and she is aware of expressed concerns about the HRA's capacity. She said it is time for the City to clarify the HRA's role in housing in Cloquet and how it differentiates from the work the City/EDA does. Commissioner Bjerkness stated that timing wise there are two efforts going on with potential adaptive reuse or redevelopment of the Middle School building and new construction interests by the Cloquet HRA. Commissioner Schultz stated the perception of competition should certainly not be the case as there are different funding resources for projects and potentially even additional housing projects. Ms. Shaff suggested ideas to improve relations with the City/EDA could be:

- The City's involvement in providing knowledgeable input into the Cloquet HRA Housing Institute's Affordable Housing project concepts on their property/St. Paul's property.
- Clarify the roles of the Cloquet HRA vs. the Cloquet EDA as it relates to housing.
- Can a representative of the HRA serve as an ex-officio member of the Cloquet EDA Board?

Ms. Shaff and Ms. Slater were thanked for attendance and report to the EDA Board.

Direction: The Cloquet EDA will regroup and debrief and will evaluate appropriate next steps.

Roundtable / Informational Updates / EDA Questions

Next meeting date

November 4, 2015

ADJOURNED 9:37 a.m.

Respectfully submitted,

Holly L. Butcher, Community Development Director