

RANGE READINESS HOUSING TEAM

November 25, 2008

St. Louis County Richard Hansen Maintenance Garage, Duluth

Meeting Summary

I. Welcome and Introductions

Chair Mary Ives welcomed everyone and introduced our special guest, Dick Walsh, Grants Specialist with Iron Range Resources. Mary asked Randy Lasky to provide an overview of the results of the last meeting. Randy highlighted the following items covered and actions taken in October:

- Review of a draft housing resource inventory and matrix to be further refined for a variety of uses and broader access online at the Range Readiness web site.
- Foreclosure trends were discussed and information shared on activity in St. Louis County and online for all Greater Minnesota counties.
- Draft sub-regional housing goals were finalized and key strategies highlighted by the Expeditor Team. The Team will begin working with individual communities and developers on specific project opportunities, and a set of sub-regional planning meetings will be planned by ARDC for early 2009.
- Plan to invite Dick Walsh of IRR to share grant results and discuss IRR housing policies and priorities and ways we can be of assistance in supporting funded projects.

II. Agenda Review and Changes

Chair Ives added several suggested topics as highlighted in an email from Tarry Edington related to the status of the MOU, work progress and the Expeditor Team in 2009, current budget and anticipated budget, sources and uses in 2009 and the evolution of RRI Housing Work Team to a broader regional focus. It was agreed that these items will need more time than available today and will be addressed at the next work team meeting. We may want to consider setting up a sub-committee to meet on these and be prepared for a discussion. ARDC will follow-up on these items. No other changes were made and the agenda was accepted.

III. Iron Range Resources Community Infrastructure Grants Program

Dick Walsh of Iron Range Resources distributed and presented information on the last round of Community Infrastructure Grants approved by the Iron Range Resources Board and highlighted those projects that the Expeditor Team will need to work with to position for implementation this spring/summer. He explained IRR's funding criteria and requirements that need to be in place before any funds are released. Business plans and development agreements are required before any funds will be released and the banks will need to make firm commitments given the current economic market conditions. Construction financing constraints have only affected one project so far but more are expected as we get into the spring construction season. When asked about priorities and infrastructure needs, he commented that IRR prefers to see projects in areas where sewer and water infrastructure exists or is a reasonable distance to the utilities. A rule of thumb is up to \$20,000 per unit for site and infrastructure development costs. Dick went on to review each of the projects funded and commented on ways the Expeditor Team and RRI Housing Work Team can be helpful.

Members had an opportunity to ask questions on the status of each project and discussed key communities needing our support and assistance.

In terms of next years funding, Dick felt we should have about the same amount of money or slightly more. He expects that the grant cycle will be later in the year to give the current development projects time to begin projects in 2009...probably a September-November cycle. Right now they don't expect a huge demand for housing but that could change depending on how the projects unfold. Several unfunded projects from this round are expected to come back in and we may see delays in the other projects already in the pipeline. Project extensions can be allowed by IRR if necessary.

Given the need for rental housing, members wondered if IRR is open to rental projects. Dick said they would consider funding these types of projects, but the communities and developers have not proposed any projects. Assisted living has been the only project type requested other than single family homes. The last project he recalled was back in 1997 or 1998.

Dick completed his presentation by highlighting the criteria the staff uses in assessing projects and making recommendations as follows:

- Economic Impact – tax base implications, revenue generator for community, social need and demand exists and will create construction jobs.
- Leverage – 1:1 required, want to use the development as a way to leverage and buy down more of the infrastructure/site costs.
- Readiness – project is ready to go with a business plan and development agreement provided as part of the application.
- Need/Demand – demonstrate the need for the proposed units and market capacity to support the deal.

The final topic covered was IRR involvement in housing rehab projects. Dick said that there are other federal, state and non-profit sources to support rehab projects so they have not been a major priority. IRR does not want to replace these funds but they would be involved if they can leverage and partner to secure the funds available from these other sources. He challenged the state agencies to invest more dollars in the region. The track record has not been the good over the past number of years which in reflected in the number of substandard housing units we see across the Iron Range. He would like to see more projects in the pipeline. The IRR demolition program has provided more opportunities to provide lots in serviced areas to infill development along with rehab at a neighborhood level. Maybe we can see more of this kind of project planning and development. It was suggested that we get Habitat for Humanity in touch with communities that have used the demolition program and have viable lots that could be provided for affordable home construction. The problem is most of these lots are privately owned today. Several ideas were shared on ways to find lots that could be coordinated with Habitat for Humanity. The Expeditor Team will share with Habitat for Humanity directors in the near future and Dick will make note of this as a need to share with communities and private lot owners.

IV. Sub-Regional Stakeholder Meetings – Subcommittee Report

Subcommittee members presented a draft framework/agenda and logistics recommendations for review and approval by the Housing Work Team. Considerable discussion and suggestions were made on how to approach these meetings. The following conclusions and actions were taken by the group.

- We will conduct three sub-regional meetings in Hibbing/Central; Grand Rapids/West and Virginia/East.
- Dates will be set between January 20th and 30th.

- Agenda will include extensive information sharing, visioning process and community homework assignments with a facilitated discussion and opportunity for communities to meet with the Expeditor Team to discuss specific projects and technical assistance needs. We will share information on the sub-regional housing goals, examples of local best practices, highlight funding programs and application timing as well as what technical assistance is available to help communities define and plan projects based on key priorities.
- ARDC will take the lead in further refining the agenda details and develop meeting logistics options and determine costs for this activity. Information will be provided to the Work Team for comments online if possible. An invitation list will need to be developed and a “save the date” emailed out as quickly as we can.
- We will schedule our next meeting in early January to coordinate and make sure these events are well planned and we are ready to facilitate the events.

V. RRI Strategy Team Report

Chair Mary Ives explained that the Range Readiness Strategy Team will meet in early December and she will report on the following items:

- Provide a handout on the Sub-Regional Housing Goals and Actions developed to date.
- Will share information as available on the Sub-Regional Housing meetings being planned for late January.
- Will highlight the full market assessment report now online in the housing area of the RRI web site.

VI. Web Matrix

ARDC reported that the information resource matrix is redrafted but not completed yet. They expect to have a beta version online soon for review and comment. The plan is to place on the RRI web site and on ARDC’s Regional Planning Division web site with other links to key member sites. More input will be needed on the final version.

VII. Budget

Andy Hubley reported that the first year contract with the Expeditor Team ends on December 31st. He proposed that we have a short extension to provide time to assess and plan for next years needs. There is funding remaining in the first year budget to cover a one month extension. He will work out the details with the Expeditor Team. Chair Mary Ives felt we did not have the time today to do much more than what Andy proposed and given our discussion early in the meeting to assess 2008 and prepare for 2009 can be accomplished at our next meeting in early January. That approach was acceptable.

VIII. Next Meeting

The following agenda items will be covered at our next meeting:

- Sub-regional meeting plan review and update
- MOU status report
- Work progress (accomplished and remaining to be completed)
- 2008 budget status, sources and uses
- 2009 budget (anticipated sources and uses and work plan)
- RRI Housing Work Team transition to broader regional housing group
- Terms of chair
- Other?

The next meeting will be held on Wednesday, January 7th from 10:00am to 2:00pm at this same location.

IX. Adjourn

There being no other proposed business, the meeting was adjourned at 2:10pm