

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Emergency Meeting of November 3, 2016**

MEMBERS PRESENT:

Les Bakke, Cecil Johnson, Ione Schultz and Lucius Zedaker

MEMBERS ABSENT:

Mike Martin and Dale Rollie

STAFF PRESENT:

Dara Lee, Gerry Sieler, and Sheila Laney

11:04 A.M. EMERGENCY MEETING CALLED TO ORDER

AGENDA:

A motion was made by Commissioner Schultz and seconded by Commissioner Zedaker to approve the agenda. The motion carried unanimously.

POTENTIAL PURCHASE OF SUBSIDIZED PROPERTY IN MOORHEAD:

Background - The Minnesota Housing Finance Agency contacted the HRA regarding the pending sale of Fieldcrest Townhomes in Moorhead on October 24, 2016. Based on the structure of the MHFA loan, the HRA is on a list of entities having the right of first refusal. Fieldcrest Townhomes is rent subsidized family housing consisting of twenty 2-bedroom units and twenty 3-bedroom units. It is one of only two of these types of developments in Moorhead and has had a high occupancy rate since it was built in 1980. Some rehabilitation was done to the property in 2000.

Timeframe – There is a requirement that the entity exercising the right of first refusal must be able to close within 90 days of receiving formal notice from the current owner. This notice was received on October 31, 2016. Additionally, for property tax purposes, it may be better to close by January 1, 2017.

Purchase Agreement Details – The HRA would attain financing from the best available source for the \$2,050,000 purchase price with \$50,000 to be returned at closing. The agency would also pay \$50,000 earnest money. Due to the complexity of this situation, Director Lee also recommended hiring an attorney that deals with real estate transactions and tax credits.

The Board thoroughly discussed the potential purchase and asked questions concerning future staffing issues for the agency, notifications that may be needed, occupancy rates and current condition of the property. Board members were encouraged to attend a walk-through at the property this afternoon at 1:00 p.m.

A motion was made by Commissioner Johnson to pursue the purchase of the property, to retain an attorney to assist with the process, to secure financing, to enter into a purchase agreement with the \$2,050,000 purchase price with \$50,000 being returned upon closing, and paying \$50,000 earnest money, and to authorize Director Lee or Chairperson Bakke to sign purchase agreement, financing documents and all other required documents for purchase of property. The motion was seconded by Commissioner Schultz and it carried unanimously.

11:45 A.M. MEETING ADJOURNED


Lucius Zedaker, Secretary

11/15/2016
Date