

MEMORANDUM

To: City of Pipestone City Council
Tammy Manderscheid, Executive Director, HRA of Pipestone
Deb Nelson, City Administrator

From: Jason M. Hill, City Attorney

Date: March 7, 2025

Re: HRA Membership and Operations

This memorandum addresses concerns raised by Tammy Manderscheid, Executive Director of the Housing and Redevelopment Authority of Pipestone (“HRA”) at the March 3, 2025 City Council meeting. I will address all of the issues raised individually –

The HRA is a city housing and redevelopment authority established in accordance with Minnesota Statutes, section 469.003. Minnesota Statutes, section 469.003, subd. 5 provides as follows:

“An authority shall consist of up to seven commissioners, **who shall be residents of the area of operation of the authority**, who shall be appointed after the resolution becomes finally effective.”

(emphasis added) Minnesota Statutes, section 469.002, subd. 8 defines “area of operation” as follows:

“‘Area of operation’ means, in the case of an authority created in and for a city, county, or group of counties, **the area within the territorial boundaries of that city, county, or group of counties.**”

(emphasis added) The statutes are very clear as to the authorized area of operation of the HRA – the territorial boundaries of the City of Pipestone.

A question was raised with regard to ongoing and historical operations outside of the City, but those operations, in no fashion, alter the jurisdiction of the HRA, and they certainly do not amend the definition of “area of operation” or other statutory requirements, such as residency with the City. Cities and other governmental entities frequently contract with neighboring and other governmental entities to provide services outside of their jurisdiction, through contracts and joint powers agreements. However, that does not mean, for example, that if the City enters into a JPA with Pipestone County or a township that a City Council member would be able to reside outside of the City.

It’s my understanding that Tammy Manderscheid is relying upon a series of HRA resolutions and minutes in support of an argument that the area of operation of the HRA has somehow been expanded beyond its statutory limits. I have reviewed the documents she provided to the City Council, and the documents provided further confirm that the area of operation of the HRA is the City, because, as HUD recognized, the approval of the City Council was required to allow the HRA to operate outside of the City.

In light of the fact that HRA Board of Commissioners members resided outside of the City, the City had a legal obligation to declare a vacancy for those seats and begin the process of appointing City residents to those positions. There are no notice requirements for such actions, and the Commissioners were disqualified from service on the Board, and therefore, no further action could be taken by them on behalf of the HRA.

Additionally, it is important to note that this has no impact on operations outside of the City that have been authorized by the City Council. It’s my understanding that certain Section 8 operations have been authorized, and so long as they are meeting federal requirements, they can, and should, continue.

JMH