

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of March 16, 2021

MEMBERS PRESENT:

Cecil Johnson attended in person. Les Bakke, Tia Braseth, and Mike Martin attended via Zoom.

STAFF PRESENT:

Dara Lee and Sheila Laney.

9:30 A.M. REGULAR MEETING CALLED TO ORDER:

AGENDA:

A motion was made by Commissioner Bakke to approve the agenda. Commissioner Martin seconded the motion and it carried unanimously.

MINUTES FROM FEBRUARY 16, 2021 REGULAR AND ANNUAL MEETING:

A motion was made by Commissioner Martin to approve the February 16, 2021 regular and annual meeting minutes. Commissioner Bakke seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

The Housing Supports and General financials for December 2020 were available. January and February 2021 financials are still in process. Director Lee mentioned that for the first time ever, our accountant was unable to get the unaudited submission to HUD by March 15. If it is submitted by May, it should be acceptable.

Commissioner Bakke made a motion to approve the Treasurer's Report. The motion was seconded by Commissioner Braseth and carried unanimously.

ANNUAL REVIEW OF RESERVE BALANCES:

The Clay County HRA Reserve Policy was adopted in January 2013. The policy indicates that the reserves will be reviewed each year at the annual meeting. The policy requires the agency to maintain reserves equal to 1) \$3000 per physical unit; and 2) for projects without physical units, 5 months of operating expenses not including amounts received for direct payments to third parties (i.e. HAP expenses, rehab loan amounts.)

It has been the practice of the HRA to maintain reserves in the General account if any project is lacking necessary reserves.

Reserves needed for ea property	<u>Units:</u>	<u>Res Needed:</u>	<u>Project Res:</u>	<u>Gen Res:</u>
1. Houge Estates	60 units	\$180,000	\$ 66,550	\$ 113,450
2. Gateway Gardens	24 units	\$ 72,000	\$ 82,400	\$ -
3. CCAFLLC	24 units	\$ 72,000	\$ 49,800	\$ 22,200
4. Agassiz Apartments	12 units	\$ 36,000	\$ 1,500	\$ 34,500
5. Boyer Apartments	8 units	\$ 24,000	\$-196,500	\$ 220,500
6. New Prairie Horizons	8 units	\$ 24,000	\$ 58,900	\$ -
7. Fieldcrest	40 units	<u>\$120,000</u>	\$-194,600	<u>\$ 314,600</u>
Total Reserve Need for Properties		\$528,000		\$ 705,250

Reserves needed for other Programs:

[Projected 2019 Costs - 3rd Party Contract Costs] x 5/12 months= Req Reserves

<u>Project</u>	<u>Budget-Contract x. 4166=</u>	<u>Project Res:</u>	<u>General Res:</u>
1.Houge Estates Serv. Co.	\$ 38,700	\$ 467	\$ 38,233
2. Housing Choice Voucher	\$228,600	\$412,920	\$ -
3. HRA Cares	\$ 56,500	\$ 4,400	\$ 52,100
4. Homeless to Housed	\$ 25,600	-\$ 20,900	\$ 46,500
5. HSWH	\$ 30,000	\$ 3,300	\$ 26,700
6. HS-Scattered-Site	\$ 92,300	\$324,900	\$ -
7. GROWTH	\$ 23,000	\$ 10	\$ 22,990
8. OOR	\$ 33,000	\$109,000	\$ -
9. Housing Stabilization	\$ 87,500	\$ -30,600	\$118,100
10. General	<u>\$120,900</u>	<u>\$531,100</u>	<u>\$120,900</u>
11. Total Reserve Need	\$736,100		\$425,523__

Total Minimum Reserves Needed \$1,264,100

MINIMUM GENERAL FUND RESERVES NEEDED: \$1,130,773
 GENERAL FUND RESERVES AS OF 12/31/2019: \$ 531,113
DEFICIT: \$ 599,660

Approximately \$535,000 of the deficit is due to the Boyer Apartments loan payoff and Fieldcrest investment. Fieldcrest developer fee is anticipated at over \$600,000.

OPERATING LINE OF CREDIT:

The HRA is currently short on cash. During times of past development activities, the HRA has secured an operating line of credit.

It is possible that the agency will need to open a line of credit prior to closing on the Minnesota Housing loan for Fieldcrest. After that project is complete, our reserves and cash on hand should return to adequate levels.

There was discussion regarding applying for a line of credit through Bell Bank. If this occurs and documents need to be signed, the Board authorized Treasurer Martin and one other commissioner to execute any necessary documents.

A motion to approve applying for a line of credit, if needed, and authorizing Treasurer Martin and an additional board member to execute documents as needed, was made by Commissioner Bakke. Commissioner Martin seconded the motion and it carried unanimously.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of March 1, there are six vacant units. One has been re-rented, and one has been offered to an applicant. Applications are being processed for the other 4 openings. There are 50 households on the waiting list. The waiting list is currently open.

Community spaces are scheduled to re-open on Monday, March 15. 92% of the residents in the building have received the vaccine for covid. Walgreens will return at the end of March/beginning of April to administer the last round of vaccines to staff and community members who received their first shot on March 1.

A Housing Success Specialist and a Service Coordinator each do portions of the Houge Estates Service Coordinator role. At least one person is on-site Monday through Friday. Our two Housing Success Specialists and our Service Coordinator are housed at Houge Estates.

Agassiz Apartments

As of March 1, there was one vacant unit which has now been filled. No additional move-out notices have been received. There are 9 applicants on the waiting list.

Clay County Affordable Housing, LLC

As of March 1, we have three vacant units in Hawley. One has been re-rented for April 1. Staff continues to encourage applicants and is advertising to fill the remaining two units. There will be an additional opening in Hawley on August 1.

Residents of these units receive a preference for a Housing Choice Voucher if they are eligible for a 3 or 4-bedroom voucher.

Boyer Apartments

As of March 1, there is one vacant unit. The vacant unit was significantly damaged when the tenant moved out at the end of February and left the windows open. The pipes froze. Flooring, cabinets, and other items need to be replaced. We are still uncertain when the unit will be ready for occupancy.

There are 12 households on the waiting list. The waiting list is only open for 2-bedroom units. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher if their family size fits the available unit.

Fieldcrest Townhomes

As of March 1, there are 6 vacant units and two additional vacancies for the end of March. There are 113 households on the waiting list which is now closed. We will begin filling two-bedroom units as they become vacant. We will keep 4 two-bedroom and 4 three-bedroom units vacant. We currently have 4 2-bedroom and 2 3-bedroom units vacant.

The City of Moorhead recommended approximately \$70,000 in funding for sidewalk repairs and approximately \$40,000 in funding to install Wi-Fi at the development using CDBG funding. However, there is not sufficient cash revenue for the city to start these projects now. Improvements will occur as funding allows.

The project has been approved for \$1M in funding through the FHLB of Des Moines and over \$7M from Minnesota Housing. The initial intake meeting with Minnesota Housing is scheduled for March 24.

Gateway Gardens

As March 1, there are no vacant units and no known move-outs.

Three staff are officed at Gateway Gardens but are primarily working remotely. CCRI and GSSC, a private security company, each provide 12 hours of staffing per day. We will continue to receive full supplemental services funding for the security and a portion of the front desk staffing. CCRI case management staff is in the process of transitioning to Housing Stabilization Services through Medical Assistance. The HRA is conducting the Housing Stabilization Consultations.

Housing Choice Vouchers

As of March 1, 2021, there are a total of 601 households of a possible 699 leased from the HRA Housing Choice Voucher program; 3 households leased from other housing authorities that we are administering; and we are working with 5 additional households from other housing authorities. We have sent out letters to 3 households on our waiting list to begin working with them.

Of the 601 vouchers currently leased, 430 out of 455 regular vouchers are under lease; 24 out of 24 Tenant Protection Vouchers are under lease; 2 out of 3 FYI vouchers (HUD took one back) are under lease; 11 out of 40 VASH vouchers are under lease. We have issued 5 regular and 1 VASH vouchers. We are working with 15 more households to issue a regular voucher and waiting for more VASH referrals. We were awarded 25 new VASH vouchers effective 1/1/2021, but the majority are intended to be used in the Bemidji area since we lack demand.

134 out of 177 Mainstream vouchers are under lease. We issued 17 Mainstream vouchers and are working with 8 additional households. We have contacted 3 more households to begin working with them. 149 of these vouchers have been made available to us by HUD in the past year.

We have 37 individuals enrolled in our Family Self-Sufficiency program. We have had 44 FSS participants in the past 12 months. Staff is working with additional households to enroll them in the program. We can serve up to 50 households on the FSS program under our current Action Plan.

Our waiting list was open from February 4 to February 28, 2021 for Clay County households that contained a member with a disabling condition. 130 applications were received and placed into a random drawing on March 8 to determine the order they are placed on the waiting list. 30 of these applicants are being contacted to begin the process of issuing a Mainstream voucher.

Prairie Horizons Townhomes

As of March 1, there is one vacancy which has been filled for April 1. Both an HRA and a CCRI staff person are officed at the site and provide supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. Both have been providing DHS Housing Stabilization Services to the participants.

HRA Cares

We are authorized to serve 64 households with these funds. We are currently serving 57 households. Of the 57, 15 are at Prairie Horizons Townhomes; 2 are at Bright Sky Apartments; and 40 are in scattered-site units in Clay, Otter Tail, Wilkin, and Douglas Counties, and in Fargo. There are 25 singles and 32 families being served. One household has been approved for a unit and should move in soon. Staff is accepting additional households to get back up to the 64 households. Referrals have been slow due to partner agency staffing issues.

We only are accepting applications through the Coordinated Access Referral Entry and Stabilization System (CARES). Those with the highest needs (acuity levels) who meet program eligibility requirements will be accepted.

Homeless to Housed Rental Assistance

We are serving 71 of our authorized 70 households. We are over leased due to being under leased during the first portion of the grant term. There are 25 singles and 46 families currently being served. The grant targets families and youth-headed households. Leased households are from Clay, Wilkin, Traverse and Douglas Counties. There are 6 households still searching for units.

The coordinated entry system shifted its priority during the Covid-19 emergency to households residing outside or in shelters.

Homework Starts with Home

We continue to operate 2 MHFA Homework Starts with Home programs, one which includes philanthropic funding.

As of March 1, 61 are leased; 12 households are searching for units; and 10 applications are being processed. Households are from Clay, Douglas, Becker, Wilkin, Wadena, and Otter Tail Counties.

Housing Supports (formerly GRH) in Scattered-Site Units

As of March 1, a total of 138 households are being served by the Housing Supports program. There are 119 households leased in the scattered-site Housing Supports program – 9 with the HRA (1 of these is shared with Summit); 27 with CAPLP; 7 with the Presentation Partners in Housing; 11 with LMHC; 12 with Dorothy Day/Churches United; 8 with Metro Behavioral Health; 1 with Solutions; 2 with the Lotus Center; and 40 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 19 Housing Supports clients at Gateway Gardens and 3 in scattered-site locations.

13 additional households are searching for units. Staff met with partner agencies to discuss the upcoming changes to the program.

Minnesota DHS Community Infrastructure Grant

The HRA now has a 0.5 HRS and a 0.03 project manager. There are 2.5 FTE outreach workers through the CAP agencies. CAPLP and WCMCA have hired dedicated outreach workers. Mahube-Otwa is spreading the duties across several staff.

The grant ends on 6/30/2021. The renewal application was released March 1 and is due on April 9, 2021. We are applying for funding for 1.1 FTEs. Both the Supportive Services Manager and a Housing Success Specialist would spend half their time working as Housing Resource Specialists. CAPLP is proposing to expand to 2.15 FTEs, WCMCA to 0.9, and Mahube-Otwa to 1.15 FTEs for outreach workers. Clay County is considering applying for a full-time position to administer the Housing Supports program.

All agencies are actively preparing to enroll in the new Medicaid-billable Housing Stabilization Services. CAPLP and the HRA are the only entities that have been approved to date.

Minnesota DHS Housing Stabilization Services

The HRA was approved to provide Housing Stabilization Services – both Housing Consultation and Transition & Sustaining Services effective July 2020. Six staff are currently trained on one or more Housing Stabilization Services roles.

Staff began Housing Consultations in 2020. We have 2 staff members providing consultations. We have begun billing for transition and sustaining services. We have four staff members who will provide billable Transition & Sustaining Services under the HSS program as a part of their job.

The participant eligibility/billing approval has been an extremely slow process.

Owner-Occupied Rehab Program

Sabin

DEED awarded the City of Sabin SCDP funds to rehabilitate 10 homes. Seven projects are complete; and one is in construction. One project is having its scope of work developed. There is funding available for two remaining homes. A final marketing campaign was mailed on March 5. We have received one response thus far.

Other DEED- CDBG

The HRA staff applied for funding on behalf of the City of Dilworth for 2021 CDBG funding to DEED through the Small Cities Development Program. We have received letters of interest from 67 homeowners and 9 commercial properties. We applied for \$922,000 on behalf of Dilworth to rehabilitate 21 owner-occupied homes and 7 businesses. Funding announcements should be made in May or June.

The City of Barnesville contacted the HRA about administering some repaid DEED funds. We have agreed to do so and are billing Barnesville for all costs incurred in administering those funds. Currently working with one commercial property owner on a roofing project.

RLP

One complex project is under construction. There are 3 applicants who are interested and being processed. They have been slow to respond/provide required information.

HPG

The HRA received a Rural Development grant through the Housing Preservation Grant program. All funds are committed at this time. We received a one-year extension so funds must be spent by 9/28/2021.

Rental Rehab Program

Only one project (Rothsay) is outstanding. It has an exterior stairway remaining. Due to lack of material availability for entry stairs, this work needs to wait until spring to complete. MN Housing has granted the extension. We will close out the program once this project is complete. All 2021 expenses are being paid by the General account.

BOARD OF COMMISSIONERS VACANCIES TENANT REPRESENTATIVE & PERSON WHO HAS EXPERIENCED HOMELESSNESS REPRESENTATIVE:

Due to the death of Commissioner John Wilkie, the HRA Board of Commissioners no longer has a tenant representative or a formerly homeless representative. Federal law requires that we contact our Housing Choice Voucher program participants to see if any are interested in serving on the board and that at least one commissioner has experienced homelessness. The same person may fill both roles. Commissioner Wilkie's term expires 1/31/2022.

We mailed information to all Clay County residents participating in our Housing Choice Voucher program (approximately 600 households) and requested that interested individuals complete a brief application to serve on our Resident Advisory Board (RAB) or Board of Commissioners. We also advertised the openings in local newspapers and posted the information and application on our website.

Applications are due April 5. To date, we have received applications from two Housing Choice Voucher participants who have both experienced homelessness, one applicant who resides in a Moorhead Public Housing Agency unit and one applicant who is a community member. One applicant currently serves on the HRA Resident Advisory Board.

In the past, Commissioners and/or staff have interviewed interested applicants. Commissioners Bakke and Martin have agreed to review the applications. Once the review is complete, they will make a recommendation to the Clay County HRA Board who will then make a recommendation to the Clay County Board of Commissioners.

Commissioners discussed the process and were interested in using a set of criteria to rank applicants. Director Lee volunteered to contact Clay County for their ranking sheet. The goal would be to identify gaps in our representation and see what each of these applicants bring to our Board. Reference checks may also be a part of this process. After the April 5 deadline, Director Lee will send all applications and the ranking sheet from Clay County to Commissioners Martin and Bakke.

RENTAL ASSISTANCE SPECIALIST POSITION:

The Moorhead Public Housing Agency was approved to reposition 30 of its public housing units. They did a disposition under §18 like the HRA did when it disposed of its public housing units to the Clay County Affordable Housing, LLC. As a result, the HRA will be issued an additional 30 Housing Choice Vouchers to replace these units. They will be issued to the current MPHA tenants. The HRA will need to administer these vouchers and do all rent calculations.

In the American Rescue Plan Act, Congress appropriated an additional \$5 billion for Housing Choice Vouchers. The FY 2021 HUD appropriations included an additional \$43 million for Housing Choice Vouchers. Both funding allocations target households experiencing or at risk of homelessness. The HRA anticipates receiving additional vouchers due to this new funding.

Current staff is already operating over maximum capacity. The HRA does have extra Housing Choice Voucher reserves as well as an anticipated \$20,990 increase in reserves in 2021 even without the new revenue generated by the new vouchers.

An Assistant Housing Manager position has been open since the end of November. This position was included in the 2021 budget at a cost of \$73,400 per year. Director Lee recommends replacing this opening with a Rental Assistance Specialist who could work on both multi-family subsidy and Housing Choice Voucher rent calculations.

Director Lee recommends adding 1-2 Rental Assistance Specialists at an anticipated cost of \$60,000-\$65,000 per year per position or an anticipated \$38,000 per person for the remainder of 2021.

A motion was made by Commissioner Braseth to approve the salary line budget change for Housing Choice Voucher budget. Commissioner Bakke seconded the motion and it carried unanimously.

OTHER:

1. Staff Updates: Of the three temporary employees remaining at the HRA, one will be done at the end of March and two will be done at the end of April.
2. Covid Vaccinations: Half of the staff is now fully vaccinated.

A motion was made to adjourn the meeting at 10:30 a.m. by Commissioner Martin. The motion was seconded by Commissioner Braseth and carried unanimously.



4/26/2021

Les Bakke, Secretary

Date