

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of May 17, 2022**

**MEMBERS PRESENT:**

Anthony Dillard, Cecil Johnson and Kim Schlotfeldt in person, Les Bakke and Tia Braseth via Zoom.

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Dara Lee and Jill Cossette.

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

**AGENDA:**

*A motion was made by Commissioner Schlotfeldt to approve the agenda. Commissioner Braseth seconded the motion and it carried unanimously.*

**MINUTES FROM MARCH 15, 2022 REGULAR MEETING:**

*A motion was made by Commissioner Dillard to approve the March 15, 2022, regular minutes. Treasurer Schlotfeldt seconded the motion and it carried unanimously.*

**CITIZENS TO BE HEARD:**

None

**TREASURER'S REPORT:**

There was no Treasurer's Report at this meeting.

**PROJECT UPDATES:**

Director Lee asked if there were any questions regarding the below updates. The Board had no questions.

**Houge Estates**

Houge Estates is a 60-unit apartment building located in Dilworth. All units are one- bedrooms (about 650 sq. ft.), and residents must have a disabling condition or be age 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD.

As of both April 1 and May 1, there were 3 vacant units. We have received two move-out notices for the end of June. Seven full applications are being processed for these five openings. There are 79 households on the waiting list. The waiting list is currently open.

The Houge Estates Service Coordinator is housed at this location.

**Agassiz Apartments**

Agassiz Apartments is a 12-unit apartment building located in Ulen. Eleven of the units are one-bedrooms (about 650 sq. ft.) and one is a 2-bedroom, and residents must have a disabling condition or be age 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD. It was built in 1978 with a loan subsidized through USDA Rural Development.

As of April 1, there were no vacant units. As of May 1, there was one unexpected vacancy due to a resident needing a higher level of care. There are 14 applicants on the waiting list which closed 2/1/22.

**Clay County Affordable Housing LLC/Boyer Apartments**

The Clay County Affordable Housing units are in Dilworth, Ulen, and Hawley; and Boyer are in Moorhead. The CCAH units are composed of twelve duplexes located in neighborhood settings. The Dilworth and Ulen units were constructed in 1979 as Public Housing. The Hawley units were constructed in 1981 as Public Housing. Twenty-one units are 3-bedrooms and three are four-bedrooms.

The Boyer Apartments are two 4-unit buildings that are next to each other and have a total of seven 2-bedroom units and one 1-bedroom unit. The HRA purchased Boyer Apartments in 2006. The Boyer Apartments were sold to the CCAH on April 15, 2022, at the time of the Fieldcrest Townhomes loan closing.

There are no outstanding debts on these buildings other than internal.

As of April 1, and May 1, there are no vacant units. Two households are scheduled to vacate by the end of the month. One is purchasing a home. Staff is processing one applicant for the openings and reaching out to others. There is no specific subsidy tied to these units. Residents of these units receive a preference for a Housing Choice Voucher if their family size fits the available unit.

**Fieldcrest Townhomes**

After the regular portion of this meeting, commissioners are invited to tour this development to see the "before" condition. In January 2017, the HRA purchased Fieldcrest Townhomes. It was and is in poor condition. The HRA paid \$2 million for the 40-unit townhome development in south Moorhead. There are 20 2-bedroom and 20 3-bedroom units. There are twenty detached garages as well.

Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD. This contract dated back to 1980 when the building was initially constructed. The rents were suppressed, and there was significant deferred maintenance on the property. The contract expired in December 2020, and rents were raised to market levels.

We closed on this sale/financing on April 15, 2022. The HRA sold the development to the

Fieldcrest Townhomes LLC. The LLC is a non-profit LLC with the HRA as its sole member. The sales price paid off the existing mortgage and specials. We now have an over \$6 million dollar mortgage to MHFA. Construction is scheduled to begin this month.

As of April 1, and May 1, there are 9 vacant units (five 2-bedrooms and four 3- bedrooms) which will be kept vacant during construction. There are 16 households on the waiting list which is now closed. We will reopen the waiting list when the rehab is complete.

### **Gateway Gardens**

Gateway Gardens is a 24-unit permanent supportive housing apartment building in Moorhead. The HRA constructed the building in 2010 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years and completely after 30 years of operations. The front desk is staffed 24/7.

Rent and services are subsidized primarily through the Housing Supports program. There also are five project-based Housing Choice Vouchers attached to units. We are a subgrantee of CAPLP for a OHS HSASMI (Housing Supports for Adults with Serious Mental Illness) grant that helps fund the front desk costs. CCRI and GSSC, a private security company, each supply 12 hours of staffing per day.

As of April 1, there were four vacancies; and as of May 1, there were 5. Four potential tenants have been identified for the units. The vacancies will be filled through the coordinated entry system.

### **Prairie Horizons Townhomes**

Prairie Horizons Townhomes are eight townhome permanent supportive housing units for families located in south Moorhead, across from Fieldcrest Townhomes. The HRA constructed the development in 2012 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years. There is a small portion (\$337,076) that is deferred for 30 years at 0% interest that must be repaid.

These units are next to another 8-unit town home permanent supportive housing development, which are confusingly also called Prairie Horizons Townhomes or Easten Townhomes - south units. There are four one-bedroom and four two-bedroom units. The HRA owns 0.01% as a Special Limited Partner in the Easten Townhomes LLC. The HRA provided a \$330,000 deferred loan when the project was constructed in 2006. It bears 5% interest and is due in 2036. The partnership is in the process of buying the equity partner out. The partnership is requesting we subordinate our existing loan and extend it an additional 15 years. Staff has indicated to the General Partner that the current management situation is not working well in meeting the goals of the project.

There are an additional thirty units in this development located in north Moorhead. The HRA has project-based 8 Housing Choice Vouchers in the 8 south units and an additional eight in the 30 north units. Support services are funded through the HRA Cares program.

An HRA staff person is officed at the site. She and a full-time CCRI employee provide supports

to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants.

As of April 1, there is one vacant unit in addition to the unit that was damaged in a July fire. As of May 1, there was one vacancy which was fire damaged unit. The contractor now indicates it should be ready by June 1. There are two vacant Easten units which are in the process of being filled.

### **Housing Choice Voucher**

The HRA has administered a form of the current Housing Choice Voucher program since 1976. It is also known as Section 8. Tenants rent in the private market and pay at least 30% of their income towards rent and utilities.

As of April 1, 2022, there were a total of 677 households of a possible 743 leased from the HRA Housing Choice Voucher program. As of May 1, the total decreased to 668. We are working with 11 additional households from other housing authorities. We have 551 vouchers under our main HCV HUD contract; 177 under our Mainstream HCV contract; and fifteen under our HCV Emergency Housing Voucher (EHV) contract.

Of the 551 vouchers under our main contract, 496 vouchers are leased: 425 of 467 regular vouchers; 43 out of 43 Tenant Protection Vouchers; 0 of 1 FYI vouchers; and 28 of 40 VASH vouchers. We have issued 7 regular vouchers and 5 VASH vouchers. We are working with 6 additional households to issue a regular voucher.

158 out of 177 Mainstream vouchers are under lease. We have issued 9 Mainstream vouchers and are working with 14 additional households.

14 of 15 EHV vouchers are under lease. One person is searching for a new unit. We are one of 27 public housing agencies nationwide that is eligible to receive additional EHV vouchers due to the exceptional job staff has done. We will only receive the vouchers if other Minnesota housing agencies voluntarily give theirs up.

We have 32 individuals enrolled in our Family Self-Sufficiency program. We have had 43 FSS participants in the past 12 months. Staff is working with additional households to enroll them in the program, but they have been slow to respond. We can serve up to fifty households on the FSS program under our current Action Plan.

There are 245 households on the waiting list. We have been adding about 60 households per month. The waiting list was opened to households who reside in Clay County and contain a member age 50 or older on January 4, 2022, and to those who have a disabled household member under age 50 on February 1, 2022.

### **HRA Cares**

HRA Cares is a HUD-funded Continuum of Care program. It is for individuals and families who are literally homeless and have a family member with a disabling condition. There are no time limits on the rental assistance or supportive services. We are authorized to serve sixty-four households

with these funds. The HRA administers the rental assistance and administers the program. We contract with CCRI for one additional full-time case manager. HRA staff also supervise and provide support services.

We are authorized to serve 64 households and are currently serving 50 households. Of the 50, 13 are at Prairie Horizons Townhomes; one is at Bright Sky Apartments; and 36 are in scattered-site units in Clay, Otter Tail, Grant, and Douglas Counties, MN, and in Fargo, ND. There are 27 singles and 23 families being served. Eight households are searching for units.

We only are accepting applications through the Coordinated Access, Referral, Entry and Stabilization System (CARES). Those with the highest priority who meet the eligibility criteria will be accepted.

### **Homeless to Housed Rental Assistance**

Homeless to Housed is a Minnesota-funded rental assistance program for high priority homeless families, youth, and singles across the counties of Clay, Douglas, Grant, Pope, Stevens, Traverse, and Wilkin. It is a time-limited program for households experiencing homelessness who are unable to immediately receive a Housing Choice Voucher. It operates similarly to the HCV program. Our current grant is to serve sixty-two households through September 30, 2023.

We are serving 57 of our authorized 62 households. One more household is waiting to move into a unit and 4 more are searching. There are 22 singles and 40 families being served. The grant targets families and youth-headed households. Leased households are from Clay, Traverse, Grant, and Douglas Counties.

Openings are filled through the coordinated entry.

### **Homework Starts with Home**

In 2014, the HRA was one of three initial pilot locations for a rental assistance program that focused on families with school age children. We took part in the pilot until it ended in 2018. At the end of the pilot, Minnesota developed Homework Starts with Home. The HRA was funded in each of the first two rounds of competitive funding.

Throughout this time, the HRA has been the lead agency in a partnership all working towards ending child homelessness. The initial pilot partners were Churches United for the Homeless, Moorhead Public Schools, and Lakes & Prairies Community Action Partnership (CAPLP). We now have forty-five partner agencies including fourteen school districts across seven counties.

The current grant term runs from 8/1/2020-9/30/2023. We are anticipated to serve a total of 72 households during that time. We have served a total of 76 households under this grant: 59 new households and an additional 17 who were served under the first grant as well. We intend to add an additional 13 households to meet our targets.

As of both April and May 1, 43 households are leased, and 6 households are searching for

units. There are 3 pending referrals. Leased and searching households are from Clay, Douglas, Otter Tail, and Wadena Counties.

We have transitioned 33 households off this grant with 23 of the households moving to Housing Choice vouchers; 1 moving to Homeless to Housed; 1 transitioning to a more intensive youth program; 1 purchasing a home; 3 going off due to increased income; 3 moving to unsubsidized units; and 1 who was evicted and disappeared. Three more are in the process of transferring to an HCV unit.

### **Housing Supports (formerly GRH) in Scattered-Site Units**

Housing Supports is a Minnesota-funded program operated through the Department of Human Services. It provides room and board payments (which we refer to as Rate 1) and supplemental services payments (which we refer to as Rate 2).

We began providing it when we opened Gateway Gardens in 2010. Nineteen of the twenty-four units in the building are assigned this funding source. In 2016, we added a community option and started subcontracting for service provision with several area non-profit partners. The HRA does all program administration, administers all Rate 1, and provides some of the Rate 2 services.

As of April 1, a total of 129 households and as of May 1, a total of 123 households were being served by the Housing Supports program in Clay County. There are 108 households leased in the scattered-site Housing Supports program – 9 with the HRA; 17 with CAPLP; 7 with the Presentation Partners in Housing; 10 with LMHC; 10 with Churches United; 10 with Metro Behavioral Health; 8 with the Lotus Center; and 33 with Summit Guidance/Greater Minnesota Community Services. In addition, CCRI serves 15 Housing Supports clients at Gateway Gardens and 3 in scattered-site locations.

23 additional households are searching for units. 60% of the people searching are people on the program who were asked to leave/terminated by their previous property owner. There have been numerous damage claims and non-renewal of leases now that the eviction moratorium has ended.

### **Minnesota DHS Community Infrastructure Grant**

The Community Living Infrastructure Grant is a grant program that began in 2018. Clay County is the grant recipient and the HRA is the project manager and provides the Housing Resource Specialist. The funds were allocated to help communities build up the necessary infrastructure so that individuals with disabilities can live fully integrated into the communities of their choice. The grant funds outreach workers, housing resource specialists, and administration. The original grant covered all ten counties in West Central Minnesota and the three Community Action Programs serving the counties who each performed outreach. Mahube-Otwa has chosen to remain a partner but not be a sub-recipient for the grant that began 7/1/2021.

The HRA now has a 1.0 FTE Housing Resource Specialist and a 0.05 project manager. There are 2 FTE outreach workers funded to be employed by the CAP agencies, CAPLP (1.15 FTE) and WCMCA (.85 FTE). CAPLP now has a full-time worker who is doing outreach. The grant

also includes a full-time eligibility worker for Clay County Social Services. Staff has been working diligently on property owner engagement strategies.

### **Minnesota DHS Housing Stabilization Services**

Housing Stabilization Services are a new Medicaid benefit available in Minnesota. It became available July 1, 2020. The HRA was the second agency in West Central Minnesota to become an approved provider. The HRA was approved to provide Housing Stabilization Services – both Housing Consultation and Transition & Sustaining Services effective July 2020. Four staff are currently trained on one or more Housing Stabilization Services roles.

Staff began Housing Consultations in 2020. Staff has been performing annual renewal consultations. Due to staff transitions and an inability to recoup our costs, we are only doing on-going consultations and will not accept any additional HSS Transition & Sustaining Services participants at this time. The HRA hopes to re-start these services in the fall with the addition of the new Housing Navigator staff (see below). Staff completed 8 consultations in March.

Through the GROWTH program, staff is leading a region-wide group aimed at getting this program to work for those who need it throughout our region.

### **Owner-Occupied Rehab Program**

The HRA has operated and operates several distinct programs under the Owner- Occupied Rehab umbrella. The largest program is the Minnesota Department of Employment and Economic Development (DEED) Small Cities Development Program (SCDP). Funds used for this program are federal HUD Community Development Block Grant (CDBG) that are allocated to the state for Greater Minnesota. DEED then holds annual competitive application rounds to award these funds to non-entitlement communities.

Only cities and counties may apply for the DEED funding. The HRA serves as the administrator. Clay County was the applicant for the 2008, 2010, and 2012 funding rounds. The City of Barnesville was the applicant in 2014, the City of Sabin in 2016, and the City of Dilworth in 2021. The HRA has utilized HRA Tax Levy funds in 2010, 2014, 2019, and 2020 to leverage these rehabilitation resources. Clay County allocated \$80,000 in ARPA funds for this purpose.

All these loans have been deferred. Some have been forgiven after 10-15 years while others remain repayable. Each application has different terms.

### **Dilworth**

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 applied for and received \$922,000 on behalf of Dilworth to rehabilitate twenty-one owner-occupied homes and seven businesses. Twenty-three homeowner and 7 commercial property owner applications have been approved. There are 2 homeowner applications and 1 commercial application on the waiting list. Of the homeowner applications received, 8 indicated they were extremely low-income; 5 are

very low-income; and 9 are low-income. Staff has begun processing these 16 homeowners including of the extremely and very low-income applicants. Six homeowner projects have bids due May 13; 3 are finalizing the scope of work; and 7 are still providing income and program eligibility information. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000.

Physical property inspections have been completed on all 8 of commercial buildings. One project has bids finalized and should close by the end of May; and 6 owners are reviewing the scope of work and bid information for the buildings. We will not bid the 8<sup>th</sup> project unless sufficient funds are remaining after the bids come in on the other projects.

### **RLP (Minnesota Housing Rehabilitation Loan Program)**

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Funds are appropriated during each budget cycle. Local administrators work with homeowners to receive funding to rehabilitate their homes. Homeowners must be extremely or very low income to qualify for these funds. These funds can be used in conjunction with DEED SCDP. The loan limit is \$37,500 per project. The funding is in the form of deferred loans that are forgiven after 15 years if the household continues to live in the home.

There is currently one active RLP applicant who is having lead testing performed on their home and having a scope of work developed. Four applicants are in the process of submitting income and other eligibility information.

We also have a few applicants who own manufactured homes. Minnesota Housing just approved a new use of these funds to purchase and replace rather than repair manufactured homes. MHFA provided a training on this new use in April. Unfortunately, it does not appear there will be better assistance available to the manufactured homeowners since the costs involved in removing and replacing their homes far exceeds the amount available under this program. Other resources would need to be paired with this program.

### **ACCEPTANCE OF MINNESOTA HOUSING STATEWIE STRATEGIC PLANNING GRANT FUNDING**

The HRA acts as the collaborative applicant for the West Central Minnesota Continuum of Care (CoC). It has done so for about the last decade. Minnesota Housing has traditionally provided financial support to the Coe to assist in employing a CoC Coordinator. Although they modified the purpose/nature of the funding somewhat this year, the funds will still be used to support the Coe Coordinators in Greater Minnesota.

Our CoC has been awarded the largest grant in the amount of \$60,000. The HRA receives \$4400 to administer this and other CoC collaborative applicant grants.

Minnesota Housing requires that our board approve attached Resolution 5-17-22-01 as a condition of funding.



**Secretary Dillard made a motion to approve of Resolution 5-17-22-01. The motion was seconded by Commissioner Johnson. Motion carried anonymously.**

**Request for Approval to Allow Payment for Overtime hours worked to Exempt Employees**

The agency is currently short staffed, has many new employees still in training, and has about 100 available units and vouchers that need to be filled. People in need of these critical resources are not able to be served as quickly as possible due to staffing limitations.

The HRA Executive Director has asked all staff to work overtime. Non-exempt employees are being paid overtime at time and a half. Exempt employees continue to earn straight comp-time but have been unable to use it. There are 8 exempt employees and 18 non-exempt. Seven of the 8 exempt employees had accumulated comp-time as of May 1.

- HRA is advertising for 3 open positions (one due to a resignation and 2 new positions due to award of new grant finding from Minnesota Housing).
- Fourteen of the 26 current HRA staff has been here for 3 years or less and are still in the training process.
- Seven of these have been here for less than 1 year.
- One experienced staff person is on medical leave through June, and one experienced staff person just returned from medical leave after being out approximately 2 weeks. One staff person would like to prepare to retire.
- The Rental Assistance Manager currently has over 190 hours of comp-time and the Housing Manager over 140 hours of comp-time due to time demands of training new staff and being short staffed.
- The Rental Assistance Manager, Housing Manager, Director of Administration, and Executive Director all are at the maximum PTO limit of 800 hours and are having a challenging time finding the time to use it.

Below is the excerpt from the personnel policy regarding the payment of compensatory time:

Section 16- OVERTIME PAY AND COMPENSATORY TIME, Part B. 3. states:

Exempt employees shall receive compensatory time off at a rate of 1 hour per hour worked in excess of 40 hours. *Exempt employees shall not be paid overtime compensation under any circumstance unless approved by the Board of Directors due to extreme circumstances.*

Director Lee requests that the Board of Directors determine the current situation of not being able to provide prompt services to over 100 households to be an "extreme circumstance" allowing for the payment of overtime compensation to exempt employees effective with time accrued as of May 1, 2022, through September 30, 2022. At that time, the situation would be re-evaluated. The HRA will be receiving an additional payment from HUD of approximately \$90,000 to use toward the increased leasing of Mainstream vouchers.

