

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of November 15, 2022**

**MEMBERS PRESENT:**

Tia Braseth, Anthony Dillard, Cecil Johnson and Kim Schlotfeldt in person, Les Bakke 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 Braseth to approve the agenda. Commissioner Dillard seconded the motion and it carried unanimously.*

**MINUTES FROM SEPTEMBER 7, 2022, REGULAR MEETING:**

*A motion was made by Commissioner Dillard to approve the September 7, 2022, regular minutes. Commissioner Braseth seconded the motion and it carried unanimously.*

**CITIZENS TO BE HEARD:**

None

**TREASURER'S REPORT:**

The September budget reviews were available for several of the programs. Director Lee met with Treasurer Schlotfeldt on November 9 to go over the budget issues for 2022 and 2023 in depth.

*Commissioner Schlotfeldt made a motion to approve the Treasurer's Report. Commissioner Braseth seconded the motion and it carried unanimously.*

*A motion was made by Commissioner Schlotfeldt and seconded by Commissioner Dillard to open the Public Hearing. The motion carried unanimously.*

**PUBLIC HEARING RE: ADMIN PLAN, FSS ACTION PLAN, & ANNUAL PLAN:**

On September 21, 2022, the HRA published a Notice of Public Hearing regarding the 2023 Streamlined Annual Plan for HCV Only Agencies, the Family Self-Sufficiency Action Plan, and changes to the HCV Administrative Plan.

To date, the HRA has received no public comments regarding the plans or proposed changes.

The proposed 2023 Streamline Annual Plan and the Family Self-Sufficiency Action Plan are attached for your review. The agency is required to submit an Annual Plan to HUD each year. In June 2022, HUD issued revised regulations for the family self-sufficiency program. All agencies were required to create new Family Self-Sufficiency Action Plans. HUD approved the agency action plan on October 19, 2022. It still requires board approval.

Below is a summary of the proposed changes to the HCV Administrative Plan:

### **CHAPTER 3: ELIGIBILITY**

The proposed change is to increase the voucher size by one bedroom for households with children of different genders age 10 years and older. The current policy is 2 people per bedroom unless they are of different generations.

### **CHAPTER 15: SPECIAL HOUSING TYPES**

The proposed changes are to add references to the Housing Choice Voucher Guidebook's new chapter on special housing types.

### **CHAPTER 19: SPECIAL PURPOSE VOUCHERS**

The proposed change is that FYI voucher holders who are enrolled in the FSS program can continue to receive assistance for up to 60 months. Currently, FYI voucher holders can only receive assistance for 36 months.

Detailed changes were available for review at the meeting.

The Resident Advisory Board met regarding the plan and proposed changes on November 10, 2021. Residents were supportive of the plan and had no comments.

*Commissioner Johnson made a motion to close the Public Hearing. The motion was seconded by Commissioner Schlotfeldt and carried unanimously.*

## **PROJECT UPDATES:**

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

### **Houge Estates**

As of November 1, there were 9 vacant units; one notice to vacate; and 1 lease termination in process. Two tenants are anticipated to move in on or around December 1. There are six more applicants whose applications are being processed for eligibility. An additional 10 letters have been sent to households on the waiting list about the additional upcoming vacancies. There are 91 households on the waiting list. The waiting list is currently open.

The Houge Estates Service Coordinator is housed at this location. The renewal grant application has been submitted for 2023.

### **Agassiz Apartments**

As of November 1, there are no vacancies. There are 10 applicants on the waiting list which closed 2/1/22. Agassiz is in need of a new roof.

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

As of November 1, there is one vacant 2-bedroom unit at the former Boyer Apartments. A current tenant is moving to the vacant unit due to an increase in family size. There are 2 vacant 3-bedroom units- one in Ulen and one in Hawley.

Four of the households in the Hawley and Ulen units will be evicted for non-payment of rent. The four households collectively owe the HRA almost \$38,000 in unpaid rent. They all received COVID rent assistance through RentHelpMN. The total assistance the 4 received was over \$32,000. They have refused to pay rent since receiving the assistance although HRA staff have made every effort to offer them payment options.

There are still 21 households on the waiting list for the one-bedroom unit and 2 for a 2-bedroom unit at Boyer. A number of households have expressed interest in the Hawley and Ulen duplexes and eligibility information is being collected.

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**

As of November 1, there are 11 vacant units (five 2-bedrooms and six 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 and start filling the openings when the rehab is complete.

Windows are installed; the sewer has been moved; new sidewalks are poured; the southeast parking lot is completed; the new addition is being framed, and electrical work has begun. Work on tenant units is scheduled to begin the week of November 21. Seven residents are being moved from their units to temporary units during the week of November 14. Unit rehab is expected to take 4-6 weeks per building.

### **Gateway Gardens**

As of November 1, there are 2 openings. Another tenant has received a lease termination for November 14 due to on-going damages to the property. One of the openings is the unit that was destroyed by a hammer by the tenant and the other is the unit that was infested with cockroaches. Both units should be ready for occupancy within the month. Potential tenants have been identified through the coordinated entry waiting list.

The treatment of the cockroaches went well. We continue to have the exterminator monitor and treat if there has been any sightings of a bug. The issue was resolved as determined by the exterminator in early October, but we are being very cautious.

The Housing Supports supplies have been moved back to Gateway Gardens. Two HRA staff are now officed at that location. The CCRI case manager will continue to be officed at the location. The HRA has hired two current CCRI employees to continue their current work at the front desk. They will each work approximately 24 hours per week. We may need to hire one additional part-time employee. This will leave 12-16 hours of front desk time for current HRA employees to cover.

### **Prairie Horizons Townhomes**

As of November 1, all units were occupied. A supportive services office is available on-site. CCRI continues to have a full-time employee providing supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. She is officed at that location. CCRI has been providing DHS Housing Stabilization Services to the participants. One of the newer HRA employees also provides supports to tenants participating in this program.

### **Housing Choice Vouchers**

As of November 1, 2022, there were a total of 662 households of a possible 758 leased from the HRA Housing Choice Voucher program. We are working with 6 additional households from other housing authorities. We have 556 vouchers under our main HCV HUD contract; 187 under our Mainstream HCV contract; and fifteen under our HCV Emergency Housing Voucher (EHV) contract. We plan to reallocate 10 of our 40 VASH units to the Bemidji HRA. Both the Bemidji and Clay HRA boards have approved this transfer.

Of the 556 vouchers under our main contract, 481 vouchers are leased: 412 of 475 regular vouchers; 40 out of 40 Tenant Protection Vouchers; 1 of 1 FYI vouchers; and 28 of 40 VASH vouchers. There is one additional VASH participant who is between units. We have issued 12 regular vouchers and 2 VASH vouchers. We are working with 4 additional households to issue a regular voucher.

167 out of 187 Mainstream vouchers are under lease. We have issued 17 Mainstream vouchers and are working with 3 additional households. 14 of 15 EHV vouchers are under lease and one applicant is being worked with.

The HRA's goal is to first focus on the 20 Mainstream and 1 EHV. We received \$93,500 in additional administrative fees in November to assist with keeping these units filled during this challenging time. After the first of the year, the focus should shift to our 63 open regular vouchers.

An experienced staff person is returning to the HRA on November 21 after leaving in August. Her return should allow us to fully utilize the available assistance for our participants.

We have 36 individuals enrolled in our Family Self-Sufficiency program. We have had 43 FSS participants in the past 12 months. The Action Plan was required to be updated due to new federal regulations, and the HRA was unable to add people between June and October. We anticipate the FSS participant numbers will increase significantly in the coming months.

There are 343 households on the waiting list. This should be a sufficient number to fill the currently available 84 units.

### **HRA Cares**

We are authorized to serve 64 households and are currently serving 63 households. Of the 63, 15 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 43 are in scattered-site units in Clay, Otter Tail, and Douglas Counties, MN, and in Fargo, ND. There are 32 singles and 31 families being served. Seven households are searching for units.

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

Our current grant is to serve sixty-two households through September 30, 2023. We are serving 57 of our authorized 62 households. Seven households are currently searching for units. There are 19 singles and 38 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**

The current grant term runs from 8/1/2020-9/30/2023. As of November 1, 38 households are leased. There is one participant in between units. This grant is still over budget so we will not be issuing any new vouchers for the foreseeable future. Households are from Clay, Douglas, and Otter Tail Counties.

We have transitioned 39 households off the current grant: 24 moving to Housing Choice vouchers; 1 moved to Homeless to Housed; 1 moved to Bridges; 1 transitioned to a more intensive youth program; 1 purchased a home; 3 went off due to increased income; 6 moved to unsubsidized units; and 1 was evicted and disappeared.

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

As of November 1, a total of 123 households were being served by the Housing Supports program in Clay County. There are 105 households leased in the scattered-site Housing Supports program – 9 with the HRA; 23 with CAPLP; 11 with the Presentation Partners in Housing; 10 with LMHC; 11 with Metro Behavioral Health; 8 with the Lotus Center; and 32 with Greater Minnesota Community Services. In addition, CCRI serves 18 Housing Supports clients at Gateway Gardens and 1 in a scattered-site location.

Twenty-two additional households are searching for units. Half of these are individuals who have been asked to leave/evicted from their units. We will not be accepting any additional new clients until the HRA is able to catch up on the financial and support services work of the organization.

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

The HRA has 1.0 FTE Housing Resource Specialist and a 0.05 project manager. There are 2 FTE outreach workers funded who are employed by the CAP agencies, CAPLP (1.15 FTE) and WCMCA (.85 FTE). The grant also includes a full-time eligibility worker for Clay County Social Services. Staff has been working diligently on property owner engagement strategies and matching participants with available assistance.

In the first year of this grant cycle, there were 322 outreach contacts with 137 people obtaining housing through outreach. There were 235 housing resource specialist contacts with 99 obtaining housing.

There is an on-site DHS grant monitoring on January 12, 2023.

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

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 Supportive Services Manager applied for and was awarded a \$50,000 capacity building grant to get the necessary infrastructure in place to re-start this program. The grant is for a 6-month period. Due to internal staffing challenges, the Supportive Services Manager reached out to CAPLP to partner on sharing this grant and the underlying work to get a system in place for the area.

They are working on getting a coordinated referral process in place, streamlined policies and procedures, training components, and effective billing practices.

### **Minnesota Housing - Housing Stability Grant**

The HRA has been awarded \$189,544 as a sub-grantee of the West Central Minnesota Communities Action Agency (WCMCA) to provide Housing Navigation services from June 15, 2022, through June 30, 2023. WCMCA is the grantee with CAPLP, Presentation Partners in Housing, and the HRA as sub-grantees.

The HRA hired three new people for two new positions between June and August. One of them has accepted a job within the agency as an Assistant Housing Manager. A part-time staff person who worked on Housing Supports left in August and one of the people hired in August as a full-time navigator was offered a position at the VA which she had applied for at the same time as

applying for our position. She accepted the VA position and was done in September. This has left our supportive services department very short-staffed.

The HRA has requested that 37% of the grant be reallocated to CAPLP which would reduce our FTEs from 2 to 1.26. CAPLP recently lost funding on a significant grant is looking for additional resources. This grant ends on June 30, 2023, and it did not appear prudent to add additional staff at this time.

With current staffing level, the new navigation staff will be able to be absorbed into current HRA operations at the end of the grant term.

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

#### 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-one homeowner and 7 commercial property owner applications have been approved. There are 2 homeowner applications and 1 commercial application on the waiting list. One homeowner has withdrawn their application.

Of the active homeowner applications received, 8 indicated they were extremely low-income; 5 were very low-income; and 9 were low-income. Six projects are under construction; 3 projects are finalizing bids and preparing to close; letters have been sent to 6 households on the waiting list to start the eligibility process. Two households have asked to be moved to the end of the waiting list and four have been unresponsive to calls and letters. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000. Contractors are expressing they are extremely busy and will have long turnaround times.

Physical property inspections have been completed on all 8 of commercial buildings. One project is in construction; 5 projects are finalizing bids; and one project has not started bidding. 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. MHFA made updates to the program effective August 1, 2022. The updates were targeted at easing some of the income eligibility requirements by adding additional allowable deductions.

Ten applicants are in the process of submitting income and other eligibility information.

### **STREAMLINED ANNUAL PHA PLAN AND CERTIFICATIONS OF COMPLIANCE:**

Director Lee reviewed the proposed 2023 Streamlined Annual Plan for HCV Only PHAs. The

HRA administers 758 HCV units so must comply with the Annual PHA Plan requirements. It was exempt from this requirement until it exceeded 550 units.

Pages 3 & 4 of the Annual Plan discuss our agency goals as included in our 2020-2024 5-Year PHA Plan and the progress we have made to date.

One of the Annual Plan requirements is that the Board approve HUD-50077-ST-HCV-HP, Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations including PHA Plan Elements that Have Changed.

*Commissioner Braseth made a motion to approve the 2023 Annual Plan and Certifications. The motion was seconded by Commissioner Dillard and carried unanimously.*

### **APPROVAL OF REVISED FAMILY SELF-SUFFICIENCY ACTION PLAN**

Director Lee presented the revised FSS Action Plan. It was developed in accordance with the new HUD regulations and requirements. The plan has been approved by HUD and allows us to expand our very successful Family Self-Sufficiency Program for the Housing Choice Voucher program.

*Commissioner Dillard made a motion to approve the Family Self-Sufficiency Action Plan. The motion was seconded by Commissioner Schlotfeldt and carried unanimously.*

### **APPROVAL OF PROPOSED CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**

The proposed changes discussed at the Public Hearing were voted upon.

*Commissioner Johnson made a motion to approve the changes to Housing Choice Voucher Administrative Plan. The motion was seconded by Commissioner Dillard and carried unanimously.*

### **PROPOSED 2023 UTILITY ALLOWANCES**

At least once every 12 months, the Clay County HRA is required to review the utility allowances in place for the Housing Choice Voucher (HCV) program. The allowances are based on average consumption and cost information. Changes are required to be made to the utility allowances if a change of more than 10% in a utility rate has occurred.

Since 2018 the HRA has contracted with Housing Authority Services of Akron, OH, to completely update our utility allowances. The analysis includes rural Cass and Clay County costs as well as Moorhead and Fargo costs.



It is anticipated that the new allowances will have a minimal impact on HAP costs in 2023. There were offsetting adjustments to the utility amounts.

The proposed utility allowances for the Housing Choice Voucher Program were presented for review and approval to be implemented on 1/1/2023.

*Commissioner Schlotfeldt made a motion to approve the 2023 Utility Allowances. The motion was seconded by Commissioner Dillard and carried unanimously.*

**RECOMMENDED PAYMENT STANDARDS JANUARY 1, 2023**

Each year HUD publishes new Fair Market Rent (FMR) amounts which are effective in October. There was about a 6% increase in FMRs for 2023. Housing authorities are authorized to set payment standards anywhere between 90%-110% of the published FMRs without HUD approval.

There have been significant rent increases in the past year, and tenants are having a very challenging time finding units that fit within our payment standards. Staff recommended that payment standards be increased to 110% of the current FMR. They were at 110% of the prior year FMR.

**PAYMENT STANDARD RECOMMENDED LEVELS**

<u>Bedroom Size</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Current Payment Standard					
- Clay	\$650	\$775	\$940	\$1340	\$1610
-Cass	\$570	\$705	\$840	\$1200	\$1450
HUD Published FMRS for MSA on 10/22 for 2023	\$634	\$749	\$911	\$1295	\$1552
Proposed Payment Standards for 2023					
- Clay	\$695	\$820	\$1000	\$1420	\$1700
-Cass	\$570	\$705	\$840	\$1200	\$1450

We propose to not increase the Cass County standards above the amounts being paid by Fargo and Cass County HRAs.

*Commissioner Johnson made a motion to approve the 2023 Payment Standards for 2023. The motion was seconded by Commissioner Dillard and carried unanimously.*

**2023 PROPOSED BUDGET**

Director Lee reviewed a combined agency-wide budget and the individual proposed budgets for

2023. Each project budget shows 5 years of actuals as well as the 2022 and 2023 budget numbers. It includes spending reserves.

The following assumptions are proposed to be included in the budget:

1. 3.5% changed to 4% Cost of Living Adjustment (COLA) for 2023 for all positions. (This includes ED). This is based upon the anticipated COLA for Clay County.
2. All eligible staff receive step increases.
3. Includes 25 full-time and 8 part-time employees (increase of 1 plus 3 part-time at Gateway). There was a mid-year 2022 increase of 2 FTEs as well. Net budgeted increase for 2023 is 2.53 FTEs. This includes 1 additional Rental Programs Assistant; 1.5 Housing Navigators; 2 additional part-time maintenance personnel; and 3 part-time Gateway front desk workers.
4. Includes maintaining the current health insurance plans offered. Cafeteria Plan amount stays at \$858.50 for those who were grandfathered in last year and wish to continue to receive cafeteria benefits (3 FT employees). For employees who were not grandfathered in, the HRA continues to pay the premiums for long-term disability for pre-2021 hires, single dental, basic life insurance and a percentage of the premiums for health insurance (100% for employee only or 75% for family coverage on a \$3000/\$6000 deductible policy) plus a minimum \$3000/year contribution to a VEBA or HSA account.
5. Includes no 2023 tax levy.
6. Anticipates an average of 40 HSWH, 62 H2H, and 130 HS households in 2023.
7. Anticipates that all HCV vouchers are fully utilized in 2023.
8. Includes minimal Housing Stabilization Services operations in the first half of the year.
9. Does not include receipt of Fieldcrest developer fees or new grants.

*Commissioner Schlotfeldt made a motion to approve the 2023 Proposed Budget. The motion was seconded by Commissioner Dillard and carried unanimously.*

**Other:**

Staffing- Brandi Wilkie was rehired and will start November 21, 2022. Bari Behling will begin assisting with Gina with the Homeless Programs.

**Other-**

Director Lee reported that she and Commissioner Braseth have met with staff from

the City of Moorhead and Moorhead PHA, and a Moorhead PHA Commissioner. Director Lee has had discussions with the Clay County Administrator and some Commissioners.

The Director discussed a variety of options of streamlining our work with Moorhead Public Housing Agency. The Board was supportive of Director Lee of pursuing additional conversations with MPHA staff and board members and doing additional research on streamlining operations.

Commissioner Johnson expressed the need to consider any impacts on current staff.

**11:10 A.M. MEETING ADJOURNED:**

*Commissioner Braseth moved to adjourn the meeting at 11:10 a.m. The motion to adjourn was seconded by Commissioner Johnson and carried unanimously.*

  
\_\_\_\_\_  
Anthony Dillard, Secretary

  
\_\_\_\_\_  
Date