

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of December 17, 2019
Fry'n Pan Restaurant, Moorhead MN

MEMBERS PRESENT:

Les Bakke, Cecil Johnson, Mike Martin, Dale Rollie, Ione Schultz, and John Wilkie.

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee, Gerry Sieler, and Sheila Laney.

10:00 A.M. REGULAR MEETING CALLED TO ORDER:

AGENDA:

Chair Schultz received a letter from a tenant to be added to the agenda. Commissioner Johnson made a motion to approve the agenda with the addition of the letter. Commissioner Martin seconded the motion and it carried unanimously.

MINUTES FROM NOVEMBER 19, 2019 REGULAR MEETING:

A motion was made by Commissioner Rollie to approve the November 19, 2019 meeting minutes. Commissioner Martin seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

Chair Schultz read a letter from a tenant at Agassiz Apartments regarding snow removal concerns. The Board discussed and asked questions regarding HRA snow removal policies. The assistant housing manager will send a letter of response to the tenant.

TREASURER'S REPORT:

Budget reviews for October 2019 were discussed. All major expenses have been incurred for the year (i.e. insurance, audit, software.)

Boyer and Agassiz Apartments continue to underperform. Houge Estates also has incurred significant costs due to turnovers and heating challenges. Fieldcrest Townhomes has numerous repair issues that we have been addressing. It will continue to be over budget for repairs for the remainder of the year. Housing Supports 01 is over budget due to high costs for initial lease ups of participants. Housing Choice Voucher is using administrative reserves in order to cover all costs.

Other projects are as anticipated.

Commissioner Johnson made a motion to accept the Treasurer's Report. The motion was seconded by Commissioner Wilkie and carried unanimously.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of December 1, there are 6 vacant units. There will be two additional vacancies at the end of December. One of the units will be filled this week. Applications are being processed for the remaining openings. There are 97 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of December 1, there were three vacant units. One person moved in December 10. One application is being process and letters have been sent to the 4 people on the waiting list regarding the additional opening.

Clay County Affordable Housing, LLC

As of December 1, there are two vacant units. The one in Ulen was re-rented for December 11. The Dilworth open unit is unavailable due to extensive repair needs. We are currently receiving bids to rehab the unit. We believe we will have an opening in Hawley soon. Residents of these units receive a preference for a Housing Choice Voucher.

Boyer Apartments

As of December 1, there is one vacant unit. Staff has mailed out letters regarding the opening. There are 39 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

Fieldcrest Townhomes

As of December 1, there are 2 vacant units, and there will be an additional opening at the end of December. Current tenants will be transferring into the 2 vacant units. There are 47 households on the waiting list which is closed for 3-bedroom units but open for the 2-bedroom units.

46 of the households on the waiting list are on the 2-bedroom list. There are 6 households on the 3-bedroom waiting list. Staff recommends that the 3-bedroom waiting list be re-opened.

There was a follow-up REAC inspection on November 12, 2019. The project received a passing score so should be out of default. The improvement was due in large part to the investment the HRA has made in the property and staff's hard work.

The 3-year loan from Bell Bank is due in January 2020. Bell Bank is willing to extend our current mortgage for one year and is assembling the documents at this time.

We have given our one-year notice to opt out of the project-based Section 8 program before January 1, 2020, in order to open up some additional financing opportunities. A resident meeting is scheduled for December 19 to make sure that residents understand they will not be required to move or pay more for rent.

Staff plans to apply to Minnesota Housing for \$500,000 in RRDL rehab funds in order to replace windows and siding and re-do the three parking lots.

A motion was made by Commissioner Martin to approve opening the 3-bedroom waiting list for Fieldcrest Townhomes. Commissioner Bakke seconded the motion and it carried unanimously.

Gateway Gardens

As of December 1, there are no vacant units. There may be two upcoming openings – one person has given notice to move into the private market, and one person may have a lengthy incarceration.

Housing Choice Vouchers

We have spent our entire 2019 HAP funding allocation plus all HAP reserves. Due to a few participants who “ported out” of our service area, we had a funding shortfall of approximately \$30,000. HUD has provided about \$28,000 in additional funding for the shortfall. It is likely they will fund the remaining \$1000-\$2000. It is anticipated that our 2020 funding will be 103.6% of our total spending in 2019,

As of December 1, 2019, there are a total of 452 households of a possible 522 leased from the HRA Housing Choice Voucher program and 57 households leased from other housing authorities that we are administering.

Of the 452 vouchers, 381 out of 451 regular vouchers are under lease; 28 out of 28 Tenant Protection Vouchers are under lease; 13 out of 15 VASH voucher are under lease; and 30 out of 28 Mainstream vouchers are under lease (due to under leasing at the beginning of the year).

A new Mainstream Voucher request for proposals was issued by HUD and the HRA applied for 200 vouchers. We received 77 new vouchers beginning 1/1/2020. It was the second largest allocation in Minnesota. Staff have contacted waiting list households who are eligible for the vouchers. There are 237 additional households on the waiting list.

We have 41 individuals enrolled in our Family Self-Sufficiency program. We have had 49 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.

Prairie Horizons Townhomes

As of December 1, there are no vacant units. An HRA staff person is officed at the site and provides supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants.

HRA Cares

We are authorized to serve 64 households with these funds. We are currently serving 61 households. Of the 61, 15 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments;

and 41 are in scattered-site units in Clay, Otter Tail, Wilkin and Douglas Counties, and in Fargo. There are 27 singles and 34 families being served. There are 5 households searching for units.

We have submitted a grant application renewing the program for 2021. The program may be impacted by the ability to bill for Medicaid.

We only are accepting applications through the Coordinated Assessment Referral and Evaluation 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 26 of our authorized 70 households. There are 10 singles and 16 families currently being served. Effective October 1, we are targeting families and youth-headed households. Leased households are from Clay, Otter Tail, Wilkin and Douglas Counties. There are 12 households searching for units. The new grant includes \$25,000 for housing navigation activities. The ability to bill Medicaid starting in July should impact this grant significantly.

Homework Starts with Home

The Homework Starts with Home Program was authorized on October 29, 2018, to assist 60 households with rental assistance; Family Homeless Prevention Assistance Program services; and other necessary supports. In addition, the HRA requested and received \$110,000 for the HRA Tax Levy to be used towards this program in Clay County in 2019. We have requested \$75,000 for 2020. The program was awarded a \$110,000 Otto Bremer Foundation grant for 2020. The HRA applied to the United Way of Clay-Clay for an additional \$282,000 for supportive services beginning in 2021.

As of November 1, 66 households have been approved and 44 are currently leased. 4 households are searching for a unit. Households are from Clay, Douglas, Becker and Otter Tail Counties.

Minnesota Housing released the RFP for an additional \$3.5 million in HSWH funding. Applications are due March 2, 2020. The applications are scored on a 100-point scale. There are 5 extra points available for special impact applications which can end child and youth homelessness during the grant term. The HSWH advisory group meets December 12 and will discuss a potential RFP response.

Housing Supports (formerly GRH) in Scattered-Site Units

As of December, a total of 117 households were being served by the Housing Supports program. There were 98 households leased in the scattered-site Housing Supports program – 8 with the HRA (1 of these is shared with Summit); 15 with Lakes & Prairies; 7 with the Presentation Partners in Housing; 13 with LMHC; 9 with Dorothy Day/Churches United; 2 with Metro Behavioral Health (new provider); 2 with Solutions (new provider); and 43 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 19 Housing Supports clients at Gateway Gardens and one in a scattered-site location.

25 additional households are searching for units. CAPLP is working with 6; Summit is working with 12; Dorothy Day is working with 2; CCRI is working with 2; Lakeland Mental Health Center is working with 2; and Metro Behavioral Health is working with 1.

Minnesota DHS Community Infrastructure Grant

The HRA now has a 0.5 HRS and a 0.03 project manager. We were able to maintain 2.5 of the 3.0 FTE outreach workers through the CAP agencies. CAPLP has hired a new outreach worker who started November 4. Mahube-Otwa will be hiring a new outreach worker after the first of the year since the current person is moving to a case management position.

The team is actively conducting outreach and providing referrals. The team meets monthly.

Owner-Occupied Rehab Program

Barnesville

All activity on this grant is complete. The Rehabilitation Project Manager presented at the Barnesville City Council meeting on December 9. There were no comments received.

Sabin

DEED awarded the City of Sabin SCDP funds to rehabilitate 10 homes. To date, we have received 9 applications which have been approved by the Property Selection Committee. One project is complete; 2 projects are in the construction phase; 3 are in the bidding phase; and 3 are in the initial eligibility phase. 2 of the 3 may be over income.

RLP

Letters have been sent to all 5 households on the RLP waiting list. Income eligibility determinations are under way for 3 households.

Rental Rehab Program

We were awarded \$800,000 in 2016-2017 funding- \$200,000 for small projects and \$600,000 for large projects. In November 2018, MHFA increased the awards to \$300,000 and \$1,200,000 (although we only requested \$900,000). We will close out the program once the current projects are completed.

We will complete 5 large projects – Fergus Falls and Morris are complete; one in Barnesville and 2 in Rothsay will close in January. MHFA extended our administrator agreement through March 31, 2020.

An owner in Barnesville was awarded all \$300,000 of the 100% forgivable funds. The properties contain a total of 14 units: 3 – 4-unit buildings and a single unit above a downtown commercial building. All loans have closed, one project is complete, and construction is underway on the other 3.

2020 BUDGET:

The proposed budgets for all HRA programs for 2020 were reviewed. The budgets are primarily based upon actual income and expenses in 2019. In addition, the budget anticipates completing a rehabilitation on Fieldcrest Townhomes through the Rental Rehabilitation Deferred Loan Program.

The following additional changes are incorporated into the 2020 Budget:

1. 5% increase to the entire Pay Plan Grid plus a 2% Cost of Living Adjustment (COLA) for 2020 for all employees who are not on Step 9 of their position.
2. Employees on Step 9 (including ED) receive a 2.5% increase plus a 2% COLA with the understanding that they will receive an additional 2.5% increase plus a COLA in 2021.
3. No eligible staff receive step increases due to the 7.1% increase they are receiving this year. Typically, the step plus COLA would be a 6% increase.
4. Eliminate the \$1350/\$2700 deductible plan option. Maintain \$2700/\$5400 and \$6650/\$13,300 deductible plans. Increase VEBA/HSA contribution from \$120 to \$225 per month. VEBA/HSA covers 100% of single deductible and 50% of family deductible. Cafeteria Plan amount stays at \$858.50 per month for those who were grandfathered in (3 FT employees).
5. For employees who were not grandfathered in, the HRA continues to pay the premiums for long-term disability, 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 \$2700/\$5400 deductible policy instead of on a \$1350/\$2700 policy.
6. Includes 15 full-time (reduction of 2 from 2019) and 8 part-time employees (increase of 7 from 2019 – replacing one FTE with 2 part-time, replacing contract maintenance with 2 part-time, adding 2 part-time employees, and reduction of Service Coordinator to 0.8 FTE. Overall increase of 1.25 FTEs).
7. Anticipates on-going increases in Housing Supports Program.
8. Includes \$110,000 Otto Bremer Foundation Grant for Homework Starts with Home.
9. Includes \$82,000 DHS HSASMI for Gateway Gardens Front Desk.
10. Includes additional 77 Mainstream Vouchers for the HCV Program.

A motion was made by Commissioner Bakke to approve the 2020 budgets. Commissioner Wilkie seconded the motion and it carried unanimously.

**RESOLUTION TO TRANSFER PUBLIC HOUSING PROGRAM TO MOORHEAD
PUBLIC HOUSING AGENCY EFFECTIVE 7/1/2020:**

At the November meeting the board approved transferring the remaining assets/income for the public housing program to the Moorhead Public Housing Agency. Attached for approval is the formal Resolution.

Commissioner Johnson made a motion to approve Resolution 12-17-19-01 to transfer public housing program to the Moorhead Public Housing Agency. The motion was seconded by Commissioner Rollie and carried unanimously.


OTHER:

1. Staff Updates: Director Lee provided the board with information regarding her recent health issues. Brandi Wilkie will be going on maternity leave for 3 months in 2020 while Jill Smith and Quinne Goodwin-Chaffee are getting married during the year. Once we hire a new maintenance technician, Jami Hills will continue doing full-time maintenance for one month past the new person's hire date.
2. In January, a joint meeting will be scheduled with the Clay County Commission.
3. Commissioner Johnson's term is up at the end of January and he can serve one more term, pending approval by the Clay County Commission.

Commissioner Martin made a motion to recommend Commissioner Johnson to the Clay County Commission for his final term. The motion was seconded by Commissioner Rollie and carried unanimously.

11:00 A.M. REGULAR MEETING ADJOURNED.

Chair Schultz adjourned the meeting at 11:00 a.m.


Cecil Johnson, Secretary

1-21-20

Date

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Resolution 12-17-19-01

**RESOLUTION TO APPROVE
VOLUNTARY TRANSFER OF PUBLIC HOUSING PROGRAM TO THE
MOORHEAD PUBLIC HOUSING AGENCY**

WHEREAS, on November 19, 2019, the Board of Commissioners of the Housing & Redevelopment Authority of Clay County approved proceeding with the requirements to transfer the remaining income and assets of the MN164 Public Housing Program to the MN017 Public Housing Program; and

WHEREAS, at said meeting, the Commissioners agreed that transferring these resources would benefit low-income Clay County residents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HRA AS FOLLOWS:

1. The Housing & Redevelopment Authority of Clay County (MN164) agrees to transfer its entire remaining Public Housing Program to the Moorhead Public Housing Agency (MN017) and complete any necessary transfer actions;
2. The effective date of the transfer shall be July 1, 2020, but the HRA may take such appropriate steps and/or enter into contracts for administration of the Public Housing Program prior to that time to effectuate the smooth transition of the program; and
3. The HRA Executive Director is authorized to work with the US Department of Housing and Urban Affairs and the Moorhead Public Housing Agency on all aspects related to the transfer of the Public Housing Program.

Approved and Adopted on this 17th day of December 2019.

By: *Jane Schultz*
Chairperson, Board of Commissioners

Attest: *Cecil Johnson*
Secretary, Board of Commissioners

