

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Closed, Regular, and Annual Meeting of February 20, 2018**

MEMBERS PRESENT:

Les Bakke via electronic means, Cecil Johnson, Mike Martin, Dale Rollie, and John Wilkie.

MEMBERS ABSENT:

Ione Schultz

**9:00 A.M. CLOSED MEETING FOR EXECUTIVE DIRECTOR EVALUATION
CALLED TO ORDER:**

Commissioner Rollie made a motion to close the meeting for the Executive Director evaluation. Commissioner Wilkie seconded the motion and it carried unanimously.

9:35 A.M. CLOSED MEETING ADJOURNED:

At the conclusion of the evaluation, Commissioner Wilkie made a motion to reopen the meeting. Commissioner Johnson seconded the motion and it carried unanimously.

STAFF PRESENT:

Dara Lee, Gerry Sieler, and Sheila Laney.

9:35 A.M. REGULAR MEETING CALLED TO ORDER:

PUBLIC HEARING:

A motion was made by Commissioner Johnson and seconded by Commissioner Rollie to open the public hearing.

Director Lee discussed the Public Hearing items which included: 2018 Annual Fund; changes to the Family Self-Sufficiency Plan to increase the maximum from 40 to 50 households; changes to the Housing Choice Voucher Administrative Plan and changes to the Public Housing Admissions and Continued Occupancy Policies as referenced below in the Proposed Changes To The Housing Choice Voucher Administrative Plan & Public Housing Admissions and Continued Occupancy Policy section.

The Resident Advisory Board met on February 12, 2018 and reviewed the proposed changes. There were no comments from that meeting. No written comments were received and no tenants or citizens attended the Public Hearing.

Commissioner Rollie made a motion to close the public hearing. Commissioner Martin seconded the motion and it carried unanimously.

AGENDA:

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

MINUTES FROM JANUARY 16, 2018 REGULAR MEETING:

Commissioner Johnson made a motion to approve the minutes from the January 16, 2018 regular meeting. Commissioner Rollie seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

Budget reviews for 2017 were discussed. The overall agency income over expenses was \$201,768 without the use of reserves and \$220,968 with reserves. Approximately \$163,000 of this increase was due to the transfer of HCV administrative fee reserves from Moorhead PHA to the HRA.

Prairie Horizons Townhomes, Cares for Kids, Boyer Apartments, HRA Cares, GRH Scattered Site 02 all came within \$2000 of budget.

Public Housing Scattered Site, Gateway Gardens, Agassiz Apartments, Fieldcrest Townhomes, and Owner/Commercial Rehab all experienced higher than projected losses.

We did not use any Public Housing Capital Funds in 2017 due to congressional delays and HUD policy changes. This resulted in decreased income for operations and capital fund projects. We also incurred excess costs due to tenant damages and evictions. Gateway Gardens also experienced excessive costs due to tenant damages and higher than average turnover. Agassiz Apartments was over budget due to costs related to wind damage. For Fieldcrest Townhomes approximately \$20,000 in losses were due to poor budgeting information regarding the insurance and property tax costs. The remaining losses were primarily due to excess costs for unit turnovers, correcting rent calculations errors of prior management. For OOR, we did not generate as much in administrative fees as budgeted while administrative expenses were incurred as budgeted.

General, Houge Estates, Housing Choice Voucher, GRH Scattered Site 01, Homeless to Housed, and RRDL all had higher than anticipated profits.

General had lower than expected staff costs. Houge Estates incurred lower than anticipated staffing costs. We received a transfer of administrative funds from Moorhead Public Housing for the Housing Choice Voucher program. RRDL had lower than anticipated staff costs due to numerous administrative delays by Minnesota Housing. GRH Scattered Site had lower than anticipated rent and utility costs. Homeless to Housed had lower than anticipated staff costs.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of February 1, there were four vacant units. One unit is vacant due to fire damage and should be ready by February 15. Applications are being processed for the openings. There are 84 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of February 1, there are 3 vacant units. There are no households on the waiting list but an application has been sent out and advertisements are going out.

Scattered-Site Public Housing

As of February 1, there are no vacant units. There are 22 households on the waiting list. We are only accepting applications for 3-bedroom units located in Ulen or Hawley at this time.

Boyer Apartments

As of February 1, there are no vacant units. There are 2 households on the waiting list. The waiting list is only open to households who are eligible for a 2-bedroom unit; and who contain a member who has been diagnosed with a serious mental illness who is currently in compliance with a doctor-recommended treatment plan.

Fieldcrest Townhomes

As of February 1, there are NO vacant units. We will have one vacancy for March 1. Staff is processing applications for the opening. There are 147 households on the waiting list.

Gateway Gardens

As of February 1, there are no vacant units. Two HRA staff have offices at Gateway Gardens. CCRI continues to provide on-site support services.

Housing Choice Vouchers

As of February 1, 2018, 396 vouchers were under lease. We are authorized to lease up to 455 vouchers. It appears that we only will have enough funding to assist approximately 400 households per month. Our 2018 funding is likely to be based upon our 2017 spending. We will not have final numbers until at least April or May. We also are working with 30 households who have "ported in" to our area. The other housing authorities continue to pay the rental assistance on these units.

We are working with 25 new households. We have issued 19 vouchers and are still determining eligibility for the remaining 6. The 30 port-in households could be absorbed into our program if needed.

We have 36 individuals enrolled in our Family Self-Sufficiency program and are working with an additional household for March 1. We have had 42 FSS participants in the past 12 months. We can serve up to 40 households on the FSS program. One of the topics of the public hearing was whether to increase the maximum to 50. HUD is encouraging agencies with FSS grants to serve at least 50 households.

Prairie Horizons Townhomes

As of February 1, there are no open units. One tenant has moved out due to criminal activity and the unit will be available in March. A part-time HRA staff person and a new full-time CCRI staff provide supportive services to both Prairie Horizons Townhomes developments and the HRA Cares scattered-site participants.

HRA Cares

We are authorized to serve 64 households with these funds. We are currently serving 66 households. Of the 66, 16 are at Prairie Horizons Townhomes and 50 are in scattered-site units in Clay, Becker, Douglas, Wilkin, Otter Tail, and Cass Counties. There are 34 singles and 32 families being served.

New admissions in 2018 will be to the Bright Sky development until 15 households are leased. Staff has identified 7 households thus far.

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 authorized to serve 55 households. There are currently 55 households on the program, 21 singles and 34 families. Households are from Clay, Otter Tail, Wilkin and Douglas Counties. Five households are transitioning to the Housing Choice Voucher program in March.

New participants also are chosen through the CARES process. There are 3 households searching for a unit. It is possible that some new Homeless to Housed tenants may move into the Bright Sky development with case management provided by Lakes & Prairies.

HRA Cares For Kids

The grant which began February 1, 2016 can serve up to 18 households. As of February 1, we are serving 16 households. Four households are in the process of transitioning to the Housing Choice Voucher program effective March 1.

We are authorized to work with households with children in both the Detroit Lakes and Breckenridge school systems as well as the Moorhead school system. One household is from Detroit Lakes and the rest have children enrolled in Moorhead.

Minnesota Housing is considering an extension of this current program and may allow us to serve a few additional households. The current grant ends on January 31, 2019 but may be extended until September 30, 2019. At that time, we may be eligible to apply for on-going renewal funding. Minnesota Housing had extended its decision time line for at least a month.

Housing Supports (formerly GRH) in Scattered-Site Units

We have a vendor contract with Clay County and are working with CCRI, Summit Guidance Center, Lakeland Mental Health Center (LMHC), Dorothy Day House of Hospitality, Presentation Partners in Housing (PPiH), Lakes & Prairies CAP, and Homeless Health Services to provide services to as many households as needed. Lotus, a new provider, also may begin partnering.

There are currently 36 households leased with the Housing Supports programs – 9 with the HRA (2 of these are shared with Summit); 5 with Lakes & Prairies; 3 with the Presentation Partners in Housing; 3 with LMHC; 1 with Dorothy Day; and 17 with Summit Guidance (of these 2 are shared with the HRA).

Five additional households are searching for units. Lakes and Prairies is working with 1; Lakeland Mental Health is working with 2; Summit is working with 1; and Dorothy Day is working with 1.

Owner-Occupied Rehab Program

Minnesota Housing Rehabilitation Loan Program- Four applicants have closed on loans and construction is underway; and 4 are having their eligibility determined. There are 2 applicants on the waiting list.

Barnesville SCDP- The Barnesville application for DEED Small Cities Development Program (SCDP) was funded at \$937,735 to complete rehabilitation on 15 homes and 12 commercial projects. The HRA was awarded a \$26,216.56 Rural Development Housing Preservation Grant (HPG) to serve as matching funds for 3 of the Barnesville homes.

We are currently working with 13 homeowner households. Eight projects are complete; 2 are under construction; 1 is in the bidding stage; and 2 are still being processed to determine eligibility. We have funding available for at least 2 additional homeowners.

We are working with 18 commercial property owners. Due to the lower than projected cost per building for rehabilitation, we will be able to rehab at least 16 buildings.

Sixteen applications have received preliminary approval through the Property Selection process. Six projects are complete; 3 projects are under construction; 5 projects are reviewing bids/re-bidding; and 1 project is finalizing the scope of work. 2 projects still need to be inspected.

Rental Rehab Program

We were awarded \$800,000 in 2016-2017 funding- \$200,000 for small projects and \$600,000 for large projects. We have received applications for \$1,200,000 for large projects and no applications for small projects. The Fergus Falls project closed on October 25. The Morris project closed December 20.

We will need to wait for additional funding to do the third project which is in Barnesville and the fourth project which is in Alexandria.

We have one current owner interested in the \$200,000 for small projects. This is the owner who has been working on changing its ownership structure to establish eligibility. A formal application has not been received yet.

POTENTIAL NEW PROJECTS:

Small Cities Development Program

Staff has submitted an SCDP grant application for Sabin to DEED to rehab 10 owner-occupied homes in the amount of \$258,525. We were invited to submit a full application which is due February 22. Grant awards will not be made before May 2018. The Sabin application was considered marginally competitive.

The most significant concern was the relatively high average income in the community. We are conducting income surveys in the target area to see how much lower the incomes are in that specific area. Sabin is applying to rehabilitate 10 homes. To date, we have received back letters of intent from 20 interested homeowners.

Veterans Administration Supportive Housing (VASH) Housing Choice Vouchers

HUD and the VA issued a joint request for letters of interest from agencies with HCV programs who are interested in applying for VASH vouchers. The Fargo VA supported our agency in applying for 25 vouchers. A letter of interest was submitted in November along with the VA letter of support. These vouchers are for homeless vets and are paired with supportive services from the VA. The VA has been notified that we will be invited to apply for 15 vouchers. We have not received this notification.

PROPOSED CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE (ADMIN) PLAN & PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP):

PROPOSED CHANGES TO ADMIN PLAN

Changes regarding Violence Against Women Act (VAWA) as required by federal regulation;

Changes regarding project-based vouchers as required by federal regulation;

Add preferences to the waiting list which states:

The PHA will offer an eight (8) point preference to families who are a Clay County resident and whose head of household or spouse is 75 years of age or older.

The PHA will offer a seven (7) point preference to families who are currently participating in a permanent supportive housing program in Clay County who, based upon a standardized assessment, are determined to no longer require permanent supportive housing.

Deleted the following preference as it no longer applies:

The PHA will offer a preference for current applicants on the Moorhead Public Housing Agency's Housing Choice Voucher waiting list. Those receiving this preference will be assigned points in accordance with the above preferences.

PROPOSED CHANGE TO ACOP

Update to wording on lease enforcement in regard to Smoke Free Housing Policy.

A hard copy of all changes was available at the meeting for review.

A motion was made by Commissioner Martin to adopt the proposed changes to the HCV Admin Plan and the Public Housing ACOP. Commissioner Rollie seconded the motion and it carried unanimously.

OTHER:

Re-appointment of Chairperson Bakke: Chair Bakke was reappointed to another five year term by the Clay County Commission at their most recent meeting.

Out-of-State travel for NAHRO Legislative Conference in Washington DC: Director Lee asked for input regarding attending the conference and the commissioners felt it would be worthwhile.

Commissioner Wilkie made a motion to approve the out of state travel request and the motion was seconded by Commissioner Rollie. The motion carried unanimously.

HTVN training opportunities: The agency has signed up with HTVN for online training sessions. Each commissioner has a profile set up and can take unlimited trainings as desired.

10:05 A.M. REGULAR MEETING ADJOURNED:

Chair Bakke adjourned the meeting at 10:05 A.M.

10:05 A.M. ANNUAL MEETING CALLED TO ORDER:

Chair Bakke opened the annual meeting at 10:05 A.M.

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, etc.)

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 each property	<u>Units:</u>	<u>Res Needed:</u>	<u>Project Res:</u>	<u>Gen Res:</u>
Houge Estates	60 units	\$180,000	\$ 152,060	\$ 27,940
Gateway Gardens	24 units	\$ 72,000	\$ 152,815	\$ -
Scattered-Site	24 units	\$ 72,000	\$ 20,955	\$ 51,045
Agassiz Apartments	12 units	\$ 36,000	\$ 18,010	\$ 17,990
Boyer Apartments	8 units	\$ 24,000	\$-174,500	\$198,500
New Prairie Horizons	8 units	\$ 24,000	\$ 35,625	\$ -
Fieldcrest	40 units	<u>\$120,000</u>	\$ - 55185	<u>\$175,185</u>
Total Reserve Need for Properties		\$528,000		\$460,660

Reserves needed for other Programs:

[Projected 2018 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.	\$ 35,490	\$ 465	\$ 35,025
2.Housing Choice Voucher	\$170,850	\$219120	\$ -
3.HRA Cares	\$ 40,100	\$ 5,200	\$ 34,800
Homeless to Housed	\$ 21,580	\$ 3,000	\$ 18,580
Cares for Kids	\$ 7,500	\$-34,720	\$ 42,220
GRH-Scattered-Site	\$ 37,000	\$ 5,800	\$ 31,200
OOR	\$ 28,040	\$107,050	\$ -
Rental Rehab	\$ 24,190	\$ -15,700	\$ 39,890
General	<u>\$ 84,070</u>	<u>\$468,200</u>	<u>\$ 84,070</u>
Total Reserve Need for other Programs	\$448,820		\$285,785__

Total Minimum Reserves Needed \$976,820

MINIMUM GENERAL FUND RESERVES NEEDED: \$746,445

GENERAL FUND RESERVES AS OF 12/31/2017: \$468,195

DEFICIT: \$278,250

The deficit is due to the Boyer Apartments loan payoff and the purchase of Fieldcrest.

BOARD OFFICERS FOR 2018:

The HRA by-laws require that no person serve in the role of Chairperson, Vice Chairperson or Secretary for more than two consecutive years. The Chairperson has held his position for two years and is not eligible for the position. In past years, the Vice Chair has moved to the Chair position and the Secretary to the Vice Chair position.

Based upon HRA custom, below is the proposed slate of officers:

Past Chair – Les Bakke;
Chair – Ione Schultz;
Vice Chair – Dale Rollie;
Secretary – Cecil Johnson or John Wilkie; and
Treasurer – Mike Martin – no term limit.

Commissioner Martin made a motion to approve the slate of officers above with Cecil Johnson as Secretary. The motion was seconded by Commissioner Rollie and carried unanimously.

UPCOMING MEETING DATES & TIMES:

Board meetings for the coming year are scheduled to be held on the following dates:

February 20, 2018
March 20, 2018
April 17, 2018
May 15, 2018
June 19, 2018
July 17, 2018 (*tentative – may be cancelled*)
August 21, 2018
September 18, 2018
October 16, 2018
November 20, 2018
December 18, 2018
January 15, 2019

Meetings are currently held at 9:30 a.m. on the third Tuesday of each month.

LOCATION OF AGENCY BANK ACCOUNTS:

The HRA currently has checking accounts, savings accounts, and loans (office building, Fieldcrest Townhomes) located at Bell State Bank & Trust and Northwestern State Bank.

The location of Certificates of Deposit is based upon the best available rate at a financial institution located in Clay County at the time of the deposit. A minimum of 3 -5 bank rates are compared prior to making the deposit.

The checking and savings accounts are located at the two banks which have branches in Dilworth. Both locations are convenient and accessible to the HRA offices. The HRA has very positive working relationships with both institutions.

Staff recommends that no changes be made to the location of the bank accounts at this time but that it be re-evaluated if terms, service or other conditions change significantly.

A motion was made by Commissioner Martin to continue banking at the same locations. Commissioner Johnson seconded the motion and it carried unanimously.

DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR:

ARTICLE IV. SECTION 1 of the HRA by-laws allows the Chairperson with the consent of the Commissioners to delegate authority to the Executive Director to execute all documents, contracts and instruments on behalf of the Authority.

ARTICLE IV. SECTION 2 of the HRA by-laws allows the Secretary to delegate authority to the Executive Director to maintain and keep records and the Seal of the Authority.

ARTICLE VI. SECTION 3 of the HRA by-laws allows the Chairperson to designate a petty cash fund, not to exceed \$100 to be maintained by the Executive Director and disbursed by the Executive Director without prior approval of the Commissioners.

The Board of Commissioners recommended that this be done each year at the Annual Meeting.

Commissioner Johnson made a motion to approve the Delegation of Authority to the Executive Director for 2018. Commissioner Wilkie seconded the motion and it carried unanimously.

ANNUAL REVIEW OF CONDUCTING BUSINESS IN ACCORDANCE WITH CORE VALUES AND ETHICAL STANDARDS & CONFLICT DISCLOSURE:

HUD requires that every grant recipient have a plan in place to make sure that all Board members and staff are aware of our code of conduct. The Board has adopted the "Conducting Business in Accordance with Core Values and Ethical Standards" as its code of conduct.

Staff has informed HUD that the Board will review the code of conduct at each annual meeting.

Code of Conduct and Conflict Disclosure forms were distributed and signed by all members present.

10:20 A.M. ANNUAL MEETING ADJOURNED:

Chair Bakke adjourned the meeting at 10:20 A.M.



Dale Rollie, Secretary



Date