

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of August 20, 2019**

**MEMBERS PRESENT:**

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

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Dara Lee and Sheila Laney.

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

**AGENDA:**

*Commissioner Bakke made a motion to approve the agenda. Commissioner Martin seconded the motion and it carried unanimously.*

**MINUTES FROM JUNE 18, 2019 REGULAR MEETING:**

*A motion was made by Commissioner Johnson to approve the June 18, 2019 meeting minutes. Commissioner Bakke seconded the motion and it carried unanimously.*

**CITIZENS TO BE HEARD:**

None

**TREASURER'S REPORT:**

Budget reviews for June 2019 were discussed. Boyer and Agassiz Apartments continue to try and recover from heating and snow removal costs this past winter. Also we have had a couple of expensive turnovers. Fieldcrest Townhomes has numerous repair issues that must be addressed. 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. We are serving 20% more households in the first half of the year than anticipated.

Homework Starts with Home and Owner-Occupied Rehab are as anticipated. Both received levy funds in July. All other budgets are as anticipated.

*Commissioner Bakke made a motion to accept the Treasurer's Report. The motion was seconded by Commissioner Rollie and carried unanimously.*

**PROJECT UPDATES:**

Director Lee provided project updates.

**Houge Estates**

As of August 1, there are 5 vacant units. Four have been re-rented. There will be 1 additional opening at the end of August. Applications are being processed. There are 117 households on the waiting list. The waiting list is currently open.

**Agassiz Apartments**

As of August 1, there are no vacant units. There is one pending eviction with court scheduled for the end of August. There are 25 people on the waiting list.

**Clay County Affordable Housing, LLC**

As of August 1, there are two vacant units. There is one current opening in Ulen. A Hawley household will transfer to the vacant Dilworth unit after the unit is completely gutted and remodeled. We are accepting applications for Ulen and Hawley.

Residents of these units receive a preference for a Housing Choice Voucher.

**Boyer Apartments**

As of August 1, there is one vacant unit. The unit has been re-rented, but the new tenant failed to give appropriate notice to his existing landlord so will not be able to move in until November 1. There are 15 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

**Fieldcrest Townhomes**

As of August 1, there are 7 vacant units. Three have been re-rented. There will be one additional opening on August 31. Letters have been sent out regarding the 5 openings. There are 61 households on the waiting list which is closed. Staff recommends opening the waiting list for households interested/eligible in a 2-bedroom unit.

*A motion was made by Commissioner Martin to open the 2-bedroom waiting list at Fieldcrest Townhomes. Commissioner Bakke seconded the motion and it carried unanimously.*

One maintenance staff person has been assigned to work solely on Fieldcrest through September since the project failed the federal inspection. Due to the failure, the HRA had to complete a survey of all units. Staff identified 527 work items that would cost over \$156,000 to complete. We have committed up to \$42,000 for repairs at this time. We are investigating using RRDL funds to complete up to \$500,000 in improvements.

**Gateway Gardens**

As of August 1, there are no vacant units. Minnesota Housing has administered the operating subsidy we use for front desk staff since the building opened. The funds will now be administered by the MN Department of Human Services. Reporting and other requirements will increase significantly. CAPLP has agreed to include our front desk services in their grant application for the next 2 years of funding. We would continue to subcontract with CCRI. We will need to change our night-time staffing.

In addition, Minnesota has had an amendment to its Medicaid plan approved by the federal government. Housing stabilization services will become Medicaid-billable activities beginning in July 2020. Housing Supports payments may be reduced. This will have significant impacts on program staffing. HRA staff have offices at Gateway Gardens. CCRI continues to provide on-site support services.

### **Housing Choice Vouchers**

We are currently leased to the maximum that funding will allow. As of August 1, 2019, there are a total of 457 households of a possible 522 leased from the HRA Housing Choice Voucher program and 48 households leased from other housing authorities that we are administering.

Of the 457 vouchers, 382 out of 451 regular vouchers are under lease; 28 out of 28 Tenant Protection Vouchers are under lease; 15 out of 15 VASH voucher are under lease; and 32 out of 28 Mainstream vouchers are under lease (due to under leasing at the beginning of the year). We have issued an additional 3 regular vouchers and 3 Mainstream vouchers. We are working with 3 households to begin working to issue them a Mainstream Voucher or regular voucher. A new Mainstream Voucher request for proposals has been released by HUD and applications are due September 6. The HRA is applying for 200 vouchers in this funding round. We applied for 400 and received 28 in the last funding cycle.

There are 292 additional households on the waiting list. Due to funding limitations, we believe there will be an average of 65 unused vouchers per month in 2019.

We have 41 individuals enrolled in our Family Self-Sufficiency program. We have had 50 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 August 1, there is one vacant unit due to a unit transfer. The new open unit should be filled by September through the Coordinated Entry System. 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 60 households. Of the 60, 15 are at Prairie Horizons Townhomes; 4 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 26 singles and 34 families being served.

The grant renewal is due at the end of August. The program also 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. We have approved 7 households for the program and two have located units so far.

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

We are serving 23 of our authorized 55 households. Beginning October 1, our authorized number increases to 70 households. There are 8 singles and 15 families currently being served. Starting October 1, we are targeting families and youth-headed households. Leased households are from Clay, Otter Tail, Wilkin, and Douglas Counties.

There is sufficient funding remaining to meet all of our obligations through September 30. We will begin adding new participants in September. The two-year funding amount is \$1,148,079. We were previously funded at \$792,000. The new grant includes \$25,000 for housing navigation activities. The ability to bill Medicaid should impact this grant significantly as well.

### **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.

As of the beginning of August, 66 households have been approved and 51 are leased. 4 are searching for units. We have had 6 positive exits from the program. Households are from Clay, Wilkin, Douglas, Becker and Otter Tail Counties. Minnesota Housing hosted the first meeting of the HSWH programs in August. No other program has housed more than 8 households to date. Minneapolis started its own program last year as well. Over \$5 million in resources are available from the MPHA, City of Minneapolis and Pohlads Foundation. They have housed 13 households and provided diversionary assistance to several more. Other programs requested we host the October program meeting to share our best practices. Staff has been invited to train at the Minnesota Homeless Coalition conference.

### **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), CAP Lakes & Prairies, and Homeless Health Services to provide services to as many households as needed. Solutions will begin partnering as well.

As of August, a total of 109 households were being served by the Housing Supports program. There were 89 households leased in the scattered-site Housing Supports program – 7 with the HRA (1 of these is shared with Summit); 18 with Lakes & Prairies; 4 with the Presentation Partners in Housing; 12 with LMHC; 10 with Dorothy Day/Churches United; and 38 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 20 Housing Supports clients at Gateway Gardens and one at a scattered-site location.

Sixteen additional households are searching for units. The HRA is working with 1; CAP Lakes & Prairies is working with 5; Summit is working with 8; Lakeland Mental Health Center is working with 1; and CCRI is working with 1.

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

The Department of Human Services awarded Clay County \$385,875 to develop Community Infrastructure to help people with disabilities live successfully in their own communities. Effective July 1, 2019, the grant was renewed at \$392,593. This is a 2-year grant which means an approximate 50% reduction in funding. DHS intended to cut the grant by 25% in order to spread the available funding across all current grantees and fund all current staff. There was a calculation error in the amount we had available for carry over. The calculation was off approximately \$150,000.

We have been working with Clay County and our other grant partners. The HRA now has a 0.5 HRS and a 0.03 project manager. Gina Kautz will fill both roles for the HRA. We were able to maintain 2.5 of the 3.0 FTE outreach workers through the CAP agencies.

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

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

#### Barnesville

All activity on this grant must be completed by September 30, 2019. We are funded to assist 15 homeowners. We are currently working with 16 homeowner households. 10 projects are complete; 5 are in construction; and 1 is bidding.

We have funding available to assist all homeowner applicants. One person who received assistance through this grant passed away, and those funds have been repaid and used to assist the other homeowners.

We were funded to rehabilitate 12 commercial properties. Due to a lower than projected cost per building for rehabilitation, we will be able to work on 20 buildings.

We have received 25 applications. 24 applications received preliminary approval through the property selection process. The Board agreed to allow any last-minute applications to move forward at its June meeting. We received one additional application which needs a retroactive selection approval.

***Commissioner Bakke made a motion to approve Property #25 on the commercial list. The motion was seconded by Commissioner Martin and carried unanimously.***

After 3 projects withdrew and 2 were determined ineligible by DEED, we are working with 20 approved applicants. 11 projects are complete; 8 projects are in construction phase; and one project is bidding.

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. Two are in the construction phase, one is securing match; 2 have had initial lead assessments completed; and 3 are in the initial eligibility phase. The other application will be processed when the Barnesville project is complete.

RLP

2 projects are underway. Staff will begin processing additional applications in October.

Other

The HRA was awarded approximately \$75,000 in additional funding from USDA Rural Development for a Housing Preservation Grant to be used as match proceeds. The HRA will have \$175,000 to use for rehabilitation match purposes from the 2019 HRA Tax Levy.

**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). It is anticipated that this will be the last funding award the HRA receives and that we will close out the program once the current projects are completed. MHFA has requested we remain in the program as a processing agent, but we have made no commitments at this time.

We will complete 5 large projects – one in Fergus Falls which is complete; one in Morris which is approximately 75% complete and has adjusted their scope of work; one in Barnesville and 2 in Rothsay which are all out for bid. Bids are due August 16. All information must be at MHFA by August 20 in order to close by September 30. If this does not occur, we will request MHFA extend our administrator agreement until December 31. We do not know if this request will be approved.

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. 3 of the 4 loans have closed, and the other is being processed by the MHFA closing department.

**2020 HRA TAX LEVY:**

Minnesota Statutes §469.033, subd. 6 permits the HRA to levy and collect a Special Benefit Tax of up to 0.0185% of the taxable market value upon all taxable property, both real and personal, within the Authority's area of operation which includes Clay County except the cities of Barnesville and Moorhead. The statute requires the consent of Board of Commissioners of Clay County to approve such a levy; and requires Local Governments to certify their tax levies to the County Auditor. We need the consent of the local unit of government to levy within the cities of Barnesville and Moorhead. The HRA has exercised this power in 2008, 2010, 2014 and 2019.

At its June meeting, the HRA approved a \$450,000 tax levy for 2020. This amount includes \$10,580 from Barnesville and \$200,000 from Moorhead. The maximum HRA tax levy, including Barnesville and Moorhead, is \$1,191,474 using 2019 values. The maximum HRA tax levy for Barnesville is \$27,960 and for Moorhead is \$542,266. The maximum levy without the two cities is \$621,248.

The HRA presented to the Barnesville City Council on Monday, August 12, 2019. The consent was unanimously approved. It was presented to the Clay County Commission at 8:35 a.m. Commissioners Schultz, Rollie, Johnson, Bakke and Wilkie attended. The Clay County Commission tabled their vote on the HRA tax levy due to concerns. The Board discussed options and felt that reducing the percentage by half would allow the agency to maintain services.

The HRA Tax Levy of \$450,000 (approximately 0.007% or \$7 on a \$100,000 valuation) was reduced to 225,000 (approximately .0035% or \$3.50 on a \$100,000 valuation) to be used for the following purposes:

- Administration and rehabilitation on homes (\$100,000) occupied by low and moderate-income owners located in Clay County, Minnesota;
- Administration of rental assistance (\$75,000), including the Homework Starts with Home Program with \$50,000 designated for supportive services for this program, and subsidized housing developments in Clay County;
- Development of new affordable housing opportunities within Clay County.
- \$50,000 (1/2 the amount collected on property located within the City of Moorhead) to the Moorhead Public Housing Agency for activities consistent with the above.

***Commissioner Bakke made a motion to rescind Resolution 6-18-19-1. The motion was seconded by Commissioner Johnson and carried unanimously.***

***Commissioner Bakke made a motion to approve attached Resolution 8-20-19-2. Commissioner Johnson seconded the motion and it carried unanimously.***

**APPROVAL OF RESOLUTION TO ACCEPT FUNDS FROM MINNESOTA HOUSING FOR HOMELESS TO HOUSED RENTAL ASSISTANCE:**

Minnesota Housing has notified us that our application to continue to operate the Homeless to Housed Rental Assistance program from October 1, 2019 to September 30, 2021 has been approved. We have been awarded \$1,148,079 to serve 70 households during this period. This award includes \$25,000 for housing navigation services. The award was an increase from the last award of \$792,000 to serve 55 households. For this funding round, priority is given to homeless families and youth with the highest barriers to housing.

***Commissioner Bakke made a motion to approve attached Resolution 8-20-19-01 accepting funds for Homeless to Housed Rental Assistance. The motion was seconded by Commissioner Rollie and carried unanimously.***

**STAFF UPDATES:**

One part-time employee started in July. Kaley Peterson, who was working as an Assistant Housing Manager, resigned in June. We were able to re-hire her in the same position on a part-time basis. Our Office Manager is no longer employed with our agency effective July 3.

We looked at these changes as an opportunity to restructure and start implementing our succession planning. Quinne Goodwin-Chaffee accepted the newly created position of Housing Success Specialist to work with tenants who live in units we manage. She previously worked full-time in our agency as a part-time Housing Resource Specialist and a part-time Rental Inspector.

We have 4 new employees starting this month. Jill Smith begins full-time on August 29 as a Finance Specialist. Our current finance professionals indicate they plan to retire in the next 2-7 years.

Three part-time employees will begin after Labor Day. Two will work as Homeless Program Specialists and be housed at Gateway Gardens. They will assist the Homeless Programs Manager with her increased duties due to the increase in Housing Supports and the Homeless to Housed program. One will work at the main office and assist with front desk and Housing Choice Voucher duties.

We also advertised for a cleaning position but have decided to change cleaning contractors instead.

One staff is currently on intermittent FMLA leave and a second will be on FMLA leave in September.


**OTHER:**

1. Out of State Travel Request: National NAHRO training will be in San Antonio, TX in October. Director Lee may be interested in attending.

***Commissioner Bakke made a motion to approve out of state travel if the Director feels it would be beneficial to the agency. Commissioner Johnson seconded the motion and it carried unanimously.***

**10:30 A.M. REGULAR MEETING ADJOURNED.**

***Chair Schultz adjourned the meeting at 10:30 a.m.***

  
Cecil Johnson, Secretary

9-17-19  
Date





**Whereas**, Minnesota Statutes §469.033 subd. 6 permits the Housing and Redevelopment Authority of Clay County to levy and collect a Special Benefit Tax of up to 0.0185% of the taxable market value upon all taxable property, both real and personal, within the Authority's area of operation which includes Clay County, and in the cities of Barnesville and Moorhead; and


**Whereas**, §469.033 subd. 6 requires the consent of Board of Commissioners of Clay County, and any political subdivision not explicitly in the HRA area of operation to approve such a levy; and


**Whereas**, Minnesota Statutes require Local Governments to certify to the County Auditor their Tax Levies.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF CLAY COUNTY AS FOLLOWS:

1. That a Special Benefit Tax, pursuant to Minnesota Statute §469.033 subd. 6, of \$225,000 be levied upon all taxable market value of taxable property within the Authority's area of operation which is all of Clay County and in the cities of Barnesville and Moorhead, upon their consent. Should Moorhead fail to consent, \$10,000 will be reduced from the levy and it will not apply within the City of Moorhead; should Barnesville fail to consent \$5,260 will be reduced from the levy and it will not apply within the City of Barnesville.
2. The levy is approximately 0.0035% and does not exceed 0.0185% of taxable market value of the taxable property as defined above.
3. That this special levy is for the tax year 2020.
4. That this special levy will be used for costs associated with administering and performing rehabilitation work on homes occupied by low and moderate-income owners located in Clay County, Minnesota; administering rental assistance, including the Homework Starts with Home Program and subsidized housing developments in Clay County; and developing new affordable housing opportunities within Clay County.
5. \$50,000 (1/2 the amount collected on property located within the City of Moorhead) will be dispersed to the Moorhead Public Housing Agency for activities consistent with the above.
6. That a copy of this resolution along with a formal letter requesting approval of this tax be forwarded to the Board of Commissioners of Clay County and the Moorhead and Barnesville City Councils forthwith for approval.

Approved and Adopted on this 20<sup>th</sup> day of August 2019

By:   
Lone Schultz  
Chairperson, Board of Commissioners

Attest:   
Cecil Johnson  
Secretary, Board of Commissions

