

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of March 19, 2019

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 Elaine Martinson

9:40 A.M. REGULAR MEETING CALLED TO ORDER:

AGENDA:

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

MINUTES FROM FEBRUARY 19, 2019 REGULAR & ANNUAL MEETING:

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

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

Budget reviews for January 2019 were discussed. Overall there is nothing unusual about the income and expenses at this point in the year. RRDL has closed two loans since January. Gateway Gardens will receive its operating subsidy in March.

The final version of the January budget reviews were e-mailed to Commissioners after the meeting.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of the first week in March, there are 3 vacant units. One is re-rented for the end of March and one is being rehabbed due to water damage from frozen pipes. There will be an additional opening at the end of April. Applications for the 3 open units are being processed. There are 94 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of March 1, there are no vacant units and no move-outs scheduled. There are 20 people on the waiting list.

Clay County Affordable Housing, LLC

The transfer took place on December 31 during the federal shutdown. Staff continues to work with HUD to enter into a Use Restriction Agreement that is acceptable to all parties.

As of March 1, there are five vacant units due to the transfer/opportunity for tenants to move with Housing Choice Vouchers. 3 of the 5 are re-rented for April 1. One is re-rented for May 1. There will be an additional opening at the end of March. Staff is working with 3 households for the remaining 2 vacancies.

Everyone who was on the waiting list has been contacted. In the future, the intention is to advertise as units become available rather than maintaining a waiting list.

Boyer Apartments

As of March 1, there are two vacant units. One of the units is re-rented for May 1. There are six households on the waiting list.

Effective January 1, 2019, residents of Boyer Apartments received a preference for a Housing Choice Voucher.

Fieldcrest Townhomes

As of March 1, there were 2 vacant units. One is re-rented for the end of March. One is being rehabbed due to mildew issues. There will be three additional vacancies at the end of March. 2 have been re-rented for the end of April. Applications are being processed for the remaining two openings. There are 87 households on the waiting list which is closed.

Gateway Gardens

As of March 1, there are two vacant units. New tenants are being selected through the Coordinated Entry System. Three HRA staff have offices at Gateway Garden. CCRI continues to provide on-site support services.

Housing Choice Vouchers

As of March 1, 2019, there are a total of 435 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 435 vouchers, 381 out of 455 regular vouchers are under lease; 22 out of 28 Tenant Protection Vouchers are under lease; 14 out of 15 VASH voucher are under lease; and 18 out of 28 Mainstream vouchers are under lease. We have issued 8 additional Mainstream vouchers to households who are searching for units. We are working with or have sent letters to 3 households to begin working to issue them a Mainstream Voucher and 14 for a Tenant Protection Voucher or regular voucher. The VA continues to determine eligibility for the VASH program.

There are 218 additional households on the waiting list. Due to funding limitations, we believe there will be 60 unused vouchers per month in 2019.

We have 42 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.

The FSS Coordinator grant was renewed after the government re-opened. However, it does not begin until mid-February rather than January 1 due to the shutdown delay.

Prairie Horizons Townhomes

As of March 1, there is one vacant unit. A tenant will be selected through the Coordinated Entry System. The current full-time CCRI staff person has resigned. The HRA staff person will switch to providing supportive services 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 53 households. Of the 53, 13 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 35 are in scattered-site units in Clay, Otter Tail, Wilkin and Douglas Counties. There is one single opening and one three-bedroom opening at PHT. There are 24 singles and 29 families being served.

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 45 of our authorized 55 households. There are 13 singles and 32 families. One additional household is searching for a unit. Leased households are from Clay, Otter Tail, Wilkin, and Douglas Counties.

We do not anticipate adding additional households to the program until October. We are in the second year of a two-year grant. We over leased the first year so do not have adequate funding remaining to serve 55 households during the second year.

HRA Cares for Kids/Homework Starts with Home

The new 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 March, 26 households are leased and 9 are searching for units. Households are from Clay, Wilkin, Douglas, Becker and Otter Tail Counties. There is a household from Wadena searching for a unit.

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.

As of March 1, a total of 91 households were being served by the Housing Supports program. There were 73 households leased in the scattered-site Housing Supports program – 8 with the HRA (1 of these is shared with Summit); 15 with Lakes & Prairies; 4 with the Presentation Partners in Housing; 7 with LMHC; 9 with Dorothy Day/Churches United; and 31 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 18 Housing Supports clients at Gateway Gardens.

Twelve additional households are searching for units. CAP Lakes & Prairies is working with 1; Summit is working with 8; Lakeland Mental Health Center is working with 1; and Dorothy Day/Churches United is working with 2.

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. The grant funds three outreach workers, a 0.82 FTE housing resource specialist (employed by the HRA) and administration. The grant covers 10 counties in the West Central CoC. It was the largest grant awarded in the state. Grant renewal applications are due March 29, 2019. These are 2-year grants.

The HRA is the project manager and provides the Housing Resource Specialists. All three outreach workers are actively conducting outreach and providing referrals. The team meets monthly. The grant partners are on track to meet and/or exceed all grant goals regarding outreach, securing housing, and implementation of Housing Supports in most counties.

Owner-Occupied Rehab Program

Barnesville

We are funded to assist 15 homeowners. We are currently working with 12 homeowner households. 10 projects are complete; 1 is in construction; and 1 is finalizing loan amounts.

We have funding available for at least 3 additional homeowners. We slightly expanded the target area, and DEED has approved the expansion. Four new home owners have expressed interest, and three have responded with full applications. These three properties were presented.

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 at least 18 buildings.

We have received 23 applications. 22 applications received preliminary approval through the property selection process. After 2 projects withdrew and 2 were determined ineligible by DEED, we are working with 18 approved applicants. 8 projects are complete; 3 projects are in construction phase; 4 projects are reviewing bids/re-bidding; and 3 projects are in the eligibility/inspection stage. It appears we will have sufficient funding to do the 19th project. The project was presented for review.

A motion was made by Commissioner Johnson to approve the addition DEED commercial

property and the additional 3 residential properties for funding. Commissioner Rollie seconded the motion and it carried unanimously.

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. Staff has been in contact with the home owners and is beginning to process the applications to determine eligibility.

RLP

3 projects are under construction; 1 project is in bid review; 1 is in eligibility stage; and 5 on the waitlist have been contacted to begin determining continuing interest/eligibility.

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, 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.

We will complete 5 large projects – one in Fergus Falls which is complete; one in Morris which is approximately 70% complete and will be completed in the spring; one in Barnesville which is getting the information needed to close the loan; and 2 in Rothsay.

An owner in Barnesville will be 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. Bids have been received on most projects. On February 12, 2019, a \$100,000 loan closed for a 4-unit building. On March 7, a second loan closed in the amount of \$75,515 on a 4-unit building.

PROCUREMENT POLICY CHANGES:

The federal government has increased the “micro” purchase threshold from \$3,000 to \$10,000 and the “small” purchase from \$100,000 to \$250,000. Minnesota still has a \$100,000 threshold for purchases that do not require public bidding, so we are not proposing any changes to this area of our Procurement Policy.

A motion was made by Commissioner Martin to amend the Procurement Policy in areas related to micro purchases and replace any reference to a \$3,000 maximum to a \$10,000 maximum. Commissioner Bakke seconded the motion and it carried unanimously.

USE AGREEMENT FOR TRANSFER OF PUBLIC HOUSING UNITS TO CLAY COUNTY AFFORDABLE HOUSING LLC

The HRA transferred the scattered-site public housing units to the Clay County Affordable Housing LLC on December 31, 2018. The federal government was shut down at that time. One of the provisions in the HUD Approval Letter was that the Clay County Affordable Housing LLC could not record anything against the property prior to an acceptable Use Agreement being signed by HUD, the HRA and the Clay County Affordable Housing LLC.

After much negotiation, staff proposed the board approve the proposed Use Agreement. The Use Agreement now includes that the rents will not exceed 30% of 80% of Area Median Income. This rent limit is approximately 150% of current Area Payment Standard (the maximum rent previously agreed to.)

A motion was made by Commissioner Rollie to approve the Use Agreement for the Transfer of Public Housing to the Clay County Affordable Housing LLC. Commissioner Johnson seconded the motion and it carried unanimously.

2018 GOAL REVIEW:

The below goals were adopted for 2018. They are based upon the 2015-2019 Five-Year Agency Plan which is valid through December 31, 2019. Included is an update on the status of these goals.

Goal 1: Expand the supply of assisted housing.

Objective 1: Apply for additional rental assistance vouchers.

The Clay County HRA will apply for 25 VASH Vouchers if invited to do so by HUD. It will apply to extend and/or expand the HRA Cares for Kids program if possible.

Status: The HRA was invited to apply for and received 15 VASH vouchers effective April 1, 2018. To date, 14 of these vouchers have been leased and staff continues to work with the VA.

The HRA and its partners applied to assist 80 Homework Starts with Home eligible families. Funding for approximately \$1 million to serve 60 households was approved effective 10/29/2018. The Clay County HRA secured an additional \$110,000 in tax levy funds for operations of this program in Clay County. To date, 26 households are being served.

It will apply for additional rental assistance vouchers or programs that are made available if the administrative fees make the additional vouchers feasible to administer.

Status: The HRA applied for 400 Mainstream Vouchers through the Housing Choice Voucher program. The HRA was awarded 28 new vouchers effective November 1, 2018. To date, 18 households are being served with these vouchers. The HRA will apply for additional Mainstream Vouchers when funding becomes available. The HRA explored applying for FUP vouchers in conjunction with Clay County Social Services but did not due to staffing limitations on the part of both entities.

Objective 2: Acquire or build units or developments.

The Clay County HRA will continue to help local non-profits and private developers to develop affordable housing. It will examine potential purchase and development opportunities to expand the supply of affordable housing.
Status: The HRA has not pursued acquiring or building additional units in 2018.

Objective 3: Complete the rehabilitation on two multi-family developments using Rental Rehabilitation Deferred Loan Program funds.

Status: The HRA will complete the rehabilitation of a project in Fergus Falls and a project in Morris in early 2019.

Goal 2: Maintain or improve the quality of assisted housing.

Objective 1: Maintain status as a Housing Choice Voucher High Performer under the SEMAP criteria.

1. Achieve minimum of 99% budget or unit month utilization on all rental assistance programs including Housing Choice Voucher.
Status: The HRA has utilized over 100% of its HCV funding, Homeless to Housed funding and HRA Cares funding; it has expanded the Housing Supports program by over 20 households.
2. Continue to perform eligibility, occupancy and recertification activities at a very low error rate.
Status: The HRA did have a finding due to two rent calculation errors related to the transfer to the HCV units from Moorhead PHA. Overall, accuracy continues to be high.

Objective 2: Maintain public housing management score to status of High Performer and/or seek means of disposing of property.

Status: The HRA disposed of its public housing units which will significantly improve the units' long-term viability.

1. Achieve minimum of 96% occupancy on all properties owned or managed by the HRA.

Status at last day of month January 1- December 30:

Houge Estates: 96% occupancy.

Agassiz Apartments: 93% occupancy.

Fieldcrest Townhomes: 98% occupancy.

Public Housing: 99% occupancy.

Boyer Apartments: 94% occupancy.

Gateway Gardens: 99% occupancy.

Prairie Horizons TH: 97% occupancy.

Agassiz and Boyer are two of our smaller developments. As such, reaching a high percentage of occupancy is challenging even with only a few unit turnovers. The overall occupancy rate was 97%

Objective 3: Apply for funding and/or refinancing to rehabilitate Fieldcrest Townhomes.

Status: The HRA completed a Physical Needs Assessment on the property in Summer 2018. Funding options are still being considered.

Goal 3: Create homeownership opportunities for low and moderate-income families in Clay County.

Objective 1: Maintain the current Housing Choice Voucher Homeownership Program.

Status: Currently 12 HCV Homeownership Program participants. Three additional tenants are considering purchasing homes.

Objective 2: Assist low and moderate-income homeowners in making necessary repairs to their homes.

1. Rehabilitate 5-8 homes through the Minnesota Housing Rehabilitation Loan Program.

Status: 5 homes are complete or almost complete. 2 additional loans are in the approval process.

2. Rehabilitate 7 homes through MN DEED Small Cities Development Program in Barnesville in 2018.

Status: 4 homes were completed in 2018 with an additional home under construction. 6 homes were completed in 2017. 5 additional applications are being processed.

3. Apply for MN DEED Small Cities Development Program for Sabin if invited to do so.

Status: The HRA applied to DEED on behalf of Sabin to rehabilitate 10 owner-occupied homes. Sabin was awarded the full amount applied for. In addition, secured \$75,000 in new USDA Housing Preservation Grant funding and \$175,000 in HRA tax levy funding to supplement rehabilitation activities in Clay County.

Goal 4: Other operational improvements

1. **Continue to work collaboratively with area housing agencies to determine ways of operating more efficiently and effectively.**

Status:

- *Contracted with Grant County HRA to conduct Environment Reviews on their properties;*
- *Contracting with Moorhead Public Housing Agency (MPHA) to perform HQS inspections;*
- *Working with MPHA to share on-call rotations for both maintenance staffs beginning October 2018;*
- *Worked cooperatively with MPHA to secure first-time HRA levy within the City of Moorhead.*
- *Worked with surrounding HRAs/PHAs to secure three grants: Homework Starts with Home; DHS Community Living Infrastructure Grant; and Mainstream Vouchers.*
- *ED gave keynote presentation on working collaboratively to Minnesota Housing Partnership Housing Institute; serves on MN NAHRO board; facilitated updates session at MN NAHRO Leadership Retreat; and regularly attends West Central MN HRA Directors Meetings.*

2. **Determine if new telephone system is needed for the agency.**

Status: HRA staff determined new telephone system was necessary; purchased and implemented new telephone system.

STRATEGIC PLANNING

Director Lee and Director Dawn Bacon, Moorhead PHA, had conversations with representatives from the Village and Big River Consulting. Prior Board Member feedback indicated that the board preference was for a relatively quick process.

Big River Consulting offers a process whereby staff and board use the planning tools ahead of time, and the consult only needs to be on-site one day to complete the process. The cost would likely not exceed \$5000 if this process is chosen.

Minutes
March 19, 2019
Clay County HRA

The Board has chosen to proceed with Big River Consulting option.

OTHER:

Audit: In progress currently

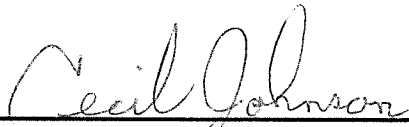
Willy's: Unknown if the property is still for sale


Board Opening: Discussion of whether or not to temporarily increase board size to 7 in the light of the upcoming openings. Board desires to increase to the 7 members after positions are advertised.

Other: In the event staff presents or performs duties for a fee, it is acceptable as long as PTO is taken to do so.

10:35 A.M. REGULAR MEETING ADJOURNED.

Chair Schultz adjourned the meeting at 10:35 a.m.


Cecil Johnson, Secretary


Date
