

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of May 21, 2019

MEMBERS PRESENT:

Les Bakke, Cecil Johnson, Mike Martin, and Ione Schultz.

MEMBERS ABSENT:

Dale Rollie and John Wilkie.

STAFF PRESENT:

Dara Lee and Sheila Laney.

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

AGENDA:

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

MINUTES FROM MARCH 19, 2019 REGULAR MEETING:

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

CITIZENS TO BE HEARD:

None

2018 AUDIT PRESENTATION:

Brian Opsahl from Brady Martz distributed hard copies of the 2018 audit and gave a brief presentation on some of the key items in the report. The agency was issued an unmodified or clean report and the internal controls in place were considered adequate.

A motion was made by Commissioner Bakke to accept and file the 2018 audit. The motion was seconded by Commissioner Martin and carried unanimously.

TREASURER'S REPORT:

Budget reviews for March 2019 were discussed. Budgets are as anticipated. We had high heating and snow removal costs for all projects during January, February and March, so those line items are significantly over budget. We have had a significant number of unit turnovers in the first quarter of the year.

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

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of the first week in May, there are 4 vacant units. One has been re-rented, and three applications are being processed. There will be one or two additional vacancies on May 31. There are 104 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of May 1, there are no vacant units and no move-outs scheduled. There are 23 people on the waiting list.

Clay County Affordable Housing, LLC

The transfer took place on December 31 during the federal shutdown. In March, the Use Restriction Agreement was executed by all parties and has been recorded. We are now entering the “close-out” phase of the process. Public Housing close-outs can take over 2 years. We will be receiving approximately \$80,000 in public housing funding in 2019 which should cover the current debt owed to the HRA and expenses related to the close out.

As of May 1, there are four vacant units due to the transfer/opportunity for tenants to move with Housing Choice Vouchers (one Dilworth, one Ulen and 2 Hawley). The Dilworth unit has been re-rented for June 1. There will be an additional opening in Hawley at the end of May. Staff has mailed letters to households on the HCV waiting list.

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

After receiving approximately \$80,000 in June or July for closing out the Public Housing units, asset repositioning fees will be received for an additional 24 months.

Boyer Apartments

As of May 1, there are no vacant units, but one tenant is scheduled to vacate in May. There are 5 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

Fieldcrest Townhomes

As of May 1, there were 5 vacant units. One has been re-rented. One application is being processed and letters have been sent out regarding the other 3 openings. There are 73 households on the waiting list which is closed.

We are taking steps to deal with a failed REAC inspection from early April. Since we will be unable to complete all repair issues within 60 days, we will come up with an action plan and submit to HUD to see if it is acceptable.

Gateway Gardens

As of mid-May, 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 May 1, 2019, there are a total of 451 households of a possible 522 leased from the HRA Housing Choice Voucher program and 43 households leased from other housing authorities that we are administering. Of the 451 vouchers, 386 out of 451 regular vouchers are under lease; 26 out of 28 Tenant Protection Vouchers are under lease; 14 out of 15 VASH voucher are under lease; and 25 out of 28 Mainstream vouchers are under lease. We have issued an additional 6 regular vouchers, 7 Mainstream vouchers and the last VASH voucher to households who are searching for units. We are working with or have sent letters to 17 households to begin working to issue them a Mainstream Voucher, Tenant Protection Voucher or regular voucher.

There are 235 additional households on the waiting list. Due to funding limitations, we believe there will be 60 unused vouchers per month in 2019.

We have 43 individuals enrolled in our Family Self-Sufficiency program. We have had 52 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 May 2, 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 57 households. Of the 57, 15 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 37 are in scattered-site units in Clay, Otter Tail, Wilkin and Douglas Counties, and in Fargo. There is one opening at PHT (Easten). There are 24 singles and 33 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. The CCRI staff person is now officed at Gateway Gardens.

Homeless to Housed Rental Assistance

We are serving 34 of our authorized 55 households. There are 9 singles and 25 families. 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 overleased the first year so do not have adequate funding remaining to serve 55 households during the second year. We are actively in the process of transitioning households to the Housing Choice Voucher program. We transitioned 8 households to HCV for May 1.

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 the beginning of May, 38 households are leased and 19 are searching for units. Households are from Clay, Wilkin, Douglas, Becker and Otter Tail Counties. We have received two additional referrals.

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 is considering partnering as well.

As of May, a total of 99 households were being served by the Housing Supports program. There were 79 households leased in the scattered-site Housing Supports program – 7 with the HRA (1 of these is shared with Summit); 19 with Lakes & Prairies; 3 with the Presentation Partners in Housing; 7 with LMHC; 11 with Dorothy Day/Churches United; and 32 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 20 Housing Supports clients at Gateway Gardens.

Four additional households have located units and eleven additional households are searching for units. The HRA is working with 1; CAP Lakes & Prairies is working with 3; Summit is working with 6; Lakeland Mental Health Center is working with 1; and CCRI 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 were due March 29, 2019. These are 2-year grants. We have been alerted the grant is likely to be renewed, but at a lower amount.

The HRA is the project manager and provides the Housing Resource Specialists (HRS). 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.

The agency was notified yesterday that the grant has been renewed for an additional two years although the amount is less than anticipated.

Owner-Occupied Rehab Program

Barnesville

We are funded to assist 15 homeowners. We are currently working with 15 homeowner households. 10 projects are complete; 1 is in construction; 1 is bidding; 2 are reviewing bids and one needs Property Selection committee action/approval.

We have funding available to assist all homeowner applicants. One person who received assistance through this grant passed away, and those funds will be available to assist an additional household.

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 19 buildings.

We have received 23 applications. 23 applications received preliminary approval through the property selection process. After 2 projects withdrew and 2 were determined ineligible by DEED, we are working with 19 approved applicants. 9 projects are complete; 4 projects are in construction phase; 1 project is securing match financing; 3 projects are reviewing bids/bidding; and 1 project owner has not been responsive. They will be removed if they are not in contact with us soon.

A motion was made by Commissioner Martin to approve Owner Occupied Homeowner #19 on the attached list. Commissioner Bakke 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 homeowners and is beginning to process the applications to determine eligibility. Bids have been received on three projects.

RLP

1 project is complete and 2 are under construction. One project is out for bid and one is in the eligibility determination phase.

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 75% complete and will be completed soon; one in Barnesville which is ready to bid; and 2 in Rothsay which are finalizing the scope of work and having lead and asbestos testing done.

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 and is approximately 50% complete. On March 7, a second loan closed in the amount of \$75,515 on a 4-unit building and is approximately 50% complete. The remaining two loans are anticipated to close in May and June.

STRATEGIC PLANNING:

At the March meeting, the Board expressed interest in working with Big River Group, LLC for strategic planning. Moorhead PHA also is interested in working with Big River. Moorhead PHA Director Bacon and Director Lee are scheduled to have a teleconference with Bruce Miles on May 23.

The board has used some of the “Chainsaw Planning” tools from this organization in the past.

The homework assigned to board members was to watch Bruce Miles, the consultant, explain the strategic planning process by watching the following YouTube videos (from the website under “About Big River Group”):

- Big River Group – What We Do (1:10 min)
- Big River Group – Why We Do What We Do (1:34 min)
- Chainsaw Planning – An Overview (2:39 min)
- Chainsaw Planning – Using the Big River Tools (1:26 min)
- Chainsaw Planning – Execution to Results (:54 min)

Staff viewed these videos in April during an all staff meeting.

The Board discussed the process and wants to work with someone familiar with what Housing Agencies do. Other consultant options are available but the process would likely be longer and more costly than the Big River process. With Big River Group, we would work on gathering data this summer and then meet with them in the fall.

The Board gave their okay for Director Bacon and Director Lee to make the choice after talking with Bruce Miles on May 23.

HART RETIREMENT:

The HRA currently provides retirement contributions and options to employees through the HART agency. In 2019, the HART Board approved a new optional item to be included in the HART Retirement Plan.

The new provision allows for the withdrawal of money from a participants' account at any time for any reason if they are 59 ½ or older. It can only be added to plan via a Board Resolution. HART legal counsel is drafting a proposed resolution but it was not ready at the time of the meeting. This option will need to be addressed at a future meeting when HART provides the proposed resolution.

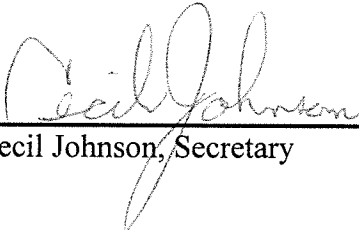
The Board discussed briefly and had no objection to adding the withdrawal option at age 59 ½.


OTHER:

1. Space Needs: There are no updates to report.

10:30 A.M. REGULAR MEETING ADJOURNED.

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


Cecil Johnson, Secretary


Date

Barnesville Owner Occupied Housing Rehabilitation Property Selection Committee Approval

Staff is recommending that the following homes be approved for rehabilitation contingent on meeting final eligibility criteria.

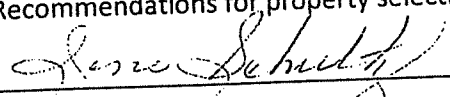
Application #	Address	Reported Income	Household Size	Notes
1	419 3rd Ave SE	LOW	2	Approved 9/20/16 - Owner
2	506 2ND St SE	XLOW	1	Approved 9/20/16 - HPG
3	319 3rd Ave SE	VLOW	2	Approved 9/20/16 - RD 504
4	608 4th St SE	XLOW	1	Approved 9/20/16 - RLP
5	518 3rd St SE	VLOW	3	Approved 9/20/16 - HPG
6	704 4th St SE	LOW	4	Approved 9/20/16 - Fix-up
7	609 4th St SE	VLOW	4	Approved 9/20/16 - RD 504
8	214 4th St SE	LOW	3	Approved 9/20/16 - Fix-up
9	217 4 th St SE	LOW	2	Approved 9/20/16 - OVERINCOME
10	713 4th St SE	LOW	1	Approved 9/20/16 - Owner
11	305 8th Ave SE	VLOW	5	Approved 9/20/16 - City of Barnesville
12	603 3rd St SE	LOW	4	Approved 10/17/17 - City of Barnesville & HPG
13	224 3 rd St SE	LOW	5	Approved 10/17/17 - OVERINCOME
14	124 4 th St SE	VLOW	1	Approved 10/17/17
15	612 4 th St SE	VLOW	2	Approved 10/16/18
16	124 5 th St NE	XLOW	1	Approved 3/19/19
17	317 5 th St SE	VLOW	3	Approved 3/19/19
18	404 5 th St SE	XLOW	1	Approved 3/19/19
19	624 2 nd St SE	XLOW	1	

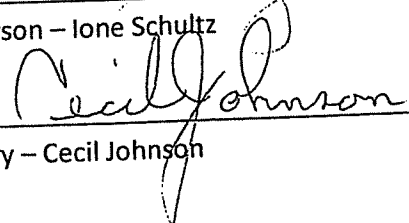
BOLD indicates loan has been closed and match funding source indicated in notes.

Staff confirms that all above properties are owner occupied permanent structures that reportedly meet the ownership requirements in the Procedural Guide. All properties are located in the target area and have been visually inspected from the exterior.

Staff recommends applications (19) be approved for funding.

Recommendations for property selection approved on: May 21, 2019


Chairperson – Ione Schultz


Secretary – Cecil Johnson