

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

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Mike Martin

STAFF PRESENT:

Dara Lee, Gerry Sieler, and Sheila Laney.

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

AGENDA:

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

MINUTES FROM OCTOBER 15, 2019 REGULAR MEETING:

A motion was made by Commissioner Rollie to approve the October 15, 2019 meeting minutes. Commissioner Johnson seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

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

Boyer and Agassiz Apartments continue to be underperforming. We have had a couple of expensive turnovers. Fieldcrest Townhomes has numerous repair issues that we have been addressing. It will continue to be over budget due to repairs for the remainder of the year. Housing Supports 01 is over budget due to high costs for initial lease ups of participants.

Other projects are as anticipated.

Commissioner Rollie 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 November 1, there are 10 vacant units. 4 have been re-rented. Applications are being processed for the remaining openings. There are 110 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of November 1, there are two vacant units. One person was approved then declined the unit. There are 4 people on the waiting list who have been contacted.

Clay County Affordable Housing, LLC

As of November 1, there are 2 vacant units. There is one current opening in Ulen and another in Dilworth. The Dilworth unit is unavailable due to extensive repair needs. We are accepting applications for the Ulen units. Residents of these units receive a preference for a Housing Choice Voucher.

Boyer Apartments

As of November 1, there is one vacant unit. There are 15 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

Fieldcrest Townhomes

As of November 1, there are 4 vacant units, and there will be an additional opening at the end of November. Three have been re-rented. Letters have been sent out regarding the two remaining openings. There are 56 households on the waiting list which is closed for 3-bedroom units but open for the 2-bedroom units.

There was a follow-up REAC inspection on November 12, 2019 and we are awaiting results.

The 3-year loan from Bell Bank is due in January 2020. We are exploring issuing bonds to finance the project. We will need to give our one-year notice of opting out of the project-based Section 8 program before January 1, 2020, in order to open up some additional options.

Gateway Gardens

As of November 1, there are no vacant units. There may be one opening in December due to an incarceration.

CAPLP did receive HSASMI funding which includes front desk funding. We will continue to subcontract with CCRI for day and possibly evening staffing. Churches United has agreed to subcontract to staff the front desk for the overnights effective January 1. This may need to be postponed until 3/1/2020.

Housing Choice Vouchers

We are currently leased to the maximum that funding will allow. Due to a few participants who “ported out” of our service area, we are now in a funding shortfall of \$25,000-\$30,000. HUD will provide additional funding for the shortfall.

As of November 1, 2019, there are a total of 453 households of a possible 522 leased from the HRA Housing Choice Voucher program and 54 households leased from other housing authorities that we are administering.

Of the 452 vouchers, 382 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). One VASH participant moved into a new unit on November 4 and the other has found a unit for the end of the month. A participant moved into our vacant project-based unit at Prairie Horizons on November 12.

A new Mainstream Voucher request for proposals was issued by HUD and the HRA applied for 200 vouchers. We received 28 in the last funding cycle. We have been notified that we were awarded 77 new Mainstream vouchers as of January 1, 2020.

There are 319 additional households on the waiting list. Due to funding limitations, we believe there will be an average of 70 unused vouchers per month in 2019.

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. One person graduated this month and will receive over \$19,000 from the program.

Prairie Horizons Townhomes

As of November 1, there was one vacant unit. It was filled on November 12. 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 59 households. Of the 59, 15 are at Prairie Horizons Townhomes; 4 are at Bright Sky Apartments; and 40 are in scattered-site units in Clay, Otter Tail, Wilkin and Douglas Counties, and in Fargo. There are 25 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 27 of our authorized 70 households. There are 10 singles and 17 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 11 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 leased. 2 are searching for units. Households are from Clay, Douglas, Becker and Otter Tail Counties. This month two households transitioned to the HCV programs in Clay and Otter Tail Counties. Some current participants are having housing challenges.

Housing Supports (formerly GRH) in Scattered-Site Units

As of November, a total of 118 households were being served by the Housing Supports program. There were 99 households leased in the scattered-site Housing Supports program – 8 with the HRA (1 of these is shared with Summit); 18 with Lakes & Prairies; 4 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.

21 additional households are searching for units. CAPLP is working with 6; Summit is working with 12; Lakeland Mental Health Center is working with 1; Presentation Partners are working with 1; and Metro Behavioral Health is working with 1.

What the agency receives for Rate 2 may be decreasing after the first of the year. Banked beds would not be affected by this change and we would request that Clay County change Gateway Garden to banked beds.

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.

The team is actively conducting outreach and providing referrals. The team meets monthly. All but one first year goal was met or exceeded. There was a state-wide grantee meeting last month.

Owner-Occupied Rehab Program

Barnesville

All activity on this grant is complete. The Rehabilitation Project Manager is presenting at the Barnesville City Council meeting on December 9.

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. Three are in the construction phase; one is bidding phase; one is in the scope finalization phase; and 4 are in the initial eligibility phase.

RLP

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

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 – one in Fergus Falls which is complete; one in Morris which is almost complete; one in Barnesville and 2 in Rothsay. We requested that MHFA extend our administrator agreement until December 31. It was extended through March 31, 2020. All loans are on schedule to close by December 31.

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, and construction is underway.

2020 BUDGET:

The 2020 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.

Since the September board meeting, the HRA was awarded an additional \$50,250 for the Gateway Gardens front desk staffing in 2020 and will have increased staffing costs due to the extra staff qualifications required by this grant; and the HRA was awarded \$110,000 from the Otto Bremer Foundation for the Homework Starts with Home Program. Most of this funding will be passed through to other agencies. The HRA also received Mainstream vouchers for 2020.

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).

Board members were unable to access the 2020 Budget spreadsheets on their laptops so hard copies were provided. After discussion, this item was tabled until next month.

Commissioner Johnson made a motion to wait until December to consider the 2020 budgets. The motion was seconded by Commissioner Wilkie and carried unanimously.

2020 DEMOLITION & DISPOSITION TRANSITION FUNDING (DDTF) AND ASSET REPOSITIONING FEES:

This topic was tabled at the October board meeting. A public housing agency can receive new Capital Fund Program dollars for public housing units after a demolition or disposition of public housing under Section 18. The Clay County HRA disposed of its public housing units effective 12/31/2018 under Section 18. They can also receive Operating Subsidy in the form of Asset Repositioning Fees (ARF) for 24 months after the disposal of public housing units. The HRA received 3 months of ARF in 2019 and has 21 months of eligibility remaining.

DDTF can be used for any eligible Capital Fund Program costs and ARF can be used for any eligible public housing expense. All these expenditures relate to the development and on-going operations of public housing units. The Clay County HRA has determined it is closing its public housing (Section 9) activities and will not be re-entering the public housing program.

If the HRA is not redeveloping public housing, there will be no eligible expenditures of DDTF or ARF. The HRA has the option of rejecting ARF and DDTF or transferring it to another PHA. Staff recommends the transfer of the PH program, ARF and DDTF to the Moorhead PHA.

A motion was made by Commissioner Rollie to approve transfer of public housing program (ARF & DDTF) to the Moorhead Public Housing Agency. Commissioner Bakke seconded the motion and it carried unanimously.

MINNESOTA CITY PARTICIPATION PROGRAM (MCP):

For the past few years, the Clay County HRA has applied on behalf of the entire county to participate in the MCP program. Prior to the HRA applying, the cities of Moorhead, Barnesville, Dilworth and Glyndon all applied separately. By the HRA applying, it eliminates the need for the individual communities to apply and makes this resource available to first-time homebuyers everywhere in Clay County.

Thus far in 2019, over \$4.3 million of funding from this program has been committed for Clay County. Attached is a basic fact sheet on the program.

Staff intends to resubmit the application in January for 2020 unless the board objects. The board did not have any objections to going forward with the MCP application.

OTHER:

1. Staff Updates: One full-time maintenance person is no longer employed with us. Jami Hills will do maintenance full-time rather than part-time and Kaley Peterson will do property management full-time rather than part-time for the month of November at least.
2. At the last meeting, the director having to travel to Chicago for NCRC Board meetings was discussed but there was no motion to approve the travel.

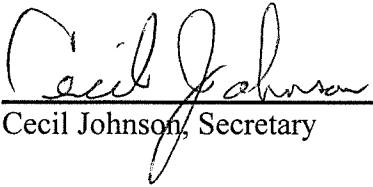
Commissioner Bakke made a motion to approve travel to Chicago in January and April for the director. The motion was seconded by Commissioner Johnson and carried unanimously.

3. The meeting scheduled for December 17, 2019 will take place at the Fryn Pan in Moorhead, MN at 10:00 a.m. Immediately following the meeting, there will be a joint employee and board luncheon.

Minutes
November 19, 2019
Clay County HRA

10:20 A.M. REGULAR MEETING ADJOURNED.

Chair Schultz adjourned the meeting at 10:20 a.m.


Cecil Johnson, Secretary

12-19-19

Date