

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of September 17, 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 Rollie made a motion to approve the agenda. Commissioner Bakke seconded the motion and it carried unanimously.

MINUTES FROM AUGUST 20, 2019 REGULAR MEETING:

A motion was made by Commissioner Bakke to approve the August 20, 2019 meeting minutes. Commissioner Wilkie seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

Budget reviews for July 2019 were discussed. July/August tend to be our most challenging budget months. All major expenses have been incurred for the year (i.e. insurance, audit, software.)

Boyer and Agassiz Apartments continue to try and recover from heating and snow removal costs this past winter. 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

Other projects are as anticipated.

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

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of September 1, there are 7 vacant units. One has been re-rented. Applications are being processed. There are 118 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of September 1, there is one vacant unit due to a court eviction. One additional tenant will be moving to Fieldcrest and one may move to Houge Estates. There are 14 people on the waiting list and applications are being processed.

Clay County Affordable Housing, LLC

As of September 1, there are two vacant units. There is one current opening in Ulen and another in Dilworth. The Dilworth unit is unavailable due to extensive repair needs. An applicant is being processed for the Ulen unit.

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

Boyer Apartments

As of September 1, there is one vacant unit. The unit has been re-rented for November 1. There is one pending eviction due to drug-related activity. There are 17 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

Fieldcrest Townhomes

As of September 1, there are 6 vacant units. One has been re-rented. There will be one additional opening on September 30. Letters have been sent out regarding the openings. There are 73 households on the waiting list which is closed but will be re-opening on October 1 for the 2-bedroom units.

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 September 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 submitted an application including our front desk position. We would continue to subcontract with CCRI for day staffing. Churches United has agreed to sub-contract to staff the front desk for the overnights effective January 1.

Housing Choice Vouchers

We are currently leased to the maximum that funding will allow. As of September 1, 2019, there are a total of 452 households of a possible 522 leased from the HRA Housing Choice Voucher program and 52 households leased from other housing authorities that we are administering.

Of the 452 vouchers, 376 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 33 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 and Mainstream vouchers.

A new Mainstream Voucher request for proposals was issued by HUD and the HRA applied for 200 vouchers in this funding round. We applied for 400 and received 28 in the last funding cycle.

There are 319 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 40 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.

Prairie Horizons Townhomes

As of September 1, there is one vacant unit due to a unit transfer. The open unit should be ready for occupancy by October 1. It will be filled 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 61 households. Of the 61, 15 are at Prairie Horizons Townhomes; 5 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 35 families being served. There are 2 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 21 of our authorized 55 households. Beginning October 1, our authorized number increases to 70 households. There are 9 singles and 12 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.

Staff is currently identifying new households to add to the program. 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.

As of September 1, 66 households have been approved and 48 are leased. 6 are searching for units. We have had 6 positive exits from the program. Households are from Clay, Wilkin, Douglas, Becker and Otter Tail Counties.

Housing Supports (formerly GRH) in Scattered-Site Units

As of September, a total of 110 households were being served by the Housing Supports program. There were 90 households leased in the scattered-site Housing Supports program – 7 with the HRA (1 of these is shared with Summit); 16 with Lakes & Prairies; 4 with the Presentation Partners in Housing; 12 with LMHC; 10 with Dorothy Day/Churches United; and 40 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.

Nineteen additional households are searching for units. CAPLP is working with 7; Summit is working with 8; Lakeland Mental Health Center is working with 2; Presentation Partners are working with 1, and CCRI is working with 1.

Minnesota DHS Community Infrastructure Grant

The Department of Human Services awarded Clay County \$392,593 effective July 1. 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.

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. CAPLP is hiring a new outreach worker due to the departure of current staff to become the executive director at a homeless shelter.

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 15 homeowner households. 10 projects are complete; and 5 are in construction.

One person who received assistance through this grant passed away, and those funds have been repaid. We will have \$15,000-\$19,000 in unspent funds at the end of the grant term due to the repayment.

We were funded to rehabilitate 12 commercial properties. Due to a lower than projected cost per building for rehabilitation, we are rehabilitating 20 buildings.

11 projects are complete, and 9 projects are in construction phase. We anticipate having approximately \$35,000 in unspent funds at the end of the grant term.

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

Staff will begin processing applications after the Barnesville project is complete.

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 85% complete and has adjusted their scope of work; one in Barnesville and 2 in Rothsay. We have requested that 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 other is scheduled for closing on September 18.

A motion was made by Commissioner Martin to approve extending the RRDL administrative contract with MHFA and authorizing Director Lee to sign the new contract. The motion was seconded by Commissioner Rollie and carried unanimously.

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 on August 20. The Commission tabled the item.

At the August 20 HRA Board meeting, the HRA Board rescinded the \$450,000 HRA Levy for 2020 and approved a \$225,000 HRA Levy for 2020. The \$225,000 HRA Levy was presented to the Clay County Commission immediately before this meeting at 8:30 a.m. on September 17. The Clay County Commission gave preliminary approval for the HRA tax levy which could still be changed before the end of the year. The levy will be presented to the Moorhead City Council on Monday, September 23.

The HRA Tax Levy of \$225,000 (approximately 0.0035% or \$3.50 on a \$100,000 valuation) was levied to be used for the following purposes:

- Administration and rehabilitation of low-income housing (\$100,000);
- Administration of rental assistance, including the Homework Starts with Home Program with \$50,000 designated for supportive services for this program, and subsidized housing developments in Clay County (\$75,000);
- 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.

PRELIMINARY 2019 DISCUSSION:

At the end of August, the HRA was notified that the premium for its current health insurance plan will increase by 15% effective January 1, 2020. This follows a 22% increase for 2019 and a 49% increase for 2018. Even with these increases, the HRA's premiums are still about average for the pool. The increase will cost about \$30,000 per year.

Due to the uncertainty of the levy funding, a draft budget for all agency programs for 2020 is not yet available. The following assumptions have been included in the preliminary budget:

1. 2% Cost of Living Adjustment (COLA) for 2020 for all positions (including ED). (This is the rate that Clay County has negotiated with some of its unions.)
2. All eligible staff receive step increases.
3. Includes 16 full-time (reduction from 17 in 2019) and 7 part-time employees (increase of 6 from 2019 – replacing one FTE with 2 part-time, replacing contract maintenance with 2 part-time, and adding 2 part-time employees. Increase of 1.45 FTEs).
4. Includes maintaining the current health insurance plans offered. Cafeteria Plan amount stays at \$858.50 for those who were grandfathered in last year and wish to continue to receive cafeteria benefits (3 FT employees). 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 \$1350/\$2700 deductible policy) plus a minimum \$120/month contribution to a VEBA or HSA account.
5. 2020 tax levy is an unknown. The Homework Starts with Home and OOR budgets will be significantly impacted if a levy is not approved.
6. Anticipates an average of 60 HSWH households in 2020.
7. Anticipates that VASH and Mainstream vouchers are fully utilized in 2020 and that 30 Mainstream vouchers are added to the program.
8. Anticipates continued increases in the Housing Supports program. Budget based upon an average of 110 non-Gateway Gardens households per month in 2020.
9. Anticipates ending the RRDL program in 2020 and using 2019 carryover to fund activities.

OTHER:

STAFF UPDATES

We have 6 new employees who have started in the past month. Jill Smith began in August as a full-time Finance Specialist. Ashley Anderson and Becky Davis began in September as part-time Homeless Programs Specialists. Ruth Smith began in September as a part-time Administrative Assistant. Dasia Cleveland and Mary Cegla began in September as Cleaners.

Two staff are currently on FMLA leave.

Kim Duenow, Housing Manager, has been employed by the HRA for 25 years as of September 6. We appreciate and value everything she has contributed to the HRA. In addition to this, 3 other employees (Gina, Kautz, Elaine Martinson and Lori Phillips) have surpassed their 10 year anniversaries and Bobbi Jo Stanfill, Rental Assistance Manager, will reach 20 years with the agency in January.

The possibility of having an employee lunch with the board to celebrate the anniversaries on December 17, 2019 was discussed. The Board would have its meeting either prior to or directly after the lunch. Details would be worked out closer to the date.

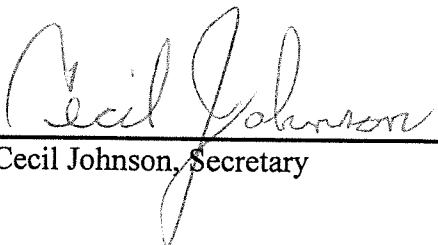
MINNESOTA NAHRO

Director Lee and Assistant Housing Manager/Maintenance Person Jami Hills will be attending fall NAHRO in Duluth. Hills will be attending a national training on REAC inspections. Lee will be presenting at the conference and participating in MN NAHRO Board activities.

Director Lee has decided not to attend the National NAHRO conference in October.

10:25 A.M. REGULAR MEETING ADJOURNED.

Chair Schultz adjourned the meeting at 10:25 a.m.


Cecil Johnson, Secretary

10-15-19
Date