

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of October 15, 2019**

**MEMBERS PRESENT:**

Cecil Johnson, Mike Martin, Dale Rollie and Ione Schultz.

**MEMBERS ABSENT:**

John Wilkie

**STAFF PRESENT:**

Dara Lee and Sheila Laney.

**GUEST PRESENT:**

Les Bakke (remotely)

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

**AGENDA:**

*Director Lee asked to move Item 13 to directly after the Public Hearing. Commissioner Martin made a motion to approve the agenda with this change. Commissioner Rollie seconded the motion and it carried unanimously.*

**MINUTES FROM SEPTEMBER 17, 2019 REGULAR MEETING:**

*A motion was made by Commissioner Johnson to approve the September 17, 2019 meeting minutes. Commissioner Rollie seconded the motion and it carried unanimously.*

**CITIZENS TO BE HEARD:**

None

**TREASURER'S REPORT:**

Budget reviews for August 2019 were discussed. July and 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 Rollie 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 October 1, there are 9 vacant units. 3 have been re-rented. There will be one additional opening at the end of November. Applications are being processed. There are 117 households on the waiting list. The waiting list is currently open.

### **Agassiz Apartments**

As of October 1, there is one vacant unit due to a court eviction. One additional tenant will be moving to Fieldcrest at the end of November. There are 8 people on the waiting list and applications are being processed.

### **Clay County Affordable Housing, LLC**

As of October 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. One accepted applicant has disappeared, and another applicant is being processed for the Ulen unit.

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

### **Boyer Apartments**

As of October 1, there are two vacant units. One unit has been re-rented for November 1. The other is vacant due to an eviction for drug-related activity. There are 15 households on the waiting list. Residents of Boyer Apartments receive a preference for a Housing Choice Voucher.

### **Fieldcrest Townhomes**

As of October 1, there are 4 vacant units. Two have been re-rented. We are evicting one more tenant, and there will be one additional opening on November 30. Letters have been sent out regarding the openings. There are 56 households on the waiting list which is closed for 3-bedroom units but open for the 2-bedroom units.

One maintenance staff person was assigned to work solely on Fieldcrest through September. Due to the REAC inspection 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 and spent over \$42,000 for repairs. We are investigating using RRDL funds to complete up to \$500,000 in improvements and/or Federal Home Loan Bank funding of up to \$750,000.

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 October 1, there are no vacant units. CAPLP applied to the Department of Human Services for partial funding for our front desk position. We have not been notified as of this date. If funded, we will continue to subcontract with CCRI for day staffing. Churches United has agreed to subcontract 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 October 1, 2019, there are a total of 456 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, 380 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. We received 28 in the last funding cycle.

There are 309 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 48 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 October 1, there is one vacant unit due to a unit transfer. The unit is ready for occupancy and is being filled through the Coordinated Entry System. Staff have screened over 15 households searching for an eligible household. 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; 6 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 26 singles and 35 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 19 of our authorized 70 households. There are 9 singles and 10 families currently being served. Starting October 1, we are targeting families and youth-headed households. Leased households are from Clay, Otter Tail, 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.

As of October 1, 66 households have been approved and 47 are leased. 2 are searching for units. Households are from Clay, Wilkin, Douglas, Becker and Otter Tail Counties. This month one household moved into Fieldcrest Townhomes and one exited due to increased household income. Some current participants are having housing challenges.

### **Housing Supports (formerly GRH) in Scattered-Site Units**

As of October, a total of 114 households were being served by the Housing Supports program. There were 94 households leased in the scattered-site Housing Supports program – 8 with the HRA (1 of these is shared with Summit); 17 with Lakes & Prairies; 3 with the Presentation Partners in Housing; 13 with LMHC; 9 with Dorothy Day/Churches United; one with Metro Behavioral Health (new provider); one with Solutions (new provider); and 41 with Summit Guidance (of these 1 is shared with the HRA). In addition, CCRI serves 20 Housing Supports clients at Gateway Gardens and two in scattered-site locations.

Twenty-three additional households are searching for units. CAPLP is working with 7; Summit is working with 10; Lakeland Mental Health Center is working with 1; Presentation Partners are working with 3, and Metro Behavioral Health is working with 2.

### **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.

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. All but one first year goals were met or exceeded.

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

#### Barnesville

All activity on this grant is complete. We were funded to assist 15 homeowners and assisted 15 homeowners. We were funded to rehabilitate 12 commercial properties. Due to a lower than projected cost per building for rehabilitation, we rehabilitated 20 buildings.

We were awarded \$937,725 in DEED funds and spent \$876,322.94. One homeowner died and funds were repaid, and one additional commercial project could have been done. A total of \$423,584.81 in additional funds were leveraged for the project. The total investment in these DEED-funded rehabs is \$1,299,907.75.

#### 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 now that the Barnesville project is complete.

#### RLP

Staff will begin processing applications now that the Barnesville project is complete.

### **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 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.

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.

## **PUBLIC HEARING RE: 5 YEAR PLAN AND PROPOSED CHANGES TO HCV ADMINISTRATIVE PLAN**

*Commissioner Rollie made a motion to open the Public Hearing at 9:45 a.m. The motion was seconded by Commissioner Martin and carried unanimously.*

On August 26, 2019, the HRA published a Notice of Public Hearing regarding the 2020-2024 5-Year Plan and changes to the Administrative Plan. To date, the HRA has received no comments regarding the plan or proposed changes.

The only proposed change to the Administrative Plan relates to restricting the Housing Choice Voucher Homeownership purchases to properties located in Clay County, MN.

Additional changes to the Housing Choice Voucher program due to federal law changes (Hotma provisions) were discussed.

The Resident Advisory Board met on October 14, 2019 and reviewed of the 5-Year Plan and the Administrative Plan changes. They were supportive of both and had no comments.

***A motion was made by Commissioner Martin to close the Public Hearing. Commissioner Johnson seconded the motion and it carried unanimously.***

## **2020 BUDGET DISCUSSION**

The proposed combined budget for all HRA programs for 2020 was discussed. Staff did not request approval of the budget until the November meeting due to significant changes in assumptions that have occurred since the September board meeting.

The HRA Personnel Policy indicates that the benefits offered by the HRA will be in parity with those offered by Clay County. At the end of September, HRA staff learned of two significant changes to pay and benefits occurring at Clay County. The current HRA Pay Plan Grid is based upon the market study conducted in 2007 for Clay County and the Clay County HRA.

Clay County commissioned a new market study this year. It was determined that the Pay Plan Grid was more than 5% under the current market. The Clay County HRA Pay Plan Grid is based upon the Clay County Pay Plan Grid and underlying data. It has had the same COLAs applied to it as the county's since it went into effect in 2008. For 2020 the county is increasing their entire grid by 5% and applying an additional 2% COLA to the grid.

After two years of negotiations, Clay County is changing how it pays for benefits. They are basing their portion of payments on a \$2600/\$5200 deductible plan. This plan is equivalent to our \$2700/\$5400 deductible plan. Currently we are basing our payments on the \$1350/\$2700 deductible plan. The county payment will cover 100% of the single plan and 80% of the family plan. The HRA covers 100% of a single plan and 75% of a family plan. Both the HRA and Clay County provide single dental and \$25000 in life insurance benefits. The HRA also provides long-term disability insurance.

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.

In summary, our current pay grid is under where the county will be for 2020 and our benefits are more generous.

With this new information, the following changes are now being recommended to be 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).

***A motion was made by Commissioner Rollie to approve changes to the pay grid and health insurance. Commissioner Martin seconded the motion and it carried unanimously.***

## **2020 DEMOLITION & DISPOSITION TRANSITION FUNDING (DDTF)**

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.

DDTF can be used for any eligible Capital Fund Program costs. 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. Therefore, staff recommends the Clay County HRA reject the receipt of the DDTF funding.

Staff has explored the potential transfer of the PH program and the DDTF to the Moorhead PHA and is not sure whether or not it can occur.

This item was tabled at this time until more information is received from HUD.

## **APPROVAL OF 2020-2024 5-YEAR PLAN AND HUD-REQUIRED RESOLUTIONS FOR 2020**

The 2020-2024 5-Year Plan and two proposed Resolutions were reviewed.

Each year the HRA is required to approve the Civil Rights Certification and Form HUD-50077-CR to certify we will comply with all applicable laws. The PHA Plan certification is required every time we submit a 5-Year Plan.

*A motion was made by Commissioner Martin to approve the 5-Year Plan and the HUD required resolutions for 2020. Commissioner Johnson seconded the motion and it carried unanimously.*

## **PROPOSED CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE (ADMIN) PLAN**

At least annually, the HRA reviews its Administrative Plan to see if any changes are needed. The effective date of the proposed changes listed below is January 1, 2020. These changes were subject to the public comment and hearing period.

### PROPOSED CHANGES TO ADMIN PLAN

- Changes regarding notice numbers, wording and other non-substantive edits.
- Change eligible unit for purchase for the Housing Choice Voucher Homeownership Program to units located only in Clay County, MN.

A hard copy of all changes was available at the meeting for review.

*Commissioner Rollie made a motion to approve the changes to the Administrative Plan. The motion was seconded by Commissioner Martin and carried unanimously.*



## **PROPOSED 2020 UTILITY ALLOWANCES & PAYMENT STANDARD UPDATE**

At least once every 12 months, the Clay County HRA is required to review the utility allowances in place for the Housing Choice Voucher (HCV) program. The allowances are based on average consumption and cost information. Changes are required to be made to the utility allowances if a change of more than 10% in a utility rate has occurred.

Since 2018 the HRA has contracted with Housing Authority Services of Akron, OH, to completely update our utility allowances. The analysis includes rural Cass and Clay County costs as well as Moorhead and Fargo costs.

It is anticipated that the new allowances will cost about the same in HAP funding as the current allowances. The electricity allowance decreased, and the water and sewer allowance increased.

The HRA is proposing to use the same Payment Standards as 2019. The HUD published Fair Market Rents (FMR) for 2020 actually decreased from 2019. The current Payment Standards are 97.6% to 101% of FMR. HUD requires Payment Standards to be between 90% and 110% of FMR. Staff recommends using the existing Payment Standards in 2020.

The proposed utility allowances for the Housing Choice Voucher Program were reviewed.

*A motion was made by Commissioner Martin to approve keeping the same payment standard amounts for 2020 and adopting the new utility allowances as proposed. Commissioner Johnson seconded the motion and it carried unanimously.*

## **PROPOSED CHANGE TO FIELDCREST TOWNHOMES, AGASSIZ APARTMENTS, HOUGE ESTATES AND BOYER APARTMENTS LEASING & OCCUPANCY POLICIES**

Pursuant to the Violence Against Women Act (VAWA), each housing agency must have an agency emergency transfer plan. The HRA previously adopted an emergency transfer plan, but the associated Leasing & Occupancy Policies were not amended to reflect this plan.

Staff recommends adding the following VAWA preference to the Fieldcrest Townhomes, Agassiz Apartments, Houge Estates and Boyer Apartments Leasing & Occupancy Policies:

A preference will be given if a tenant currently residing in another Clay County HRA owned or managed unit needs to transfer under the VAWA protections as referenced in the HRA Emergency Transfer Plan.

*Commissioner Johnson made a motion to approve adding the VAWA preference as above. The motion was seconded by Commissioner Rollie and carried unanimously.*

**OTHER:**

**STAFF UPDATES:**

Jennifer Sauter was hired as another part-time cleaner in early October. With 2 part-time cleaners, it is hoped they will be able to help with light maintenance duties.

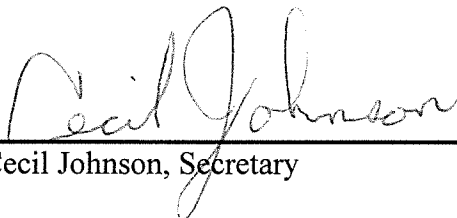
Gail Agnes, Houge Estates Service Coordinator, has given notice of her retirement as of October 31, 2020. Beginning January 1, 2020, she will be working 32 hours per week.

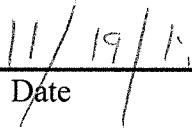
**MINNESOTA NAHRO:**

Director Lee informed the board that she will need to travel to Chicago twice for NAHRO functions. The board had no objections.

**10:20 A.M. REGULAR MEETING ADJOURNED.**

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

  
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Cecil Johnson, Secretary

  
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Date