HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of June 21, 2016

MEMBERS PRESENT:
Les Bakke, Sarbest Doski, Cecil Johnson, Mike Martin, Dale Rollie, Ione Schultz and Lucius Zedaker

MEMBERS ABSENT:
None

STAFF PRESENT:
Dara Lee and Sheila Laney

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

AGENDA:
Director Lee requested an addition to the Administrative Agreement agenda item of a Walk Away Policy.

A motion was made by Commissioner Johnson and seconded by Commissioner Schultz to approve the agenda with the additional item. The motion carried unanimously.

MINUTES FROM MAY 17, 2016 REGULAR MEETING:
A motion was made by Commissioner Martin and seconded by Commissioner Schultz to approve the minutes of the May 17, 2016 regular meeting. Motion carried unanimously.

CITIZENS TO BE HEARD:
None

TREASURER'S REPORT:
Treasurer Martin provided an overview of the financial situation of the HRA as of May 2016.

There were no unanticipated variations thus far except for legal fees and a few higher than anticipated maintenance charges. Those increases were primarily due to plumbing issues, bed bug remediation and painting costs.

Houge Estates has completed a significant portion of the capital improvements planned for the year. HRA Cares for Kids incurred higher staff costs due to the addition of new families to the program at the beginning of the year. The rehabilitation programs also have incurred initial costs. The grant income will reimburse for a portion of these costs.

A motion was made by Commissioner Rollie to accept the Treasurer's report. Commissioner Doski seconded the motion and it carried unanimously.

2015 AUDIT & MANAGEMENT REPORTS:

Brian Opsahl from Brady Martz was present and discussed the 2015 Audit and Management Report information with the board.

Hard copies of the reports were distributed. Mr. Opsahl fielded several questions and highlighted some key items from the reports.

Commissioner Johnson made a motion to accept the audit reports. Commissioner Zedaker seconded the motion and it carried unanimously.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

As of June 1, there were two vacant units. We anticipate the units will be filled on July 1. There are three upcoming vacancies for June 30. Applications are being processed for the two current vacancies and the 3 upcoming vacancies.

Midcontinent added infrastructure to the building and service was available from them as of June 13. Tenants are excited about the new option for telephone, internet and cable service.

There are 36 households on the waiting list. The waiting list is currently open.

Agassiz Apartments

As of June 1, there is one vacant 2-bedroom unit. A current two-person tenant household will transfer into this unit from a one bedroom unit. One additional current tenant has expressed interest in transferring to Houge Estates in July. Two people have requested applications for the units. There are no applicants on the waiting list.

Scattered-Site Public Housing

As of June 1, there are no vacant units. There are 29 households on the waiting list. We are only accepting applications for 3-bedroom units located in Ulen or Hawley.

We received our 2015 assessment score from HUD. We have achieved **HIGH PERFORMER** status for 2015. We received a 25/25 score on our financial management. The PHAS score report was distributed.

Boyer Apartments

As of June 1, there are no vacant units. There are 3 households on the waiting list. The waiting list is only open to households who are eligible for a 2-bedroom unit; and who contain a member who has been diagnosed with a serious mental illness who is currently in compliance with a doctor-recommended treatment plan.

Gateway Gardens
As of June 1, there are no vacant units. CCRI continues to provide on-site support services.

Housing Choice Vouchers
On June 1, 2016, 355 vouchers were under lease. We are authorized to serve 360 households.

We currently have 47 households on our waiting list. There are 27 preference households and 20 non-preference households. We will not be opening our waiting list in 2016 due to a funding shortfall.

We have 24 individuals enrolled in our Family Self-Sufficiency program. We have had 34 FSS participants in the past 12 months.

We have $149,530 per month available to us for 2016. We are currently spending about $160,000 per month. We applied for additional "set-aside" funding for portability costs. On May 3, we alerted the HUD Field Office that we are in short-fall (not enough HAP funds to support all of our vouchers for all of 2016). The Field Office connected us with the Shortfall Prevention Team (SPT). The first team meeting was held on June 9.

We have applied for additional set-aside funding to prevent any potential voucher terminations due to a HAP funding shortage. The current projection is that we will be about $100,000 short in 2016. We will have monthly meetings with the SPT to monitor funding levels. SPT indicates that we will receive additional HAP funding to cover all of our costs.

We were required to stop issuing vouchers and rescind any vouchers that are not under contract as of May 25. We did not have any outstanding vouchers to rescind. The SPT has not recommended any cost saving policy changes at this time. The agency made most available cost-saving changes to our program in 2013.

We have 7 more households that are scheduled to transition from HRA Cares for Kids to Housing Choice Voucher in 2016. This may not be possible since we are in short-fall so Director Lee discussed another option. If necessary, the agency could provide short term rental assistance for these households for the remainder of 2016. This possibility was then discussed.

Commissioner Martin made a motion to approve spending up to $30,000 of Unrestricted Net Assets to help these seven households if need be. Commissioner Doski seconded the motion and it carried unanimously.

Prairie Horizons Townhomes
As of June 1, there were no vacancies. A part-time HRA staff person and a full-time CCRI staff person provide supportive services to both of the Prairie Horizons Townhomes developments and HRA Cares scattered-site participants.

HRA Cares
We are authorized to serve 64 households with these funds. We are serving 64 at this time. Of the 64, 16 are at Prairie Horizons Townhomes and 48 are in scattered-site units in Clay, Becker, Douglas, Otter Tail and Wilkin Counties. There are 36 singles and 28 families being served. There are 10 additional households searching for scattered-site units. The Homeless Programs Assistant is assisting households with their housing search.

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 authorized to serve 55 households. There are currently 49 households on the program, 20 singles and 29 families. Households are from Clay, Otter Tail, Traverse, Wilkin and Douglas Counties.

New participants are chosen through the CARES process. There are 23 households searching for units. We anticipate transitioning 3 families from the HRA Cares for Kids to this program this summer.

HRA Cares For Kids
As of June 1, we are serving 9 households with the original grant. The new grant which began February 1 can serve up to 18 additional households. We are serving 10 households with the new grant and have issued vouchers to 9 families and are working with one additional new family. We are authorized to work with households with children in both the Detroit Lakes and Breckenridge school systems as well as the Moorhead school system.

As stated above, we are unlikely to be able to transition all of the current participants to the HCV program. We are actively seeking solutions for these households to prevent a return to homelessness.

As previously stated, the Board approved using agency unrestricted cash resources of up to $30,000 to support these households until they can be placed on the Housing Choice Voucher Program in January 2017.

Owner-Occupied Rehab Program
Four of the ten home rehabilitations using the Minnesota Housing Rehabilitation Loan Program have been completed. One project should be complete by June 30. Two projects should be complete by the end of July. The other 3 have been approved for funding by Minnesota Housing but are in the early stages of the process.

There are three remaining households on the waiting list who are over income for the Minnesota Housing RLP. Two of these have Hawley addresses and one is from Sabin.

The Barnesville application for DEED Small Cities Development Program (SCDP) was funded at $937,735. We applied for $859,200 to rehabilitate 12 commercial properties and 12 owner occupied homes. The additional funding that was awarded is to complete 3 more owner occupied homes for a total of 15 homes. Grant agreements should be executed for July 1, 2016 with work to be completed by December 31, 2018. HUD has not provided the final information to DEED so grant agreements have not been disbursed yet.

The HRA also submitted an application for $25,000 to Rural Development for a Housing Preservation Grant to serve as matching funds.

Due to increased activity in OOR programs, Kendra Ferencak will likely be working more hours. Her average weekly hours will be 29 hours or less.

Rental Rehab Program
Construction is complete on all 6 original projects. We were awarded $800,000 in 2016-2017 funding- $200,000 for small projects and $600,000 for large projects. We have received applications for the full $600,000. The $200,000 is forgivable so there should be sufficient demand. We are working with a Barnesville owner to try to rehabilitate some of his rental units in conjunction with the SCDP funded projects.

We are working with Minnesota Housing to include Stevens and Douglas Counties in the service area since there is interest from those communities.

POTENTIAL NEW PROJECT:
Group Residential Housing in Scattered-Site Units
On Tuesday, June 14, staff met with Clay County Social Services, CCRI and Lakeland Mental Health Center and reviewed the draft Request for Proposals for supportive services for GRH recipients. This has been sent to Churches United, Dorothy Day, Lakes & Prairies CAP, CCRI, Lakeland Mental Health Center, Solutions Behavioral Health Services and Summit Guidance Center and Presentation Partners for Housing. We are requesting responses by the end of July.

The Minnesota Department of Human Services has issued the new GRH vendor contracts. We will approach the Clay County Commission for permission to enter into a new vendor agreement for the scattered-site units.

A motion was made by Commissioner Martin to enter into an agreement to become a GRH vendor with Clay County. The motion was seconded by Commissioner Rollie and it carried unanimously.

Because of anticipated additional work load, Teisa Taua-Taylor will become a full-time employee as of August 1, 2016.

ADMINISTRATIVE CONTRACT WITH BARNESVILLE FOR REHAB:
A corrected draft Administrative Contract was distributed. We will contract with the City of Barnesville to administer its DEED grant.

Staff requests that the Board Chair and Executive Director be authorized to enter into the contract with the City of Barnesville upon completion of contract negotiations with the city.

Commissioner Schultz made a motion to accept the Administrative Contract with the City of Barnesville. Commissioner Doski seconded the motion and it carried unanimously.

WALK AWAY POLICY:
The Board reviewed the proposed Walk Away Policy for rehabilitation units. It provides a safety net for the agency and is a document that most administrators use.

A motion was made by Commissioner Johnson to adopt the Walk Away Policy. The motion was seconded by Commissioner Zedaker and it carried unanimously.

RENTAL REHABILITATION DEFERRED LOAN PROGRAM SERVICE AREA:
As stated before, the HRA has received $600,000 for the 10% forgivable RRDL Program and $200,000 for the 100% forgivable RRDL Program.

We did not include the counties of Stevens, Traverse, Douglas or Pope in either application. This was due to the fact that we thought housing authorities in these areas may apply to administer the RRDLP. No other West Central Minnesota agency applied.

We have been contacted by interested landlords in both Stevens and Douglas Counties. We are proposing to expand the service area for the 10% forgivable RRDLP only.

A motion was made by Commissioner Martin to adopt Resolution 6-21-16-01 and enter into Cooperative Agreements with the Alexandria, Douglas and Stevens County HRAs to administer the program in these counties. The motion was seconded by Commissioner Schultz and it carried unanimously.

2017 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 require Local Governments to certify their tax levies to the County Auditor. We would need the consent of the local unit of government to levy within the cities of Barnesville or Moorhead.

The HRA has only exercised this power in 2008, 2010, and 2014. Funding has been primarily used for owner occupied rehabilitation. The majority of neighboring authorities exercise this power on an annual basis. Levy funds can be used for any allowable housing authority activity.

If the HRA decides to adopt a levy for 2017, it must be approved by the Clay County Commission by September. A proposed budget must be submitted by August 1.

The maximum HRA tax levy, excluding Barnesville and Moorhead, was $638,840 using 2015 values. The maximum HRA tax levy for Barnesville is $19,788. For both, the maximum levy would have been $658,628.

The Board discussed the possibility of requesting a tax levy through the Clay County Commission and was not in favor of asking for one at this time.

OTHER:

A) Director Lee requested permission for out of state travel in late November and early December to a conference in Arizona.

A motion was made by Commissioner Johnson to approve the out of state travel request. Commissioner Schultz seconded the motion and it carried unanimously.

10:45 A.M. MEETING ADJOURNED:
A motion was made by Commissioner Martin and seconded by Commissioner Schultz to adjourn the meeting. The motion carried unanimously.

Lucius Zedaker, Secretary — Date 8/23/2016

Clay County HRA
116 Center Avenue East
P.O. Box 99
Dilworth, Minnesota 56529

Phone: 218-233-8883
Toll Free: 1-877-460-5280
Fax: 218-233-9491
Email: claycohra@claycohra.com

Resolution 06-21-16-01

RESOLUTION TO ADMINISTER THE RENTAL REHABILITATION DEFERRED LOAN (RRDL) PILOT PROGRAM ON BEHALF OF MINNESOTA HOUSING FINANCE AGENCY (MINNESOTA HOUSING)

WHEREAS, the Minnesota Housing has selected Clay County HRA to administer the Rental Rehabilitation Deferred Loan Pilot program; and

WHEREAS, there are many substandard rental housing units throughout Northwest and West Central Minnesota, and there was not previously an Administrator for the RRDL program in many locations, leaving many areas unrepresented for this multifamily rehabilitation funding resource; and

WHERAS, the Clay County HRA has been selected and found to have the capacity to administer the Rental Rehabilitation Loan Program for Minnesota Housing;

NOW, THEREFORE, BE IT RESOLVED, that

1. The Clay County HRA and its employees are hereby authorized to administer the 10% Forgivable Program Model of the RRDL program on behalf of Minnesota Housing for the following four additional counties: Douglas, Stevens, Traverse and Pope counties after obtaining the required permission from each county.
2. The Clay County Executive Director has approval to execute the Rental Rehab Deferred Loan Pilot Program Administrative Agreement, and any other documents necessary and beneficial to facilitate the administration of the Rental Rehabilitation Deferred Loan Pilot Program in those four additional counties.

Approved and Adopted on this 21st day of June, 2016.

By: _____
Chairperson, Board of Commissioners

Attest: _____
Secretary, Board of Commissioners