

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting and Annual Meeting of February 15, 2022

MEMBERS PRESENT:

Anthony Dillard, Cecil Johnson and Kim Schlotfeldt in person, Les Bakke and Tia Braseth via Zoom.

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee, Jill Cossette and Sheila Laney.

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

AGENDA:

A motion was made by Commissioner Bakke to approve the agenda. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

MINUTES FROM JANUARY 18, 2022 REGULAR MEETING:

A motion was made by Commissioner Dillard to approve the January 18, 2022 regular meeting minutes. Commissioner Bakke seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

The November and December financials (except HS2 for each month and General for December) were available. The final numbers came in as have been projected during the year.

Director Lee reviewed the December financials in depth. She noted the high turnover rate and turnover costs at Houge Estates and the many expenses incurred by the Housing Choice Voucher program due to the move to the Family Service Center in 2021.

Commissioner Schlotfeldt made a motion to approve the Treasurer's Report. The motion was seconded by Commissioner Braseth and carried unanimously.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

Houge Estates is a 60-unit apartment building located in Dilworth. All units are one-bedrooms (about 650 sq. ft.), and residents must have a disabling condition or be age 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD.

As of February 1, there were 8 vacant units. One unit has been re-rented. Five full applications are being processed, and fourteen more people have been informed they are at the top of the waiting list and invited to submit a full application. There are forty-four households on the waiting list. The waiting list is currently open.

The Houge Estates Service Coordinator is housed at this location.

The Houge Estates audit is scheduled for March 14.

Agassiz Apartments

Agassiz Apartments is a 12-unit apartment building located in Ulen. Eleven of the units are one-bedrooms (about 650 sq. ft.) and one is a 2-bedroom, and residents must have a disabling condition or be age 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD. It was built in 1978 with a loan subsidized through USDA Rural Development.

As of February 1, there are no vacant units. There are fifty applicants on the waiting list which is now closed.

Clay County Affordable Housing LLC/Boyer Apartments

The Clay County Affordable Housing units are in Dilworth, Ulen, and Hawley; and Boyer are in Moorhead. The CCAH units are composed of twelve duplexes located in neighborhood settings. The Dilworth and Ulen units were constructed in 1979 as Public Housing. The Hawley units were constructed in 1981 as Public Housing. Twenty-one units are 3-bedrooms and three are four-bedrooms.

The Boyer Apartments are two 4-unit buildings that are next to each other and have a total of seven 2-bedroom units and one 1-bedroom unit. The HRA purchased Boyer Apartments in 2006. The HRA and CCAH Boards have approved the sale of the Boyer Apartments to the CCAH as soon as the Fieldcrest Townhomes loan closes and the Boyer Apartments are released as collateral on the existing Fieldcrest Townhomes mortgage.

There are no outstanding debts on these buildings other than internal.

As of February 1, there are two vacant units in Hawley. Both units have been re-rented for on or before March 1. There is no specific subsidy tied to these units. Residents of these units receive a preference for a Housing Choice Voucher if their family size fits the available unit.

Fieldcrest Townhomes

In January 2017, the HRA purchased Fieldcrest Townhomes. It was in poor condition. The HRA paid \$2 million for the 40-unit townhome development in south Moorhead. There are 20 2-bedroom and 20 3-bedroom units. There are twenty detached garages as well.

Residents pay 30% of their income towards their rent and utilities. The rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD. This contract dated back to 1980 when the building was initially constructed. The rents were suppressed, and there was significant deferred maintenance on the property. The contract expired in December 2020, and rents were raised to market levels.

Fieldcrest has been approved for \$1M in funding through the FHLB of Des Moines and over \$7M from Minnesota Housing. We are waiting for HUD to issue the Firm Commitment for the insured loan. The closing will be scheduled for two weeks after we receive the final closing items. We expect a February/March closing. At the time of closing, the HRA will “sell” the development to the Fieldcrest Townhomes LLC. The LLC is a non-profit LLC with the HRA as its sole member. The sales price will pay off the existing mortgage and specials. The HRA also will receive 50% of its developer fee at that time.

As of February 1, there are eight vacant units (four 2-bedrooms and four 3-bedrooms) which will be kept vacant during construction. We have received one more notice for the end of the month. Once again, we will not rent the unit until the units are rehabbed. There are sixty-eight households on the waiting list which is now closed.

Director Lee mentioned that the contractor is having a difficult time getting insurance bids. It is possible the insurance cost may have to be shared with the contractor and paid out of contingency funds.

Gateway Gardens

Gateway Gardens is a 24-unit permanent supportive housing apartment building in Moorhead. The HRA constructed the building in 2010 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years and completely after 30 years of operations. The front desk is staffed 24/7.

Rent and services are subsidized primarily through the Housing Supports program. There also are five project-based Housing Choice Vouchers attached to units. We are a subgrantee of CAPLP for a DHS HSASMI (Housing Supports for Adults with Serious Mental Illness) grant that helps fund the front desk costs.

CCRI and GSSC, a private security company, each supply 12 hours of staffing per day.

As of February 1, there are four vacancies. There are two more termination notices for the end of February and March. Potential tenants have been found for the current and future openings. The vacancies will be filled through the coordinated entry system.

Housing Choice Vouchers

The HRA has administered a form of the current Housing Choice Voucher program since 1976. It is also known as Section 8. Tenants rent in the private market and pay at least 30% of their income towards rent and utilities.

As of February 1, 2022, there are a total of 668 households of a possible 742 leased from the HRA Housing Choice Voucher program. We are working with eight additional households from other housing authorities. We have 550 vouchers under our main HCV HUD contract; 177 under our Mainstream HCV contract; and fifteen under our HCV Emergency Housing Voucher (EHV) contract.

Of the 550 vouchers under our main contract, 496 vouchers are leased: 425 of 455 regular vouchers; 46 out of 46 Tenant Protection Vouchers; 0 of 1 FYI vouchers; and 25 of 40 VASH vouchers. We have issued four regular vouchers and 8 VASH vouchers. We are working with two additional households to issue a regular voucher. Two of the currently leased VASH participants and 2 of those issued VASH vouchers will lease with the Bemidji HRA on March 1 when they begin their own program.

157 out of 177 Mainstream vouchers are under lease. We have issued 12 Mainstream vouchers and are working with 4 additional households.

15 of 15 EHV vouchers are under lease.

We have thirty-five individuals enrolled in our Family Self-Sufficiency program. We have had 44 FSS participants in the past 12 months. Staff is working with 10 additional households to enroll them in the program, but they have been slow to respond. We can serve up to fifty households on the FSS program under our current Action Plan.

We have contacted 21 households on our waiting list to issue a voucher. There are 26 additional households on the waiting list. The waiting list was opened on January 4, 2022 to households who reside in Clay County and contain a member age 50 or older, and on February 1, 2022 to those who have a disabled household member under age 50. Forty-seven applications were received through February 7, 2022.

Prairie Horizons Townhomes

Prairie Horizons Townhomes are eight townhome permanent supportive housing units for families located in south Moorhead, across from Fieldcrest Townhomes. The HRA constructed the development in 2012 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years. There is a small portion (\$337,076) that is deferred for 30 years at 0% interest that must be repaid.

These units are next to another 8-unit town home permanent supportive housing development, which are confusingly also called Prairie Horizons Townhomes or Easten Townhomes – south units. There are four one-bedroom and four two-bedroom units. The HRA owns 0.01% as a Special Limited Partner in the Easten Townhomes LLC. The HRA provided a \$330,000 deferred loan when the project was constructed in 2006. It bears 5% interest and is due in 2036. The partnership is in the process of buying the equity partner out. The partnership is requesting we subordinate our existing loan and extend it an additional 15 years. Staff has indicated to the General Partner that the current management situation is not working well in meeting the goals of the project.

There are an additional thirty units in this development located in north Moorhead. The HRA has project-based 8 Housing Choice Vouchers in the 8 south units and an additional eight in the 30 north units. Support services are funded through the HRA Cares program.

An HRA staff person is officed at the site. She and a full-time CCRI employee provide supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. Both support services providers also have been providing DHS Housing Stabilization Services to the participants.

As of February 1, there is one vacant unit in addition to the unit that was damaged in a July fire. A tenant has been identified for the fire damaged unit which is nearing the point of being ready for occupancy. There is one vacant 3-bedroom in the Easten units which is in the process of being filled.

HRA Cares

HRA Cares is a HUD-funded Continuum of Care program. It is for individuals and families who are literally homeless and have a family member with a disabling condition. There are no time limits on the rental assistance or supportive services. We are authorized to serve sixty-four households with these funds. The HRA administers the rental assistance and administers the program. We contract with CCRI for one additional full-time case manager. HRA staff also supervise and provide support services.

We are currently serving fifty-three households. Of the 53, 13 are at Prairie Horizons Townhomes; one is at Bright Sky Apartments; and 39 are in scattered-site units in Clay, Otter Tail, and Douglas Counties, MN, and in Fargo, ND. There are thirty singles and twenty-three families being served. Five households are searching for units.

We only are accepting applications through the Coordinated Access, Referral, Entry and Stabilization System (CARES). Those with the highest priority who meet the eligibility criteria will be accepted.

Homeless to Housed Rental Assistance

Homeless to Housed is a Minnesota-funded rental assistance program for high priority homeless families, youth, and singles across the counties of Clay, Douglas, Grant, Pope, Stevens, Traverse, and Wilkin. It is a time-limited program for households experiencing homelessness who are unable to immediately receive a Housing Choice Voucher. It operates similarly to the HCV program. Our current grant is to serve sixty-two households through September 30, 2023.

We are serving 59 of our authorized 62 households. Two units (one family and one single) have leased in February. Six more households are searching for a unit. There are eighteen singles and forty-one families being served. The grant targets families and youth-headed households. Leased households are from Clay, Traverse, Grant, and Douglas Counties.

Openings are filled through the coordinated entry.

Homework Starts with Home

In 2014, the HRA was one of three initial pilot locations for a rental assistance program that focused on families with school age children. We took part in the pilot until it ended in 2018. At the end of the pilot, Minnesota developed Homework Starts with Home. The HRA was funded in each of the two rounds of competitive funding. We did not apply for round 3 of funding which would have overlapped with round 2.

Throughout this time, the HRA has been the lead agency in a partnership all working towards ending child homelessness. The initial pilot partners were Churches United for the Homeless, Moorhead Public Schools, and Lakes & Prairies Community Action Partnership (CAPLP). We now have forty-five partner agencies including fourteen school districts across seven counties.

The current grant term runs from 8/1/2020-9/30/2023. We are anticipated to serve a total of seventy-two households during that time. We have served a total of sixty-eight households thus far. Seventeen of these also were served under the first grant as well.

As of February 1, 45 households are leased; and eleven households are searching for units. One is scheduled to move into a unit in February. Households are from Clay, Douglas, and Wadena Counties.

Housing Supports (formerly GRH) in Scattered-Site Units

Housing Supports is a Minnesota-funded program operated through the Department of Human Services. It provides room and board payments (which we refer to as Rate 1) and supplemental services payments (which we refer to as Rate 2).

We began providing it when we opened Gateway Gardens in 2010. Nineteen of the twenty-four units in the building are assigned this funding source. In 2016, we added a community option and started subcontracting for service provision with several area non-profit partners. The HRA does all program administration, administers all Rate 1, and provides some of the Rate 2 services.

As of February 1, a total of 124 households are being served by the Housing Supports program in Clay County. There are 109 households leased in the scattered-site Housing Supports program – 10 with the HRA; 23 with CAPLP; 6 with the Presentation Partners in Housing; 10 with LMHC; 9 with Churches United; 7 with Metro Behavioral Health; 7 with the Lotus Center; and 33 with Summit Guidance. In addition, CCRI serves 15 Housing Supports clients at Gateway Gardens and 4 in scattered-site locations. 24 additional households are searching for units. There have been numerous damage claims and non-renewal of leases now that the eviction moratorium has ended.

There are 23 people searching for units. Many of them were on the program but were asked by a prior property owner to vacate their rental units due to lease violations. Also, 1-3 people have been exiting the program per month due to transferring to a permanent subsidy source (such as Housing Choice Voucher).

Minnesota DHS Community Infrastructure Grant

The Community Living Infrastructure Grant was a new grant program that began in 2018. Clay County is the grant recipient and the HRA is the project manager and provides the Housing Resource Specialist. The funds were allocated to help communities build up the necessary infrastructure so that individuals with disabilities can live fully integrated into the communities of their choice. The grant funds outreach workers, housing resource specialists, and administration. The original grant covered all ten counties in West Central Minnesota and the three Community Action Programs serving the counties who each performed outreach. Mahube-Otwa has chosen to remain a partner but not be a sub-recipient for the grant that began 7/1/2021.

The HRA now has a 1.0 FTE Housing Resource Specialist and a 0.05 project manager. There are 2 FTE outreach workers funded to be employed by the CAP agencies, CAPLP (1.15 FTE) and WCMCA (.85 FTE). CAPLP continues to struggle with staffing. The grant also includes a full-time eligibility worker for Clay County Social Services. Staff has been working diligently on property owner engagement strategies.

Minnesota DHS Housing Stabilization Services

Housing Stabilization Services are a new Medicaid benefit available in Minnesota. It became available July 1, 2020. The HRA was the second agency in West Central Minnesota to become an approved provider. The HRA was approved to provide Housing Stabilization Services – both Housing Consultation and Transition & Sustaining Services effective July 2020. Four staff are currently trained on one or more Housing Stabilization Services roles.

Staff began Housing Consultations in 2020. Staff has been performing annual renewal consultations. We have begun billing for transition and sustaining services. We are now only billing for 3 clients for these services.

Due to staff transitions and an inability to recoup our costs, we are only doing on-going consultations and will not accept any additional HSS Transition & Sustaining Services participants.

Through the GROWTH program, staff is leading a region-wide group aimed at getting this program to work for those who need it throughout our region.

Owner-Occupied Rehab Program

The HRA has operated and operates several distinct programs under the Owner-Occupied Rehab umbrella. The largest program is the Minnesota Department of Employment and Economic Development (DEED) Small Cities Development Program (SCDP). Funds used for this program are federal HUD Community Development Block Grant (CDBG) that are allocated to the state for Greater Minnesota. DEED then holds annual competitive application rounds to award these funds to non-entitlement communities.

Only cities and counties may apply for the DEED funding. The HRA serves as the administrator. Clay County was the applicant for the 2008, 2010, and 2012 funding rounds. The City of Barnesville was the applicant in 2014, the City of Sabin in 2016, and the City of Dilworth in 2021. The HRA has utilized HRA Tax Levy funds in 2010, 2014, 2019, and 2020 to leverage these rehabilitation resources. Clay County allocated \$80,000 in ARPA funds for this purpose.

All these loans have been deferred. Some have been forgiven after 10-15 years while others remain repayable. Each application has different terms.

Dilworth

The HRA staff applied for funding on behalf of the City of Dilworth for 2021 CDBG funding to DEED through the Small Cities Development Program. We applied for and received \$922,000 on behalf of Dilworth to rehabilitate twenty-one owner-occupied homes and seven businesses. Twenty-three homeowner and 7 commercial property owner applications have been approved. There are 2 homeowner applications on the waiting list.

Of the applications received, 8 indicated they were extremely low-income. Staff has begun processing these 8 homeowner applications along with the 7 commercial applications. Initial income and program eligibility information is being collected; lead assessments are being completed on the homes; and physical inspections are taking place. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000.

RLP (Minnesota Housing Rehabilitation Loan Program)

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Funds are appropriated during each budget cycle. Local administrators work with homeowners to receive funding to rehabilitate their homes. Homeowners must be extremely or very low income to qualify for these funds. These funds can be used in conjunction with DEED SCDP. The loan limit is \$37,500 per project. The funding is in the form of deferred loans that are forgiven after 15 years if the household continues to live in the home.

There are 10 applications for this program currently. We are awaiting income documentation. A number of the applicants own manufactured homes. Minnesota Housing just approved a new use of these funds to purchase and replace rather than repair manufactured homes. The training was scheduled for January but delayed until February. Manufactured homeowners will be given their options at that time.

EXTENSION OF CLOSING DATE FOR FIELDCREST TOWNHOMES:

The current purchase agreement for Fieldcrest Townhomes expires on February 15, 2022, and the closing has yet to be scheduled. A proposed amendment to the purchase agreement to extend the closing date was reviewed. The amendment indicates April 30, but all parties believe the closing will occur in February or March. The later date is listed so that we are not required to do another amendment.

Commissioner Schlotfeldt made a motion to approve the amendment to the purchase agreement which will extend the closing date for Fieldcrest Townhomes. The motion was seconded by Commissioner Dillard and carried unanimously.

Commissioner Braseth made a motion to adjourn the Regular meeting. The motion was seconded by Commissioner Bakke and carried unanimously.

Chair Johnson called the Annual meeting to order at 10:00 a.m.

BOARD OFFICERS FOR 2022:

The HRA by-laws require that no person serve in the role of Chairperson, Vice Chairperson or Secretary for more than two consecutive years. All the listed officers have served a two-year term.

Based upon HRA custom, below is the proposed slate of officers:

1. Chair – Les Bakke;
2. Vice Chair – Tia Braseth;
3. Secretary – Anthony Dillard;
4. Treasurer – Kim Schlotfeldt; and
5. Past Chair – Cecil Johnson

There are 2-year term limits for all officer positions except the Treasurer per our By-Laws.

A motion was made by Commissioner Bakke to approve the slate of officers outlined above. Commissioner Dillard seconded the motion and it carried unanimously.

UPCOMING MEETING DATES & TIMES:

Board meetings for the coming year are scheduled to be held on the following dates:

February 15, 2022
March 15, 2022
April 19, 2022
May 17, 2022
June 21, 2022
July 19, 2022 (*tentative – may be cancelled*)
August 16, 2022
September 20, 2022
October 18, 2022
November 15, 2022
December 20, 2022
January 17, 2023

Meetings are currently held at 9:30 a.m. on the third Tuesday of each month.

Commissioner Bakke made a motion to approve the meeting dates listed above. The motion was seconded by Commissioner Braseth and carried unanimously.

LOCATION OF AGENCY BANK ACCOUNTS:

The HRA currently has checking accounts, savings accounts, and loans (office building, Fieldcrest Townhomes) located at Bell State Bank & Trust and Northwestern State Bank.

The location of Certificates of Deposit is based upon the best available rate at a financial institution located in Clay County at the time of the deposit. A minimum of 3 -5 bank rates are compared prior to making the deposit.

The checking and savings accounts are located at the two banks which have branches in Dilworth. Both locations are convenient and accessible to the HRA offices. The HRA has positive working relationships with both institutions.

Staff recommends that no changes be made to the location of the bank accounts at this time but that it be re-evaluated if terms, service, or other conditions change significantly.

Commissioner Schlotfeldt made a motion to continue using the current locations for agency bank accounts. Commissioner Braseth seconded the motion and it carried unanimously.

DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR:

ARTICLE IV. SECTION 1 of the HRA by-laws allows the Chairperson with the consent of the Commissioners to delegate authority to the Executive Director to execute all documents, contracts, and instruments on behalf of the Authority.

ARTICLE IV. SECTION 2 of the HRA by-laws allows the Secretary to delegate authority to the Executive Director to maintain and keep records and the Seal of the Authority.

ARTICLE VI. SECTION 3 of the HRA by-laws allows the Chairperson to designate a petty cash fund, not to exceed \$100 to be maintained by the Executive Director and disbursed by the Executive Director without prior approval of the Commissioners.

The Board of Commissioners recommended that this be done each year at the Annual Meeting.

A motion was made by Commissioner Dillard to approve delegation of authority to the Executive Director. The motion was seconded by Commissioner Schlotfeldt and carried unanimously.

ANNUAL REVIEW OF CONDUCTING BUSINESS IN ACCORDANCE WITH CORE VALUES AND ETHICAL STANDARDS & CONFLICT DISCLOSURE:

HUD requires that every grant recipient have a plan in place to make sure that all Board members and staff are aware of our code of conduct. The Board has adopted the “Conducting Business in Accordance with Core Values and Ethical Standards” as its code of conduct.

Staff has informed HUD that the Board will review the code of conduct at each annual meeting.

The Code of Conduct was distributed and the two forms needing signatures were signed and returned by all Board members.

OTHER:

STAFFING

The HRA had hired four new staff in the past month.

- Tommy Mittleider was hired as a Maintenance Technician effective January 19, 2022. He previously worked for the HRA from 2014-2019. He replaced a person who resigned.
- Katie Schatzke was hired as a Rental Assistance Specialist effective February 1, 2022. She replaced a person who left the agency in January.
- Nathania Frith was hired as an Accounting Assistant effective February 1, 2022. She is working part-time and is replacing the Accounting Assistant who is retiring March 31, 2022.

- Jared Schmeling was hired as a Finance Specialist effective February 7, 2022. There was sufficient room in the HRA budgets to hire this position as well as the part-time position and was done in preparation for the expected retirement of the Director of Administration in 2023.

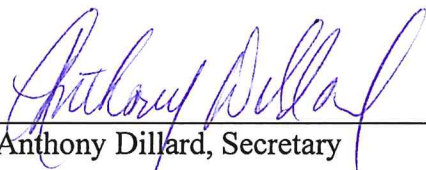
COVID-19 & OFFICE HOURS

We continue to monitor the prevalence of covid-19 in the community. According to the CDC, the community spread level is still at High. Masking continues to be required at HRA locations. Buildings are only open by appointment.

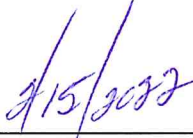
Staff proposes to return to regular office hours and to not require masking once the community spread level decreases to SUBSTANTIAL once again.

10:25 A.M. MEETING ADJOURNED:

A motion was made to adjourn the meeting at 10:25 a.m. by Commissioner Schlotfeldt. The motion was seconded by Commissioner Dillard and carried unanimously.



Anthony Dillard, Secretary



Date