

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of September 27, 2022

MEMBERS PRESENT:

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

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee via Zoom and Jill Cossette.

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

AGENDA:

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

MINUTES FROM AUGUST 16, 2022, REGULAR MEETING:

A motion was made by Commissioner Dillard to approve the August 16, 2022, regular minutes. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

A complete set of February financials were included in the review. Director Lee is hopeful that financials through August will be available for the October meeting.

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

PROJECT UPDATES:

Director Lee asked if there were any questions regarding the below updates. The Board had no questions.

Houge Estates

As of September 1, there were 6 vacant units and 2 lease terminations in process. Full applications are being processed for the openings. Eleven more people have been contacted about the openings. There are 99 households on the waiting list. The waiting list is currently open.

The Houge Estates Service Coordinator is housed at this location.

Agassiz Apartments

As of September 1, there is one vacancy. The household who had accepted the unit for September 1 changed their mind. There are 14 applicants on the waiting list which closed 2/1/22.

Clay County Affordable Housing LLC/Boyer Apartments

As September 1, there is one vacant 2-bedroom unit at the former Boyer Apartments and one vacant 3-bedroom unit in Hawley. The Boyer 2-bedroom unit has been offered to and accepted by a current Houge tenant. Another Boyer tenant has expressed interest in moving into the Hawley unit. There are still 23 households on the waiting list for the one-bedroom unit at Boyer.

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

As of September 1, there are 11 vacant units (five 2-bedrooms and six 3-bedrooms) which will be kept vacant during construction. There are 16 households on the waiting list which is now closed. We will reopen the waiting list and start filling the openings when the rehab is complete.

Windows are being installed; the sewer has been moved; the excavation for the new addition is complete, and the footing are being poured. Electrical work has begun. One parking lot is scheduled to be re-done yet this year. The garages will be sided once all the windows are installed. It is now anticipated that the remaining exterior work will not be completed until next summer.

Gateway Gardens

As of September 1, there are 3 openings. One household has been approved and accepted and will move in once the appliances are installed. One of the remaining openings is the unit that was destroyed by a hammer by the tenant. The other opening is the unit that was infested with cockroaches. It will not be filled until the issue has been fully resolved. The exterminator feels that should be sometime in October.

On Tuesday, August 23, CCRI informed the HRA that it would no longer staff the front desk after 8:00 p.m. that day due to the cockroach issue. This was one day after the items were able to be removed from the infested unit. The HRA had repeatedly informed CCRI that the issue could not be resolved until we were able to remove the items. CCRI has indicated that they will return to the building once the cockroach issue has been resolved. CCRI has continued to provide remote case management services.

The same day, the HRA was contacted by the Moorhead Fire Marshall regarding a cockroach complaint. We have provided on-going monitoring reports from the exterminator to the Fire Marshall.

Since August 24, HRA staff have been working at the Gateway front desk from 8 a.m. to 8 p.m. CCRI did consent to allow one of its part-time employees to work for the HRA for 24 hours a week while the HRA is staffing the desk. The HRA staff have risen to the occasion with 1/3 of our staff volunteering to be assigned to cover the front desk. Due to how well HRA coverage of the front desk is going, agenda item #8 looks at the future staffing at this location.

The treatment of the cockroaches has been going exceedingly well. There is very low traffic throughout the building and units except for the invested unit and the one adjacent to it. As stated above, the exterminator indicates he believes the issue should be resolved in October.

In August, we moved all supplies for the Housing Supports program to the main office conference room. The conference room is unavailable for other activities at this time.

The additional vacancies will be filled through the coordinated entry system.

Prairie Horizons Townhomes

As of September 1, all units were occupied. There are a few remaining exterior repairs needed for the fire damage, but all the unit repairs are complete. There is one vacant in the Easten portion which is not ready for occupancy yet.

A supportive services office is available on-site. One of our new employees has taken over the HRA support role. CCRI continues to have a full-time employee providing supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. CCRI has been providing DHS Housing Stabilization Services to the participants.

Housing Choice Vouchers

As of September 1, 2022, there were a total of 660 households of a possible 743 leased from the HRA Housing Choice Voucher program. We are working with 7 additional households from other housing authorities. We have 551 vouchers under our main HCV HUD contract; 177 under our Mainstream HCV contract; and fifteen under our HCV Emergency Housing Voucher (EHV) contract. We were notified that we were awarded an additional 10 Mainstream vouchers effective November 1, 2022, and 5 new regular vouchers effective October 1, 2022. We have discussed reallocating 10 of our 40 VASH units to the Bemidji HRA. The VA has indicated that they do not have sufficient staffing to support more than 30 households in Clay County. In the end, the HRA should net 5 additional vouchers for a total of 748 units.

Of the 551 vouchers under our main contract, 484 vouchers are leased: 416 of 469 regular vouchers; 41 out of 41 Tenant Protection Vouchers; 0 of 1 FYI vouchers; and 27 of 40 VASH vouchers. We have issued 15 regular vouchers and 3 VASH vouchers. We are working with 7 additional households to issue a regular voucher. We have issued the FYI voucher.

162 out of 177 Mainstream vouchers are under lease. We have issued 23 Mainstream vouchers and are working with 9 additional households. It is our goal that with these additional households we will be able to fill the 10 new units that have been awarded. 14 of 15 EHV vouchers are under

lease.

The HRA's goal is to focus on the 58 open regular vouchers after the 25 Mainstream, 1 EHV, and 1 FYI vouchers are filled. With the 3 VASH vouchers that have been issued, we will not be receiving any additional referrals from the VA.

We have 32 individuals enrolled in our Family Self-Sufficiency program. We have had 42 FSS participants in the past 12 months. The HRA must update its current Action Plan by September 30 and cannot enroll new households until that time. The update is required to changes in federal law and regulations. Staff has completed this update and submitted to HUD for approval.

There are 336 households on the waiting list. This should be a sufficient number to fill the currently available units.

HRA Cares

We are authorized to serve 64 households and 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, Grant, and Douglas Counties, MN, and in Fargo, ND. There are 32 singles and 29 families being served. Four households are searching for units.

Homeless to Housed Rental Assistance

Our current grant is to serve sixty-two households through September 30, 2023. We are serving 56 of our authorized 62 households. Eight households are currently searching for units. There are 19 singles and 37 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

The current grant term runs from 8/1/2020-9/30/2023. As September 1, 41 households are leased. This grant is still over budget so we will not be issuing any new vouchers for the foreseeable future. Households are from Clay, Douglas, and Wadena Counties. The Wadena household will be exiting at the end of the month because the children have moved from the service area.

We have transitioned 37 households off the current grant: 24 moving to Housing Choice vouchers; 1 moved to Homeless to Housed; 1 moved to Bridges; 1 transitioned to a more intensive youth program; 1 purchased a home; 3 went off due to increased income; 4 moved to unsubsidized units; and 1 was evicted and disappeared. Nine families are in the process of transferring to an HCV unit.

Housing Supports (formerly GRH) in Scattered-Site Units

As of September 1, a total of 128 households were being served by the Housing Supports program in Clay County. There are 111 households leased in the scattered-site Housing Supports program – 9 with the HRA; 25 with CAPLP; 11 with the Presentation Partners in Housing; 10 with LMHC; 13 with Metro Behavioral Health; 9 with the Lotus Center; and 32 with Greater Minnesota Community Services. In addition, CCRI serves 17 Housing Supports clients at

Gateway Gardens and 2 in scattered-site locations.

Eighteen additional households are searching for units. We will not be accepting any additional new clients until the HRA is able to catch up on the financial and support services work of the organization.

Most of the people searching are people on the program who were asked to leave or terminated by their previous property owner. There have been numerous damage claims and non-renewal of leases now that the eviction moratorium has ended.

Minnesota DHS Community Living Infrastructure Grant

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

In the first year of this grant cycle, there were 322 outreach contacts with 137 people obtaining housing through outreach. There were 235 housing resource specialist contacts with 99 obtaining housing.

The partners met with the Department of Human Services who indicated a new grant round would be coming. They are encouraging agencies to apply for additional funding.

Minnesota DHS Housing Stabilization Services

Staff began Housing Consultations in 2020. Staff has been performing annual renewal consultations. Due to staff transitions and an inability to recoup our costs, we are only doing ongoing consultations and will not accept any additional HSS Transition & Sustaining Services participants at this time.

The Supportive Services Manager applied for and was awarded a \$50,000 capacity building grant to get the necessary infrastructure in place to re-start this program. The grant is for a 6-month period. Due to internal staffing challenges, the Supportive Services Manager reached out to CAPLP to partner on sharing this grant and the underlying work to get a system in place for the area. The HRA signed the contract the first week in September and is still waiting for DHS to sign the grant.

Through the GROWTH program, staff has been leading a region-wide group aimed at getting this program to work for those who need it throughout our region. This grant will fund the time needed for the in-depth research and planning.

Minnesota Housing - Housing Stability Grant

The HRA has been awarded \$189,544 as a sub-grantee of the West Central Minnesota Communities Action Agency (WCMCA) to provide Housing Navigation services from June 15,

2022, through June 30, 2023. WCMCA is the grantee with CAPLP, Presentation Partners in Housing, and the HRA as sub-grantees.

The HRA hired for the two new positions in June. One of them has accepted a job within the agency as an Assistant Housing Manager. A third person was hired and began on August 8. A part-time staff person who worked on Housing Supports quit in August. One of the three people performing a portion of the Housing Navigation has taken over a part of the open position.

The HRA has requested that 25% of the grant be reallocated to CAPLP which would reduce our FTEs from 2 to 1.5. CAPLP recently lost funding on a significant grant is looking for additional resources. HRA management prefers not to hire any additional new staff since 40% of the employees have been with the agency for less than one year and 70% for less than 5 years.

The hope is that once the grant ends, the new navigation staff will allow the agency to resume the HSS Transition and Sustaining Services and to provide additional Housing Support services.

Owner-Occupied Rehab Program

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-one homeowner and 7 commercial property owner applications have been approved. There are 2 homeowner applications and 1 commercial application on the waiting list.

Of the homeowner applications received, 8 indicated they were extremely low-income; 5 were very low-income; and 9 were low-income. Staff has begun processing 16 homeowners including all the extremely and very low-income applicants. Three projects are under construction; 3 projects are ready to close; 3 projects are in the bid process; 2 are ready for the initial inspection; and 5 are still providing income and program eligibility information. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000. Contractors are expressing they are extremely busy and will have long turnaround times.

Physical property inspections have been completed on all 8 of commercial buildings. One project is in construction; 3 projects are finalizing bids; and 3 owners are reviewing the scope of work and bid information for the buildings. We will not bid the 8th project unless sufficient funds are remaining after the bids come in on the other projects.

RLP (Minnesota Housing Rehabilitation Loan Program)

The Minnesota Housing Rehabilitation Loan Program is funded by the state. MHFA made updates to the program effective August 1, 2022. The updates were targeted at easing some of the income eligibility requirements by adding additional allowable deductions.

One RLP household is ready for closing. Ten applicants are in the process of submitting income and other eligibility information.

REALLOCATION OF 10 VASH UNITS

In April 2018, the HRA was awarded its initial 15 VASH vouchers. At the request of the Fargo VA, we applied for 15 additional vouchers which were effective January 1, 2021. The HRA had only wished to apply for an additional 10 vouchers, but the VA asked us to increase the request to 25 vouchers. The concept was that a portion of the VASH units would be utilized in Bemidji. The HRA made the request for 25.

Since that time, Bemidji HRA applied for and received 5 vouchers. The Clay County HRA has never been able to lease more than 30 of the 40 VASH vouchers. The VA has indicated that it does not have the capacity to work with more than 30 VASH households in our operating area at this time. In the past several years, there have been numerous opportunities to apply for more VASH resources when needed.

In August 2022, HUD released a notice indicating that a housing agency can voluntarily reallocate some or all its unused vouchers. Staff has made a request to the VA to reallocate 10 of its 40 VASH units to the Bemidji HRA. The VA is supportive of this reallocation. The Bemidji HRA indicates they have only been able to lease one of their VASH vouchers. They are not interested in a rapid transfer.

The vouchers can be reallocated on either January or July 1. We will not make the January 1 deadline this year.

A motion was made by Commissioner Scholtfeldt to approve the reallocation 10 of the VASH units to the Bemidji HRA. Commissioner Dillard seconded the motion and it carried unanimously.

GATEWAY GARDENS FRONT DESK STAFFING

As discussed above, there have been some challenges in staffing the front desk at Gateway Gardens.

Since August 24, the HRA staff have been working at the Gateway front desk from 8 a.m. to 8 p.m. This change has been going very well. Staff can perform other duties while at the front desk, thereby decreasing the overall costs.

The HRA is currently getting tenant input on a potential change in front desk staffing. Thus far they have not expressed any type of a preference. If a change is determined appropriate, the agreements indicate we will provide a minimum of 90 days written notice.

A motion was made by Commissioner Braseth to approve the HRA to provide 90 days written notice and the HRA staff to cover the Gateway front desk. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

2021 AUDIT ACCEPTANCE

Opsahl from Brady Martz was present at the August board meeting and discussed the 2021 Audit Report. A draft copy of the Audit Report was presented. There were no substantive changes between the draft and the final version of the report.

A motion was made by Commissioner Johnson to approve to accept and file 2021 audit. Commissioner Dillard seconded the motion and it carried unanimously.

PRELIMINARY 2023 BUDGET ASSUMPTIONS DISCUSSION

In August, the HRA was notified that the premium for its current health insurance plan will increase by 4.19% effective January 1, 2023. This follows a 1.35% for 2022; 9.8% increase for 2021; 15% increase for 2020; 22% increase for 2019; and a 49% increase for 2018.

The following assumption are proposed to be included in the budget:

1. 3.5% Cost of Living Adjustment (COLA) for 2023 for all positions. (This includes ED).
2. All eligible staff receive step increases.
3. Includes 25 full-time and 5 part-time employees (increase of 1). There was a mid-year 2022 increase of 2 FTEs as well. Net budgeted increase for 2023 is 0.73 FTEs. This includes 1 additional Rental Programs Assistant; 1.5 Housing Navigators; 2 additional part-time maintenance personnel.
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 for pre-2021 hires, 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 \$3000/\$6000 deductible policy) plus a minimum \$3000/year contribution to a VEBA or HSA account.
5. Assumes no 2023 tax levy.
6. Anticipates an average of 40 HSWH, 62 H2H, and 130 HS households in 2023.
7. Anticipates that all HCV vouchers are fully utilized in 2023.
8. Includes minimal Housing Stabilization Services operations in the first half of the year.
9. Does not include staffing Gateway front desk, any new vouchers, receipt of Fieldcrest developer fees, or new grants.

Minutes
September 27, 2022
Clay County HRA

10:34 A.M. MEETING ADJOURNED:

Chair Bakke moved to adjourn the meeting at 10:34 a.m. The motion to adjourn was seconded by Commissioner Dillard and carried unanimously.



Anthony Dillard, Secretary

Date 