

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of June 20, 2023

MEMBERS PRESENT:

Tia Braseth, Les Bakke, Anthony Dillard, Cecil Johnson and Kim Schlotfeldt

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee and Dawn Bacon

OTHERS PRESENT:

None

9:31 A.M. REGULAR MEETING CALLED TO ORDER:

AGENDA:

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

MINUTES FROM MAY 16, 2023, REGULAR MEETING:

A motion was made by Commissioner Dillard to approve the May 16, 2023, regular minutes. Commissioner Schlotfeldt seconded the motion and carried unanimously.

MINUTES FROM June 5, 2023, SPECIAL MEETING:

A motion was made by Commissioner Dillard to approve the June 5, 2023, special meeting minutes. Commissioner Schlotfeldt seconded the motion and carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

Director Lee reviewed the February budget reviews. She explained most of the budget reviews are complete through May, but still have additional updates.

PROJECT UPDATES

Houge Estates

As of June 1, there are 10 vacant units; one eviction pending; and one lease termination for the end of June. Three households have been offered units with one scheduled move in June 23 and one on July 10. The third will move in as soon as the unit is ready. There are an additional 3 people whose move-ins will be scheduled once their rent is determined and units are ready. There are 62 households on the waiting list. Letters have been sent to 20 additional applicants regarding the 4-6 remaining openings. The waiting list is currently open.

The agency has contracted with a temporary labor company to assist in making the units ready for rehab. We also hired a temporary worker for additional lawn care to free up the existing maintenance staff to do more work on the unit turnovers.

The Houge Estates Service Coordinator is housed at this location.

Agassiz Apartments

As of June 1, there are no vacancies. We have received one move-out notice for the end of June. There are 10 applicants on the waiting list which closed 2/1/22. Agassiz needs a new roof. Funding sources are being explored.

Clay County Affordable Housing LLC/Boyer Apartments

As of June 1, there are 7 vacant units; one pending lease termination; and one move-out notice for the end of June. Staff is determining eligibility for 3 applicants. Fifty others are considering the openings and are in communication with staff with frequent failure to provide information in a timely manner.

There are still 4 households on the waiting list for the one-bedroom unit at Boyer. All open units are 2-, 3-, and 4-bedroom units.

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 June 1, there are 12 vacant units (six 2-bedrooms and six 3-bedrooms); a move-out notice for June 30 and a move-out notice for July 31. The units 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.

22 of the 40 units are complete. All windows are installed; the sewer has been moved; new sidewalks are poured; the southeast parking lot is completed; the siding is complete (almost); the new addition is roofed, framed, and has electrical and plumbing rough-ins. The estimated date of completion is now early September in order to finish the remaining grading, sidewalks, and

parking lot. The units and community space should be complete by the end of August.

21 tenants have moved into completed units and are pleased with the work that has been done and the addition of washers, dryers, and dishwashers.

Gateway Gardens

As of June 1, there are 2 openings. One couple is determining if they should separate and live in different units. There is a pending lease termination as well. Tenants are selected from the community Coordinated Entry list.

The Housing Supports supplies are located at Gateway Gardens. Three HRA staff have offices at this location. The CCRI case manager continues to have an office at the location. The HRA staffs the front desk from 8 a.m. to 8 p.m. each day.

Prairie Horizons Townhomes

As of June 1, there is one unit open due to an eviction; one eviction in process; and one lease termination where the tenant indicates they will voluntarily vacate. Tenants are selected from the community Coordinated Entry list.

A supportive services office is available on-site. CCRI continues to have a full-time employee providing support to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. She is officed at that location. CCRI has been providing DHS Housing Stabilization Services to the participants. An HRA employee also provides support to tenants participating in this program.

Housing Choice Vouchers

As of June 1, 2023, there were a total of 677 households of a possible 757 leased from the HRA Housing Choice Voucher program. We are working with 7 additional households from other housing authorities. We have 555 vouchers under our main HCV HUD contract; 187 under our Mainstream HCV contract; and 15 under our HCV Emergency Housing Voucher (EHV) contract. We have requested that HUD reallocate 10 of our 40 VASH units to the Bemidji HRA as of July 1. We were notified that HUD will postpone the transfer date until January 1, 2024.

Of the 555 vouchers under our main contract, 493 vouchers are leased: 432 of 479 regular vouchers; 35 out of 35 Tenant Protection Vouchers; 1 of 1 FYI vouchers; and 25 of 40 VASH vouchers. We have 11 existing regular HCV participants who are between units; we have issued 30 regular vouchers to new participants; and we are working with 20 additional households to issue a regular voucher.

177 out of 187 Mainstream vouchers are under lease. We have 2 existing Mainstream participants who are between units; we have issued 26 Mainstream vouchers to new participants; and we are working with 13 additional households to issue a Mainstream voucher. Seven of 15 EHV vouchers are under lease; two current EHV households are between units; and two vouchers have been issued to a new participant who is searching for a unit. The staff is working with an additional 7 households.

We are working with 16 Bridges participants to transfer them to another rental assistance program. We have 43 individuals enrolled in our Family Self-Sufficiency program. We have had 50 FSS participants in the past 12 months.

There are 155 households who remain on the waiting list.

Becker-Clay-Otter Tail-Wilkin (BCOW) Adult Mental Health Initiative (AMHI) Rental Assistance

On April 1, 2023, the HRA began administration of the BCOW AMHI Rental Assistance program. The contact was transferred from the MPHA to the HRA.

The contract provides funding for rental assistance and administrative fees to assist households who contain a member who has a serious mental illness who is leaving an institution or who is currently homeless.

As of June 1, there are currently 20 participants; 2 households with vouchers who are in-between units; and 4 new participants who are searching for units.

HRA Cares

We are authorized to serve 64 households and on June 1 were serving 62 households. Of the 62, 15 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 42 are in other scattered-site units in Clay (30), Douglas (5), and Otter Tail (3) Counties, MN, and in Fargo, ND (4). Two participants are between units and seven 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 63 of our authorized 62 households. Two households are currently searching for units. There are 18 singles and 45 families being served. The grant targets families and youth-headed households. Leased households are from Clay (52), Douglas (9), Grant (1), and Traverse (1) Counties.

Openings are filled through the coordinated entry process. The renewal grant application was submitted May 17.

Homework Starts with Home

The current grant term runs from 8/1/2020-9/30/2023. The renewal application has been submitted. As of June 1, 19 households are leased. Households are from Clay (16), Douglas (2), and Otter Tail (1) Counties. Two households were transferred to a Housing Choice Voucher in the past month.

We have transitioned 58 households off the current grant: 37 moved/are moving to a Housing Choice voucher; 1 moved to Homeless to Housed; 2 moved to Bridges; 1 transitioned to a more intensive youth program; 1 purchased a home; 4 went off due to increased income; 8 moved to unsubsidized units; 2 were terminated due to no contact; and 1 was evicted and disappeared. Most of the current 23 households are working with the HCV program to obtain a voucher.

Housing Supports (formerly GRH) in Scattered-Site Units

As of June 1, a total of 115 households were being served by the Housing Supports program in Clay County. There are 97 households leased in the scattered-site Housing Supports program – 8 with the HRA; 18 with CAPLP; 8 with the Presentation Partners in Housing; 8 with LMHC; 8 with Metro Behavioral Health; 10 with the Lotus Center; and 35 with Greater Minnesota Community Services. In addition, CCRI serves 2 in scattered-sites and 18 Housing Supports clients at Gateway Gardens.

Twelve additional households are searching for units. We will start accepting new clients once we hear from Clay County Social Services that they have the capacity to handle more.

Minnesota DHS Community Living Infrastructure Grant

The HRA has a 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 have been working diligently on property owner engagement strategies and matching participants with available assistance.

Funding of the current grant was extended until 6/30/25, but at approximately 75% of the initial funding for the next 2-year cycle. The HRA will be able to absorb this reduction without reducing existing staff. The new FTE is about a 0.82 FTE

Minnesota DHS Housing Stabilization Services

Staff began Housing Consultations in 2020. Staff have been performing annual renewal consultations. 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 at this time. The referral process that was developed with the capacity grant is getting its final tweaks.

Minnesota Housing - Housing Stability Grant

The HRA is 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 transferred 37% of its sub-grantee funding to CAPLP, which reduced our FTEs to 1.26. This grant ends on June 30, 2023, and it did not appear prudent to add additional staff. We may not reach our target numbers. This grant has been extended, but the HRA is not continuing to participate due to staffing capacity. It is very administratively burdensome.

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-four homeowner and 8 commercial property owner applications were received. Four homeowners and one commercial applicant have withdrawn their applications so there are no waiting lists. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000. Contractors say they are extremely busy and will have long turnaround times.

For the owner-occupied home rehabilitations, 4 projects are complete; 3 projects are under construction; 4 projects are finalizing bids and preparing to close; and 2 households are in the eligibility process. One household has asked to be moved to the end of the waiting list. The six other applicants have been contacted and will be processed in the order they respond.

Physical property inspections have been completed on all commercial buildings. Two projects are complete; 2 projects are under construction; 2 projects are finalizing contracts; and one project has not started bidding.

RLP (Minnesota Housing Rehabilitation Loan Program)

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Two projects are complete; three have had inspections; and ten applicants are being processed.

River View Heights (Moorhead Public Housing Agency)

River View Heights is part of HUD's low rent public housing program. It is a 14-story apartment building built in 1968 with 104 units.

As of June 1, there were two vacancies at River View Heights. There are seven additional upcoming vacancies. Two of the vacancies were requested to be off-line by HUD due insurance claims.

There are currently 274 people on the public housing waiting list. Staff are processing applications to fill the vacancies.

Sharp View (MPHA)

Sharp View is a part of HUD's low rent public housing program. It is a two story, 47-unit apartment building designated for seniors aged 62 and over. The building was originally built as an elementary school in 1950 and rehabbed as an apartment in the 1980s.

As of June 1, Sharp View has one vacancy.

Moorhead Affordable Housing LLC (MPHA)

The Moorhead Affordable Housing LLC consists of 30 units ranging from single family homes, duplexes, and townhomes. They were originally under HUD's public housing program but approved under the Section 18 Disposition in 2021 and sold to the LLC. Most of the units are three bedrooms and primarily house families with children.

As of June 1, this program has one vacancy. Staff are reviewing one application in the intake process for a Section 8 voucher and accepting additional applications to review.

Maple Court Town Homes (MPHA and City of Moorhead)

Maple Court Townhomes consists of 34 units of two, three, and four-bedroom townhomes. One parcel is owned by the City of Moorhead and the other parcel is owned by Moorhead Public Housing Agency. MPHA/ Clay HRA manage all the units. This property utilizes on-site caretakers.

As of June 1, there was one vacancy at Maple Court. One application is being processed.

2024 HRA TAX LEVY DISCUSSION

On June 6, 2023, the Board held a special meeting to discuss the possibility of levying in 2024. 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 the 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 would need the consent of the local unit of government to levy within the cities of Barnesville or Moorhead.

The HRA has exercised this power in 2008 (\$100,000), 2010 (\$100,000), 2014 (\$190,000), 2019 (\$380,000) and 2020 (\$225,000). Levy funds can be used for any allowable housing authority activity. In 2021, Clay County allocated \$190,000 in ARPA funding to the HRA. In 2012, the HRA was awarded \$25,000 in General Funds as match for a rehab application.

From the total of \$1,210,000 the HRA has received in local funding (\$995,000 in levy funds; \$190,000 in ARPA; and \$25,000 in General Funds), it has leveraged over \$16,515,000 in federal, state, and foundation investments in Clay County (\$4,515,000 for rehab of single-family homes and businesses; over \$7 million for the rehabilitation of rental housing; and over \$5,000,000 in additional rental assistance and supports).

The return on the investment for Clay County is approximately 13.65 to 1. Another way of saying it that for the total of \$47 per household that has been the tax burden on Clay County residents over the last 48 years, they have received a \$645 return to their community.

The funds generated in 2014, 2019, and 2020 were used to create the Homework Starts with Home Program, invest in Fieldcrest Townhomes, and obtain 40 VASH and 187 new Mainstream Housing Choice Vouchers. We serve approximately 1500 Clay County households per month. The HRA pays local owners/landlords over \$7 million dollars per year with federal and state funding through our direct rental assistance payments ONLY. This is approximately \$274 per year to each Clay County household. The entire HRA budget results in approximately \$12 million per year invested locally.

If the HRA decides to adopt a levy for 2024, it must be consented to by Barnesville, Moorhead, and the Clay County Commission by September.

The maximum HRA tax levy, including Barnesville and Moorhead, is \$1,435,700 using 2023 values. A levy of \$24 per household or \$2 per month would be \$603,696 or 42% of the allowable amount; a \$20 per household levy is \$503,080 or 35% of the allowable amount.

The average percentage of the maximum for HRAs who levy in Minnesota is 58%. The average per household amount is \$37.11. Both scenarios above are significantly under these amounts.

Levy funds would be used for increased security on our properties; to hire additional people for rehabilitation work, property management, rental assistance, and administration so that we would have the capacity to leverage additional resources. Minnesota just appropriated over \$1 billion in housing resources. If we do not have the capacity to apply for and administer these funds, Clay County residents will be missing out on vital and available housing resources.

The staff recommends that the Clay County HRA Board of Commissioners adopt a Special Benefit Tax in an amount between \$400,000 and \$600,000 for 2024. Proposed resolutions are attached for review.

*A motion was made by Commissioner Schlotfedlt to approve Resolution 06-20-23-1 .
Commissioner Johnson seconded the motion. The Resolution was approved unanimously.*

REPLACEMENT OF RESIGNING COMMISSIONER

Commissioner Les Bakke's last meeting was June 20, 2023. He has agreed to mentor Commissioner Tia Braseth through the tax levy. An ad was placed in the Extra, Hawley Herald, Barnesville Record, and the Clay County Union. Members of the MPHA board also were sent the ad.

The application deadline is June 30. Applications will be sent to all board members to review. The board determined Commissioner Schlotfedlt and Commissioner Dillard to be the Recommendation Committee. They will factor in a date and work with the Deputy Director Bacon to make a recommendation to the Clay County Commission regarding a possible appointment.

HRA/PHA UPDATE

The Moorhead Public Housing Agency staff all became HRA employees as of March 1. The Moorhead Public Housing Agency Executive Director is a shared employee of the agencies also working for the HRA in the capacity of Deputy Director.

The HRA has assumed general operational responsibilities of the MPHA. Deputy Director Bacon coordinated the April 1 transfer of the BCOW AMHI rental assistance program from MPHA to the HRA. The agencies mutually agreed to decline the new award from MHFA for the Bridges Program. MPHA still continues to own Public Housing (River View Height & Sharp View),

Moorhead Affordable Housing units, and Maple Court Townhomes. The next anticipated transfer is for the Moorhead Affordable Housing units. These are 30 scattered-site units.

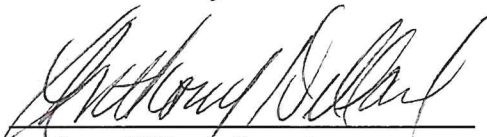
Integrating our telephone and computer systems as well as physically moving staff, equipment, and files between locations is “mostly” complete but for the software sharing. Staff determined the best new software option and has contracted for the conversion. It is estimated that the conversion will occur in approximately 6 months. Financial integration has slowly begun as well. Only payroll and shared expenses are currently paid by the HRA with the staff and fee accountant still paying the direct expenses of the MPHA programs. After the software conversion, additional work can be done in this area. The conversion will significantly increase administrative efficiency and better serve applicants, participants, and vendors.

It is anticipated that for the next 1-2 years, the agencies will examine and determine the best mechanisms to meet their missions and deliver high quality housing and services.

OTHER

10:53 A.M. MEETING ADJOURNED:

Commissioner Johnson moved to adjourn the meeting at 10:53 a.m. The motion to adjourn was seconded by Commissioner Schlotfeldt and carried unanimously.



Anthony Dillard, Secretary



Date