

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of September 19, 2023**

**MEMBERS PRESENT:**

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

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Dara Lee, Dawn Bacon, and Jill Cossette

**OTHERS PRESENT:**

None

**9:30 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 AUGUST 15, 2023, REGULAR MEETING:**

*A motion was made by Commissioner Dillard to approve the August 15, 2023, regular meeting minutes. Commissioner Johnson seconded the motion and carried unanimously.*

**MINUTES FROM SEPTEMBER 5, 2023, SPECIAL MEETING:**

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

**CITIZENS TO BE HEARD:**

None

**TREASURER'S REPORT:**

Director Lee communicated there were no budget reviews at this time due to extensive training, and the Finance Specialist has been on vacation for 2 weeks. The majority of the July budget reviews were presented in August. July budget reviews would typically be presented at this meeting.

## **PROJECT UPDATES**

### **Houge Estates**

As of September 1, there are 5 vacant units, and one sheriff's eviction removal that occurred on September 13. Staff are working with 9 additional households to determine eligibility. There are 82 households on the waiting list which is closed due to the software conversion.

The Houge Estates Service Coordinator is housed at this location.

### **Agassiz Apartments**

As of September 1, there is one vacancy and no remaining applicants on the waiting list. After advertising and opening the waiting list, staff have been contacted by 2 applicants who they are working with to determine eligibility.

Agassiz needs a new roof. Funding for the replacement is part of the 2024 levy/SAHA requests.

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

As of September 1, there are 8 vacant units. One unit is leased for November. Staff are determining eligibility for 4 applicants and working with an additional 17 households. All open units are 2-, 3- and 4-bedroom units. The one household on the 1-bedroom waiting list has been contacted as well.

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 13 vacant units (seven 2-bedrooms and six 3-bedrooms) and a pending eviction. The units have been kept vacant during construction. All but 8 of the units are now complete. Staff contacted the 16 households on the waiting list and heard back from 2. The waiting list has re-opened, and a number of applications have been received.

32 of the 40 units are complete. The remaining items are the 8 units being rehabbed, the community space and offices, and landscaping. The estimated date of completion is the end of September. Through the Partnership for Health, we were able to purchase 9 raised garden beds. YouthBuild participants from Rural Minnesota CEP installed these 9 beds and added mulch and landscaping around 18 units.

27 tenants have moved into completed units and are pleased with the work that has been done and the addition of washers, dryers, and dishwashers. One or two tenants may be transferred back to their original units after those are completed.

## **Gateway Gardens**

As of September 1, there are 2 openings and a pending move-out. Tenants are selected from the community Coordinated Entry list. A couple of selected applicants have been unable to locate.

The Housing Supports supplies are located at Gateway Gardens. Two supportive services staff and an assistant property manager are officed 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. From 8 p.m. to 8 a.m. the office is staffed by a security company. The security company will now be monitoring the cameras for the High Rise as well as Gateway Gardens.

## **Prairie Horizons Townhomes**

As of September 1, there are 4 open units. One is due to a tenant transferring to a Clay County Affordable Housing unit, and three are due to tenant behaviors that resulted in evictions or lease terminations. Three of the units were significantly damaged. They are not ready to be re-rented yet. 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 also provides DHS Housing Stabilization Services to eligible participants. An HRA employee provides support to tenants participating in this program in scattered-site settings.

## **Housing Choice Vouchers**

As of September 1, 2023, there were a total of 713 out of 757 units leased in the HRA Housing Choice Voucher program. We are working with 9 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 intends to transfer the vouchers on January 1, 2024.

Of the 555 vouchers under our main contract, 521 vouchers are leased: 453 of 480 regular vouchers; 34 out of 34 Tenant Protection Vouchers; 1 of 1 FYI vouchers; and 23 of 40 VASH vouchers. We have 11 existing regular HCV participants who are between units; we have issued 32 regular vouchers and 2 VASH vouchers to new participants; and we are working with 2 additional households to issue a regular voucher.

183 out of 187 Mainstream vouchers are under lease. We have 5 existing Mainstream participants who are between units; we have issued 11 Mainstream vouchers to new participants; and we are working with 3 additional households to issue a Mainstream voucher. Nine of 15 EHV vouchers are under lease; one current EHV household is between units; and 9 vouchers have been issued to new participants who are searching for a unit.

We have 48 individuals enrolled in our Family Self-Sufficiency program. We have had 56 FSS participants in the past 12 months.

We have contacted all applicants from our waiting list. To date, 23 households have begun the intake process.

### **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 and is leaving an institution or is currently homeless.

As of September 1, there are 19 participants; one household with a voucher who is in-between units; and 13 new participants who are searching for units. Staff are actively reaching out to all applicants to start the process with them.

### **HRA Cares**

We are authorized to serve 64 households, and on September 1 were serving 61 households. Of the 61, 12 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 42 are in scattered-site units in Clay (29), Douglas (4), and Otter Tail (3) Counties, MN, and in Fargo, ND (6). Two participants are between units and three households are searching for units.

The grant, which begins January 1, 2024, was cut significantly during the past funding around. HUD agreed to amend the grant to transfer all funds into the supportive services and administrative categories. All households receiving rental assistance through this program will need to transfer to a different rental assistance program prior to January 1. Fargo HRA has agreed to take the 6 HRA Cares households currently residing in Fargo.

We are working with all but 10 households to issue a voucher.

### **Homeless to Housed Rental Assistance**

Our current grant is to serve sixty-two households through September 30, 2023. Our grant was increased to 85 households for October 1. We are serving 55 households now. Five households are currently searching for units. There are 16 singles and 39 families being served. The grant targets families and youth-headed households. Leased households are from Clay (45), Douglas (8), Grant (1), and Traverse (1) Counties.

Openings are filled through the coordinated entry process.

### **Homework Starts with Home**

The current grant term ends on 9/30/2023. The grant was renewed through September 30, 2024. The grant renewal process was extremely competitive. We are funded to serve 32 households.



As of September 1, 12 households are leased. Households are from Clay (10), Douglas (1), and Otter Tail (1) Counties. One household is searching for a unit. We will begin taking referrals again due to the grant renewal and the start of a new school year.

Seven households were transferred to a Housing Choice Voucher in the past two months, and one went off voluntarily. We have transitioned 66 households off the current grant: 41 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; 5 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.

Two households are ready to receive a voucher.

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

As of September 1, a total of 110 households were being served by the Housing Supports program in Clay County. There are 93 households leased in the scattered-site Housing Supports program – 8 with the HRA; 18 with CAPLP; 7 with the Presentation Partners in Housing; 7 with LMHC; 7 with Metro Behavioral Health; 10 with the Lotus Center; and 33 with Greater Minnesota Community Services. In addition, CCRI serves 3 in scattered-sites and 17 Housing Supports clients at Gateway Gardens.

Six 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**

Funding of the current grant was extended until 6/30/25. The new FTE for the HRA is about 0.82 FTE.

The annual report was submitted for the June 30 grant year-end. The project met or exceeded all grant goals.

### **Minnesota DHS Housing Stabilization Services**

Staff began Housing Consultations in 2020. Staff have been performing annual renewal consultations. Eight were completed in June, July, and August, but we have received \$0 in funding so far. We are only doing limited on-going consultations and will not accept any additional HSS Transition & Sustaining Services participants at this time.

The Supportive Services Manager, Gina Kautz, did a tremendous amount of work under our capacity grant to create a referral system for the HSS program. It is now up and running.

## **Owner-Occupied Rehab Program**

### Dilworth

The HRA staff is administering a \$922,000 DEED grant for the City of Dilworth. The funds are to rehabilitate twenty-one owner-occupied homes and seven businesses. 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 if they are even willing to bid.

For the owner-occupied home rehabilitations, of the 20 active applicants, 5 projects are complete; 3 projects are under construction; and 4 projects are finalizing bids and preparing to close. The six other applicants have been contacted and will be processed in the order they respond.

Physical property inspections have been completed on all seven commercial buildings. Two projects have been completed in 2023; 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 are in the bidding process; and thirteen 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 September 1, there are 9 vacancies at River View Heights and an additional one will become vacant. Two of the vacancies are considered off-line by HUD due to insurance claims. One unit has been re-rented for move-in once it is ready.

There are currently 313 people on the public housing waiting list. Staff are processing applications to fill the vacancies. The waiting list will close on October 4, 2023.

## **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 September 1, Sharp View has no vacancies. The waiting list is shared with the River View Heights waiting list.

## **Moorhead Affordable Housing LLC (MPHA)**

The Moorhead Affordable Housing LLC consists of 30 units including single family homes, duplexes, and townhomes. They were originally under HUD's public housing program but were

approved for a 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 September 1, there are no vacancies.

### **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 September 1, there are three vacancies at Maple Court. Applications are being processed.

### **2022 AUDIT ACCEPTANCE**

Director Lee has not received the 2022 as of September 19, 2023. When the audit is received it will be emailed and/or mailed to the board members immediately.

*A motion was made by Commissioner Dillard to approve Director Lee to submit the 2022 Audit to HUD, Minnesota Housing, Northwestern Bank, and other parties in need to fulfill our contract assuming there are no findings in the audit. If there are findings, the information will be sent to the board and will schedule a special board meeting. Commissioner Schlotfeldt seconded the motion and carried unanimously.*

### **2024 HRA TAX LEVY DISCUSSION**

On June 20, 2023, this board approved a Special Benefit Tax for 2024 in the amount of \$500,000. The statute requires the consent of the Board of Commissioners of Clay County, the City of Moorhead, and the City of Barnesville. Local Governments must certify their tax levies to the County Auditor by September 30.

Chair Braseth, Director Lee, and Deputy Director Bacon presented to the Clay County Commission on August 1. Commissioner Johnson was in attendance. The commissioners had numerous questions concerning the levy. The request was tabled for possible consent at the time of the overall budget approval which is scheduled for September 19. The Barnesville City Council consented to the \$500,000 levy on Monday, August 14; and the Moorhead City Council on Monday, August 28.

At the September 5 special board meeting, this board was agreeable to the possibility of decreasing the \$500,000 special levy to either \$340,000 or \$250,000 contingent upon the allocation of the \$160,409 from Clay County SAHA funds and \$85,000 from Moorhead SAHA funds. Clay County will issue an RFQ with priorities consistent with the HRA proposed projects.

The Clay County Commission seemed open to a reduced levy. They indicated that they would give their consent to the \$500,000 levy before the end of September with the understanding that the amount will be reduced if we are able to secure SAHA funding. (And, perhaps if we are



unable to secure other funding.)

Moorhead staff have indicated that they will recommend the \$85,000 allocation at the November 13 meeting. We do not have specific timing on the Clay County RFQ yet.

This board meets on November 21 so should be able to pass a reduced levy of \$250,000. We will then go back for consent to Barnesville, Moorhead, and Clay County. The Barnesville City Council meets on December 11. We hope that the reduction can just be part of the consent agenda for Moorhead and Barnesville since they both approved the \$500,000. We will try to get on the December 12 agenda for the Clay County Commission.

Proposed uses of the levy funds are as follows:

\$100,000-	Re-roof Agassiz Apartment is Ulen, MN. (\$100,000 potential SAHA)
\$150,000-	Other rehab activities. (\$45,000 potential SAHA)
\$75,000-	Ending child homelessness by supporting programs targeted at this population such as Homework Starts with Home and Homeless to Housed.
\$100,000-	Increase security at properties. (\$100,0000 potential SAHA)
<u>\$75,000-</u>	Leverage and support accessing a portion of the over \$1 billion in new state housing resources to benefit Clay County citizens.

\$500,000 Total Levy Request.

### **PRELIMINARY 2024 BUDGET ASSUMPTIONS DISCUSSION**

In September, the HRA was notified that the premium for its current health insurance plan will increase by 6.04% effective January 1, 2024. This follows a 4.19% increase for 2023; a 1.35% for 2022; 9.8% increase for 2021; 15% increase for 2020; 22% increase for 2019; and a 49% increase for 2018. In addition, our contribution toward deductibles will increase approximately \$60,000/year.

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

1. 3.0% Cost of Living Adjustment (COLA) for 2024 for all positions. (This includes ED). This is the rate that Clay County will be using.
2. All eligible staff receive step increases.
3. 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). 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 \$3200/\$6400 deductible policy) plus a minimum \$3200/year contribution to a VEBA or HSA account.



4. 30 full-time (increase of 5 from last year due to MPHA management) and 8 part-time employees (increase of 3 due to MPHA). We are adding an additional 3 FTEs for an Accounting Assistant (1 FTE) and Maintenance Cleaners (2 FTE). Moorhead PHA staffing is down 2 FTEs as compared to last year. The net increase from the new hires is one FTE for the year.
5. Includes income and expenses for management of MPHA properties.
6. Assumes no 2024 tax levy or SAHA. If these are approved, a supplemental budget will be provided.
7. Anticipates an average of 32 HSWH, 85 H2H, and 100 HS households in 2024.
8. Anticipates that all HCV vouchers are fully utilized in 2024.
9. Includes minimal Housing Stabilization Services operations.
10. Does not include any new vouchers or new grants.

In October, there will be a revised budget for General to include MPHA Management Fee.

### **REPLACEMENT OF COMMISSIONERS**

At the September 5, 2023, special board meeting, the board determined that they would recommend to the Clay County Commission that Greg Lemke be appointed to the HRA board. If the recommendation is accepted, the number of board members will remain at 4.

The HRA board will need to recommend a minimum of one additional person and up to 3 people to serve on the board.

This will be brought to the Clay County Commission at a later date. Deputy Director Bacon will discuss future dates with Greg Lemke to attend the Clay County Commissioners Meeting.

### **HRA/PHA UPDATE**

The joining of the two agencies continues to slowly progress.

- March 1, 2023 – HRA assumes general operational responsibilities of the Moorhead Public Housing Agency (MPHA).
- March 1, 2023 – all MPHA employees except the Executive Director, became HRA employees. The MPHA Executive Director is a shared employee of the agencies who also works for the HRA in the capacity of Deputy Director.
- April 1, 2023 – BCOW AMHI grant transferred from MPHA to the HRA.
- May 2023– the MPHA and HRA boards mutually agree to decline the new award from Minnesota Housing for the Bridges Program.
- Spring/Summer 2023 – financial integration of the two agencies slowly began.

- Summer 2023- Employees physically move to new locations; telephone systems and some computer systems are integrated. Staff determined the best software system to transition all programs.
- October 2023 –software conversion for both MPHA and HRA programs.
- January 2024 – anticipated additional integration of financial systems and switch from in-house to contracted payroll services.

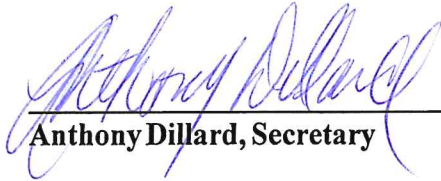
MPHA continues to own Public Housing (River View Height & Sharp View), Moorhead Affordable Housing units, and Maple Court Townhomes. The next anticipated transfer is the Moorhead Affordable Housing units. These are 30 scattered-site units.

Director Lee and Deputy Director Bacon will continue to analyze and make recommendations to each board on how and when these transfers should occur.

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

**10:47 A.M. MEETING ADJOURNED:**

*Commissioner Johnson moved to adjourn the meeting at 10:47 a.m. The motion to adjourn was seconded by Commissioner Schlotfeldt and carried unanimously.*

  
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Anthony Dillard, Secretary

  
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Date