

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of October 17, 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 Johnson to approve the agenda. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

MINUTES FROM September 19, 2023, REGULAR MEETING:

A motion was made by Commissioner Dillard to approve the September 19, 2023, regular meeting minutes. Commissioner Johnson seconded the motion and carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

2024 proposed budgets were provided along with the individual year end actuals for 2022. Director Lee communicated she is hoping to recover some of the losses to date. Leasing had increased significantly, and we should be entering 2024 in a good position.

PROJECT UPDATES

Houge Estates

As of October 1, there are 4 vacant units. Two of the four are ready for occupancy. There is an additional lease termination effective 10/31/23. Staff are working with 9 additional households to determine eligibility. There are 68 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 October 1, there are no vacancies and five applicants on the waiting list. The waiting list remains open due to the low number of applicants.

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

Clay County Affordable Housing LLC/Boyer Apartments

As of October 1, there are 8 vacant units. Two of these units have been re-rented for November. Staff are finalizing eligibility for 4 applicants and working with an additional 15 households for the six remaining units. There will be an upcoming two-bedroom and a three-bedroom opening at the end of October. All currently open units are 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 October 1, there are 14 vacant units (seven 2-bedrooms and seven 3-bedrooms). The units were kept vacant during construction. All but 8 of the units are now complete. Applications are being processed for the openings. The new Leasing and Occupancy policy must be approved to continue to fill the units.

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 October.

26 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 October 1, there are 2 openings. One of these units is ready to rent. There is a pending eviction action as well. Tenants are selected from the community Coordinated Entry list. Staff are contacting potential residents to fill the units.

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 for Gateway Gardens.

Prairie Horizons Townhomes

As of October 1, there are 4 open units. None of these units are ready for occupancy, primarily due to extensive damage to the units. 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 October 1, 2023, there were a total of 727 out of 757 units leased in the HRA Housing Choice Voucher program. We are working with 5 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. We were notified that HUD intends to transfer the vouchers on January 1, 2024.

Of the 555 vouchers under our main contract, 537 vouchers are leased: 480 of 481 regular vouchers; 33 out of 33 Tenant Protection Vouchers; 1 of 1 FYI vouchers; and 23 of 40 VASH vouchers. We have 6 existing regular HCV participants who are between units; we have issued 20 regular vouchers and 2 VASH vouchers to new participants; and we are working with 15 additional households to issue a regular voucher.

180 out of 187 Mainstream vouchers are under lease. We have 6 existing Mainstream participants who are between units; we have issued 9 Mainstream vouchers to new participants; and we are working with 18 additional households to issue a Mainstream voucher. Ten of 15 EHV vouchers are under lease and 9 vouchers have been issued to new participants who are searching for a unit. The program is ending and does not allow any additional vouchers to be issued. All current participants can remain on the program for as long as needed.

We have 51 individuals enrolled in our Family Self-Sufficiency program. We have had 60 FSS participants in the past 12 months.

We have contacted all applicants from our waiting list. To date, 41 households have not contacted us and will have until November to do so.

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 October 1, there are 22 participants; one household with a voucher who is in-between units;

and 12 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 October 1 were serving 56 households. Of the 56, 11 are at Prairie Horizons Townhomes; 5 are at Bright Sky Apartments; and 40 are in scattered-site units in Clay (28), Douglas (5), and Otter Tail (3) Counties, MN, and in Fargo, ND (4).

The grant, which begins January 1, 2024, was cut significantly during the past funding round. 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 HRA Cares households currently residing in Fargo and Fergus Falls HRA will take those in Fergus. We believe that Douglas County HRA will take the 5 in Douglas County.

Homeless to Housed Rental Assistance

Our grant was increased to 85 households for October 1. We are serving 55 households now. Eight households are currently searching for units. There are 18 singles and 37 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 grant was renewed for October 1 through September 30, 2024. We are funded to serve 32 households.

As of October 1, 12 households are leased. Households are from Clay (8), Douglas (1), Pope (1), and Otter Tail (1) Counties. One household is searching for a unit. We are taking referrals again due to the grant renewal and the start of a new school year.

Housing Supports (formerly GRH) in Scattered-Site Units

As of October 1, a total of 109 households were being served by the Housing Supports program in Clay County. There are 92 households leased in the scattered-site Housing Supports program – 8 with the HRA; 17 with CAPLP; 8 with the Presentation Partners in Housing; 7 with LMHC; 7 with Metro Behavioral Health; 9 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.

Three 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 project is meeting or exceeding all grant goals. There has been more stability in staffing, and the program is going well.

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 only received approvals on three 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 (one may not proceed); 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, and fourteen applications 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 October 1, there are 11 vacancies at River View Heights and an additional 2 will become

vacant. One applicant has been approved and another approval is pending. Six applicants have been contacted for the remaining vacancies. Two of the vacancies are considered off-line by HUD due to insurance claims and another request is pending.

There are currently 308 people on the public housing waiting list. The waiting list was closed on October 2.

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 October 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 October 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 October 1, there are three vacancies at Maple Court. One of these units has been re-rented. Applications are being processed.

A motion was made by Commissioner Johnson and seconded by Commissioner Schlotfeldt to open the Public Hearing. The motion carried unanimously.

PUBLIC HEARING REGARDING 2024 STREAMLINED ANNUAL PLAN FOR HCV ONLY AGENCIES & CHANGES TO HCV ADMINISTRATIVE PLAN

On August 30, 2023, the HRA published a Notice of Public Hearing regarding the 2022 Streamlined Annual Plan for HCV Only Agencies and changes to the HCV Administrative Plan.

To date, the HRA has received no public comments regarding the plan or proposed changes. The proposed 2024 Streamline Annual Plan was reviewed. The agency is required to submit an Annual Plan to HUD each year.

Proposed changes to the HCV Administrative Plan for 2024 are only those required by HUD currently and that may arise next year. The most significant changes are to the Emergency Voucher Program. HUD has clarified that new vouchers may not be re-issued after September 30, 2023, and provided clarification on the expanded use of the service fees.

Commissioner Dillard made a motion to close the Public Hearing. The motions was seconded by Commissioner Schlotfeldt and carried unanimously.

RECOMMENDED PAYMENT STANDARDS JANUARY 1, 2024

Each year HUD publishes new Fair Market Rent (FMR) amounts which are effective in October. There was about a 3% increase in FMRs for 2024. Housing authorities are authorized to set payment standards anywhere between 90%-110% of the published FMRs without HUD approval.

There have been significant rent increases in the past year, and tenants are having a very challenging time finding units that fit within our payment standards. Staff recommends that payment standards be increased to 110% of the current FMR. They currently are at 110% of the prior year FMR.

PAYMENT STANDARD RECOMMENDED LEVELS

Bedroom Size	0	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Current Payment Standard					
- Clay	\$695	\$820	\$1000	\$1420	\$1700
-Cass	\$570	\$705	\$840	\$1200	\$1450
HUD Published FMRS for MSA on 9/23 for 2024	\$656	\$781	\$944	\$1330	\$1602
Proposed Payment Standards for 2024					
- Clay/Cass	\$720	\$855	\$1035	\$1460	\$1760

The HRA met with the Fargo HRA and Cass County HRA, and all agencies agreed to use the same payment standards for 2024. This will streamline operations.

Commissioner Schlotfeldt made a motion to approve the increase in area payment standards effective 1/1/2024. The motions was seconded by Commissioner Schlotfeldt and carried unanimously.

PROPOSED 2024 UTILITY ALLOWANCES

At least once every 12 months, the Clay County HRA is required to review the utility allowances in place for the Housing Choice Voucher (HCV) program. The allowances are based on average

consumption and cost information. Changes are required to be made to the utility allowances if a change of more than 10% in utility rates has occurred.

Since 2018 the HRA has contracted with Housing Authority Services of Akron, OH, to update our utility allowances. The analysis includes rural Cass and Clay County costs as well as Moorhead and Fargo costs.

It is anticipated that the new allowances will have about a \$40,000 impact on HAP costs in 2024. There were small increases in almost all utility amounts.

The proposed utility allowances for the Housing Choice Voucher Program were reviewed and approved to be implemented on 1/1/2024.

Commissioner Johnson made a motion to approve the new utility allowances for 2024. The motion was seconded by Commissioner Dillard and carried unanimously.

Commissioner Dillard made a motion to close the Public Hearing. The motion was seconded by Commissioner Schlotfeldt and carried unanimously.

APPROVAL OF PROPOSED CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

The proposed changes were discussed at the Public Hearing.

A motion was made by Commissioner Johnson to approve the proposed changes to the Housing Choice Voucher Administrative Plan. Commissioner Schlotfeldt seconded the motion and it was carried unanimously.

STREAMLINED ANNUAL PHA PLAN AND CERTIFICATIONS OF COMPLIANCE

The 2024 Streamlined Annual Plan for HCV Only PHAs was presented. The HRA administers 757 HCV units so must comply with the Annual PHA Plan requirements. It was exempt from this requirement until it exceeded 550 units.

Pages 3 & 4 of the Annual Plan discuss our agency goals as included in the 2020-2024 5-Year PHA Plan and the progress we have made to date. In 2024, the HRA will need to undertake extensive planning for the next 5-year plan.

One of the Annual Plan requirements is that the Board approve HUD-50077-ST-HCV-HP, Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations including PHA Plan Elements that Have Changed.

Commissioner Dillard made a motion to approve the 2024 Annual Plan and Certifications. The motion was seconded by Commissioner Schlotfeldt and carried unanimously.

PROCUREMENT POLICY

Deputy Director Bacon has reviewed the Clay County HRA and the Moorhead PHA procurement policies. There are numerous differences between the two. A more comprehensive joint policy will be presented to the board at a later date, but staff requested that some basic alignment changes be made.

Dollar thresholds are set by both HUD and the State of Minnesota. Currently, the State of Minnesota has more restrictive limits than HUD. Staff proposed raising the thresholds to the maximums allowed by law.

- Increase micro-purchases to \$25,000 (currently \$10,000.) Quotes will still be required when feasible for purchases under \$25,000 (currently \$10,000.)
- Increase small purchase limit to \$175,000 (currently \$100,000).
- Formal bids procedures in place for any purchase over \$175,000 (currently at \$100,000).
- Increase bid and performance bond requirement to \$150,000 (currently at \$100,000.)

Commissioner Schlotfeldt made a motion to approve the changes to the Procurement Policy. The motion was seconded by Commissioner Dillard and carried unanimously.

FIELDCREST TOWNHOMES LEASING & OCCUPANCY POLICY

As part of its application to Minnesota Housing, the HRA agreed to modify its leasing and occupancy policy by the time of completion of the project. Changes include the following:

- Add definitions regarding homelessness and disability.
- Define eligibility for High Priority Homeless (HPH), households who are otherwise homeless, Persons with Disabilities, tenant obligations due to background checks (criminal, rental reference, etc.)
- Update Violence Against Women Act (VAWA) language as required by federal law.
- Updates to preferences, including units for HPH, households who are otherwise homeless, and Persons with Disability.
- Updates related to operating 16 of the 40 units as permanent supportive housing.
- Update to Pet Policy to allow pets.
- Update smoking policy to prohibit all smoking on the property.

Commissioner Schlotfeldt made a motion to approve the changes made to the Fieldcrest Townhomes Leasing and Occupancy Policy. The motion was seconded by Commissioner Johnson and carried unanimously.

2022 AUDIT ACCEPTANCE

The 2022 Audit was provided to board members prior to the board meeting. The only issue identified pertained to the late filing of the HRA unaudited financials.

2022 resulted in an increase in net assets even though it was an extremely challenging operational environment.

Commissioner Dillard made a motion to accept and file 2022 audit. The motion was seconded by Commissioner Johnson and carried unanimously.

2024 BUDGET DISCUSSION

Proposed budgets for 2024 were presented. An agency-wide combined agency-wide budget, and project budget were included. Each project budget shows 5 years of actuals as well as the 2023 and 2024 budget numbers. It includes spending Housing Choice Voucher Administrative Fee reserves. Changes from the assumptions provided in September include adding a minimal HRA levy for 2024 and increasing the average Housing Supports clients from 100 to 110.

The following assumptions were included in the budget presented.

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 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. This reflects a 6.04% premium increase effective January 1, 2024.
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 a minimal 2024 tax levy of \$150,000 for Homeless to Housed, Homework Starts with Home, OOR, and General, but no SAHA. If additional amounts are approved, a supplemental budget will be provided.
7. Anticipates an average of 32 HSWH, 85 H2H, and 110 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.

Commissioner Dillard made a motion to approve the 2024 budget. The motion was seconded by Commissioner Schlotfeldt 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, and Commissioner Johnson were present at the Clay County Commission meeting on August 1. 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.

A reduced levy of \$250,000 was discussed. 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 in 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. (\$100,000 potential SAHA)
- \$75,000- 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.

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

Commissioner Johnson made a motion to reduce the 2024 levy request to \$250,000. The motion was seconded by Commissioner Dillard and carried unanimously.

REPLACEMENT OF COMMISSIONERS

At the September 5 special 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 needs to recommend a minimum of one additional person and up to 3 people to serve on the board.

No additional applications have been received in the past month.

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 moved 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. Conversion is in process and should be completed within the month.
- 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.

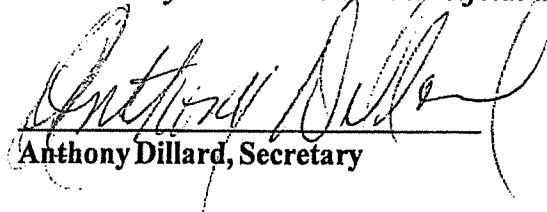
Director Lee and Deputy Director Bacon will continue to analyze and make recommendations to each board on how and when these transfers should occur.

Minutes
October 17, 2023
Clay County HRA

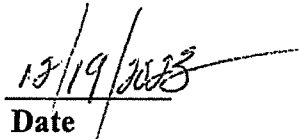
It is anticipated that for the next 1-2 years, the agencies will exam and determine the best mechanisms to meet their missions and deliver high quality housing and services.

10:50 A.M. MEETING ADJOURNED:

Commissioner Dillard moved to adjourn the meeting at 10:50 a.m. The motion to adjourn was seconded by Commissioner Schlotfeldt and carried unanimously.



Anthony Dillard, Secretary



Date