

**HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**  
**Regular Meeting of October 17, 2024**

**BOARD MEMBERS PRESENT:**

Tia Braseth, Anthony Dillard, Cecil Johnson, Greg Lemke

**MEMBERS ABSENT:**

Bethany Peterson, and Clay County Commission Liaison, Paul Krabbenhoft.

**STAFF PRESENT:**

Dara Lee and Jill Cossette.

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

**AGENDA:**

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

**MINUTES FROM THE SEPTEMBER 19, 2024, REGULAR MEETING:**

*A motion was made by Commissioner Johnson to approve the September 19, 2024, regular minutes. Commissioner Lemke seconded the motion, and it carried unanimously.*

**CITIZENS TO BE HEARD:**

None

**TREASURER REPORT:**

Director Lee reviewed August Budget Reviews.

*A motion was made by Commissioner Lemke to accept and file the Treasurer Report. Commissioner Johnson seconded the motion, and it carried unanimously.*

**PROJECT UPDATES**

Director Lee provided project updates.

**Houge Estates**

Houge Estates, 510 Center Ave E, Dilworth, MN 56529, is a 60-unit apartment building. All units are one-bedrooms (about 650 sq. ft.), and residents must have a disabling condition or be 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The remainder of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD.

It was built in 1981 and is owned by the Elderly Housing Corporation of Clay County (EHC), a 501(c)(3) non-profit. The non-profit was created by the HRA to develop this project. The HRA has managed the EHC and Houge Estates since their inceptions.

Over the years, the composition of the building has shifted from primarily elderly to primarily younger disabled individuals. The Houge Estates Service Coordinator is housed at this location. Property maintenance staff are on-site one day per week.

Clay County SAHA funds were awarded to update the security cameras at the property. Contracts have been awarded, but we are waiting for an update on the installation.

There is an approximately \$775,000 mortgage on the property. The HUD subsidy contract is scheduled for renewal in 2026. Staff is exploring options regarding re-financing the loan and terminating the HUD contract with assistance replaced with Housing Choice Vouchers. The Houge Estates Service Coordinator grant will need to be taken into account as well.

As of October 1, there were 12 vacant units, and one pending move-out. The waiting list reopened on October 1, and applicants are being contacted. The application is now on-line.

The management and occupancy review by Minnesota Housing is scheduled for December 5, 2024.

### **Agassiz Apartments**

Agassiz Apartments, 114 2<sup>nd</sup> St NE, Ulen, MN, is a 12-unit apartment building. Eleven of the units are one-bedrooms (about 650 sq. ft.) and one is a 2-bedroom, and residents must have a disabling condition or be 62 or older to reside there. Residents pay 30% of their income towards their rent and utilities. The remainder of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD.

It was built in 1978 with a loan subsidized through USDA Rural Development. It is owned and operated by the HRA. The building received a minor renovation in 2013 (primarily windows and kitchens) which was funded with a deferred loan from the Minnesota Housing Finance Agency through the Rental Rehabilitation Deferred Loan program. The Rural Development loan is scheduled to be paid off in 2028.

Over the years, the composition of the building has shifted from primarily elderly to about half elderly and half disabled.

Clay County awarded SAHA funding for both roof replacement and security upgrades. Agassiz's roof has been replaced. Security upgrades are underway.

The HUD subsidy contract on this property is scheduled for renewal on October 1, 2025. To keep all options open, staff held a meeting and gave tenants a one-year notice of subsidy cancellation. This cancellation can be revoked at ANY time prior to September 30 of next year. Cancelling the contract would result in significantly less administrative burdens and increased income. Tenants would continue to pay the same amount for rent through the Housing Choice Voucher program. This is a topic for on-going board discussion.

As of October 1, there were no vacancies, and 14 applicants on the waiting list. The waiting list is currently closed.

### **Clay County Affordable Housing LLC/Boyer Apartments**

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

CCAH units were operated by the HRA as Public Housing units until January 1, 2019, when the HRA “disposed” of its Public Housing units by “selling” them to the CCAH LLC, which is a non-profit LLC with the HRA as its sole member. The HRA opted to reposition its public housing and receive replacement Housing Choice Vouchers for the units. Maintaining the units as public housing was not financially viable. The HRA then transferred its public housing PROGRAM to the Moorhead Public Housing Agency on July 1, 2020. This was essentially the transfer of future funding streams from HUD since there was no property remaining.

The Boyer Apartments are two 4-unit buildings that are adjacent to each other and contain a total of six 2-bedroom units and two 1-bedroom units. They were built in 1975 and 1976. The HRA purchased Boyer Apartments in 2006. The HRA received over \$100,000 in funding from the local adult mental health initiative (BCOW) to assist with the initial purchase and operations. The buildings were rehabilitated in 2008 with HOME funding.

The HRA and CCAH Boards approved the sale of the Boyer Apartments to the CCAH at the time of the Fieldcrest Townhomes loan closing when it was released as collateral.

There are no outstanding debts on these buildings.

As of October 1, there were 2 vacant units. Both have been re-rented.

There are 9 people on the waiting list. The waiting list only opens when there are vacancies.

There is no specific subsidy tied to these units. Residents of these units receive a preference for a Housing Choice Voucher if their family size fits the available unit.

### **Fieldcrest Townhomes**

In January 2017, the HRA purchased Fieldcrest Townhomes, 1828 34<sup>th</sup> Ave S, Moorhead, MN, when it exercised a Right of First Refusal when the prior owner decided to sell the development. There are 20 2-bedroom and 20 3-bedroom units. There are twenty detached garages as well.

Residents pay 30% of their income towards their rent and utilities. The remainder of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD. This contract dated back to 1980 when the building was initially constructed. The rents were

suppressed, and there was significant deferred maintenance on the property. The contract expired in December 2020, and rents were raised to market levels.

Fieldcrest was approved for \$1M in funding through the FHLB of Des Moines and over \$7M from Minnesota Housing. The HRA “sold” the development to Fieldcrest Townhomes LLC on April 15, 2022. The LLC is a non-profit LLC with the HRA as its sole member. Construction was completed on November 1, 2023.

The City of Moorhead and HUD funded a \$99,000 Wi-Fi installation for the development. Moorhead awarded SAHA funds to install a security system. Bids are being obtained. There is a HUD inspection occurred on August 21, and the property received a score of **100%**.

As of October 1, there were 2 vacant units. Applications are being processed for both units. There are 41 households on the waiting list which re-opened on October 1.

Four staff (Supportive Services Manager, Supportive Services Specialist, Supportive Services Assistant, and an Assistant Housing Manager) are housed at the property. There is another office at the location used by CAPLP for supportive services.

## **Gateway Gardens**

Gateway Gardens, 1817 1<sup>st</sup> Ave N, Moorhead, MN, is a 24-unit permanent supportive housing apartment building. The HRA constructed the building in 2010 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years and completely after 30 years of operations. The front desk is staffed 24/7.

Rent and services are subsidized primarily through the Housing Supports program. There also are four project-based Housing Choice Vouchers attached to units. The HRA and GSSC, a private security company, each provide 12 hours of staffing per day. CCRI case management staff also provides Housing Stabilization Services through Medical Assistance.

The HRA staffs the front desk from 8 a.m. to 8 p.m. each day. There are primarily 4 part-time HRA employees filling this role. From 8 p.m. to 8 a.m., a security company staffs the front desk. The security company monitors the cameras for the High Rise as well as for Gateway Gardens. Staff are looking into monitoring the Sharp View cameras from this location as well. The amount will be dependent upon input from GSSC regarding the proportion of time.

SAHA funds were received from Moorhead to update the Gateway Gardens security system. Staff are obtaining bids. The 2025 budget included \$75,000 in repurposed SAHA funds and tax levy funds to support building operations.

As of October 1, there was 1 opening which has been re-rented. There is one pending lease termination. New tenants are selected from the community Coordinated Entry list.

The Housing Supports supplies are located at Gateway Gardens. A 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.

### **Prairie Horizons Townhomes**

Prairie Horizons Townhomes are eight townhome permanent supportive housing units for families located in south Moorhead, across from Fieldcrest Townhomes. The HRA constructed the development in 2012 using Minnesota Housing financing. The funding is in the form of deferred loans that will be forgiven in part after 20 years. There is a small portion (\$337,076) that is deferred for 30 years at 0% interest that must be repaid. The HRA owns and manages these eight units (5 2-bedrooms, 2 3-bedrooms, and 1 4-bedroom). The rents in these units are subsidized with project-based Housing Choice Vouchers. Services are provided through the HRA Cares grant. They are sometimes referred to as East Prairie Horizons Townhomes or EPHT.

These units are adjacent to another 8-unit town home permanent supportive housing development, which are confusingly also called Prairie Horizons Townhomes or Easten Townhomes – south units. There are four one-bedroom and three two-bedroom units. The HRA owns 0.01% as a Special Limited Partner in the Easten Townhomes LLC. The HRA provided a \$330,000 deferred loan when the project was constructed in 2006. It bears 5% interest and is due in 2036.

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

An HRA staff person and a CCRI employee are both officed part-time at the site. Due to the changes in the HRA Cares program, tenants can choose their own participating service provider.

As of October 1, there were no vacancies. Tenants are selected from the community Coordinated Entry list, so a waiting list is not maintained.

### **River View Heights (Moorhead Public Housing Agency)**

River View Heights, 800 2<sup>nd</sup> Ave N, Moorhead, 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 6 vacancies. One applicant has been approved. Others have been contacted to determine eligibility.

There are currently 225 people on the public housing waiting list which is shared with Sharp View. The waiting list closed October 30th.

### **Sharp View (MPHA)**

Sharp View, 920 5<sup>th</sup> Ave S, Moorhead, MN, 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 had three vacancies which will remain offline due to the upcoming rehabilitation. The waiting list is shared with the River View Heights waiting list.

The development has been selected to receive over \$1.4 million in bond funding to complete significant updates to the building.

### **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 October 1, there were three vacancies. One unit is re-rented. Staff are processing applications for the two remaining units.

While there is no specific subsidy tied to these units, accepted applicants do have a preference for an HCV voucher.

### **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 were three vacant units. One has been re-rented, and applications are being processed for the remaining units. There is another move-out scheduled for the end of October. The waiting list closed at the end of the month due to the long wait time to rent a unit.

### **Housing Choice Vouchers**

The HRA has administered a form of the current Housing Choice Voucher program since the mid-1970s. It is also known as Section 8. Tenants rent in the private market and pay at least 30% of their income towards rent and utilities. The HRA determines Payment Standards (rent limits) and utility allowances each year. HUD provides a fixed amount of funding based upon the federal budget approved by Congress each year.

This HRA program has more than doubled in size since 2017. It is the largest program operated by the HRA and composes approximately 45% of the total agency budget. In June 2017, the HRA had 360 vouchers, and it now has 753 vouchers.

As of October 1, 2024, there were a total of 726 out of 753 units leased in the Housing Choice Voucher program. Since we were over leased at the beginning of the year, we will be unable to add any new households to the program in 2024. We can still issue VASH vouchers and two Stability vouchers.

We are working with 13 additional households from other housing authorities. We have 552 vouchers under our main HCV HUD contract; 187 under our Mainstream HCV contract; and 14 under our HCV Emergency Housing Voucher (EHV) contract.

There are 21 households on the main waiting list which is primarily closed.

Due to recent graduations, we have 68 individuals enrolled in our Family Self-Sufficiency program. We have had 78 FSS participants in the past 12 months. We can serve up to 75 households.

### **Becker-Clay-Otter Tail-Wilkin (BCOW)**

#### **Adult Mental Health Initiative (AMHI) Rental Assistance**

The contract with the BCOW AMHI 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.

The 2024 grant was changed to allow for housing navigation and case management services to be provided through the grant as well as rental assistance and administrative fees. A staff person works approximately 16 hours per week on this activity.

As of October 1, there are 22 participants. We are not accepting any additional referrals due to spending approximately \$6000 more in the first 8 months than budgeted. There is enough time remaining to decrease the case load, so that we should be able to remain within budget for the grant term.

### **HRA Cares**

HRA Cares is a HUD-funded Continuum of Care program. It is for individuals and families who are literally homeless and have a family member with a disabling condition. There are no time limits on the supportive services. We provide supportive services at the two Prairie Horizons Townhomes developments and in forty-eight scattered-site units. We are authorized to serve sixty-four households with these funds. The HRA administers the program and provides some of the supportive services. We have executed Memorandums of Understanding (MOUs) with CCRI, West Central Minnesota Communities Action, Lakes & Prairies Community Action Partnership (CAPLP), the Lotus Center, Greater Minnesota Community Services, and Presentation Partners in Housing. The HRA also provides supportive services. This allows for tenant choice in service provider.

The grant has been in place since 2006. It provided rental assistance as well as supportive services from 2008 through 2023. The grant that began January 1, 2024, was reduced significantly during the past funding round. HUD agreed to amend the grant to transfer all funds into the supportive services and administrative categories.

We are currently serving 62 households. Of the 62 households, 51 are in Clay, 2 are in Otter Tail, and 2 are in Douglas Counties, MN; and there are 7 in Fargo, ND. There are 33 singles and 29 families being served. There are four households searching for units.

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

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

The grant was initially funded in 2008 to serve forty-five households. It has been renewed every 2 years since that time. Our current grant is to serve eighty-five households through September 30, 2025.

We are serving 64 households now. Twenty-three households are searching for units. Two households have located units and will move in once the unit passes inspection. There are 13 singles and 51 families being served. The grant targets families and youth-headed households. Leased households are from Clay (50) and Douglas (14) Counties.

Openings are filled through the coordinated entry process. Staff is actively searching for eligible households. There is sufficient funding to serve approximately 100 households per month through the end of the grant term. Filling this program is our number one rental assistance priority. The HRA is working with Churches United to make sure all eligible families, youth, and seniors are screened for this program.

### **Homework Starts with Home**

Homework Starts with Home is a program offered by Minnesota Housing. In 2014, the HRA was one of three initial pilot locations for a rental assistance program that focused on families with school-age children. We participated in the pilot until it ended in 2018. At the end of the pilot, Minnesota developed Homework Starts with Home. The HSWH program was based primarily upon the pilot operated by the HRA.

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

The current grant term runs from 10/1/2023-9/30/2025. We anticipated serving a total of thirty-two households during that time.

As of October 1, we are serving 33 households. Six additional households are searching for a unit. Two of these households have located units and are waiting to move in. The program can serve approximately 45 households for the remainder of the grant term..



Households are from Becker (3), Clay (16), Douglas (3), Pope (1), Otter Tail (7), Wadena (2), and Wilkin (1) Counties. Two households have moved into Fieldcrest and are receiving Homework Starts with Home services through CAPLP. Two additional households are being processed for Fieldcrest. CAPLP has an on-site office at Fieldcrest.

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

Housing Supports is a Minnesota-funded program operated through the Department of Human Services. It provides room and board payments (which we refer to as Rate 1) and supplemental services payments (which we refer to as Rate 2). Rate 1 pays for rent, utilities, telephones, transportation, and all basic needs items. Rate 2 pays for supportive services. We have a contract with Clay County Social Services to provide this program. We began providing it when we opened Gateway Gardens in 2010. Twenty of the twenty-four units in the building use this funding source.

In 2016, we added a community option and started subcontracting for service provision with several area non-profit partners. The HRA does all program administration, administers all Rate 1, and provides some of the Rate 2 services. It is an extremely complex program to administer.

As of October 1, a total of 103 households were being served by the Housing Supports program in Clay County. There are 83 households leased in the scattered-site Housing Supports program –11 with the HRA; 17 with CAPLP; 6 with the Presentation Partners in Housing; 3 with LMHC; 6 with Metro Behavioral Health; 8 with the Lotus Center; and 27 with Greater Minnesota Community Services. In addition, CCRI serves 5 scattered sites and 20 Housing Supports clients at Gateway Gardens.

Twenty households are searching for units, and 2 are being processed. Clay County Social Services has indicated that we are able to add up to 47 additional households at a rate of approximately 5 households per month. We anticipate returning to capacity by Summer 2025.

### **Minnesota DHS Community Living Infrastructure Grant**

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

Funding of the current grant was extended until 6/30/25. The funding for the HRA supports 0.82 FTE.

No changes in the past month. In the July-September quarter, our Housing Resource Specialist worked with 47 households of which 35 have found housing. Our Supportive Services Manager,

Gina Kautz, was appointed by the Commissioner of Human Services to the Simplifying Supportive Services Work Group.

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

Housing Stabilization Services are a Medicaid benefit available in Minnesota. It became available July 1, 2020. The HRA was the second agency in West Central Minnesota to become an approved provider. The HRA was approved to provide Housing Stabilization Services – both Housing Consultation and Transition & Sustaining Services effective July 2020.

Staff began Housing Consultations in 2020. Due to losing over \$50,000 in the initial operations of this program, we began doing limited housing consultations only. Payment is still pending on 6 consultations.

### **Owner-Occupied Rehab Program**

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

The HRA first started administering CDBG funds in 1974 or 1975. The agency stopped the program in the early 1990's due to local political challenges. The HRA once again started administering the program through DEED SCDP in 2008. Only cities and counties may apply for the funding. The HRA serves as the administrator. Clay County was the applicant for the 2008, 2010, and 2012 funding rounds. The City of Barnesville was the applicant in 2014, the City of Sabin in 2016, and the City of Dilworth in 2021. The HRA has utilized HRA Tax Levy funds in 2010, 2014, 2019, and 2020 to leverage these rehabilitation resources. Clay County allocated \$80,000 in ARPA funds for this purpose. Clay County has allocated SAHA funds and consented to tax levy funds to be used in 2024 and 2025.

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

#### Dilworth

The HRA staff is administering a \$922,000 DEED grant for the City of Dilworth. It received funding to rehabilitate 21 homes. DEED has approved an extension of the grant from September 30 until December 31, 2024.

So far 14 projects are complete; 7 projects are under construction; 2 projects are bidding, and the final applicant is preparing to close. This would be a total of 23 homes. There are 8 applicants on the waiting list. Others were removed from the waiting list due to death, ineligibility due to higher income than limits, or voluntarily dropping.

The grant funded the rehabilitation of 7 commercial properties. Nine applications were received.

Physical property inspections have been completed on all commercial buildings. Only 5 of the applicants decided to follow-through. Four projects are complete, and the remaining project will only cost around \$9,600.

Due to the number of people on the homeowner waiting list and the lack of commercial interest, staff are proposing to the City of Dilworth that approximately \$140,000 in commercial funding be shifted to home rehab. This will require a time extension as well. Most waiting list applicants should be able to receive assistance if this funding shift is approved.

#### RLP (Minnesota Housing Rehabilitation Loan Program)

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Three projects are in the bidding phase, five applications are being processed, and four applications have been received in the past month. Administrative staff have been assigned to assist the Rehabilitation and Maintenance Manager since her workload has increased significantly.

#### **2023 AUDIT ACCEPTANCE**

Director Lee discussed the final 2023 audit. There were no changes of significance from the 2023 draft.

No action is needed to accept and file the final 2023 audit. Approval to accept and file was during the September 19, 2024, meeting.

*Commissioner Johnson made a motion to adjourn the Regular meeting. The motion was seconded by Commissioner Dillard and carried unanimously.*

*Commissioner Braseth called the Public Hearing to order at 9:45 a.m.*

#### **PUBLIC HEARING REGARDING 2025-2029 5-YEAR PHA PLAN AND 2025 ANNUAL PLAN AND CHANGES TO HCV ADMINISTRATIVE PLAN**

On August 29, 2024, the HRA published a Notice of Public Hearing regarding the 2025-2029 5-Year Plan, 2025 Annual Plan, and changes to the HCV Administrative Plan.

To date, the HRA has received no public comments regarding the plans or proposed changes. The proposed 2025-2029 5-Year Plan and 2025 Annual Plan were provided.

Proposed changes to the HCV Administrative Plan for 2025 were provided to the board to review. The most significant proposed changes are to the preferences.

Detailed changes were available for review at the meeting. No members of the public attended the public hearing.

The Resident Advisory Board met on October 8, 2024, had no concerns about the Plan or Administrative Plan changes, and indicated they were supportive of proceeding with these items without change.

***Commissioner Johnson made a motion to adjourn the Public Hearing. The motion was seconded by Commissioner Dillard and carried unanimously***

**RECOMMENDED PAYMENT STANDARDS JANUARY 1, 2025**

Each year HUD publishes new Fair Market Rent (FMR) amounts which are effective in October. There was about a 7% increase in FMRs for 2025. 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 recommended that payment standards be increased to 110% of the current FMR. They currently are at 110% of the prior year FMR.

For the first time ever, HUD has indicated that there can be higher payment standards for veterans experiencing homelessness who are participating in the VASH program. These limits can be increased to 120% of FMR. Staff proposed the VASH payment standard be increased to 120% of FMR.

**PAYMENT STANDARD RECOMMENDED LEVELS**

<b><u>Bedroom Size</u></b>	<b><u>0</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>
Current Payment Standard - Clay/Cass	\$720	\$855	\$1035	\$1460	\$1760
<b>Proposed amount for 2025</b>	<b>\$760</b>	<b>\$915</b>	<b>\$1110</b>	<b>\$1555</b>	<b>\$1865</b>
<b>Proposed VASH for 2025</b>	<b>\$830</b>	<b>\$1000</b>	<b>\$1210</b>	<b>\$1700</b>	<b>\$2035</b>
HUD Published FMRS for for 2025	\$656	\$836	\$1012	\$1418	\$1699

The HRA met with the Fargo HRA and Cass County HRA, and all agencies agreed to use the same payment standards for 2025. This helps continue to streamline operations.

***Commissioner Dillard made a motion to approve the of increase as recommended in area payment standards effective 1/1/2025. The motion was seconded by Commissioner Lemke and carried unanimously.***

**PROPOSED 2025 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 \$100,000 impact on HAP costs in 2025. The average increase is approximately \$11 per household.

The proposed utility allowances for the Housing Choice Voucher Program were reviewed.

*Commissioner Johnson made a motion to approve the new utility allowances as presented effective 1/1/2025. The motion was seconded by Commissioner Dillard and carried unanimously.*

## **APPROVAL OF PROPOSED CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**

In July 2016, the Housing Opportunity through Modernization Act (HOTMA) was signed into law. Since that time, HUD has been attempting to implement it. There have been repeated setbacks. HUD indicated the changes would be fully implemented January 1, 2024, then January 1, 2025, and now at a future uncertain date to come. The delays are due to HUD software and on-line systems issues.

### HOTMA Changes

HUD has decided to allow PHAs to implement certain provisions of HOTMA before the Housing Information Portal (HIP) and the PHA's software is ready to be able to fully implement HOTMA. We are proposing the following provisions to be implemented for January 1, 2025:

1. Families can sign the new HUD 9886-A form (a release of information to HUD and privacy notice) just one time rather than every year.
2. Change the requirement that written third-party verification must be dated within 60 days to 120 days from the HRA's request.
3. Allow the HRA to accept a statement dated within the appropriate benefit year for fixed income sources rather than our current policy which is 60 days from the request.
4. Allow a self-certification and a third-party document (such as a bank statement, utility or cell phone bill or benefit letter) which has the applicant's name printed on it to verify the applicant's social security number. The current policy states applicant must provide a copy of their social security card or something from a government agency which states their name and social security number.
5. Remove the policy that states we must conduct an interim reexamination every 3 months if the family states they have zero income. Allow the family to sign a self-certification stating they have zero income.

### Discrimination Complaint Process

We are required to have a complaint process for allegations of discrimination under the Equal Access Final Rule. We propose the following policy:

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the

Equal Access Rule may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions.

#### VAWA Complaint Process

We are required to have a policy for families who want to file a VAWA (Violence Against Women Act) complaint against us. We propose the following policy:

Applicants or tenant families who wish to file a VAWA complaint against the PHA may notify the PHA either orally or in writing.

The PHA will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The PHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

The PHA will attempt to remedy complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions.

#### Stability Voucher Addition

Staff proposed to add a part on Stability vouchers to Chapter 19 of our Administrative Plan. Chapter 19 of our Administration Plan is on Special Purpose Vouchers. The Stability vouchers section outlines the regulations the HRA must follow and aligns with the Memorandum of Understanding that it has signed with West Central Continuum of Care, Douglas County HRA, and Fergus Falls HRA.

#### Mainstream Voucher Changes

HUD recently announced changes to the Mainstream Voucher program. We are allowed to, but do not wish to, maintain a separate waiting list for these vouchers. As such, staff proposed changing the order and specifics of some of the preferences.

### Preferences

After reviewing the preferences due to the Mainstream changes, staff recommended changes in a number of areas to the preferences for the HCV program.

Those recommendations change the preferences to the following:

It is the intent that none of the below residency preferences will have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

The PHA will offer a thirteen (13) point preference to any family that has been terminated from its HCV program due to insufficient program funding. *Same as current.*

The PHA will offer a twelve (12) point preference for households who have been accepted and agree to move into a non-subsidized Clay County HRA owned or managed unit; or individuals in Clay County HRA-owned or managed properties who are subject to an emergency VAWA transfer plan. *Adds Maple Court Townhomes' residents and households how need a VAWA transfer.*

The PHA will offer an eleven (11) point preference to families whose head of household or spouse is 75 years of age or older and reside in Clay County, Minnesota, this includes those who work or have been offered work in Clay County, Minnesota. *Same as current.*

The PHA will offer a ten (10) point preference to families who participate in a program of the HRA or a Clay County partner agency specified on Clay County HRA's website at [www.claycohra.com](http://www.claycohra.com) who are currently receiving time limited rental assistance, but will be terminated from said assistance within 6 months due to reaching the program's time limit, or to families who are currently participating in a permanent supportive housing program and based upon a standardized assessment, are determined to no longer require permanent supportive housing. *Same as current.*

The PHA will offer a nine (9) point preference to households who have been referred by the Clay County Public Child Welfare Agency, who has attained at least 18 years and not more than 24 years of age; left foster care or will leave foster care within 90 days, in accordance with a transition plan described in section 475 (5)(H) of the Social Security Act; and is homeless or is at risk of becoming homeless at age 16 or older. *Same as current.*

The PHA will offer an eight (8) point preference to households referred by the Clay County HRA or a partner agency specified on the agency's website at [www.claycohra.com](http://www.claycohra.com) who have a disabled family member 18-61 years of age. *New preference due to Mainstream changes.*

The PHA will offer a seven (7) point preference to households with a disabled member in their household under the age of 18, who reside in Clay County, Minnesota, which includes those who work or have been offered work in Clay County, Minnesota. *Modified preference for families to have households with an adult or child with a disabling condition receive a higher preference. Increased preference level for families with children.*

The PHA will offer a six (6) point preference to families with minor children in the household who reside in Clay County, Minnesota, which includes those who work or have been offered work in Clay County, Minnesota. *Increased preference level for families with children.*

The PHA will offer a five (5) point elderly preference to households whose head of household or spouse is age 62 or older, who reside in Clay County, Minnesota, which includes those who work or have been offered work in Clay County, Minnesota. *Increase age for preference from 50 to 62 years of age since we have never been able to open this preference on the waiting list.*

The PHA will offer a four (4) point homeless preference to households considered homeless under the McKinney-Vento Homeless Assistance Act as amended (42 U.S.C. 11371 et seq.); who reside in Clay County, Minnesota, which includes those who work or have been offered work in Clay County, Minnesota. *Simplified homeless definition due to addition of other preferences.*

The PHA will offer a three (3) point preference to families that include victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking who reside in Clay County, Minnesota, which includes those who work or have been offered work in Clay County, Minnesota. The violence will have occurred within 12 months of the date of their application and the applicant must certify that the abuser will not reside in the household unless the PHA gives prior written approval. *Same as current.*

These proposed changes also would:

Remove our current preference of allowing households who were on a Clay County HRA program and went off due to an increase in earned income. *This preference has not been utilized since implemented.*

The specific sections and all proposed changes were available before and during the October 17, 2024. After discussion there were no further questions.

***Commissioner Lemke made a motion to approve the proposed changes to the Housing Choice Voucher Administrative Plan. The motion was seconded by Commissioner Dillard and carried unanimously.***

## **2025-2029 5-YEAR PLAN AND 2025 ANNUAL PHA PLAN AND CERTIFICATIONS OF COMPLIANCE**

The proposed 2025-2029 5-Year PHA Plan and 2025 Streamlined Annual Plan for HCV Only PHAs were reviewed. The HRA administers 752 HCV units but only 749 are reflected on the HUD form. We assume these are the 3 FYI units.

The 2025-2029 5-Year PHA Plan and 2025 Annual Plan discuss the agency goals and the progress made to date. The board discussed these topics throughout the summer.

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 2025-2029 5-Year PHA Plan, the 2025 Streamlined Annual Plan for HCV Only PHAs, and Certifications. The motion was seconded by Commissioner Lemke and carried unanimously.***

## **2025 BUDGET DISCUSSION**

The proposed budgets for 2025 were reviewed. Both a combined agency-wide budget and individual budget and detail were reviewed. Each project budget provided 5 years of actuals as well as the 2024 and 2025 budget numbers. The proposed budget numbers for 2025 were closely tied to the actual performance to date for 2024.

The budget includes spending some Housing Choice Voucher Administrative Fee reserves.

The following assumptions were included in the budget:

1. HRA follows the Clay County pay adjustments including step increases for eligible employees (this adjustment includes the Executive Director).
2. Maintain 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 \$3300/\$6600 deductible policy) plus a minimum \$3300/year contribution to a VEBA or HSA account.
3. 30 full-time and 9 part-time employees. There is no increase in staffing.
4. Includes income and expenses for management of MPHA properties.
5. Only \$6000 in 2025 SAHA funding included. HRA will apply to both Clay County and Moorhead for funding.
6. Anticipates an average of 32 HSWH, 85 H2H, 22 BCOW, and 140 HS households in 2025.
7. Anticipates that all HCV vouchers are fully utilized in 2025.
8. Does not include any new vouchers or new grants. Bring It Home Minnesota is anticipated to begin operations in 2025 with the HRA receiving an annual allocation of \$821,378. Of this approximately \$100,000 is assumed to be available for operations. A supplemental budget will be presented when awarded.

***Commissioner Johnson made a motion to approve the 2025 Budgets. The motion was seconded by Commissioner Lemke and carried unanimously.***

## **PERSONNEL POLICY**

There have been several changes in Minnesota law that impact employees. Our personnel policy has not been updated to include all these changes. None of these required policy changes impact the day-to-day operations or practice of the agency.

Personnel Policy changes were tabled until the November 21, 2024, board meeting.

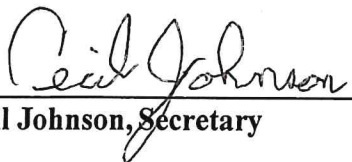
**OTHER**

- a. Director Lee indicated that in future meetings she would like to discuss the impacts of the Paid Family and Medical Leave provisions going into effect on 1/1/26. She believes she will request that the board decrease the maximum amount of PTO that can be carried over from 800 hours to 600 hours. This change could impact up to 6 of the current 36 employees. There are two people who are currently at the maximum of 800 hours. There is one more person who has over 600 hours of PTO. There are three additional employees who could theoretically reach the 600-hour PTO accumulation level by 12/31/2025. All employees impacted have worked for the organization for at least 5 years.

Lee indicated that she is actively encouraging the other person who is at the maximum PTO accumulation to consider a sabbatical after at least 10 years of dedicated services. The Personnel Policies provide that the Executive Director can approve a leave of up to 1 year. Director Lee will be formally requesting a partial 12-week sabbatical leave from May 27 through August 15, 2025.

- b. Other:
  - a. Director Lee approved a 3 month leave for one employee.
  - b. Maintenance Staff- with the turnover we have had to hire contractors more for painting, etc. There have been discussions with Cass County for contracting.
  - c. We will be hiring 2 employees for the Housing Choice Voucher team.

***MEETING WAS ADJOURNED AT 10:48 A.M.***

  
\_\_\_\_\_  
Cecil Johnson, Secretary

11-21-24  
Date