

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of August 17, 2021

MEMBERS PRESENT:

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

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee and Sheila Laney.

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

AGENDA:

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

MINUTES FROM JULY 20, 2021 REGULAR MEETING:

A motion was made by Commissioner Dillard to approve the July 20, 2021 regular meeting minutes. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

2020 AUDIT PRESENTATION:

Brian Opsahl from Brady Martz was present at the meeting to discuss the 2020 Audit Report.

A draft copy of the Audit Report was available. It was reviewed by the auditor who stated that an unmodified opinion will be issued on the financial statements. Edits still need to be completed.

No action was taken at this time.

TREASURER'S REPORT:

Partial June financials were available and discussed by Treasurer Martin.

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

GENERAL OVERVIEW:

Last month, the Board was provided an overview of operational changes during the pandemic including the 36% increase in rental assistance units; stability in the units managed; 2.2 FTE increase in staffing; new funding secured; and new programs developed.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

Houge Estates is a 60-unit apartment building located in Dilworth. Its 40th Anniversary Celebration will be held on September 15, 2021. All board members are invited and tours will be available.

All units are one-bedrooms (about 650 sq. ft.), and residents must have a disabling condition or be age 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 since at that time, HUD was not certain that HRAs could own Project-Based Section 8 New Construction buildings. It was later clarified that HRAs are eligible owners. The HRA has managed the EHC and Houge Estates since their inceptions.

The HRA offices were located at Houge Estates from 1981 until the early 1990s. From 2002 until 2015 assisted living services were available in the building through a 3rd party provider. The provider continuously lost money providing services in the building and had to withdraw. We could not find any other providers willing to replace them.

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.

Over the years, the composition of the building has shifted from primarily elderly to primarily younger disabled individuals.

As of August 1, there are nine vacant units. There are 2 additional move-out notices for August 31. Ten applications are being processed. There are 56 households on the waiting list. The waiting list is currently open.

A Housing Success Specialist and a Service Coordinator each do portions of the Houge Estates Service Coordinator role. They are officed at this location as well as a Homeless Programs Assistant.

Agassiz Apartments

Agassiz Apartments is a 12-unit apartment building located in Ulen. 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 age 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.

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

As of August 1, there are no vacant units and no known upcoming move-outs. There are 31 applicants on the waiting list.

Clay County Affordable Housing, LLC

The Clay County Affordable Housing units are in Dilworth, Ulen, and Hawley. They are composed of 12 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 3 are four-bedrooms.

They were operated by the HRA as Public Housing units from the time they were built 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 HRA is in the process of closing out its public housing program with HUD now that all activities have been audited.

There is no outstanding debt on these buildings.

As of August 1, we have no vacant units in Hawley. We have a tenant who was supposed to vacate at the end of July but did not. They have informed us they will be out of the unit by mid-August. Staff is working with a tenant who wishes to move in on September 1. There is an additional notice on an opening in Hawley for September 30. There is no specific subsidy tied to these units. Residents of these units receive a preference for a Housing Choice Voucher if they are eligible for a 3 or 4-bedroom voucher.

Boyer Apartments

The HRA purchased Boyer Apartments in 2006. The HRA received over \$100,000 in funding from the local adult mental health initiative to assist with the initial purchase and operations. Boyer Apartments are in south Moorhead and are two adjacent 4-plexes which were built in 1975 and 1976. One building consists of all 2-bedrooms and the other has 3 2-bedrooms and one 1-bedroom unit. The buildings were rehabilitated in 2008 with HOME funding. There is no outstanding debt on these buildings (except internally).

As of August 1, there is one vacant unit that has been re-rented for September 1. There are 13 households on the waiting list. There is no specific subsidy tied to these units. Residents of Boyer Apartments 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 when it exercised a Right of First Refusal when the prior owner decided to sell the development. It was in very poor condition. The HRA paid \$2 million for the 40-unit townhome development in south Moorhead. There are 20 2-bedroom and 20 3-bedroom units. There are 20 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 has been approved for \$1M in funding through the FHLB of Des Moines and over \$7M from Minnesota Housing. We anticipate a December closing. At the time of closing, the HRA will "sell" the development to the Fieldcrest Townhomes LLC. The LLC is a non-profit LLC with the HRA as its sole member. The sales price will pay off the existing mortgage and specials. The HRA also will receive 50% of its developer fee at that time.

The bid opening occurred on July 29 and three competitive bids were received. The bid tabulation sheet is attached. Kue Contracting is the low bidder. The final selection will be made after the bidders complete the submission of all required Minnesota Housing forms. There is sufficient available funding to proceed without adding garages or replacing all water heaters. If contingency funds remain at the end of construction, we may be able to add back some of the garages.

The City of Moorhead previously recommended \$110,000 in funding for sidewalk repairs and Wi-Fi installation at the development using CDBG funding. The sidewalk repairs were included in the bids received. We will request to shift the funds to Wi-Fi installation and other eligible needs.

As of August 1, there are 9 vacant units (four 2-bedrooms and five 3-bedrooms). One three-bedroom has been rented for August 26. The remaining 8 units will be kept vacant during construction. There are 98 households on the waiting list which is now closed.

Gateway Gardens

Gateway Gardens is a 24-unit permanent supportive housing apartment building in Moorhead. 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 5 project-based Housing Choice Vouchers attached to units. We are a subgrantee of CAPLP for a DHS HSASMI (Housing Supports for Adults with Serious Mental Illness) grant that helps fund the front desk costs.

Two HRA staff are officed at Gateway Gardens. CCRI and GSSC, a private security company, each provide 12 hours of staffing per day. CCRI case management staff is in the process of transitioning to Housing Stabilization Services through Medical Assistance.

As of August 1, there is one vacant unit due to a tenant death. We have received notice for an additional August 31 vacancy. The vacancies will be filled through the coordinated entry system.

Housing Choice Vouchers

The HRA has administered a form of the current Housing Choice Voucher program since 1976. 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. The HRA may lease up to its baseline number of units but not more than that number each year. The HRA has received insufficient funding to lease all its vouchers since 2012.

This program has more than doubled in size since 2017. In June 2017, the HRA had 360 vouchers and on July 1, 2021, it has 744 vouchers. The reason for the increase is as follows: 1) In July 2017, the Moorhead Public Housing Agency transferred its 95-unit program to the HRA; 2) from 2018-2021 the HRA was awarded 177 Mainstream vouchers; 3) in 2019 the HRA received 24 vouchers due to the repositioning of its Public Housing; 4) in 2018 the HRA received 15 VASH vouchers and in 2021 25 VASH vouchers; 5) in 2020 the HRA received 3 (2 have now been rescinded) and in 2021 1 Foster Youth to Independence vouchers; and 6) on July 1, the HRA received 15 Emergency Housing Vouchers and 30 vouchers due to Moorhead PHAs repositioning of 30 of its Public Housing units.

As of August 1, 2021, there are a total of 658 households of a possible 744 leased from the HRA Housing Choice Voucher program. We are working with 7 additional households from other housing authorities. We have 552 vouchers under our main HCV HUD contract; 177 under our Mainstream HCV contract; and 15 under our HCV Emergency Housing Voucher (EHV) contract.

The EHV program was funded through the American Rescue Plan Act. The EHV's come with higher administrative fees and service funding. They are targeted at those fleeing domestic violence, homeless, at risk of homeless, and recently homeless households.

There are 50 households remaining on our waiting list that have not been contacted to issue a voucher. The waiting list remains closed to the general public except those age 75 or older.

Of the current 552 vouchers under our main contract, 505 vouchers are currently leased: 440 out of 455 regular vouchers; 49 out of 54 Tenant Protection Vouchers; 1 out of 2 FYI vouchers; and 15 out of 40 VASH vouchers. We have issued 5 regular vouchers; and 13 VASH vouchers. 6 of the 11 VASH are referrals from the Bemidji area. We are working with one more person to issue an FYI voucher. 14 of our 15 EHV vouchers have been issued but not leased yet. We are working with one more household.

155 out of 177 Mainstream vouchers are under lease. We have issued 17 Mainstream vouchers and are working with 3 additional households.

We have 36 individuals enrolled in our Family Self-Sufficiency program. We have had 45 FSS participants in the past 12 months. Staff is working with an additional 6 households to enroll them in the program. We can serve up to 50 households on the FSS program under current Action Plan.

Prairie Horizons Townhomes

Prairie Horizons Townhomes had one unit substantially damaged by a tenant-caused fire at the end of July. HRA staff are working with the new property insurance provider HAI, Housing Authority Insurance, to see that repairs are made as quickly as possible. The unit will be gutted to the studs. This will be the largest claim in the 46-year history of the HRA. The tenant who was living in the unit had been given a termination for the end of July. They disappeared the day after the fire started.

Prairie Horizons Townhomes are 8 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 8 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 4 one-bedroom and 4-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 30 units in this development located in north Moorhead. The HRA has project-based 8 Housing Choice Vouchers in the 8 south units and an additional 8 in the 30 north units. Support services are funded through the HRA Cares program.

Both an HRA and a CCRI staff person are officed at the site and provide supports to both Prairie Horizons Townhomes developments and other HRA Cares scattered-site participants. Both support services providers also have been providing DHS Housing Stabilization Services to the participants.

As of August 1, there are no vacant units other than the fire damaged unit. There is one vacant 3-bedroom in the Easten units which is in the process of being filled.

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 rental assistance or supportive services. We provide supports at the two Prairie Horizons Townhomes developments and in 48 scattered-site units. HRA Cares also provides rental assistance in the 48 scattered-site units. We are authorized to serve 64 households with these funds. The HRA administers the rental assistance and administers the program. We contract with CCRI for one additional full-time case manager. HRA staff also supervise and provide support services.

We are currently serving 56 households. Of the 56, 14 are at Prairie Horizons Townhomes; 1 is at Bright Sky Apartments; and 41 are in scattered-site units in Clay, Otter Tail, and Douglas Counties, and in Fargo. There are 32 singles and 24 families being served. Four households are searching for units.

We only are accepting applications through the Coordinated Access, Referral, Entry and Stabilization System (CARES). Those with the highest priority who meet the eligibility criteria will be accepted.

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 receiving a Housing Choice Voucher. It operates similarly to the HCV program.

The grant was initially funded in 2008 to serve 45 households. It has been renewed every 2 years since that time. Our current grant is to serve 70 households and ends on 9/30/2021. For the new renewal grant we were funded at a higher amount but to only serve 62 households.

We are serving 67 of our authorized 70 households. Three more households are searching for a unit. There are 23 singles and 44 families currently being served. The grant targets families and youth-headed households. Leased households are from Clay, Wilkin, Traverse, Grant, and Douglas Counties. Three households left the service area in July and one no longer needed a subsidy.

The coordinated entry system shifted its priority during the Covid-19 emergency to households residing outside or in shelters.

Homework Starts with Home

Homework Starts with Home is a relatively new program offered by Minnesota Housing. In 2014, the HRA was one of 3 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 has been funded in each of the two rounds of competitive funding. It is the only agency that has been funded in each round. Throughout this time, the HRA has been the lead agency in a partnership all 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 45 partner agencies including 14 school districts across 7 counties. The round 3 application was released in June. The application was due August 10.

Due to the significant progress the HRA and its partner agencies have made in ending family and youth homelessness in the region, the partnership decided not to apply for Round 3 funding. In early August, there were fewer than 30 youth and families identified as literally homeless or doubled up in our 10-county region who had not already been issued a rental assistance voucher. Even Clay County was down to 14 households. This is incredible progress! We are concerned about the end of eviction moratorium and what impacts it will have. But, for this moment, we celebrate the incredible work that has been done with so many partners working together toward the same goal.

We do continue to operate 2 MHFA Homework Starts with Home programs, one which includes only philanthropic funding at this point.

As of August 1, 47 are leased; and 13 households are searching for units. These are in addition to the 27 households who do not yet have assistance (Clay -14; Becker-11; Otter Tail -1; and Douglas-1. Grant, Pope, Stevens, Traverse, Wadena, and Wilkin have no families or youth identified). Staff is reaching out to determine if the remaining households are eligible for this program.

Sixteen of the current HSWH households are in the process of transitioning to the Housing Choice Voucher program through the Clay and Fergus Falls HRAs. Current households are from Clay, Douglas, Wadena, and Otter Tail Counties.

The current grant term runs from 8/1/2020-9/30/2023. We are anticipated to serve a total of 72 households during that time.

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. 19 of the 24 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 August 1, a total of 135 households are being served by the Housing Supports program in Clay County. There are 119 households leased in the scattered-site Housing Supports program – 10 with the HRA; 27 with CAPLP; 7 with the Presentation Partners in Housing; 11 with LMHC; 11 with Dorothy Day/Churches United; 9 with Metro Behavioral Health; 4 with the Lotus Center; and 36 with Summit Guidance. In addition, CCRI serves 16 Housing Supports clients at Gateway Gardens and 4 in scattered-site locations.

14 additional households are searching for units. We saw the Supplemental Service rate reduced by 50% for the 15 households who are receiving both Housing Stabilization Services and Housing Supports. Six are served by the HRA; 5 by CAPLP; 3 by Summit Guidance Center; and 1 by Presentation Partners in Housing.

Minnesota DHS Community Infrastructure Grant

The Community Living Infrastructure Grant was a new grant program that 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 up 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 10 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 that began 7/1/2021.

The HRA now has a 1.0 FTE Housing Resource Specialist (increase of 0.5 FTE) and a 0.05 project manager (increase of 0.02). There are 2 FTE outreach workers funded and employed by the CAP agencies. CAPLP (1.15 FTE) and WCMCA (.85 FTE) have hired dedicated outreach workers.

The new grant also includes a full-time eligibility worker for Clay County Social Services. This funding should assist the county in reducing its caseloads.

Minnesota DHS Housing Stabilization Services

Housing Stabilization Services are a new 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. Six staff are currently trained on one or more Housing Stabilization Services roles.

Staff began Housing Consultations in 2020. To date, we have 43 approved consults. We have 2 staff members providing consultations. We have begun billing for transition and sustaining services. We have 17 current approved clients. We have three staff members who will provide billable Transition & Sustaining Services under the HSS program as a part of their job. The participant eligibility/billing approval has been an extremely slow process state-wide. Challenges continue to be worked on with the state.

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 (SCPD). 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 SCPD 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 and the City of Sabin in 2016. The HRA has a current application pending for the City of Dilworth. The HRA has utilized HRA Tax Levy funds in 2010, 2014, 2019, and 2020 to leverage these rehabilitation resources.

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

Sabin

DEED awarded the City of Sabin SCPD funds to rehabilitate 10 homes. Seven projects are complete; and three are in construction. We are on-track to complete the work and close out the grant by the end of September. DEED is currently completing a project monitoring of the grant.

Other DEED- CDBG

The HRA staff applied for funding on behalf of the City of Dilworth for 2021 CDBG funding to DEED through the Small Cities Development Program. We received letters of interest from 67 homeowners and 9 commercial properties. We applied for \$922,000 on behalf of Dilworth to rehabilitate 21 owner-occupied homes and 7 businesses. Funding announcements should have been made in June, then July, now August.

The HRA is administering some repaid DEED funds for Barnesville and are billing them for all costs incurred in administering those funds. The loan has now closed, and construction is underway.

RLP (Minnesota Housing Rehabilitation Loan Program)

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Funds are appropriated during each budget cycle. Local administrators work with homeowners to receive funding to rehabilitate their homes. Homeowners must be extremely or very low income to qualify for these funds. These funds can be used in conjunction with DEED SCPD and USDA HPG funds. In June, the legislature increased the loan limit from \$27,000 to \$37,500 per project. The funding is in the form of deferred loans that are forgiven after 15 years if the household continues to reside in the home.

The HRA administered the RLP program in the 1980's and early 1990's. It applied to be an administrator and started administering the funds again in 2012.

Two projects were completed in May; one loan closed in August; and five applications are being processed.

HPG (USDA Rural Development Housing Preservation Grant)

The HRA received a Rural Development Housing Preservation Grant (HPG) in 2018. All funds are committed at this time. We received a one-year extension so funds must be spent by 9/28/2021. This is the third USDA HPG application that was funded. The grants are less than \$100,000 and have been used as match for rural DEED SCPD projects. Dilworth is not in the USDA eligibility area, so we do not have a current grant pending.

**APPROVAL OF RESOLUTION TO ACCEPT FUNDS FROM
MINNESOTA HOUSING FOR HOMELESS TO HOUSED RENTAL
ASSISTANCE:**

Minnesota Housing has notified us that our application to continue to operate the Homeless to Housed Rental Assistance program from October 1, 2021, to September 30, 2023, has been approved. We have been awarded \$1,197,400 to serve 62 households during this period. This award includes \$23,400 for housing navigation services. The award was an increase in funding of \$49,321 from the last award of \$1,148,079 but a decrease in households from 70 to 62. For this funding round, priority is given to homeless families and youth with the highest barriers to housing.

Commissioner Martin made a motion to approve attached Resolution 8-17-21-01 accepting Homeless to Housed grant funding. The motion was seconded by commissioner Braseth and carried unanimously.

SPACE AND STAFFING:

At the July board meeting the changes in the number of households served, new programs, and other covid-related issues were discussed. We discussed the fact that our rental assistance program is now serving 36% more households than pre-pandemic. This number continues to increase.

Staff anticipates that the HRA may receive additional new Housing Choice Vouchers through the new Housing Stability Voucher program and/or from the proposed budgetary increases that have been recommended by President Biden and passed by the House.

Our current staff cannot take on any additional workload. We have been operating at maximum capacity+ in these programs for some time. We did hire an additional Rental Assistance Specialist in May due to the 45 voucher increase we knew we would receive in July.

A Housing Success Specialist resigned at the end of July. It was anticipated that this person would perform the extra 0.5 FTE responsibilities of the Housing Resource Specialist that was funded beginning July 1, 2021. Staff believes that the landlord engagement aspect of these duties would best be performed by one of the very experienced existing HCV Rental Assistance Specialists, Sr. Due to the strain that Covid-19 has placed on our landlords, we believe the position should be a minimum of 0.67 FTE. It will take a 1.0 FTE new Rental Assistance Specialist to perform the duties of the 0.67 FTE experienced Rental Assistance Specialist, Sr.

Director Lee is proposing that the HRA hire two new Rental Assistance Specialists at a cost of approximately \$65,000 per year per person for salary and benefits. The cost of one new staff person can be absorbed through our existing revenue. \$45,000 of the cost of the second new person will be offset by the shift in funding to the GROWTH grant. It is anticipated that revenue will increase enough in 2022 to cover the remaining cost. Since it is unlikely a new hire could start before November 2021, the impact on the current HCV budget would be minimal.

However, the HRA has no place to house two new employees. There are currently staff working in the main office hallway and conference room, one staff at the PHT office, 2 staff at the Gateway Gardens office, and 3 staff at Houge Estates. There will be 5 new offices at Fieldcrest Townhomes, but they will not be ready for at least a year.

Director Lee has been investigating different space options and is recommending that the administrative staff and Rehabilitation Manager be moved to a different location. There is one rental space available in Dilworth that has 5 offices, a conference room, a work room, a restroom, and a private entrance. It is 2,273 sq. feet and located on Center Avenue between Gateway Gardens and the main office building. The price is listed in various places between \$10-\$14.50 per square foot or \$22,730 to \$33,956 per year. There would also be cost for internet, phone extensions, computers, desks, conference table, printer, copier, and chairs. These initial costs are estimated at \$40,000.

60% of the HRA funding and 2/3 of the households served come from two programs – Housing Choice Voucher and Housing Supports. These programs pay their proportional share of administrative costs. Both programs are producing net cash revenues and the HCV program currently has \$300,000 in administrative reserves. Director Lee believes now is the time to invest for the future so that the agency is ready to respond and deliver additional services if the opportunity arises in 2022.


The board discussed the issues involved and asked questions on the timeline, costs, and feasibility.


A motion was made by Commissioner Bakke to approve entering into a lease agreement for rental space and advertising for two new Rental Assistance Specialists. Commissioner Schlotfeldt seconded the motion and it carried unanimously.

Minutes
August 17, 2021
Clay County HRA

10:50 A.M. MEETING ADJOURNED:

A motion was made to adjourn the meeting at 10:40 a.m. by Commissioner Martin. The motion was seconded by Commissioner Braseth and carried unanimously.


Tia Braseth, Secretary


Date



Resolution 8-17-21-01

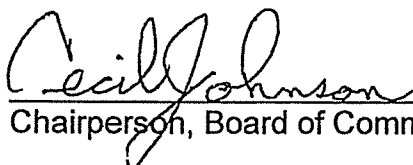
Whereas, the Housing & Redevelopment Authority of Clay County (HRA) applied to Minnesota Housing for funding for tenant-based rental assistance and housing navigation services funded through the Housing Trust Fund; and

Whereas, Minnesota Housing approved a grant award to the HRA in the amount of \$1,174,000 in rental assistance and \$23,400 in housing navigation services to serve 62 high priority homeless households in West Central Minnesota to be effective October 1, 2021, through September 30, 2023;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HRA AS FOLLOWS:

1. The HRA Executive Director, Dara A. Lee, is authorized to accept the award and enter into all grant agreements and other documents with Minnesota Housing to administer the \$1,174,000 Housing Trust Fund Rental Assistance Program and the \$23,400 Housing Navigation funding (Homeless to Housed Program).
2. The HRA shall continue its cooperative agreements with other public housing agencies and housing authorities in order to operate the program in Clay, Wilkin, Grant, Douglas, Pope, Traverse and Stevens Counties.

Approved and Adopted on this 17th day of August, 2021.

By: 
Chairperson, Board of Commissioners

Attest: 
Secretary, Board of Commissioners

