

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Regular Meeting of March 15, 2022

MEMBERS PRESENT:

Anthony Dillard, Cecil Johnson and Kim Schlotfeldt in person, Les Bakke and Tia Braseth via Zoom.

MEMBERS ABSENT:

None

STAFF PRESENT:

Dara Lee, Jill Cossette and Sheila Laney.

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

AGENDA:

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

MINUTES FROM FEBRUARY 15, 2022 REGULAR AND ANNUAL

MEETING:

A motion was made by Commissioner Johnson to approve the February 15, 2022 regular and annual meeting minutes. Commissioner Dillard seconded the motion and it carried unanimously.

CITIZENS TO BE HEARD:

None

TREASURER'S REPORT:

Staff is still working with our Fee Accountant and Auditor to close out 2021. 2022 financials are not yet ready for review. Director Lee gave a brief performance summary for 2022.

PROJECT UPDATES:

Director Lee provided project updates.

Houge Estates

Houge Estates is a 60-unit apartment building located in Dilworth. 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 rest of the rent is subsidized by HUD through a Housing Assistance Payment (HAP) contract with HUD.

As of March 1, there were 5 vacant units. We have received two move-out notices for the end of March. Five full applications are being processed, and 5 more full applications have been received. There are 58 households on the waiting list. The waiting list is currently open.

The Houge Estates Service Coordinator is housed at this location.

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 rest 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.

As of March 1, there are no vacant units. There are 48 applicants on the waiting list which closed 2/1/22.

Clay County Affordable Housing LLC/Boyer Apartments

The Clay County Affordable Housing units are in Dilworth, Ulen, and Hawley; and Boyer are 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.

The Boyer Apartments are two 4-unit buildings that are next to each other and have a total of seven 2-bedroom units and one 1-bedroom unit. The HRA purchased Boyer Apartments in 2006. The HRA and CCAH Boards have approved the sale of the Boyer Apartments to the CCAH as soon as the Fieldcrest Townhomes loan closes and the Boyer Apartments are released as collateral on the existing Fieldcrest Townhomes mortgage.

There are no outstanding debts on these buildings other than internal.

As of March 1, there are no vacant units. We have received a move-out notice for the end of March for a unit in Hawley. Staff is processing an applicant for the opening. 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. It was in 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 twenty detached garages as well.

Residents pay 30% of their income towards their rent and utilities. The rest 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 are waiting for HUD to issue the Firm Commitment for the insured loan. The closing will be scheduled for two weeks after we receive the final closing items. We are trying for a March 30, 2022, 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.

As of March 1, there are 9 vacant units (five 2-bedrooms and four 3-bedrooms) which will be kept vacant during construction. Once again, we will not rent the unit until the units are rehabbed. There are 16 households on the waiting list which is now closed. We will reopen the waiting list when the rehab is complete.

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 five 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. CCRI and GSSC, a private security company, each supply 12 hours of staffing per day.

As of March 1, there are four vacancies. One unit was re-rented on March 2. There are 3 termination notices for the end of March. Potential tenants are being processed for the openings. 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.

As of March 1, 2022, there are a total of 672 households of a possible 742 leased from the Housing Choice Voucher program. We are working with eight additional households from other housing authorities. We have 550 vouchers under our main HCV HUD contract; 177 under our Mainstream HCV contract; and fifteen under our HCV Emergency Housing Voucher (EHV) contract.

Of the 550 vouchers under our main contract, 500 vouchers are leased: 429 of 463 regular vouchers; 46 out of 46 Tenant Protection Vouchers; 0 of 1 FYI vouchers; and 25 of 40 VASH vouchers. We have issued 4 regular vouchers and 7 VASH vouchers. We are working with 16 additional households to issue a regular voucher. The Bemidji HRA began its own VASH program on March 1 and has taken over the VASH clients we were serving in that area. The 25 now on VASH are all from the local area.

158 out of 177 Mainstream vouchers are under lease. We have issued 10 Mainstream vouchers and are working with 20 additional households.

14 of 15 EHV vouchers are under lease. One person is searching for a new unit.

We have 32 individuals enrolled in our Family Self-Sufficiency program. We have had 46 FSS participants in the past 12 months. Staff is working with 10 additional households to enroll them in the program, but they have been slow to respond. We can serve up to fifty households on the FSS program under our current Action Plan.

There are 86 households on the waiting list. The waiting list was opened to households who reside in Clay County and contain a member age 50 or older on January 4, 2022, and to those who have a disabled household member under age 50 on February 1, 2022.

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.

These units are next 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 four 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. The partnership is in the process of buying the equity partner out. The partnership is requesting we subordinate our existing loan and extend it an additional 15 years. Staff has indicated to the General Partner that the current management situation is not working well in meeting the goals of the project.

There are an additional thirty 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 eight in the 30 north units. Support services are funded through the HRA Cares program.

An HRA staff person is officed at the site. She and a full-time CCRI employee 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 March 1, there is one vacant unit in addition to the unit that was damaged in a July fire. The fire damaged unit is scheduled to be ready for occupancy in May and has a tenant waiting to move in. 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 are authorized to serve sixty-four 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 52 households. Of the 52, 13 are at Prairie Horizons Townhomes; one is at Bright Sky Apartments; and 38 are in scattered-site units in Clay, Otter Tail, Grant, and Douglas Counties, MN, and in Fargo, ND. There are 29 singles and 23 families being served. Seven 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 receive a Housing Choice Voucher. It operates similarly to the HCV program. Our current grant is to serve sixty-two households through September 30, 2023.

We are serving 63 of our authorized 62 households. Two more singles have leased in March. Five more households are searching for a unit. There are 23 singles and 42 families being served. We are able to assist more than 62 households because sufficient funding is available. The grant targets families and youth-headed households. Leased households are from Clay, Traverse, Grant, and Douglas Counties.

Openings are filled through the coordinated entry.

Homework Starts with Home

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 took part in the pilot until it ended in 2018. At the end of the pilot, Minnesota developed Homework Starts with Home. The HRA was funded in each of the two rounds of competitive funding. We did not apply for round 3 of funding which would have overlapped with round 2.

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 forty-five partner agencies including fourteen school districts across seven 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. We have served a total of 73 households thus far. Seventeen of these also were served under the first grant as well so we intend to serve at least 16 more households on this grant.

As of March 1, 44 households are leased; 10 households are searching for units; and 4 referrals are being processed. Leased and searching households are from Clay, Douglas, and Wadena Counties with pending referrals from Otter Tail and Douglas.

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).

We began providing it when we opened Gateway Gardens in 2010. Nineteen of the twenty-four units in the building are assigned 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.

As of March 1, a total of 121 households are being served by the Housing Supports program in Clay County. There are 109 households leased in the scattered-site Housing Supports program – 10 with the HRA; 24 with CAPLP; 6 with the Presentation Partners in Housing; 9 with LMHC; 10 with Churches United; 7 with Metro Behavioral Health; 6 with the Lotus Center; and 31 with Summit Guidance. In addition, CCRI serves 14 Housing Supports clients at Gateway Gardens and 4 in scattered-site locations. 22 additional households are searching for units. About half of the people searching are people on the program who were asked to leave/terminated by their previous landlord. There have been numerous damage claims and non-renewal of leases now that the eviction moratorium has ended.

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 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 that began 7/1/2021.

The HRA now has a 1.0 FTE Housing Resource Specialist and a 0.05 project manager. There are 2 FTE outreach workers funded to be employed by the CAP agencies, CAPLP (1.15 FTE) and WCMCA (.85 FTE). CAPLP continues to struggle with staffing. They have hired a team of 3 current employees to conduct outreach but are waiting to hire replacements for their current positions. The grant also includes a full-time eligibility worker for Clay County Social Services. Staff has been working diligently on property owner engagement strategies.

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. Four staff are currently trained on one or more Housing Stabilization Services roles.

Staff began Housing Consultations in 2020. Staff has been performing annual renewal consultations. Due to staff transitions and an inability to recoup our costs, we are only doing on-going consultations and will not accept any additional HSS Transition & Sustaining Services participants. Staff completed 5 consultations in February.

Through the GROWTH program, staff is leading a region-wide group aimed at getting this program to work for those who need it throughout our region.

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.

Only cities and counties may apply for the DEED 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.

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

Dilworth

The HRA staff applied for funding on behalf of the City of Dilworth for 2021 CDBG funding to DEED through the Small Cities Development Program. We applied for and received \$922,000 on behalf of Dilworth to rehabilitate twenty-one owner-occupied homes and seven businesses. Twenty-three homeowner and 7 commercial property owner applications have been approved. There are 2 homeowner applications and 1 commercial application on the waiting list.

Of the applications received, 8 indicated they were extremely low-income. Staff has begun processing these 8 homeowner applications along with the 7 commercial applications. Initial income and program eligibility information is being collected; lead assessments are being completed on the homes; and physical inspections are taking place. The loan limit for homeowners is \$24,999 and for commercial owners is \$40,000.

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 SCDP. The loan limit is \$37,500 per project. The funding is in the form of deferred loans that are forgiven after 15 years if the household continues to live in the home.

There are 10 applications for this program currently. We are awaiting income documentation. A number of the applicants own manufactured homes. Minnesota Housing just approved a new use of these funds to purchase and replace rather than repair manufactured homes. Unfortunately, it does not appear there will be better assistance available to the manufactured homeowners since the costs involved in removing and replacing their homes far exceeds the amount available under this program. Other resources would need to be paired with this program.

PROPOSED CHANGE TO MEAL REIMBURSEMENT RATES IN PERSONNEL POLICY:

The HRA has tried to maintain parity with Clay County. The HRA has adopted the county's meal reimbursement rates consistently. At some point, Clay County raised its rates, and the HRA did not.

Staff proposes to increase the meal reimbursement rates to match those of Clay County: Breakfast \$15; Lunch \$20; and Dinner \$30. The proposed change was available for review.

A motion was made by Commissioner Schlotfeldt to approve the new meal rates and amend the Personnel Policy to reflect these new rates. Commissioner Dillard seconded the motion and it carried unanimously.

PAYMENT STANDARDS FOR RENTAL ASSISTANCE PROGRAMS:

Each year HUD publishes new Fair Market Rent (FMR) amounts which are effective in October. The HRA raised its payment standards on July 1, 2021, so did not make any changes at the end of the year. Rent is increasing significantly at this time and many of our participants are having challenging times finding units that fit within our current payment standards and/or are paying more than 30% of their income towards rent to afford the units where they are living. Housing Authorities may set their payment standards anywhere between 90%-110% of the published FMRs without HUD approval.

Our current payment standards are approximately 100% of FMR. All our surrounding Minnesota housing agencies have increased their payment standards to 110% of FMR. Staff is recommending the agency do the same for its Clay County payment standards. This results in increases of \$60 to \$100 per voucher per month.

PAYMENT STANDARD RECOMMENDED LEVELS

<u>Bedroom Size</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Current Payment Standard					
- Clay	\$590	\$710	\$870	\$1250	\$1510
-Cass	\$570	\$705	\$840	\$1200	\$1450
HUD Published FMRS for MSA for 10/21	\$597	\$705	\$859	\$1220	\$1470
Proposed Payment Standards beginning May 1, 2022					
- Clay	\$650	\$775	\$940	\$1340	\$1610
-Cass	\$570	\$705	\$840	\$1200	\$1450

We propose to not increase the Cass County standards above the amounts being paid by Fargo and Cass County HRAs.

Commissioner Dillard made a motion to approve the increase in payment standards effective May 1, 2022. The motion was seconded by Commissioner Johnson and carried unanimously.

OTHER:
STAFFING

- One maintenance technician is no longer employed with us and the position is being advertised.
- Sheila Laney will retire on March 31, 2022, after serving the HRA with skill and good humor for the past 8 years.

COVID-19 & OFFICE HOURS

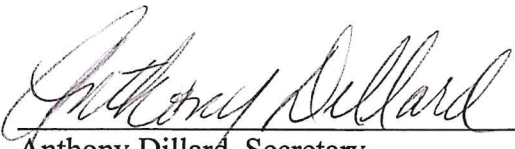
Since the community spread levels have decreased for Clay County, we eliminated the staff masking requirement effective 2/28/2022. Staff will still wear masks when entering tenant units or meeting with tenants.

We have obtained a supply of N95 masks and covid-19 testing kits from Clay County Public Health and the Family Healthcare Center. We are extremely appreciative of this resource for our tenants.

The offices are once again open to the public from 12:00-4:30 p.m. on Tuesdays; 10 a.m.- 2 p.m. on Wednesdays; and 8:00 a.m.-1:00 p.m on Thursdays

10:15 A.M. MEETING ADJOURNED:

Chair Bakke adjourned the meeting at 10:15 a.m.


Anthony Dillard, Secretary


Date