

HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY
Special Board Meeting June 5, 2023

MEMBERS PRESENT:

Tia Braseth, Anthony Dillard and Kim Schlotfeldt

MEMBERS ABSENT:

Les Bakke and Cecil Johnson

STAFF PRESENT:

Dara Lee, Dawn Bacon and Jill Cossette

OTHERS PRESENT:

None

8:30 A.M. REGULAR MEETING CALLED TO ORDER:

AGENDA:

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

CITIZENS TO BE HEARD:

None

**ACCEPTANCE OF MINNESOTA HOUSING
STATEWIDE STRATEGIC PLANNING GRANT FUNDING**

The HRA acts as the collaborative applicant for the West Central Minnesota Continuum of Care (CoC). It has done so for about the last decade. Minnesota Housing has traditionally provided financial support to the CoC to assist in employing a CoC Coordinator.

The CoC has been awarded a grant in the amount of \$50,000. The HRA receives a portion to administer this and other CoC collaborative applicant grants.

Minnesota Housing requires that our board approve attached Resolution 6-5-23-01 as a condition of funding.

A motion was made by Commissioner Schlotfeldt to approve Resolution 6-5-23-01. Commissioner Dillard seconded the motion and it carried unanimously.

MINNESOTA LEGISLATIVE HOUSING OUTCOMES AND 2024 HRA TAX LEVY DISCUSSION

The State of Minnesota has made a historic investment in housing during the recently concluded legislative session. The total amount invested through appropriations to Minnesota Housing and the Department of Human Services as well as through the tax bill is an approximately \$2B increase. This represents 15-20 times the normal investment in housing. Breakdowns from MN NAHRO and the Association of Minnesota Counties of some of the new funding resources that have been enacted were reviewed.

The Local Affordable Housing Aid, which was included in the tax bill, is mostly funding from the 0.25% sales tax enacted for the metro area. There is still a significant portion available for Greater Minnesota. It is anticipated that Clay County and the City of Moorhead may receive \$200,000 to \$300,000.

Minnesota Statutes §469.033, subd. 6 permits the HRA to levy and collect a Special Benefit Tax of up to 0.0185% of the taxable market value upon all taxable property, both real and personal, within the Authority's area of operation which includes Clay County except the cities of Barnesville and Moorhead. The statute requires the consent of the Board of Commissioners of Clay County to approve such a levy; and requires Local Governments to certify their tax levies to the County Auditor. We would need the consent of the local unit of government to levy within the cities of Barnesville or Moorhead.

The HRA has exercised this power in 2008, 2010, 2014, 2019 and 2020. Most neighboring authorities exercise this power on an annual basis. The list from the Department of Revenue levy information for 2023 was discussed. The item listed Moorhead HRA is the EDA. Levy funds can be used for any allowable housing authority activity. In 2019, the HRA levied \$380,000; in 2020, the HRA levied \$225,000. In 2021, Clay County allocated \$190,000 in ARPA funding to the HRA. In 2022, the HRA received over \$200,000 in Fieldcrest Townhomes developer fees and will receive additional developer fees in 2023.

In 2009, the HRA used developer fees from Gateway Gardens and in 2013 from East Prairie Horizons to fill funding gaps. We have no anticipated source of funding to fill funding gaps.

If the HRA decides to adopt a levy for 2023, it must be by Barnesville, Moorhead, and the Clay County Commission by September.

The maximum HRA tax levy, including Barnesville and Moorhead, is \$1,435,700 using 2023 values. A levy of \$24 per household or \$2 per month would be \$603,696 or 42% of the allowable amount; a \$20 per household levy is \$503,080 or 35% of the allowable amount.

The average percentage of the maximum for HRAs who levy in Minnesota is 58%. The average per household amount is \$37.11. Both scenarios above are significantly under these amounts.

Levy funds would be used for increased security on our properties; to hire additional people for rehabilitation work, property management, rental assistance, and administration so that we would have the capacity to leverage additional resources. If we do not have the capacity to apply for and administer the new state resources, Clay County residents will be missing out on vital and available housing opportunities.

The board had an extensive conversation regarding the pros and cons of adopting a levy for 2024. Staff will provide additional information on the historical use of the levy and make a recommendation at the regular June meeting.

9:44 A.M. MEETING ADJOURNED:

Commissioner Schlotfeldt moved to adjourn the meeting at 10:40 a.m. The motion to adjourn was seconded by Commissioner Dillard and carried unanimously.



Anthony Dillard, Secretary



Date