

## **HOUSING & REDEVELOPMENT AUTHORITY OF CLAY COUNTY**

### **Regular Meeting of September 19, 2024**

#### **BOARD MEMBERS PRESENT:**

Tia Braseth, Anthony Dillard, Cecil Johnson, Greg Lemke, and Bethany Peterson. Clay County Commission Liaison, Paul Krabbenhoft.

#### **MEMBERS ABSENT:**

None

#### **STAFF PRESENT:**

Dara Lee, Dawn Bacon, and Jill Cossette.

#### **9:38 A.M. REGULAR MEETING CALLED TO ORDER:**

#### **AGENDA:**

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

#### **MINUTES FROM THE AUGUST 15, 2024, REGULAR MEETING:**

*A motion was made by Commissioner Lemke to approve the August 15, 2024, regular minutes. Commissioner Johnson seconded the motion, and it carried unanimously.*

#### **CITIZENS TO BE HEARD:**

None

#### **TREASURER REPORT:**

Director Lee reviewed July Budget Reviews.

*A motion was made by Commissioner Dillard to accept and file the Treasurer Report. Commissioner Peterson 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 inception.

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 the installation to occur. It is supposed to be done by the end of September.

There is an approximately \$775,000 mortgage on the property. The HUD subsidy contract is scheduled for renewal in 2026. Staff are exploring options regarding re-financing the loan and terminating the HUD contract with rental assistance replaced with Housing Choice Vouchers.

As of September 1, there are 11 vacant units, one pending eviction, and one pending move-out. Treatment for cockroaches continues.

16 applicants were contacted with zero determined eligible either due to failure to respond or criminal backgrounds. The waiting list has been advertised to re-open on October 1.

### **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 scheduled for this month.

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.

HUD inspected the property in August, and it received a score of **92% or an A** which means it will not be re-inspected for 3 years.

As of August 1, there are no vacancies, and 14 applicants on the waiting list. The waiting list is currently closed. There will be a HUD inspection on August 12.

### **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 seven 2-bedroom units and one 1-bedroom unit. 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 September 1, there are 3 vacant units and one upcoming vacancy. Three of the units have been re-rented. Openings are in Ulen (2), Hawley (1), and Dilworth (1). There is a pending eviction for a Dilworth unit, and a move-out notice for a Moorhead unit.

Three of the units have been offered to and accepted by applicants. As soon as the maintenance is completed, HCV applications are processed, and inspections are complete, the households will move in.

There are 12 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. 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 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. A HUD inspection occurred on August 21, and the property received a score of **100%**.

As of September 1, there are 4 vacant units. Three applicants have been approved and are waiting to move in once maintenance is complete. All supportive housing units have been filled. The only unit available is an accessible unit. There are no applicants in need of its features so other applicants will now be contacted. There are 42 households on the waiting list which re-opens on October 1.

Three staff (Supportive Services Manager, Supportive Services Specialist, and a Supportive Services Assistant) are housed at the property. One staff member has resigned and interviews for a replacement are under way. 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. We were a subgrantee of

CAPLP for a DHS HSASMI (Housing Supports for Adults with Serious Mental Illness) grant that helps fund the front desk costs. The grant ended on July 1. 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 3 part-time HRA employees filling this role. The supportive services person who resigned will be working part-time in this position on an as needed basis. 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. If we can do so, we will charge the public housing program for a small amount of the overnight security time. The amount will be dependent upon input of 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.

As of September 1, there is 1 opening and one pending lease termination. Two applications are being processed, but the units are not ready. 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 Eastern 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 Eastern 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 September 1, there are 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 September 1, there are 8 vacancies, but one of these is approved by HUD to be vacant due to rehabilitation work. Three applicants have been approved; one is being processed; and four more applicants are being contacted.

There are currently 199 people on the public housing waiting list which is shared with Sharp View.

### **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 has two 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 town homes. 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 September 1, there are three vacancies. One move-in is approved. Two applications are being processed and additional letters are being sent out.

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 September 1, there is one vacancy and two move-outs for the end of October. An application is being processed. The waiting list closes at the end of the month due to the extensive waiting time.

### **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 (a decrease of 11 due to the VASH transfer and sunseting of the Emergency Housing Voucher program).

As of September 1, 2024, there were a total of 733 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 12 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 15 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 80 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 member works approximately 16 hours per week on this activity.

As of September 1, there are 22 participants. We are not accepting any additional referrals due to spending approximately \$9000 more in the first 6 months than budgeted. There is enough time remaining to decrease the case load 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 providers.

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. HUD monitored the grant the first week in August 2024. Overall, the monitoring went very well. It is likely that we will need to make some updates to the current policy.

We are currently serving 62 households. Of the 62 households, 50 are in Clay, 3 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 three 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 61 households now. Seventeen households are searching for units. One household has located a unit and will move in once the unit passes inspection. There are 12 singles and 47 families being served. The grant targets families and youth-headed households. Leased households are from Clay (48) and Douglas (13) Counties.



Openings are filled through the coordinated entry process. Staff are actively searching for eligible households. There is sufficient funding to serve approximately 80 households per month through the end of the grant term. Filling this program is our number one rental assistance priority.

### **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 anticipate serving a total of thirty-two households during that time.

As of September 1, we are serving 30 households. Seven additional households are searching for a unit, and there are four pending referrals. There is enough rental assistance funding to serve more than 40 households for the remainder of the grant term. We will be able to put additional resources into the administration of this program now that we have received first half of the HRA Tax Levy.

Households are from Becker (3), Clay (15), Douglas (3), Pope (1), Otter Tail (6), Wadena (1), and Wilkin (1) Counties. Two households have moved into Fieldcrest and are receiving Homework Starts with Home services through CAPLP. 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 September 1, a total of 104 households were being served by the Housing Supports program in Clay County. There are 84 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 6 scattered sites and 20 Housing Supports clients at Gateway Gardens.

Seventeen households are searching for units and 6 are on a waiting list. Clay County Social Services has indicated that we are able to add up to 46 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 for the current grant was extended until 6/30/25. The funding for the HRA supports 0.82 FTE.

No changes in the past month. 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 12 projects are complete; 7 projects are under construction; and 2 projects are bidding, and the final application is preparing to close. This would be a total of 22 homes, but one owner died, and funds were re-paid to be reused in the community. There are 10 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. One sold the building, and the application was withdrawn. Physical property inspections have been completed on all commercial buildings. Four projects are complete; 2 projects are supposed to be finalizing the scopes of work but are unclear regarding what they want done; and one owner has not been responsive. A scope of work is being prepared for the final applicant since it appears there will be sufficient funding available. If more funding remains, we will advertise and accept additional applications.

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

The Minnesota Housing Rehabilitation Loan Program is funded by the state. Three projects are in the bidding phase, and three applications are being processed.

### **2025 HRA TAX LEVY DISCUSSION**

The City of Barnesville, City of Moorhead, and Clay County Commission all consented to the Special Benefit HRA Tax Levy of \$300,000 for 2025.

The Clay County Commission also approved the shift of SAHA funding to Gateway Gardens operations from the savings to date for the 2024 funding.

### **2023 AUDIT ACCEPTANCE**

Director Lee discussed the draft of the 2023 Audit. Our auditors provided the draft report the evening of September 11. The auditors indicated they do not anticipate any significant changes from the draft.

The final audit will be emailed and/or mailed as soon as it is available.

*A motion was made by Commissioner Lemke to accept and file the 2023 final audit if there are no significant changes in the final version. The board retains the right to vacate this motion if the final version contains significant changes. Commissioner Dillard seconded the motion, and it carried unanimously.*

### **PRELIMINARY 2025 BUDGET ASSUMPTIONS DISCUSSION**

In September, the HRA was notified of the following:

- 3% increase for Clay County COLA.
- 3% increase to the Clay County pay grid.
- 5.08% increase to health insurance plan with \$100 increase in deductible.
- Approval of \$300,000 HRA Tax Levy.
- Approval of re-purposing \$40,415 in SAHA funding.

The combined draft budget was provided. The following assumptions are proposed to be included in the budget:

1. HRA follows the Clay County pay adjustments including step increases for eligible employees.
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. No 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.

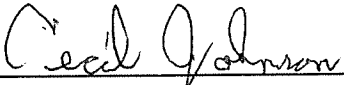
**OTHER**

- 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 25 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: None.

***MEETING WAS ADJOURNED AT 10:45 A.M.***

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

10.17.24  
Date