

CLAY COUNTY BOARD OF COMMISSIONERS – WORK GROUP

1:00 PM, TUESDAY, MARCH 19, 2024

Meeting Room A / B – 3rd Floor – Courthouse

MINUTES

The Clay County Board of Commissioners met in Work Group session with the following Commissioners present: Paul Krabbenhoft, Frank Gross, Jenny Mongeau, Kevin Campbell, and David Ebinger. County staff present: Stephen Larson, Darren Brooke, Rhonda Porter, and Jacqueline Finck.

Call to Order

Commissioner Ebinger called the meeting to order at 1:08 p.m.

Citizens to be Heard

There were no citizens to be heard.

Joint Clay County Board of Commissioners and Clay County HRA Commissioners Meeting

Introduction of Commission Members

Those in attendance went around the room introducing themselves including, Clay County Commissioners and staff, Clay County Housing & Redevelopment Authority (HRA) Commissioners and staff, and Jennifer Bergman & Annie Reiersen with Minnesota Housing.

Jennifer Berman, Minnesota Housing - Director of Local Government Housing Programs

Executive Director for Clay County HRA, Dara Lee, provided a brief introduction for Jennifer Bergman and Annie Reiersen. Ms. Bergman shared the Minnesota Housing Vision and Mission and gave a presentation including the local programs division structure and local government housing programs – Bring It Home Rental Assistance, Local Housing Trust Fund, Greater Minnesota Infrastructure Program, Lead Safe Homes, and Local Housing Aid. Ms. Bergman further discussed the Local Housing Aid that includes Local Affordable Housing Aid (LAHA), Statewide Affordable Housing Aid (SAHA), and Tier II Cities Competitive Grant.

County Administrator Stephen Larson asked, with regards to SAHA, if the amounts have been allocated yet for this December. Ms. Bergman stated that they have and if you go to the Department of Revenue Statewide Affordable Housing Aid, you can find Clay County's amounts for both 2023 and 2024.

Commissioner Campbell asked, with regards to the Tier II Cities Competitive Grant, do the applications have to come from those municipalities themselves or could the applications come from the HRA on their behalf. Ms. Bergman stated that those

applications can come directly from the City since they would be the applicants for the program. Commissioner Krabbenhoft asked for further clarification if the HRA could apply on behalf of the municipality. Ms. Bergman stated that the local unit of government is the one who would be responsible for applying but could partner with the local HRA.

Ms. Bergman discussed the role of Minnesota Housing for LAHA/SAHA including collecting reports, support local governments, and assist in coordination between housing programs and partners.

Commissioner Campbell asked Social Services Director Rhonda Porter if these were the funds that we issued an Request for Proposal (RFP) for and were approved for the Clay County HRA. Ms. Porter stated that is correct and Ms. Lee has a list of projects slated for 2024 into 2025. Commissioner Campbell asked if the reporting is the County's responsibility. Ms. Porter stated that it is her understanding that the reporting is the County's responsibility but would be working with the Clay County HRA for those reports. Ms. Bergman confirmed that the reporting is the responsibility of the local unit of government that received the funds. Further discussion ensued regarding the reporting requirements/process, funding in the future and the competitiveness of funds.

Commissioner Campbell asked of the funds that were received, was the Clay County HRA able to use these funds as leverage dollars. Ms. Lee stated that were some basic needs for the first allocation that included projects such as re-roofing the Agassiz Apartments in Ulen and security upgrades. The HRA was not able to secure other funds for these projects which is why the SAHA funds were critical. Ms. Lee stated with the HRA levy funds, yes we were able to leverage, but these funds were used for these Bricks and Mortar type projects.

Ms. Bergman mentioned visiting the Minnesota Housing website for additional information and to sign up for email updates as the site progresses since this is a newer program. Ms. Reiersen further discussed that she will be the one that will be managing these Local Government Housing Programs and is currently working on building a team to help implement these programs. Ms. Reiersen reiterated that her and Ms. Bergman are happy to be a resource and to reach out with any questions.

Clay County HRA Board Chair Tia Braseth asked with all these new programs, if any older programs have been sunsetted, retired, or moved into these other programs. Ms. Bergman stated that she does know that the Lead Safe Home and Local Housing Trust Fund programs are a one-time programs but stated legislature could approve additional funds in the future. With regards to additional programs that may be sunsetted/retired, Ms. Bergman stated she would have to get back to the Board on that.

Commissioner Ebinger thanked Ms. Bergman for her informative presentation. Ms. Bergman appreciated the opportunity to present and inform governing bodies and

those in elected/appointed positions of these programs and how it can benefit their constituents and community.

Introduction of the HRA/History

Ms. Lee gave an overview of the relationship between Clay County and the Clay County HRA including when the Clay County Board of Commissioners created the Clay County HRA, which was on October 1st, 1974. Ms. Lee also gave an overview of the history of the HRA and their projects and referenced the memo which shows the timeline when the Clay County HRA enacted a levy. When a levy was not enacted by consent of the Clay County Commission, the HRA primarily used developer fees from the projects the HRA created after 2006.

Commissioner Krabbenhoft asked Ms. Lee to explain developer fees and how they are collected. Ms. Lee stated when an entity (typically private) undertakes construction or rehabilitation, you're considered the project developer. The fees cover the costs incurred prior to the construction because you're taking on significant risk. So, the developer fees are unrestrictive funds since the HRA is a government entity that were able to be used to do additional programming with.

2025 - Budgetary Discussion

Mr. Larson stated that this agenda topic is to discuss budget and levy requests and to gain knowledge on the federal funding for the Clay County HRA and how that plays into Clay County's budget timeline. Ms. Lee stated that the primary funding dollars come from federal and state funds and at times are hard to predict. The federal government has passed one set of budgets for this year, which did include the Housing and Urban Development. But, that is our budget that started in January 1st, 2024 and we will not now or receive specific allocations for the HRA until May or June of this year. So, we will be halfway through the fiscal year until we learn what the HRAs budget will be from the federal government is. With regards to State programs, we won't have a clear understanding of those funds until the end of the legislative session, which will be in May. If there are appropriations made during that session, every other year we have opportunities to apply for competitive grant awards which are typically around October 1st. Ms. Lee further explained as to why funding requests to the Clay County Board of Commissioners tend to come later. Further discussion ensued regarding federal & state funding, budget, and levy requests. Discussion also occurred regarding Moorhead Public Housing Agency.

Commissioner Campbell stated that Ms. Lee mentioned the last housing project was completed in 2012 by the Clay County HRA but stated that Clay County has assisted with affordable housing projects outside of the Clay County HRA. Ms. Porter stated that was correct. Ms. Lee followed up stating that they too are supportive of other entities wanting to develop and provide affordable housing and have assisted with technical support as well as other funding commitments. Ms. Lee also stated that they have partnered with Clay County for projects with the Clay County HRA being the bonding authority and always try to be a good partner.

Mr. Larson stated that the HRA was able to decrease their levy dollars down to a quarter of a million with the use of SAHA funds and asked if there is anything the works that you hope to use the funds for. Ms. Lee stated that as Ms. Bergman mentioned, many of those programs are ramping up but have been working closely on the Bring It Home Minnesota Program which is the rental assistance program she discussed and is anticipated to be the first money out the door. Some of those historic funds were used when our Homework Starts with Home Grant was reviewed and were once again awarded. Ms. Lee mentioned that there were additional units of rental assistance awarded to the HRA through our Homeless to Hope Home program which was a competitive grant and were able to serve an additional 23 households because of the increase. Ms. Lee stated that they don't have specific timelines associated with any of the new potential funds out there. Mr. Larson asked if the \$250,000 levy request is anticipated to be requested for future years as well. Ms. Lee stated she would refer to the HRA Board members since they are decision makers but did state that there are provisions in state statute when it's multicounty where there is an automatic approval of the 25% of the maximum levy amount. The HRA can levy a higher amount and there are some counties that levy 100% of the maximum levy amount, which is around \$1.5 million. Ms. Lee stated that they won't be asking for that but will mostly likely be asking for 25% based on the numbers needed in the past. The HRA is not sitting on any cash reserved and have utilize what they have for critical needs during the pandemic. In order to maintain and sustain the HRA's operation, we will need to make some temporary request but some will be based upon opportunities that may arise between now and then.

Future Topics/Next Meeting

Commissioner Krabbenhoft asked Ms. Lee to elaborate on how we're doing today on housing and homelessness. Ms. Lee referred to the timeline and stated that there was no new programing from 1981 to 2002 and that's where our homeless issues really started to take hold and escalated throughout the country throughout that time period. The new programs that were created after that focused on ending homelessness. This HRA Board has made this one of it's top five priorities. The HRA tries to do it in partnerships with Clay County, CAPLP, Churches United, and with the school districts throughout the county. We subcontract with eight nonprofit organizations in which we do the administrating. The conversation that Commissioner Krabbenhoft is referring to, Ms. Lee stated that she was reflecting on the fact that she has been working on this for 30 years and we still have the same level of need as we did 30 years ago. Ms. Lee stated that half of their funding is committed to those who have exited homelessness or provided supports to those who needed housing. Both Ms. Lee and Ms. Porter stated that seeing the homelessness not increase and stay consistent speaks to the work that is being done. Ms. Porter stated you have to know the history and our growth in population to put that into perspective. Ms. Porter mentioned with all the affordable housing that has been constructed along with increase in funding for housing, why are we not seeing the decrease in homelessness. But she stated, with the growth of population and increase in substance use and mental health issues, perhaps we're

doing better than what it feels like.

Ms. Braseth discussed some potential future topics including SAHA project updates, ongoing levy discussion, and updates on new funding resources. Ms. Braseth also asked the Clay County Commission what topics would they like to hear from the Clay County HRA and asked if they would be interested in hearing presentations from other partners.

Further discussion ensued regarding future topics and updates that the Clay County Board of Commissioners would be interested in and some potential meeting dates in the future.

Adjourn

The meeting was adjourned at 2:44 p.m.

David Ebinger, Chair
County Board of Commissioners

Stephen Larson, County Administrator