CLAY COUNTY BOARD OF COMMISSIONERS – WORK GROUP
1:00 PM, TUESDAY, APRIL 22, 2025
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, Ezra Baer, Jenny Mongeau, Kevin Campbell, and David Ebinger. Others present: County Administrator Stephen Larson, County Attorney Brian Melton, Assistant County Administrator Darren Brooke, Senior Administrative Assistant Sarah Hellem, Social Services Director Quinn Jaeger, and Human Resources Director Anna Moore.

The Clay County Housing & Redevelopment Authority (HRA) Commissioners present: Anthony Dillard and Cecil Johnson. Other HRA staff present were Executive Director Dara Lee, Deputy Director Dawn Bacon, and Administrative Manager Jill Cossette.

Call to Order
Commissioner Campbell called the meeting to order at 1:00 p.m.

Updates on Uses of HRA Tax Levy

Small Cities for Barnesville Homeowner and Commercial Rehabilitation
HRA Executive Director Dara Lee discussed how there was a $300,000.00 levy for 2025, an award of Statewide Affordable Housing Aid (SAHA) funds, and a levy for 2024 as well and stated this month the HRA has submitted an application to the Department of Employment and Economic Development (DEED) for the City of Barnesville. The HRA is making a request for $1.2 million in Community Development Block Grant (CDBG) funds that are administered through the state of Minnesota. Levy resources were used for both the administration and the grant processing, as well as a pledge of $66,500.00 for matching funds if the grant is awarded from that SAHA allocation.

Ms. Lee discussed how 24 businesses and 46 homeowners expressed interest in the funding to make upgrades to exteriors and accessibility. Because of the grant caps, the HRA has applied for funding to cover 13 businesses and 21 homes. Historically, not all fund recipients have used the full allocation of funds, which allows for additional projects to be completed.

Commissioner Campbell asked if there were ceilings on the funds per project. Ms. Lee stated yes, there is a $600,000 per activity ceiling, therefore, the HRA has applied for $600,000 for commercial and $600,000 for owner occupied. Commissioner Campbell asked what the ceiling was for each specific project. Ms. Lee stated that for homeowners, the most that they can receive is $24,999 and for businesses it’s $40,000. There is a matching component for businesses and levy funds have been used for homeowners.

Window and Generator Replacement at the High Rise
Ms. Lee discussed how there has been some concerns with the High Rise and stated that this falls under the Moorhead Public Housing Agency but wanted to provide a brief update.

Deputy Director Dawn Bacon stated this is a $1.6 million application that’s through the Publicly Owned Housing Program (POHP). This is funded through General Obligation (GO) bonds from the State of Minnesota and the purpose is to preserve aging housing that is publicly owned. Preserving affordable housing stock is a critical part of addressing the housing crisis. Ms. Bacon discussed how the funding that is received from the US Department of Housing and Urban Development (HUD) can be difficult to save up enough money due to their obligation and expenditure timelines, to then tackle those larger scale rehab projects which you can sometimes see with aging buildings. Therefore, this month, the HRA submitted a request for needed work at Riverview Heights High Rise in Moorhead, MN. The application is to replace all apartment unit windows which are close to 400 windows, as well as the main floor windows and exterior doors. In addition, the HRA is proposing to replace the emergency generator. The POHP application is highly competitive and this current round, $40 million is available statewide. The last round was around the same amount, but there was double the requests. In the last round, we were awarded $1.4 million for Sharp View apartments for a complete plumbing replacement which will be going out to bid later this month. This funding source has been used in previous years for those larger projects such as replacing the Riverview Heights elevators.

Me. Lee stated it's presumed that if there is a bonding bill this year, there will be additional GO bonds available for housing. Traditionally, they view it as infrastructure, such as water, sewer, etc., and have now allocated publicly owned housing in that same category. So, for the last several bonding years, they have consistently included a component for housing in order to preserve infrastructure statewide.

Bring It Home Rental Assistance Program through Minnesota Housing to Assist Extremely Low-Income Families with Children
Ms. Lee stated the Bring it Home program was finally passed by the legislature to increase rental assistance statewide. The applications have finally gone out and were due on Monday, April 21, 2025. Clay County will receive a minimum allocation of $1.7 million, however, a larger allocation was applied for. The hope is to serve an additional 80 households for families who are extremely low-income and who have minor children (18 years and under) in the home. So, this is for individuals who are currently paying more than 30% of their income for housing and to help them meet that gap.

Commissioner Campbell asked if all residents of Clay County were eligible for these funds or if it was just for City of Moorhead residents. Ms. Lee indicated that the funds are for all of Clay County. Commissioner Campbell asked if the $1.7 million was for Clay County. Ms. Lee indicated that that was correct and it's a two-year grant cycle, so the fund covers the course of two years. There are some initial startup costs and there should be an ongoing funding source of about $870,000 per year. Commissioner Campbell asked if that was administered by the HRA. Ms. Lee stated that was correct.

Commissioner Krabbenhoft asked if this would be for people seeking housing or those who are already in housing. Ms. Lee stated it would be for both. We are hoping to have a priority within the program for people who are already housed, which is called leasing in place. So, individuals who are currently in a unit but are struggling to stay there, we can keep them in their home and use the funds as basically homeless prevention.

Resources Dedicated to Ending Homelessness

Clay County Application to Renew DHS Community Infrastructure Grant
Ms. Lee discussed listening to Mr. Jaeger speak during the Board of Commissioners meeting about the Community Living Infrastructure (CLI) grant and asked if he would like to speak more about this topic. Clay County Social Services Director Quinn Jager stated since the Board meeting, a lesser amount is going to be requested than what was originally presented. The $1,020,448 was over a 4-

year grant cycle and the 2-year grant cycle would be under $900,000. This is good, as it keeps us competitive. It's strategic of us to balance out what the needs are while also being fiscally responsible. Ms. Lee stated the HRA reduced the amount requested because we understand the importance of this program and we know it's a critical component for Clay County to be able to maintain that Eligibility Worker. So, with the increases in the housing support program that is directly administered by that worker, we really want to make sure that Clay County is getting funded for that because the work we're doing as a housing resource specialist, we can't do as much, if the County can't do as much.

Commissioner Campbell asked if this has anything to do with the vouchers for Churches United. Mr. Jaeger stated yes, the housing support program is specific to Churches Untied. Social Services has two staff that primarily deal with housing support and one of them is funded with the CLI grant. Commissioner Campbell questioned if that was under-utilized. Mr. Jaegers stated for the beds allocated specifically at Churches Untied, yes, but that there doesn't seem to be that problem with the other house support providers. There are now 12 of 19 beds that are occupied. Commissioner Krabbenhoft asked what it would take to get them to full capacity and what the barriers are. Mr. Jaeger stated some of this is historical, but at a certain place in time, Churches Untied had a policy where during the day, unless you were part of the housing support program, you had to vacate the facility. The ability to stay in the facility was reserved only for those who were on the housing support program. There was also a separate area of the shelter that was specific to the housing support program, as well as the supplemental services such as cell phones, bus passes, phone cards etc. At a certain point, Churches Untied changed their policies where everyone could receive these perks, so the element of being a part of housing support, dissipated. Therefore, due to the policies that Churches United implemented, that was the cause of the reduction of bed utilization came from. Commissioner Krabbenhoft asked if the current Board liked the current balance that it's at right now. Mr. Jaeger stated it's his understanding that they're working to change that, which could be the reason why we've seen that number jump to 12 out of 19, versus 3 or 6 out of 19 in the past.

Housing Supports Program: Taking Over the Responsibility for Providing Supportive Services through this Program at Bright Sky Apartments and Silver Linings
Ms. Lee discussed the housing supports that are owned by Churches United including Bright Sky Apartments and the upcoming Silver Linings Apartments. Ms. Lee stated, as you know, Churches United faced a lot of challenges in the last year, and through working with local partnerships and with the best interest of the residents in mind, it was determined that the HRA take over the housing supports administration for both of these properties. Therefore, since then, the HRA has one staff dedicated to Bright Sky apartments in order to balance out some of the issues that were occurring and to increase the stability. In addition, as part of the SAHA application that the HRA submitted to Clay County, effective July 1, 2025, there will be roughly $14,000 in additional resources to provide case management for other households that are not on housing supports. The HRA also uses some of the federal Continuum of Care (CoC) dollars to support 6 of the households in this development. Resulting in the support of roughly 30 of the 46 households that are in this development.

Ms. Lee stated Silver Linings apartments, which are 55 and older, there are roughly 10 banked beds that are specifically for housing supports. It's also anticipated that there will be an additional 10 beds that the HRA will administer. The HRA will be dedicating a full-time staff member to that location for those housing support's clients. This would be 20 of the 36 households that the HRA will be providing supports to at this unit. Mr. Jaeger stated the turnover and inconsistency of staffing and knowledge was another reason why Churches United struggled to fill those beds. County Administrator Stephen Larson stated in talking with Ms. Lee and the HRA Board, this wasn't an easy decision and appreciates the HRA for stepping up in addressing the issues and the need.

Commissioner Krabbenhoft asked if the other units in these buildings, that are not part of the housing supports, are simply open to rent by anyone. Ms. Lee stated as long as the individual is a low-income and 55 years of age or older, you would be eligible to live at Silver Linings apartments, and there are 5 set aside for veteran households. Commissioner Campbell asked when it comes to Bright Sky apartments, if there was previously a portion of Churches United's financial obligation towards that and if all of that will be shifting to Clay County HRA. Ms. Lee stated not all of it is shifting but a significant portion is. The housing supports program does provide significant funding. Commissioner Campbell asked if the housing supports were through the County. Ms. Lee stated the funds are through the County and they are DHS funds. These were available before, however, Churches United weren't accessing those resources. The HRA on the other hand has better infrastructure to access those.

Ending Homelessness - Over $8 million annual investment by HRA
Ms. Lee stated there has been a lot of conversation within the community and for the first time ever, housing in general, and the affordability of housing has risen significantly and is a top priority nationwide. There has been a lot of media attention to the homelessness issues the Fargo/Moorhead area has, but the reality is that this is a nationwide issue and is not caused by things that are specific to our area. The highest percentage of folks who are homeless are those who primarily live in places that have the highest cost of housing. The number one correlation is the cost of housing towards the percentage of folks who are homeless. In our area, the costs in Moorhead are higher than the rest of the Clay County. The HRA has a number of programs that are specifically dedicated to ending child homelessness, family homelessness, veteran homelessness and chronic homelessness. What most people don't know is that the traditional programs that are not targeted in this way, often times primarily house folks who've experienced homelessness as well.

Ms. Lee stated the investment by the HRA to end homelessness was originally calculated at roughly $8 million, however, after looking at the numbers, it's far past $10 million. Commissioner Campbell asked if this includes the money generated from housing supports. Ms. Lee confirmed that was correct, and the HRA is using a majority of the levy dollars towards those programs. This County is making a very significant investment, both in Social Services and the HRA. And one of the reasons the HRA asks for that levy is to leverage those resources to bring them to the community to try and get a better grasp on this issue. After looking at the data, family homelessness was almost beat during the pandemic because of the eviction moratorium. Now, this is the area that has risen the most since 2019, particularly families with parents ages 24 and under.

Commissioner Krabbenhoft asked for more details regarding the housing choice voucher program. Ms. Lee stated the funding by congress is based on what was spent the previous year. Therefore, if staff are not able to get those federal dollars out the door, you'll receive fewer dollars the following year. Our staff were able to utilize all of our rental assistance units that were available to us on the federal level, and because rent has gone up dramatically it ended up costing more. Therefore, the HRA received an extra half a million dollars in federal funding for 2024. When this happens, that extra money goes back into the base budget for ongoing years. Commissioner Campbell discussed the apartments in Moorhead that allow for the offset of rent for tenants and asked if that program is part of these funds. Ms. Lee stated no, that's a separate program called HUD Multi-Family, which is a separate funding stream. The easiest way to differentiate the two is the multi-family funds go with the unit and the housing choice voucher program goes with the person.

HRA Tax Levy and SAHA Investment of $170,000 Assists with Obtaining and Operating these Programs.
Ms. Lee stated the primary use of the levy funds over the years are for the rehabilitation of the owner occupied homes throughout Clay County and the investment in ending homelessness. So the majority of those funds are the Clay County residents' contributions to the issues that are happening within the community.

Commissioner Baer asked what was received in 2024 for levy dollars. Ms. Lee stated $300,000. Mr. Larson indicated it was $250,000 levy dollars plus the SAHA funds.

Ms. Lee stated they would be looking at $300,000 levy that would be requested for 2026, and not looking for an increase. Commissioner Campbell discussed what's happening at the state level and how there could potentially be a significant increase to the County's levy, and the importance of not increasing funding requests.

Updates on use of SAHA Funds
Ms. Lee stated the SAHA funds were used for leveraging for the Barnesville application, front desk operations at Gateway Gardens and security and safety upgrades to Agassiz Apartments in Ulen and Houge Estates in Dilworth.

Ms. Lee discussed the upgrades to these two buildings and stated locks were installed on the exterior doors and cameras were installed in Agassiz Apartments in Ulen. All the cameras were replaced at Houge Estates.

Commissioner Baer asked if the HRA was having problems at the Agassiz Apartments in Ulen. Ms. Lee stated they were having some issues with a tenant who didn't want to wear clothes, however, this tenant no longer lives in the building and the HRA went through the eviction process. The cameras help obtain that evidence, in order to make the right decision for the other tenants. Ms. Lee stated otherwise, typically there are no other issues at that location. Commissioner Krabbenhoft discussed how this has been a rebuilding since the pandemic and after the eviction moratorium ended, certain tenants continued to not pay rent, which ended in eviction. When that happened, they would cause damage to the unit, which then takes time to rehab it. So the HRA had to dig themselves out of a hole that they got put into because of this. Ms. Lee stated COVID decimated our reserves, but we're now at a stable spot. At Houge Estates we were sitting at 12 vacancies out of 60 because we had to keep evicting people. In the first 40 years of the HRA history, only 4 evictions took place. Post pandemic, the HRA was evicting 4 tenants per month. Commissioner Campbell asked where those individuals go after they've been evicted. Ms. Lee stated some are in the homeless program, some are doubled up, and some have gone to jail. The HRA is increasing the standards for admission including more intense background checks that look into damages and payment of rent. These issues weren't really a thing pre-pandemic but since then mental health and substance abuse issues have really played a part in today's climate.

Commissioner Mongeau asked how the supports proposed with the Family Resource Center interplay with case management services. Ms. Lee stated the HRA Support Services Manager has been taking part in those conversations. We've talked about some of the support services we provide and in a number of the buildings we have on site support as well. The individuals who are doing the support case management are already trying to do a lot of what's happening at the resources center, in hopes that this will be a great opportunity to get involved. Commissioner Mongeau discussed her concerns and asked if funds are affecting the residents in the best way. Ms. Lee stated the HRA doesn't provide all the supports, instead, we subcontract out with providers. Particularly ones that are already providing services to that client under a different funding stream. So those resources can be combined to get what those families and individuals need without duplicating the types of services that are being received. We need to maximize the resources in order to get the results that are needed. Discussion ensued regarding budgets and levy dollars.

Commissioner Campell asked if the 2026 SAHA funds were allocated yet. Mr. Jaeger indicated that information was not available yet.

Benefits Update

Clay County Human Resources Director Anna Moore discussed how Clay County has provided insurance benefits to the HRA since 1975. Currently Clay County administers benefits for 692 employees, 47 retirees, and an additional 30 HRA employees. Clay County HR communicates with 14 different vendors on anything regarding hire, leave of absence, termination, pay changes, claims etc. Ms. Moore stated that this has become very time consuming and as the workforce changes and benefits change, she feels that the County is doing a disservice to the HRA by providing these benefits. Having to go through the County adds a layer of complication, where it could be a benefit and cost saving to the HRA if they were to look at providing benefits/insurance themselves.

Ms. Moore stated the way the County's contracts are written with these providers is that the HRA are supposed to adhere to these contracts, and because the HRA has different rules and structures, there's been a lot of questions from the vendors. An audit was just completed and 250 discrepancies were found between Clay County's benefits and the information that the vendors had. Because of this, they're now wanting payroll data to support premiums that have been withheld.

Ms. Lee discussed understanding this decision and stated they have received some quotes and believe that they can be competitive, but there are two areas that raise concern which include the life insurance and the long term disability, and the uncertainties that surround being eligible for the same level of coverage. This would affect roughly 1/3 of the HRA employees. Ms. Moore discussed how for new hires, they have a guaranteed issue, which is a minimum rate of coverage. Anything in excess of that, the employee is subject to evidence of insurability, which is essentially medical underwriting. Ms. Moore stated that if the HRA is happy with the current life insurance company, she can look into discussing with them the potential idea of removing the HRA from the policy and have a stand-alone policy with the existing coverage. Ms. Moore indicated she can look into the same for LTD.

Commissioner Campbell stated this is good dialogue and appreciates the HRA's willingness to look into these considerations. Ms. Moore further discussed some issues that could arise when Paid Family Medical Leave goes into effect in January 2026.

Ms. Lee stated the only thing that the HRA would request is that no changes be made until January 1, 2026.

General Operations and Possible Budget Impacts at the State and Federal Levels.

Ms. Lee stated the HRA will prepare the best they can based on the information that they have, and do what we can to educate state and local legislatures on these serious issues. The HRA will do what they can within the mission to meet the needs of the people that are here, and we'll do our best to flow with whatever comes our way.

Adjourn
The meeting was adjourned at 2:09 p.m.

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Kevin Campbell, Chair
County Board of Commissioners

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Stephen Larson, County Administrator