CLAY COUNTY BOARD OF COMMISSIONERS – WORK GROUP

1:00 PM, TUESDAY, AUGUST 26, 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, and Social Services Director Quinn Jaeger.

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.

Federal Funding and Grants Update

HRA Executive Director Dara Lee thanked the Board for their continued collaboration. Ms. Lee provided federal funding and grant update and stated since the last meeting the HRA has brought in roughly $8.5 million dollars using the $300,000 leverage. The Homework Starts at Home grant was re-funded, and we were awarded the funding this summer. There is a Board recommendation back to Minnesota Housing for this Thursday, that Lakes & Prairies Community Action Partnership (CAPLP) and the HRA be awarded an additional $700,000 for that program. One of the Grantees decided not to accept their award, so rather than funding the next applicant, they went back to two agencies that have been performing well, which was the HRA with CAPLP Partners Grant, so they should increase our grant up to a total of $2,102,000 for the next biennium. We were also able to receive renewal funding for the next two years, in the amount of $1,695,000 for the Homeless to House program that began in 2008 for individuals who were experiencing long-term homelessness. It's focused on families with children, youth up to age of 24, and those who are 55 years of age and older. We were able to secure the new statewide rental assistant funds in the amount of $1,750,000 for the next 2 years. This is a new resource coming to Clay County. As soon as we are able to get those grants signed, we will be able to start delivering that resource. It's designed for families with minor children who are paying more than 30% of their income on rent. Since federal funding is unclear, we're trying to diversify to support these ongoing critical programs to the greatest extent possible.

Ms. Lee stated last year Moorhead Public Housing received a $1.4 million grant from the State of Minnesota, to help with the Sharpview Apartments. And now, also on the agenda for MN housing on Thursday, there is an additional $1.4 million for renovations at the high-rise, to put in all new windows & doors, and to replace the backup generator. And the City of Moorhead is also helping with some additional funds for the roof replacement as well. Ms. Lee stated the other thing the HRA is doing with federal funding is up in Ulen, MN at the Agassiz Apartments. These apartments have been under a federal subsidy contract since 1978 and as of October 1, 2025, we are switching to a different funding stream to help with the long-term viability with those units, because we know that the current structure doesn't have good outlook. With the Statewide Affordable Housing Aid (SAHA) funds, we were able to invest in a new roof and get a security system in place at the Agassiz Apartments.

Ms. Lee stated there's good potential that the HRA will receive $1.2 million for the City of Barnesville and there you have those SAHA funds that were committed as leverage for that. They cannot announce until the final federal approval, but we did get an email stating that they're excited to work with us again. Therefore, we're confident that we'll be receiving those funds.

Commissioner Campbell asked about the grants that are for families with children and asked to what age do those children still qualify. Ms. Lee stated up to 18. We also put a preference into our federal program and that is for families with children 18 in number, because we know there are a lot of kids that are still in high school at age 18, and we're trying to do whatever we can to stabilize those youth, which is one of reasons that they are the target population for the Homeless to House funds. We've had some really good outcomes with the Homework Starts at Home. We've had a few kids that have been on their own in high school, that we've used those resources for, and every kid that we were able to help house have had remarkable success. There are also some federal resources that we use for children exiting foster care, if they meet certain criteria and have ongoing case management. If the HRA gets a referral from Social Services, we can quickly request additional funding from the Department of Housing and Urban Development (HUD) in order to assist those children with rent payments as well.

Bright Sky and Silver Linings Update
Ms. Lee stated things are stabilizing. Silver Linings opened in July of 2025, and the staff are working with 14 tenants and 2 more this week. It's anticipated that the HRA will be providing support services to half the residents and may provide additional services. The target population is being reached with the opening of this building.

Ms. Lee stated Bright Sky is still in the stabilization process. The HRA started providing support services to about half the residents. Churches United does have some ongoing challenges with funding for the security of both locations, and so they are only able to fund a portion of the nigh security, which has proved challenging at times. Churches have chosen to keep that within their own umbrella because they believe they can do it more economically.

Commissioner Krabbenhoft asked about the other half of the residents that are not receiving support services through the HRA at Silver Linings, and if those individuals were just from the regular market. Ms. Lee stated 5 of the units are set aside for veterans with the support services coming from Veterans Affairs (VA). It can serve just low-income folks 55 years and older. Commissioner Krabbenhoft questioned if both buildings would then have some sort of subsidy for residents living in these two apartments. Ms. Lee stated the supportive housing program through Clay County also funds about half and half. So, the other half have to rely on more traditional subsidy resources, which can come through CAPLP and/or rental assistance programs. The HRA is funding most of the rent and support services at the two developments.

HRA Office Relocation Update
Ms. Lee discussed the relocation of the HRA office and stated the lease for their space at the Family Service Center (FSC) is September 30, 2025. A lot of the movement will take place in the week of September 8. Once some additional employee relocations takes place, then we can move those that were located at the FSC to the main office. The delay comes from the several moving parts.

SAHA Funding Update for 2026
HRA Deputy Director Dawn Bacon stated the SAHA funding is a relatively new program from

the state to provide local governments with resources to develop and preserve affordable housing. After responding to a Request for Proposals (RFP) process, the HRA was awarded SAHA funding which has helped us address a number of very critical needs. The 2023 allocation is almost all spent. The HRA has committed some leverage from SAHA funds towards the $1.2 million for the application for rehab work in Barnesville. Therefore, if the HRA is awarded, that will enable us to assist 21 homeowners and 13 non-commercial properties. Commissioner Krabbenhoft asked if there was a funding match. Ms. Lee stated for the Department of Employment and Economic Development (DEED), your application is much more competitive if you're bringing in matching funds, we also have contributions coming in from business owners and homeowners. Commissioner Campbell asked if matching funds are approved by other government entities. Ms. Lee stated yes. Ms. Bacon stated the 2023 funds have provided additional security to Agassiz Apartments and Houge Estates, as well as the Barnesville application. For the 2024 funds we're looking at additional rehab activities, as well as filling that funding gap that's existed with our front desk staffing, for Gateway Gardens.

Ms. Lee stated the reporting is coming up for the first round of SAHA funds for 2023, they said they'll have the form out sometime in October and is due December 1, 2025. Commissioner Campbell questioned why we're still talking about 2023 funds. Ms. Lee stated the 2023 and 2024 SAHA funds were released together in December of 2023. Commissioner Campbel asked if those funds are received on two-year increments. Social Services Director Quinn Jaeger stated every year. Ms. Lee stated the first one was two years and now it's annual. Ms. Bacon stated we've responded to the RFP for years 2023, 2024, and 2025. In 2025 we were awarded for Bight Sky and Gateway Gardens.

Ms. Lee stated we repurposed some of the 2024 SAHA funds on Gateway Gardens, as well as a majority of the 2025 SAHA funds. Today, MN Housing released its RFP for a $50 million pool of funding for distressed buildings which are for the permanent supportive housing developments that were impacted during the pandemic. In this RFP, is the opportunity for us to apply for additional state funding for those front desk costs, onboard supportive services, and operating costs. So, the HRA will be submitting an application for Gateway Gardens and Prairie Horizon Townhomes. If we're awarded, it will sustain these properties for the next decade or two. Commissioner Campbell asked who owns Gateway Gardens. Ms. Lee stated the HRA owns that property. Discussion ensued regarding the background of Gateway Gardens.

Mr. Jaeger discussed the new awards that were announced and stated Clay County's allocation for 2026 is $81,550.00, which is a $12,852 increase from 2025. Commissioner Campbel asked if and RFP process is conducted every year. County Administrator Stephen Larson stated we've done it as an RFP, and the Board has made the determination, just for your consideration, but it's not required. Discussion ensued regarding the difference in allocation from one year to the next, and the components that determine the allocated amount.

Commissioner Campbell asked at what point in time do we take into consideration where people are renting and how much they'd pay in rent. Ms. Lee stated we look at that right up front. There are payment standards in place. If an individual wants the assistance of the HRA to pay the rent, that person needs to be in a unit that is 40% or less than the average unit cost in your community. The reality is that we try to go a little above that base line, because the information delay is about 2 years. And by the time that comes out, the reality is there's maybe 20% of the units in the community that are actually available.

Commissioner Baer asked for further detail on how much the HRA would pay for rent. Ms. Lee stated, for example, if the rent on the unit is $800 and the tenant is making a gross amount of

$1,000 a month, the tenant would pay $333.33 towards that $800 cost and the HRA would make up the difference, up to the caped amount. Ms. Lee stated we also have a Family Self Sufficiency program within the federal housing choice voucher program. It's a program to encourage households to be self-sufficient. Discussion ensued regarding the self-sufficient program.

2026 HRA Levy Proposal Discussion
Ms. Lee stated she anticipates asking for a flat amount, the same amount as last year. Again, we would once again be using the levy funds as we have been. A lot of it would be going toward those maximizing programs, rehab work, some operations, and leverage. Ms. Lee stated with the new grant that came out today, if the HRA is awarded funding, it would relieve some of the pressure that we've been using SAHA funds for, in order to stabilize 2 of the 4 properties that have been particularly problematic for our agencies. Commissioner Baer asked what the 2 problematic properties were. Ms. Lee stated those are Gateway Gardens and the Prairie Horizon Townhomes.

Ms. Lee stated Clay County SAHA funds helped us increase security at Agassiz Apartments and Houge Estates. And the City of Moorhead funds helped us increase security at Fieldcrest Townhomes, Gateway Gardens, and Boyer Apartments. Commissioner Campbell asked if the City of Moorhead gets SAHA funds. Ms. Lee stated yes, they do. Commissioner Campbell asked what the City of Moorhead's allocation of SAHA funds was for 2026. Mr. Jaeger stated they were awarded $107,291. Commissioner Campbell asked if the city has the ability to leverage those funds. Ms. Lee stated they have been leveraged, yes. They assisted with the $1.4 million dollar application for the High-rise. The $150,000 that they put in for SAHA funds was used for that and other improvements for the high-rise.

Discussion ensued regarding Agassiz Apartments in Ulen, MN.

Commissioner Campbell stated the Board will take the request into consideration. Mr. Larson indicated that the County plans to set their preliminary levy on September 16, 2025. Ms. Lee stated she can come to the Board with the formal request on either September 2nd or September 9th.

Citizens to be Heard
There were no citizens to be heard.

Adjourn
The meeting was adjourned at 2:10 p.m.

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Kevin Campbell, Chair
County Board of Commissioners

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Stephen Larson, County Administrator