

MOORHEAD PUBLIC HOUSING AGENCY
REGULAR MEETING AGENDA

October 23, 2018

11:30 AM

Sharp View 920 5th Avenue S.

- I. Call to Order and Roll Call
- II. Approval of Minutes
 - A. Request Board Approval of September 25th, 2018 Meeting Minutes _____
- III. Request Approval for Payment of Bills
 - A. Request Board Approval for Payment of Bills - Resolution 2018-31 _____
- IV. Agenda Amendments
- V. Citizens to be Heard
- VI. Other Business
 - A. Asset Repositioning Opportunity - Presentation and Discussion _____
 - B. PHAS Score Report - Information Only _____
 - 1. Executive Director Updates
 - A. Elevators _____
- VII. Attorney's Report
- VIII. Adjournment

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Visit our website at www.cityofmoorhead.com

I. CALL TO ORDER AND ROLL CALL

Chairperson Lemke called the Public Housing meeting to order at 11:35 AM.

Members Present: Greg Lemke, Chair; Donna McMaster, Commissioner; Mary Beth Kalvik, Resident Commissioner; Michael Carbone, Vice Chairperson; Terry Braun, Secretary and Brenda Elmer, Moorhead City Council Liaison

Members Absent:

Others Present: Dawn Bacon, Executive Director; Toni Vondal, Housing Manager; Brent Funk, Maintenance; Jim Hager, Maintenance; Petra Roquet, Marlys Winter, Jason Rousseau

II. REQUEST APPROVAL OF AUGUST 28, 2018 REGULAR MEETING MINUTES.

McMaster moved, seconded by Kalvik approve the Minutes of August 28, 2018. All votes were in favor. Motion Carried.

III. REQUEST APPROVAL FOR PAYMENT OF BILLS-RESOLUTION 2018-26.

Carbone moved, seconded by McMaster to approve the payment of bills as presented. All votes were in favor. Motion Carried.

IV. AGENDA AMENDMENTS

Public Hearing 11:40 AM – we had a resident advisory meeting held on September 21, 2018 to discuss Sprint leasing part of the high rise roof and to discuss the revision on the 5 year plan for Capital funding.

A comment was made that we should not agree to reduce the monthly rent from Sprint. The Executive Director explained the rational for the reduction and implications of not reducing.

There was a comment about interest in getting a permanent grill for the High Rise for residents. The Executive Director recommended that this be considered after a full assessment of capital needs via the physical needs assessment. This would also have to be looked at to see if it is an eligible expense under the grant or not.

The Executive Director commented on purchasing a 4 wheel drive pickup with a plow on it to save on snow removal time for maintenance as well as other revisions identified for review and comment.

Public Hearing closed at 11:52 AM.

V. CITIZENS TO BE HEARD

Petra stated that things are being taken care of at Sharp View in regards to the heat.

VI. BUSINESS

A. Request Board Approval for Revision of 5 Year Plan – Resolution 2018-27.

Plan revision was approved as proposed with one addition for funding to conduct additional testing and develop a management plan related to lead and asbestos.

McMaster moved, seconded by Carbone to approve the revision of the 5 year plan. All votes were in favor. Motion Carried.

B. Request Board Approval for 2018-2019 Revised Budget for Public Housing Program – Resolution 2018-28.

Braun moved, seconded by Carbone to approve the revised budget for public housing program. All votes were in favor. Motion Carried.

C. Request Board Approval for Annual Board Election of Officers – Resolution 2018-29.

Greg Lemke, Chairman, Michael Carbone, Vice-chairman, Terry Braun, Secretary

Braun moved, seconded by McMaster to approve the annual board election of officers. All votes were in favor. Motion Carried.

D. Request Board Approval of 2019 Board Meeting Schedule – Resolution 2018-30.

Braun moved, seconded by McMaster to approve 2019 board meeting schedule. All votes were in favor. Motion Carried.

VII. OTHER BUSINESS:

A. 2019 Flat Rent Amounts – Informational Only (memo provided in board packet).

- 1 bedroom \$553
- 2 bedroom \$687
- 3 bedroom \$993
- 4 bedroom \$1,207

B. Executive Director Updates –

1. 2019 Clay HRA Levy-passed on September 17th, 2018 which will support important work that Clay HRA and other partners are doing to end child homelessness and get lead based paint out of homes. Moorhead Public Housing will receive \$84,500 to fund future opportunities for affordable housing. Board members expressed appreciation to Council Member Elmer for the Moorhead City Council’s support.
2. Asset Repositioning Opportunity- Dawn is researching a HUD Notice that Was issued earlier this year that provides the opportunity for agencies to change to a more sustainable funding stream. It may be advantageous for MPHA to do this for scattered site locations which are primarily single family homes and costly to maintain. It is likely to provide increased funding for the agency while still providing affordable housing for tenants. Dawn emphasized that this would not result in anyone having to move and would not be harmful to current residents. Dawn will bring more information to the board at the October meeting. If the agency decided to move in this direction, it would require a lot of communication with tenants as well as a public comment period.
3. Introduce New Maintenance Staff

VIII. ATTORNEY’S REPORT

None

IX. ADJOURNMENT:

There being no further business to discuss, the meeting adjourned at 12:15 PM.

Greg Lemke – Chairman

Terrv Braun – Secretary

CHECK REQUEST TOTALS

PREPARED: October 19, 2018 PAID IN: Sept and October 2018

	TOTAL AMOUNT	CHECK NUMBERS
PHA	\$ 72,610.26	12167-12247
Payroll- Direct Deposit	\$27,657.09 (2 payrolls)	371-385
Capital Fund	\$0	N/A
AMHSIP	\$8,304.22	43932-43951
BRIDGES	\$9,679.43	53405-53429
BCOW	\$7,781.34	73174-73194
ROSS	\$313.69	60005-60007
TOTAL	\$126,346.03	

*The Check Request Total document from last month (September) had a typo on the check numbers for PHA. It incorrectly read 12103-12117 and should have read 12103-**12167**.

BANK TRANSFERS made between funds:

MPHA has made the final transfer of money from Wells Fargo to Bremer. The last account (PHA Checking) will be closed this week.

DATE OF TRANSFER	FROM ACCOUNT	TO ACCOUNT	AMOUNT	REASON
9/5/18	Wells Fargo Bridges Checking	Bremer Bridges Checking	7,284.64	Final Transfer from Wells Fargo. Closed Wells Fargo PHA Checking Account.

D. Bacon _____

Executive Director Approval

MEMORANDUM

DATE: October 19, 2018

TO: MPHA Board Members

FROM: Dawn Bacon, Executive Director

RE: Asset Repositioning Opportunity- Information and Discussion

The Department of Housing and Urban Development (HUD) recently released new and updated guidance for housing authorities operating Public Housing programs. [PIH Notice 2018-04](#) outlines criteria for agencies to convert public housing units to other programs. **It is important to emphasize that the option that I am presenting for consideration would NOT result in residents being displaced or having to move.** Instead, MPHA would continue to offer the same housing under a more financially sustainable program.

This notice covers a number of options for agencies based on a wide-array of situations. This memo is an initial summary highlighting what opportunities I recommend be considered for MPHA based on our particular circumstances, mission and vision.

Of the 181 public housing units that MPHA operates, 30 include a mix of single-family homes, townhomes and duplexes located throughout the City. The units mostly house families with young children and offer features often unavailable to low income households such as a house with a backyard and a quiet neighborhood without concentrated poverty. The challenge that MPHA faces with these units is funding. It is also more costly to maintain houses scattered around a community than it is to maintain apartment buildings. The Public Housing program is consistently funded at less than 100%, which puts a fiscal strain on the budget.

PIH Notice 2018-04 identifies this rationale for conversion by stating the following: *“Scattered Site Units- Due to distance between the units and lack of uniformity of systems (e.g. HVAC, utilities) the PHA demonstrates an unsustainability to operate and/or maintain the units as public housing. For purposes of this notice, scattered site units generally mean units in non-contiguous buildings with four or fewer total units.”*

I am recommending that the agency explore the option to convert these 30 units from the Public Housing Program to the Project Based Voucher (PBV) Program.

Project Based Voucher (PBV) or Project Based Rental Assistance (PBRA)

The two program options to transfer to are PBV and PBRA. If we choose PBV, Clay HRA could administer the voucher or housing subsidy. MPHA would continue to serve as the property manager and landlord. Under this option, MPHA would have significantly less administrative responsibilities and restrictions but at a much higher funding level. If MPHA wanted to continue to administer the housing subsidy (doing rent calculations) the agency would need to pursue a contract through a different division of HUD (Multi-Family) for Project Based Rental Assistance and develop a new set of regulations and protocols.

Project Based Voucher Eligibility

The PBV program has some different eligibility requirements for income levels of households than it does for Public Housing. Current residents who exceed income levels would not have their units immediately converted to PBV. However, the agency could choose to remove them from the public housing program and offer a similar (affordable) rent structure to public housing. Currently, 7 of the 30 units are not eligible to convert to the PBV program due to income. Household income is a very fluid situation that would need to be continually revisited in fiscal analysis. More units could convert to PBV as changes occur over time.

Funding

If MPHA converted over today, it would come with an estimated annual increase of \$47K over current revenues. The estimated potential for a future increase over current figures is \$63K annually. These figures are rather conservative and could be higher.

- Estimated Current Annual Revenue (HUD Subsidy+ HUD Capital Funding+ Public Housing Rents)= 264K
- Estimated Future Annual Revenue Potential (PBV Rent)= 311- 327K

Reserves and Capital Needs

One consideration is that Public Housing resources are prohibited from contributing to the operation of any converted units. In addition, the Capital Funding Grant and Operating Subsidy amounts would no longer be available for these units. Rent collected would need to cover all costs related to operations, including capital needs improvements. MPHA has a limited amount of agency reserves that are not restricted to public housing.

Process

If the board determines that it wants to move forward with this opportunity, MPHA would need to initiate a process of public input, including meeting with residents, consultation with local government officials, and a public hearing prior to a PHA board resolution. Then, an application would be submitted to HUD's Special Applications Center (SAC) to remove the scattered site units from the public housing inventory so that they can be transferred to a different affordable housing program. The SAC reviews applications for demolition and disposition in accordance with the requirements of 24 CFR Part 970. Having this change effective 1/1/2020 would coincide well with changes to the HUD funding awards, which are on a calendar year cycle.

MEMORANDUM

DATE: October 19, 2018

TO: MPHA Board Members

FROM: Dawn Bacon, Executive Director

RE: Public Housing Assessment System (PHAS) Score Report for Interim Rule- Information Only

The Public Housing Assessment System (PHAS) is a system of accountability to assist HUD in monitoring and evaluating the performance of public housing agencies. Agencies receive a grade for each of the four performance indicators, then one overall score.

Housing agencies with fewer than 250 units will be assessed under PHAS every third year if they are high performers, every other year if they are standard or substandard performer, and every year if they are designated as overall troubled or troubled under the capital fund indicator.

Our latest score for FYE 2018 was recently announced as 92. This is a very good score. **If this was a year where MPHA was being assigned a designation, we would be in the High Performer category.** If MPHA can maintain this score for the coming year, it will come with better funding and less frequent REAC inspections.

The Score Report recently issued to Moorhead Public Housing Agency will be included in the board packet for review.



U.S. Department of Housing and Urban
 OFFICE OF PUBLIC AND INDIAN HOUSING
 REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim Rule

Report Date: 10/01/2018

PHA Code:	MN017
PHA Name:	MOORHEAD PUBLIC HOUSING AGENCY
Fiscal Year End:	06/30/2018

PHAS Indicators	Score	Maximum Score
Physical	32	40
Financial	25	25
Management	25	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	92	100
Designation Status:	Small PHA Deregulation	
Published 10/01/2018	Initial published	10/01/2018

Financial Score Details	Score	Maximum Score
Unaudited/Non Single Audit		
1. FASS Score before deductions	25.00	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit Penalties)	25.00	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	98.90	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

1. The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
2. Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
3. "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
4. "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund

5. PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasintrule.cfm>