



Board of County Commissioners Agenda Request

5A
Agenda Item #

Requested Meeting Date: 10-12-2021

Title of Item: Aitkin County HRA Update

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input checked="" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
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Submitted by: Brittany Searle	Department: Administration/HR
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Presenter (Name and Title): Teresa Smude	Estimated Time Needed: 10
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Summary of Issue:
Teresa Smude to give an Aitkin County HRA Update

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Financial Impact:
Is there a cost associated with this request? Yes No
What is the total cost, with tax and shipping? \$
Is this budgeted? Yes No *Please Explain:*



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TO: Aitkin County Commissioners
FROM: Teresa L. Smude, Executive Director
DATE: October 5, 2021
RE: Aitkin County Housing & Redevelopment Authority Update

I wanted to provide an update of some of the great things that have happened in the past 12 months and some exciting things that are currently happening at the Aitkin County HRA (ACHRA).

You may recall that we have 145 public housing units; 60 one bedroom units in Aitkin (Maryhill Manor), 30 one bedroom apartments in McGregor (Pioneer Villa), 13 family units in McGregor, 30 one bedroom apartments in Hill City (Hill Lake Manor), 12 family units in Hill City, and 16 one and two bedroom elderly Rural Development units in Aitkin (Village Apartments). Our agency also has 31 Section 8 Housing Choice Vouchers.

An explanation of how our public housing program is scored is as follows:

Public Housing Assessment System (PHAS)

HUD scores Public Housing Authorities (PHAs) by four categories: Physical condition (40), financial condition (25), management operations (25) and capital fund program (10) for a total possible score of 100. Scores above 90 result in a high performer designation. PHAs who are designated high performing agencies are scored every three years, so our agency will not be scored again until 2022.

In 2020 we were scored for FYE 12/31/2019 (see attached). We received a score of 91 which made our agency a high performer for the first time since 2009. For the years 2010 through 2018, our scores had been from a low of 79 (substandard management) to a high of 86 (standard performer).

Physical Condition - The ACHRA had a HUD physical inspection of all public housing units in February 2020. Deficiencies noted in the inspection were damaged/cracked fire doors, broken/damaged door closures and ineffective fire alarm systems at both the Pioneer Villa and Hill Lake Manor. The doors and closures are original to the buildings and will be replaced with funds addressed in more detail below.

Financial Condition - Months Expendable Net Assets Ratio (MENAR) - A measure of viability; measures the PHA's ability to operate using its net available unrestricted resources without relying on additional funding. HUD suggests PHA's have six months of reserves, but requires four months of reserves, in order to receive full points. HUD considers agency with one month or less of reserves to be insolvent.

When I began at the HRA in April 2019, our MENAR was 1.9 months of reserves. As of August 31, 2021, our MENAR is 7.9 months of reserves.

Management Operations – Occupancy Rate - Since I began my employment at the ACHRA in April 2019, our occupancy rate has maintained an average of 99%, with a currently occupancy rate of 100%.

Capital Fund Program - The Capital Fund program indicator score provides an assessment of a PHA's ability to obligate Capital Fund program funds in a timely manner, as well as a PHA's occupancy rate.

We have completed the following capital improvement projects in the past 18 months with Capital Funds:

1. Replaced all of the windows in 13 family units in McGregor
2. Reconstructed the crawl spaces at 13 family units in McGregor
3. Lead based paint testing at 13 family units in McGregor
4. Remodelled a 3 bedroom unit in McGregor due to tenant damages (walls, doors, flooring, cabinets & appliances)
5. Installed water shut-off valves at Pioneer Villa and Hill Lake Manor
6. Replaced flooring in the stairwells and laundry room at Hill Lake Manor
7. Replaced all common area flooring at Pioneer Villa
8. Replaced furnaces in all 25 family units (Hill City and McGregor)
9. Updated the security camera system at Maryhill Manor
10. Remodelled the Community Kitchen at Maryhill Manor
11. Replaced common area fire doors, installed a key FOB system and push to enter/exit ADA compliant front doors at Maryhill Manor (currently in progress)

Publicly Owned Housing Program (POHP)

The Aitkin County HRA has been awarded, at minimum, \$260,200 from the Minnesota Housing Finance Agency as part of its Publicly Owned Housing Program (POHP). This program has been authorized by the Minnesota Legislature for the purpose of providing funding to a public housing authority for the rehabilitation and preservation of public housing. The program will operate in the form of a 20-year, deferred, forgivable loan.

These funds will be used to replace all common area fire doors, the fire alarm systems and install ADA compliant entrances at Pioneer Villa and Hill Lake Manor. In addition to the POHP loan, the ACHRA has committed to leverage \$125,000 of our 2021 Capital Funds for these projects.



U.S. Department of Housing and Urban Development

OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim

Report Date: 12/09/2020

PHA Code:	MN037
PHA Name:	HRA of AITKIN COUNTY, MINNESOTA
Fiscal Year End:	12/31/2019

PHAS Indicators	Score	Maximum Score
Physical	34	40
Financial	25	25
Management	22	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	91	100
Designation Status:	High Performer	

Published 12/09/2020

Initial published 03/10/2020

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)	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 %	100.00	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

- 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.
- Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
- "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
- "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
- PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>