

ST. CLOUD HRA ANNUAL REPORT FOR 2017

Housing Choice Voucher Program (HCV) Regular Vouchers

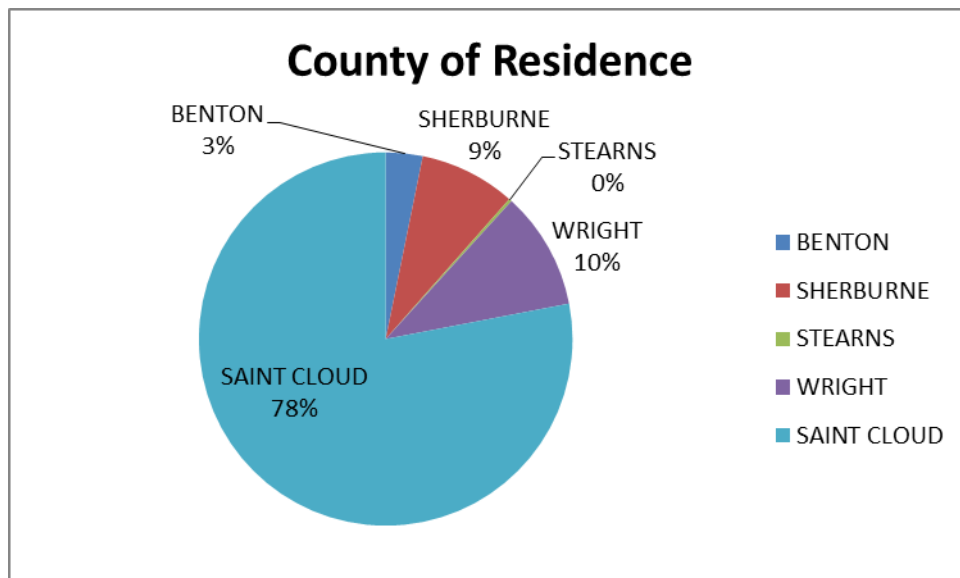
The Housing Choice Voucher Program (HCV) is a HUD funded, locally administered program that helps low-income households affordably rent market-rate housing owned and managed by private landlords. The HRA makes a payment to the landlord that bridges the gap between 30 percent of the tenant's income and the actual rent. The HRA administers 950 Vouchers. This includes 45 Project Based Assistance Vouchers (PBA) and 75 HUD-VASH Vouchers listed later in this report.

- \$4,842,914 was received from HUD for housing assistance payments (HAP)
- \$4,841,817 in HAP (Housing Assistance Payment) was paid to 389 private landlords/property owners.
- \$552,458 was received from HUD for administrative costs.
- Average HAP was \$469.

The waiting list for HCV is currently closed. The approximate wait time is seven years. The next applicants who will be contacted for available vouchers applied to the waiting list in February 2010. There are approximately 318 households on the waiting list.

- 174 applicants were contacted to determine eligibility for a voucher in 2017. 59 applicants responded.
- 42 applicants were housed in 2017.

The jurisdiction for the voucher program is the city limits of St. Cloud, and Benton, Sherburne and Wright Counties.

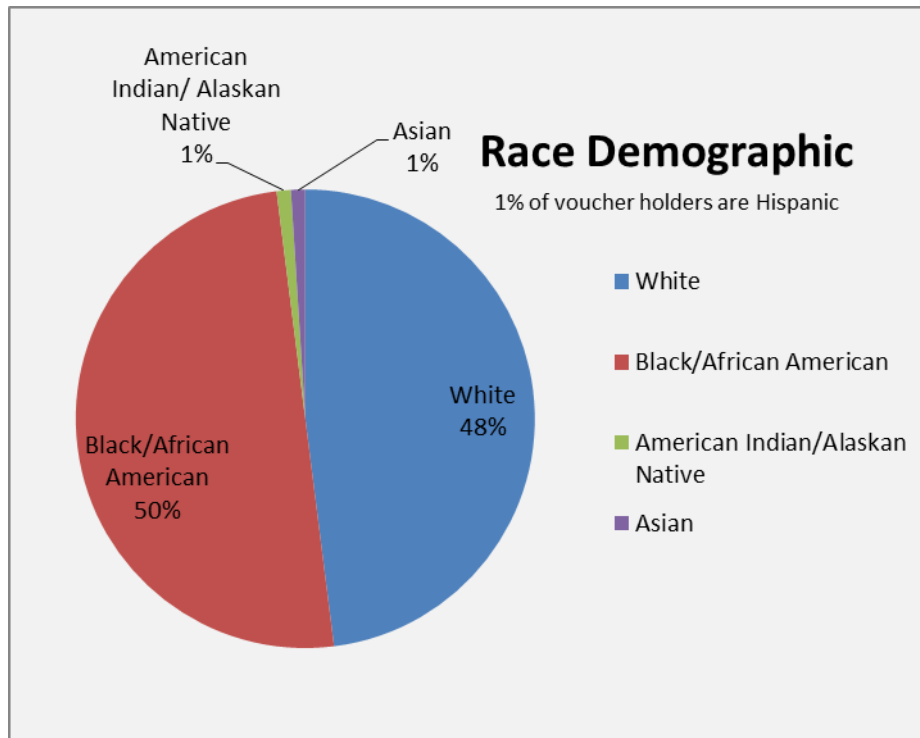


Of the leased vouchers:

- 44% of households are disabled
- The average household has been on the program 7 years
- The average household income is \$16,355
 - 402 households have earned income
 - 581 households have fixed income
 - 187 households have both earned and fixed income
- 43% of household members are age 0-17
- 23% of household members are age 18-35
- 20% of household members are age 36-54
- 6% of household members are age 55-61
- 7% of household members are age 62 and older
- 76% of voucher holders are female
- 79% of voucher holders were eligible citizens in 2017.

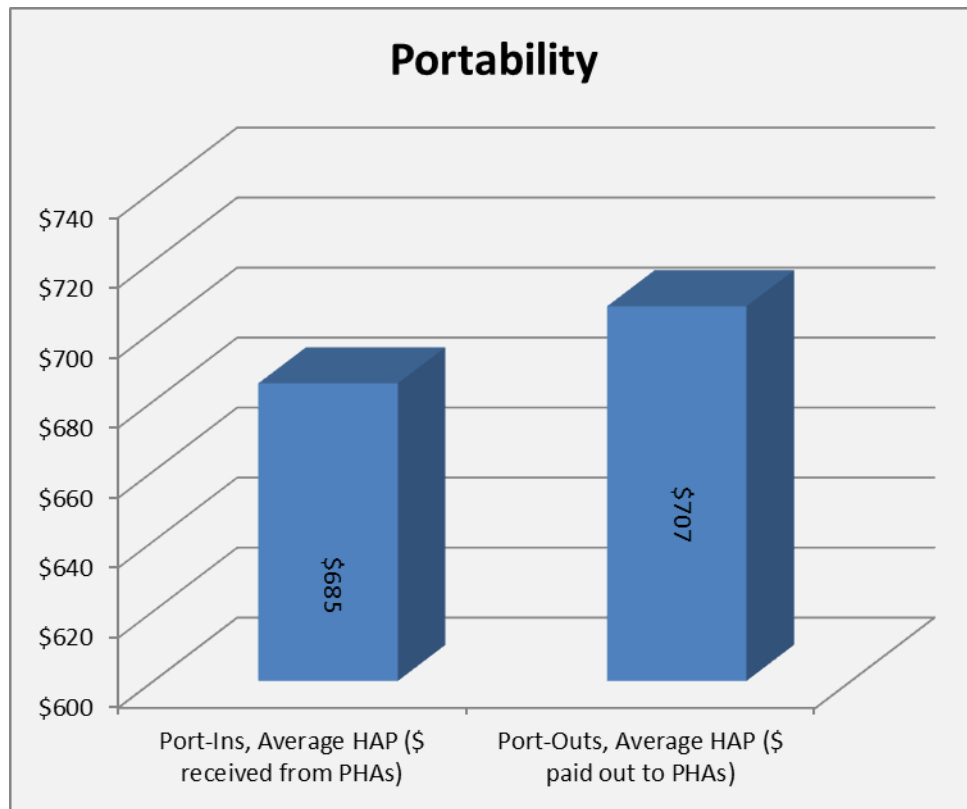
Historical citizenship statistics:

Year	Eligible Citizen Voucher Holders
2016	80%
2015	83%
2014	84%
2013	87%
2012	89%
2007	95%



Portability

Portability provides flexibility to participants to relocate to other areas of the country for family needs.



There are 37 port out vouchers and the average HAP paid for port-out vouchers is \$707 per month. There are 217 port in vouchers and the average HAP received for port-in vouchers is \$685 per month.

Large Families

115 households qualified for a four-bedroom voucher in 2017.

- 40 rent a three-bedroom unit
- 71 rent a four-bedroom unit
- 4 rent a five-bedroom unit

42 households qualified for a five-bedroom voucher in 2017.

- 5 rent a three-bedroom unit
- 25 rent a four-bedroom unit
- 10 rent a five-bedroom unit
- 1 rents a six-bedroom unit
- 1 rents a seven-bedroom unit

11 households qualified for a six-bedroom voucher in 2017.

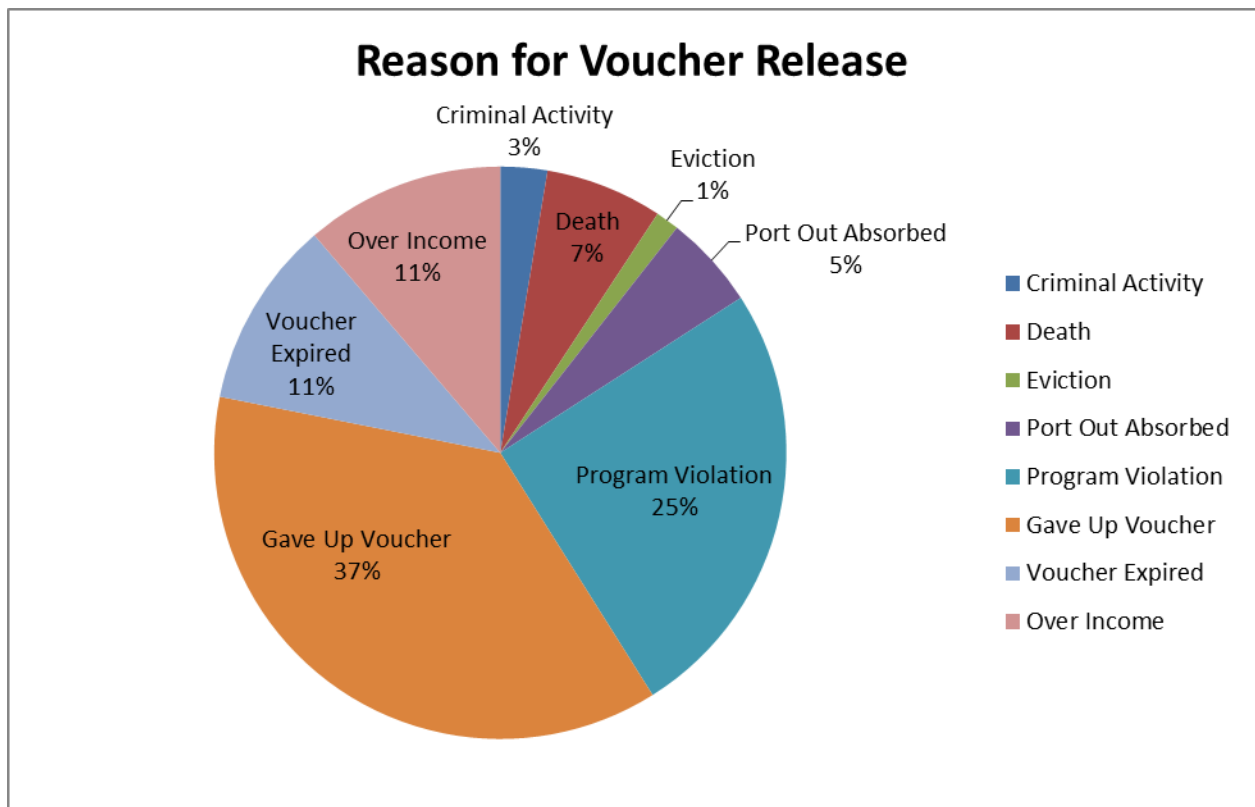
- 8 rent a four-bedroom unit
- 1 rents a five-bedroom unit
- 2 rent a six-bedroom unit

Historical large family voucher statistics:

	Households Qualified for a:		
	4 bedroom voucher	5 bedroom voucher	6 bedroom voucher
2016	113	34	9
2015	79	22	2
2014	75	18	3
2013	49	10	1
2012	63	10	3
2011	51	8	2
2010	37	6	0

Releasers

151 Households left the Housing Choice Voucher Program in 2017.



Project Based Assistance (PBA), included in our total allocation of 950 vouchers

45 vouchers are under contract for PBA. The developments that have approved contracts are:

- Westwood Village Apartments One, 8 units.
- Swisshelm Village Apartments One, 8 units.
- Swisshelm Village Apartments Two, 8 units.
- Eastwood Apartments, 4 units
- The Highlands Apartments, 17 units.
- The funds for PBA vouchers are part of the funding received for the total 944 vouchers.

Veterans Affairs Supportive Housing (VASH) Vouchers, included in our total allocation of 950 vouchers

The VASH program combines HCV housing assistance with case management provided by the Department of Veterans Affairs (VA). There are 75 VASH vouchers and they must be used by a homeless veteran that is referred to the HRA by the St. Cloud VA.

- \$279,026 was paid to private landlords/property owners for HAP.

Family Self-Sufficiency (FSS) Program

This program is a collaborative effort with Tri-CAP to promote self-sufficiency among participating households who also receive HCV assistance. Tri-CAP provides employment training to FSS program participants. The program has 6 mandatory slots.

Shelter Plus Care (7 grants have been consolidated to 3 grants)

Shelter Plus care is funded by HUD. The program provides rental assistance to persons who are chronically chemically dependent, seriously mentally ill and chronically homeless. Participants are required to cooperate with support services provided by the Central MN Mental Health Center.

- There are 43 Shelter Plus Care slots and we were able to fill 45 slots due to lower than average HAP expenses.
- \$273,492 was received for HAP. The administrative fee is 8 percent of rental assistance paid per month.

Bridges, Bridges Long-Term Homelessness, Bridges Regional Treatment Center (RTC)

The Bridges and Bridges Long-Term Homelessness Programs were combined into one Bridges grant with the biennium starting July 1, 2017. Bridges and Bridges RTC programs are funded by MN Housing Finance Agency. Qualified persons must have a severe mental illness. Bridges RTC provides housing assistance for people who are homeless or at significant risk of homelessness upon Anoka Regional Treatment Center at admission or discharge.

- Bridges has 45 slots. Bridges RTC has 3 slots.
- \$238,373 was received for HAP and administrative fees for Bridges.
- \$11,981 was received for HAP and administrative fees for Bridges RTC.
- \$45-60 per month per participant is paid to the HRA for an administrative fee.

CommUNITY

CommUNITY is funded through a grant that is co-sponsored by Benton, Sherburne, Stearns and Wright Counties. Rental assistance is provided to persons with severe persistent mental illness.

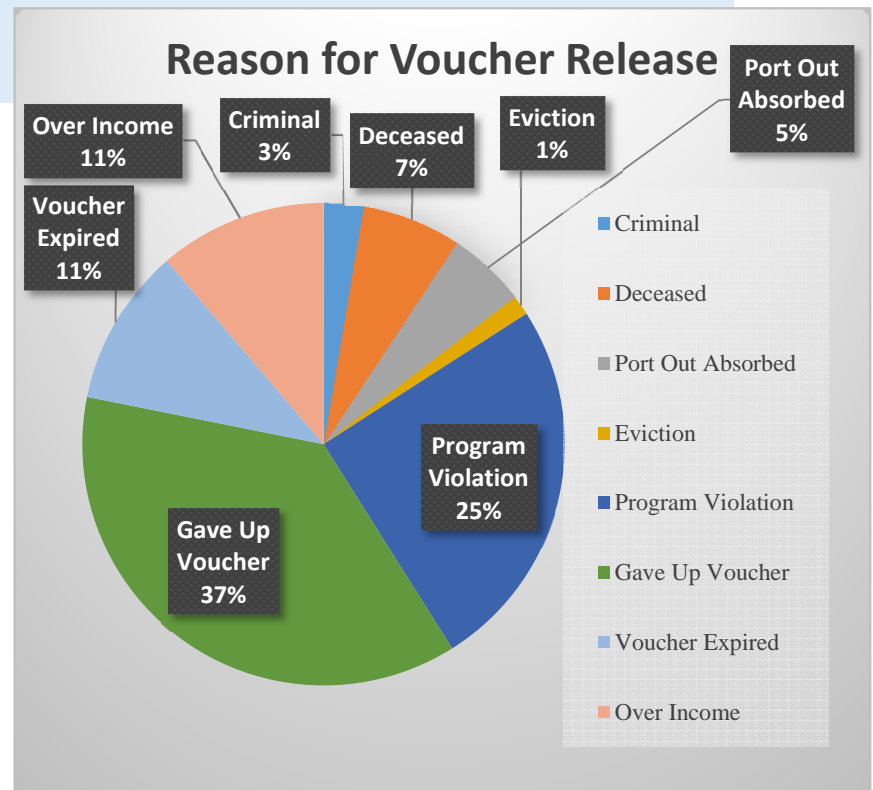
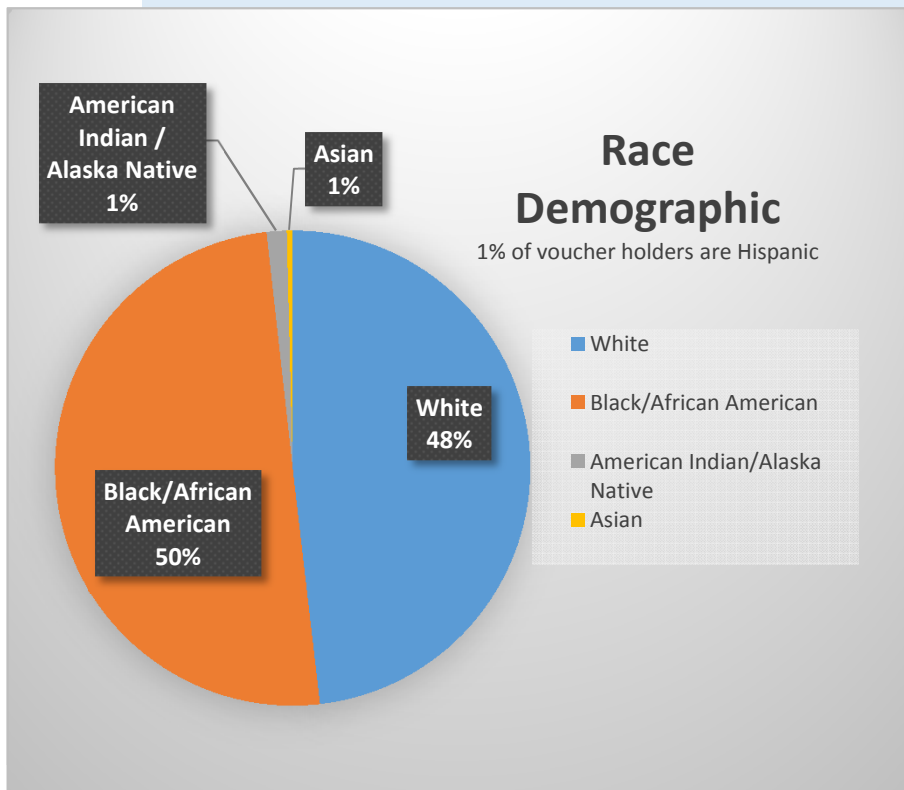
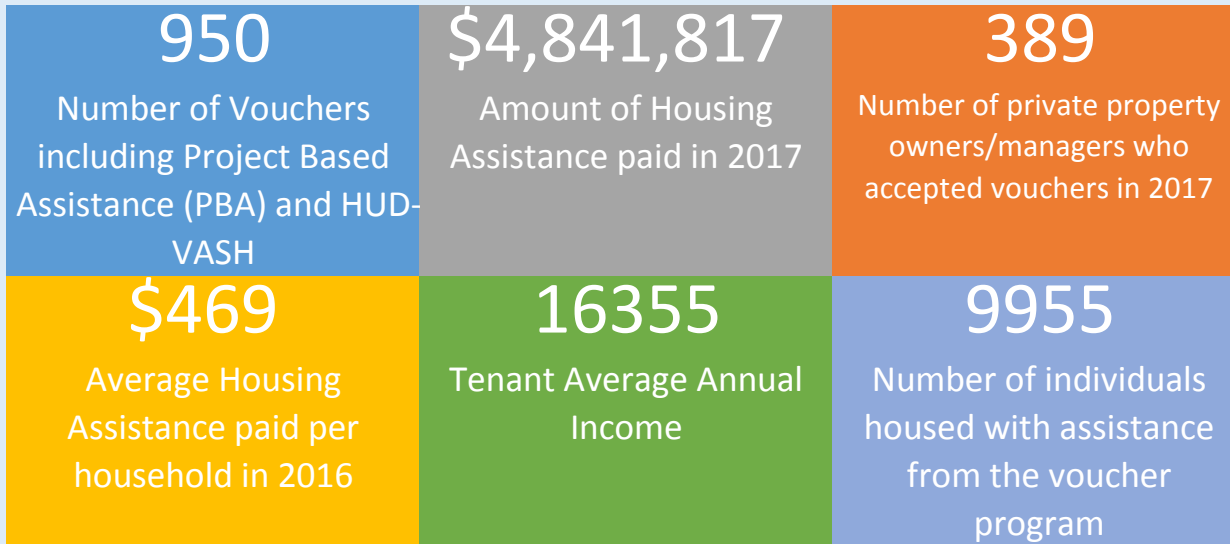
- \$94,206 was received for HAP and administrative fees and served 16 households.
- \$300 administrative fee is paid per month regardless of the number of participants.

ACT Housing (f.k.a. Phase I Program)

ACT Housing provides rental assistance for persons being released from state hospitals and those that would have been served by state hospitals

- ACT Housing has 9 slots.
- \$49,025 was received for HAP and administrative fees to serve 10 households.
- \$40 per month per participant is paid to the HRA for administrative fee.

Know the Voucher Numbers 2017



PROPERTY MANAGEMENT AND RENTAL PROGRAMS

Property Management

The rental housing owned by the St. Cloud HRA consists of four funding areas. The four areas are Public Housing, Section 8 New Construction, Affordable and Tax Credit. The overall vacancy rate for 2017 was 2.14%. In 2016 the vacancy rate was 2.13%.

Public Housing

The Public Housing Program was created in 1937 under the Housing Act. Each resident pays 30% of their adjusted income in rent. Public Housing is operated from the rent paid by residents and an operating subsidy from HUD. The Public Housing vacancy rate for 2017 was 1.62%.

The HRA owns and manages 291 units of Public Housing comprised of:

- 89 units at Empire Apartments
- 126 units at Wilson Apartments
- 76 family units, including 40 scattered site homes

In 2017:

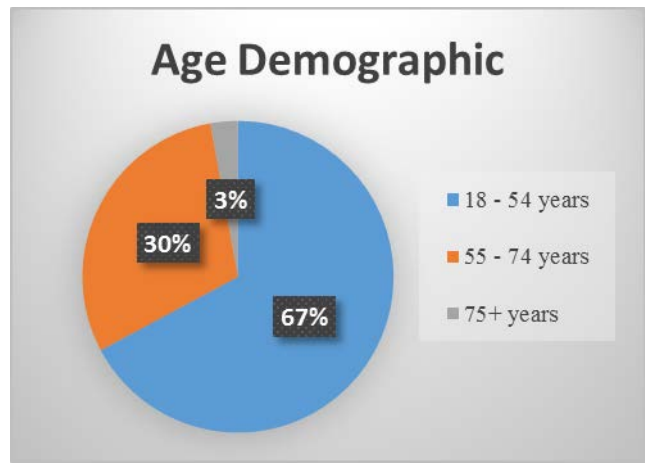
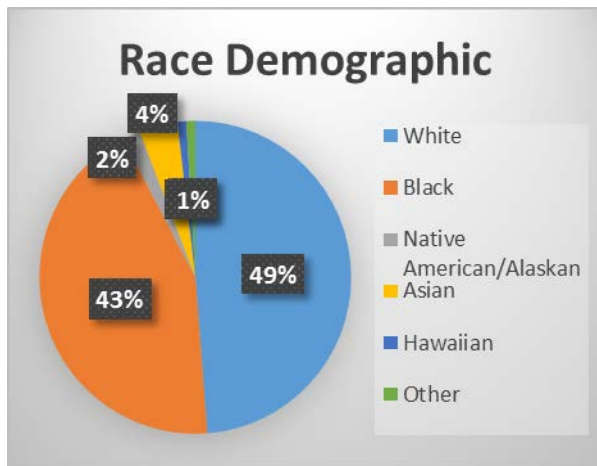
- 850 applicants were sent out for top of the waiting list selection. Of those, 183 appointments were made.

Head of household race:

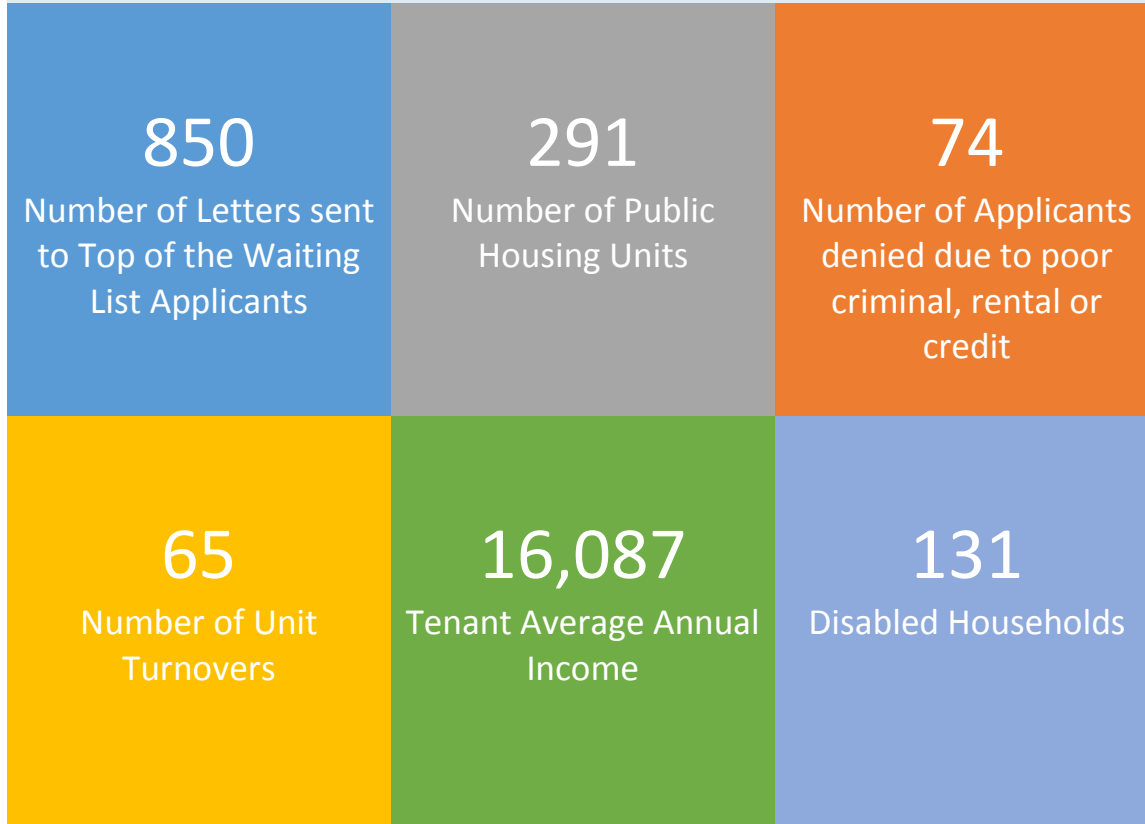
- 49% White, 43% Black, 2% American Indian, 4% Asian, 1% Native Hawaiian, 1% other
- 57% female head of household
- 41% head of households are disabled
- \$16,086.78 is the average annual income of Public Housing residents
- 186 households were on fixed incomes (Social Security, SSI, pensions)
- 144 households reported variable income (wages)
- Unit turnover: Wilson 32; Empire 24; Scattered Sites 11

Household age demographic:

- 18-54yrs. 67% 55-74yrs 30% 74+yrs 3%
- 0-17yrs. 253 children residing in public housing



Know the Public Housing Numbers 2017



Section 8 New Construction:

The Housing and Community Development Act of 1974 created the Section 8 New Construction Program. Each resident pays 30% of their adjusted income in rent. Each apartment complex has a Housing Assistance Contract with HUD to cover the balance of the rents. The vacancy rate in 2017 for these properties was 1.28%.

The HRA owns and manages 162 units of S8NC comprised of:

- 102 units Grace McDowall Apartments/Northway B Townhomes
- 60 units Germain Towers Apartments

In 2017:

- 635 applicants were sent top of the waiting list letters. Of those, 86 persons responded with follow-up appointments.

Head of household race:

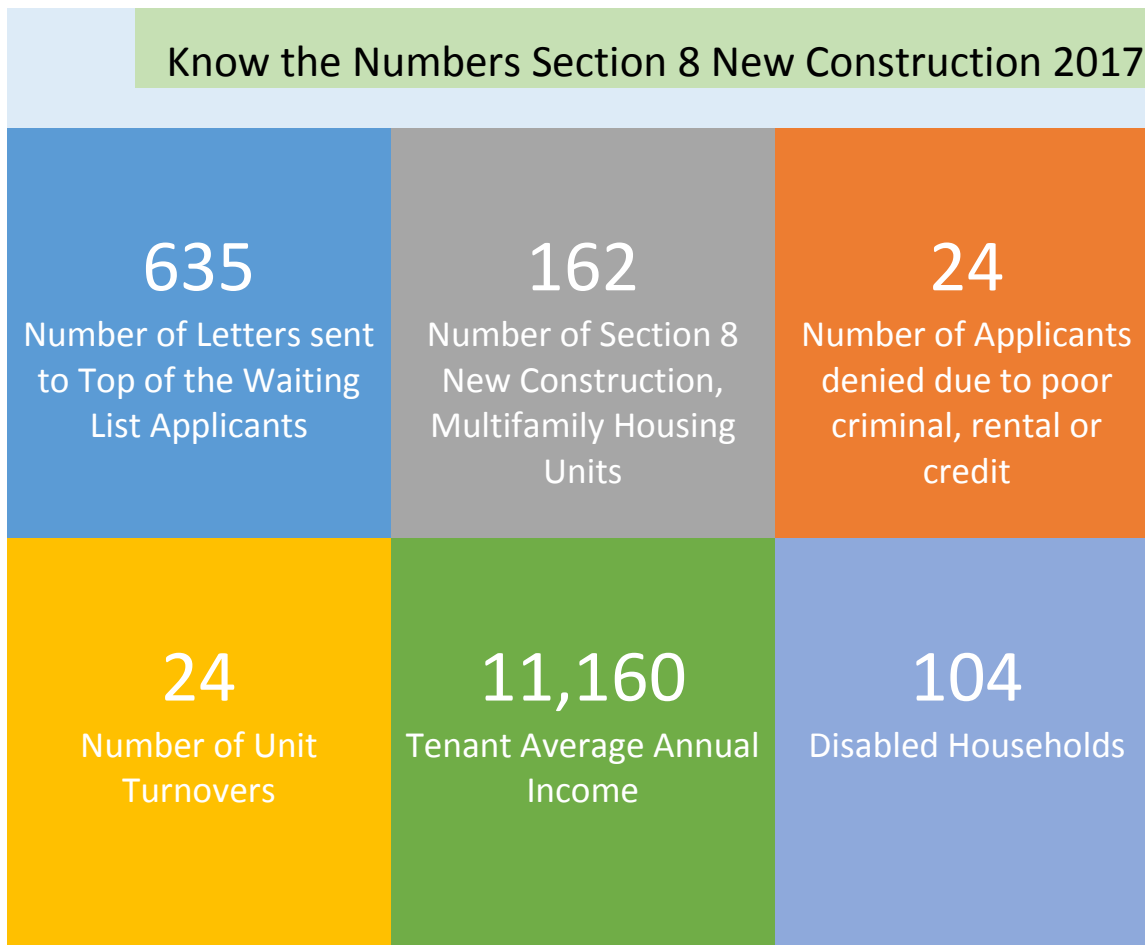
- 74% White, 20% Black, 1% American Indian, 3% Asian, 1% Hawaiian Islander, Other 1%

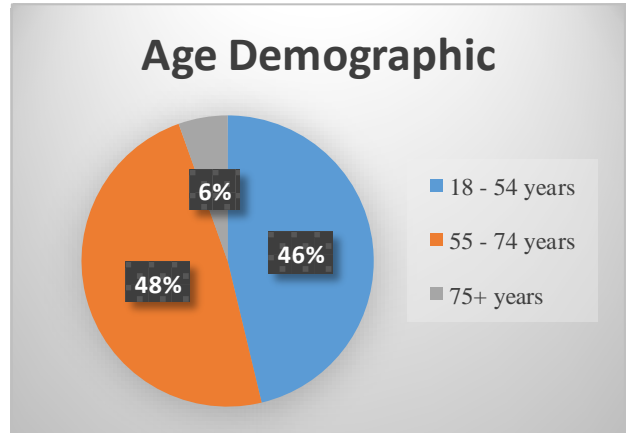
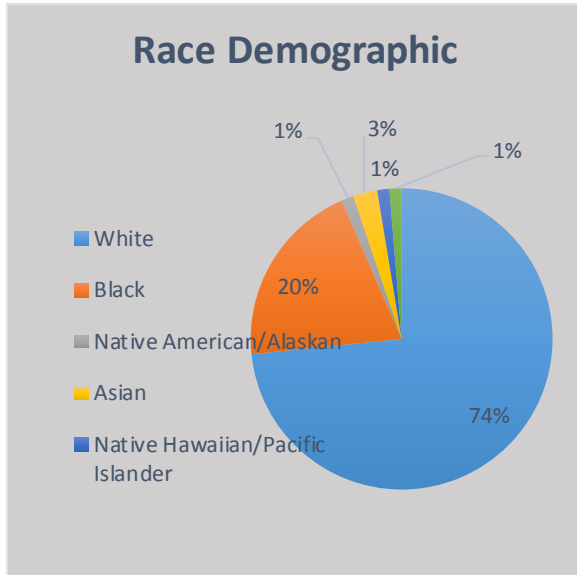
- 61% female head of households
- 70% head of households are disabled
- \$9,847 is the average annual income of S8NC residents at Germain Towers
- \$11,944 is the average annual income of S8NC residents at Grace McDowall/Northway B
- There were 131 households with fixed incomes (Social Security, SSI, Pension)
- 42 households had variable income (wages)
- Unit turnover: Grace/Northway 11; Germain Towers 13

Household age demographic:

0-17yrs. = 87 18-54yrs. 46% 55-74yrs 48% 74+yrs 6%

Between Public Housing and Section 8 New Construction 99 applicants were denied due to one or more of these reasons: 1) Criminal Background 2) Credit History 3) Rental References.





Affordable Housing:

The St. Cloud HRA has two apartment complexes under the Affordable Housing Fund. Rents are set below the fair market rents. The vacancy rate for 2017 was 3.36%.

The HRA owns both properties but Catholic Charities manages Al Loehr:

- 18 units at Eastwood Apartments
- 61 units at Al Loehr Apartments
- Unit turnover: Eastwood 7; Al Loehr 18

Al Loehr Veterans and Community Apartments

Head of Household:

- 68% Male; 32% Female
- 52% Veterans
- Average length of stay is 4 years

Tax Credit:

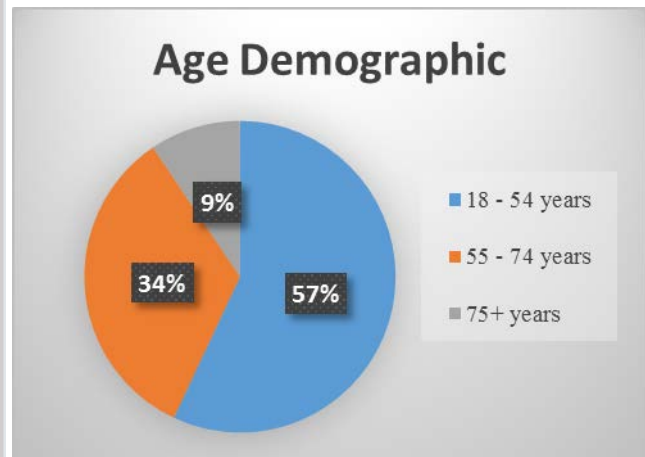
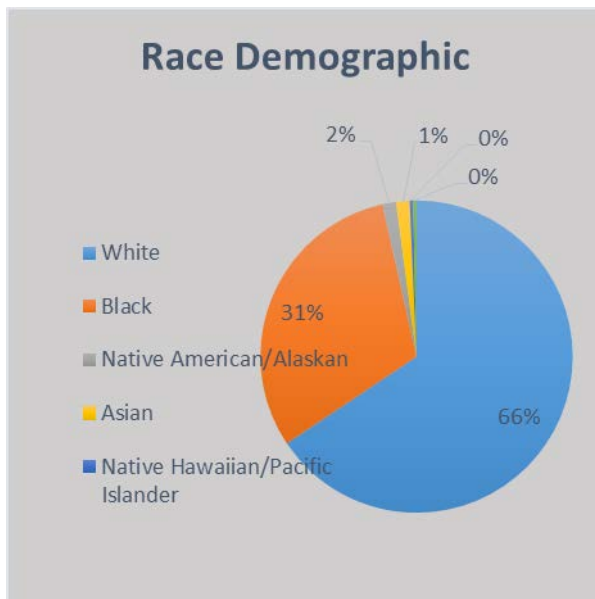
The St. Cloud HRA has seven tax credit properties. These complexes were built under Section 42 of the IRS Housing Tax Credit Regulations. Eligible residents must have incomes at or below for 2 persons \$35,160 and for 3 persons - \$39,540 to rent at a tax credit property. The vacancy rate at the tax credit properties was 2.3% in 2017.

The HRA owns and manages 249 units of Tax Credit housing comprised of:

- 24 units at The Creeks Townhomes
- 12 units at The Brownstones Townhomes
- 32 units at Westwood Village One Apartments
- 32 units at Westwood Village Two Apartments
- 32 units at Swisshelm Village One Apartments
- 32 units at Swisshelm Village Two Apartments
- 85 units at Riverside Apartments

In 2017:

- 67% of tax credit units have female head of household
- Head of household race - 66% White, 31% Black, 2% American Indian, Asian 1%
- Unit turnover: Creeks - 7; Brownstones - 2; Westwood Village One - 13; Westwood Village Two - 6; Swisshelm Village One - 2; Swisshelm Village Two - 8; Riverside - 21



Know the Numbers Tax Credit Properties 2017

15,684

Average Annual
Income

249

Number of Tax Credit
Housing Units

17

Number of Applicants
denied due to poor
criminal, rental or
credit

59

Number of Unit
Turnovers

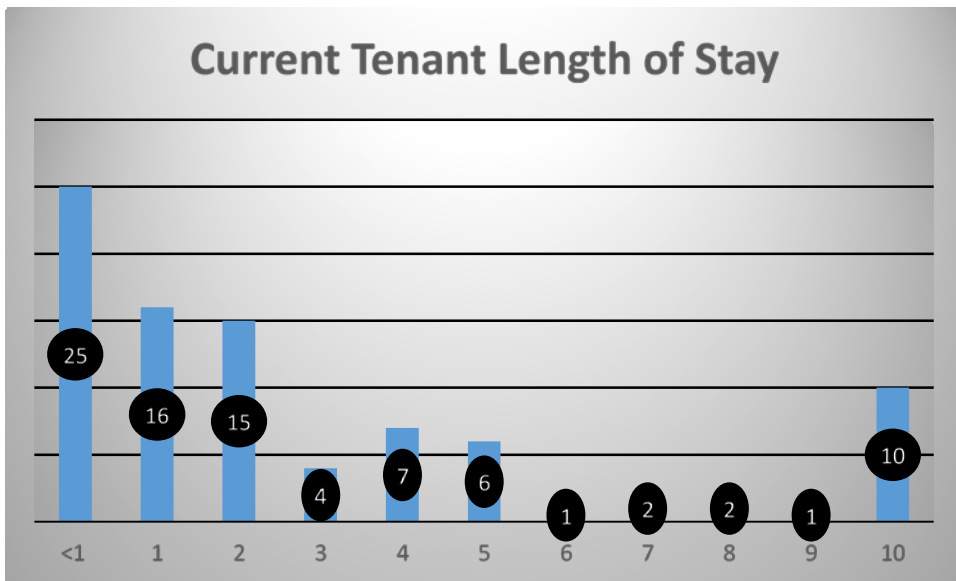
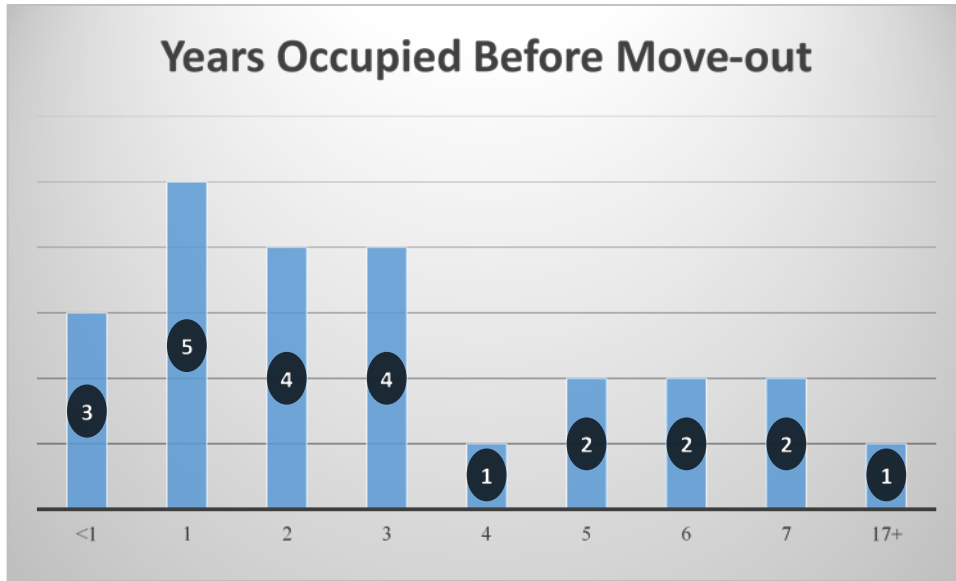
287

Number of Children
housed in Tax Credit
Properties

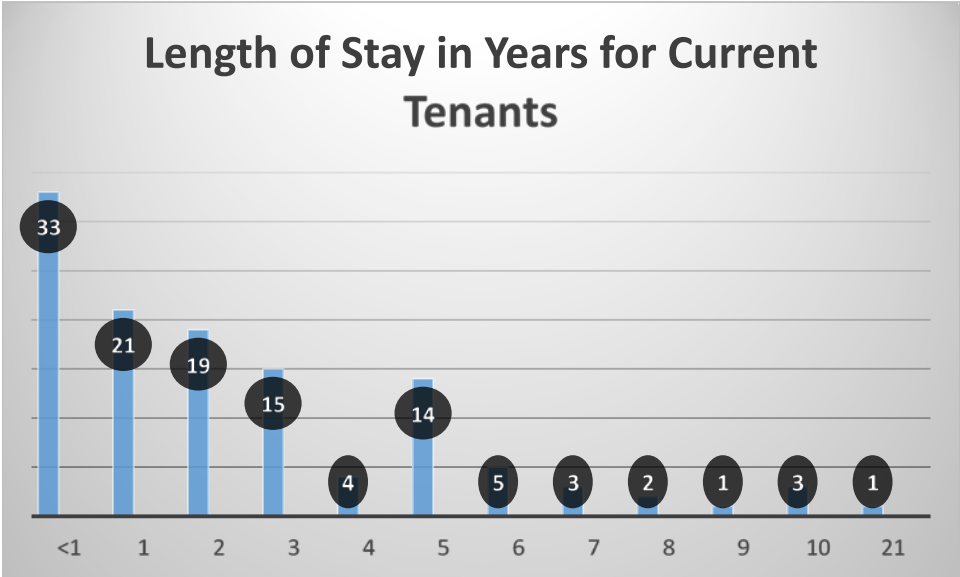
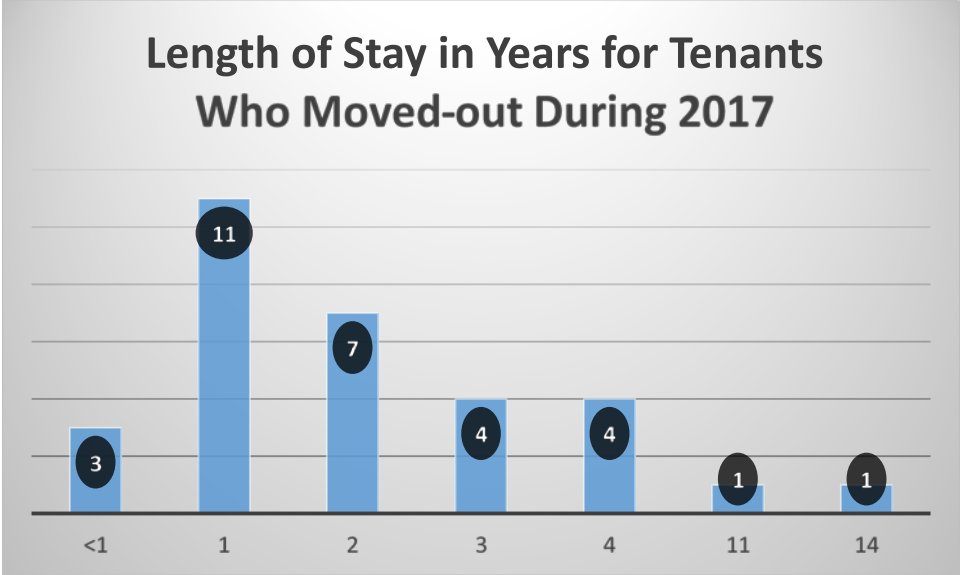
75

Disabled Households

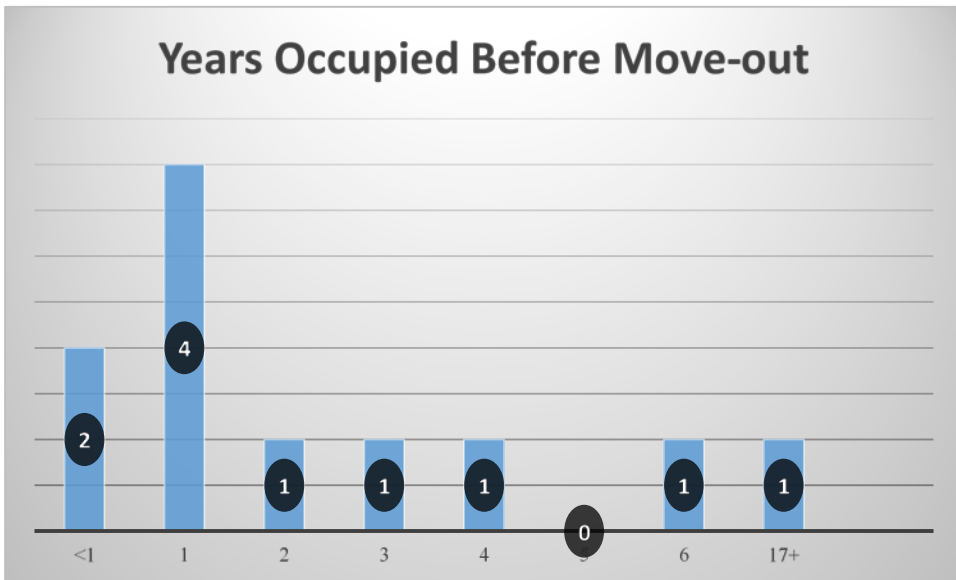
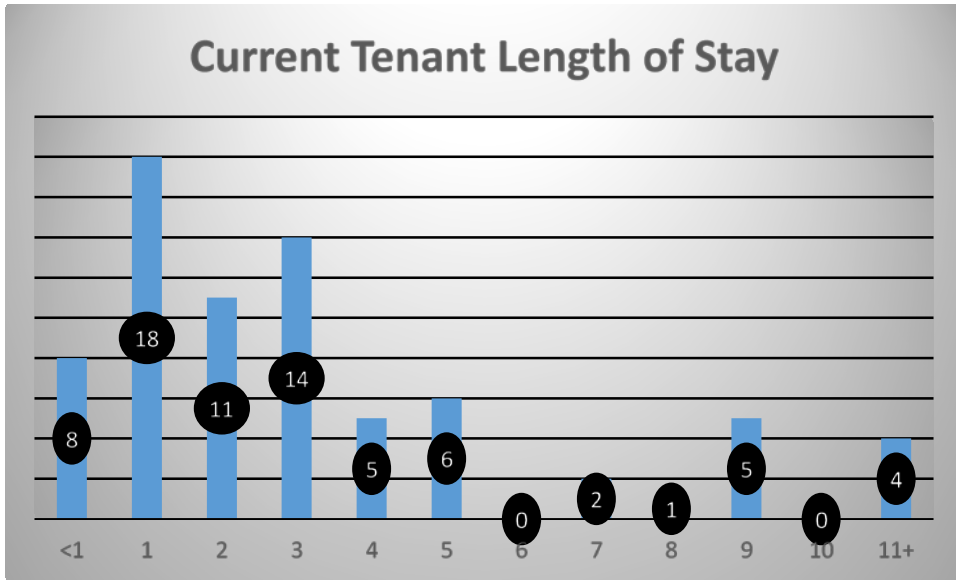
Empire:



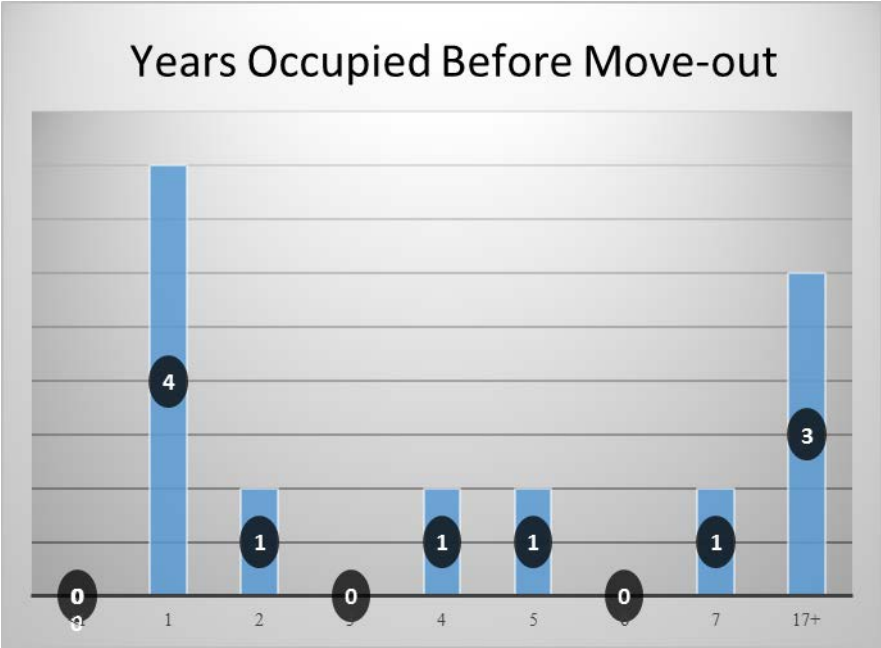
Wilson Apartments



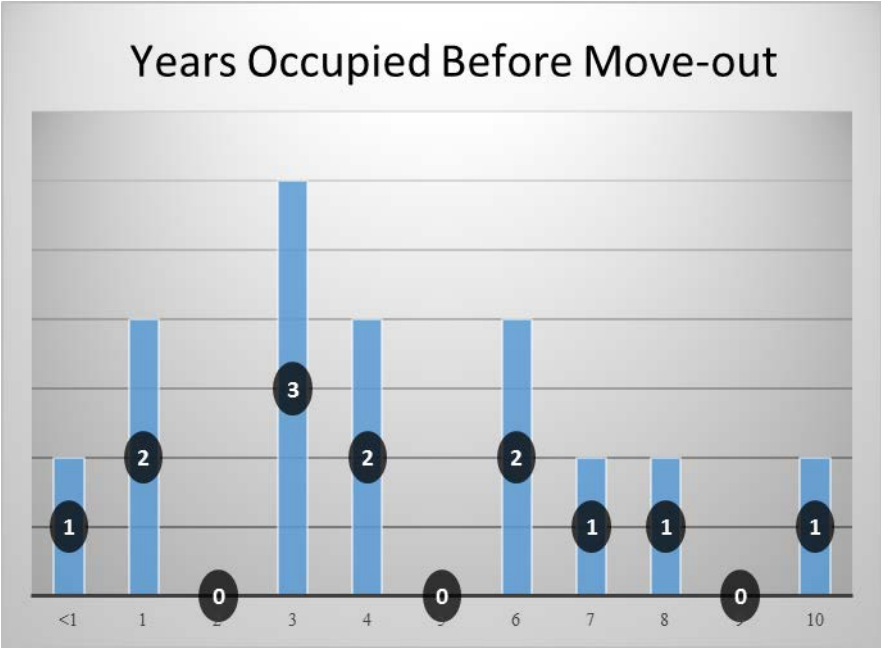
Scattered Sites



Grace McDowall – Average Length of Stay is 5 yrs.



Germain Towers – Average Length of Stay is 4 yrs.



ANNUAL REPORT 2017

CAPITAL IMPROVEMENT PROJECTS

Significant projects during 2017 were as follows:

1. Drainage project at Cedar Ridge Townhomes to alleviate water / ice hazards at sidewalk. The cost of this project was \$56,030 and paid for with HUD's Capital Fund Program, which is an annual grant for Public Housing capital improvements.
2. Installation of bathrooms in basements of seven scattered-site single-family homes. The cost of this project was \$90,300 and paid for with HUD's Capital Fund Program.
3. Parking Lot replacement at Grace McDowall Apartments (Northway A) and Northway B Townhomes. The cost of this project was \$88,400 and paid for with Northway's operating budget through an operating transfer from the Community Housing Fund.
4. Roof replacement at Grace McDowall Apartments. The cost of this project was \$98,389 and will be paid for with Northway's operating budget through a transfer from the Community Housing Fund. This project will be completed in 2018.

NEIGHBORHOOD PROGRAMS

CDBG Homeowner Housing Rehabilitation Program:

The CDBG Rehab Loan Program provides a deferred loan (no payment – no interest) for a period of 30 years or whenever the owner sells the home. The loan is for low-to-moderate income homeowners for home improvements directly affecting the safety, habitability, energy efficiency and accessibility of their homes. The maximum loan amount is \$25,000. In 2017 there were 14 projects completed and 9 are currently in process. Total 2017 program expenses were approximately \$312,000. There were 2 loan repayments (program income) totaling \$38,925.

St. Cloud Fix Up Loan Program

In October of 2014, the St. Cloud HRA Board of Commissioners approved the St. Cloud Fix Up Loan Program. A total of \$300,000 was set aside for this program. In 2016 the program was funded an additional \$50,000. In 2017 the HRA Board approved raising the maximum loan amount to \$25,000, increasing the program boundary to become city-wide and allocating funds of \$75,000 for three additional loans.

The St. Cloud Fix-Up Loan Program provides a deferred loan (no payment – no interest) for a period of 15 years or whenever the owner sells the home or it ceases to be their primary residence. The loan is for homeowners with an income of 85% Area Median Income or lower to make home improvements directly affecting the safety, habitability, energy efficiency and accessibility of their homes. The maximum loan is \$25,000. In 2017 there was one loan completed. Currently there is \$51,123 in program funds available from the \$75,000 allocation in August of 2017.

MN Housing Rehab Loan Program:

The MN Housing Rehab Loans are used to provide rehabilitation money to single family homes. Primary goals are to improve the health, safety and weatherization and provide accessibility improvements. The loan is for homeowners with extremely low income (30% of the Minneapolis/St. Paul area median). The maximum loan amount is \$27,000. The loans are forgiven if the applicants live in the home for a period of 15 years, or if the property is a mobile home the loan is forgiven in 10 years. This is the only program that offers assistance to mobile homes. There were 4 loans completed in 2017. We currently have a waiting list with 10 applicants for this program.

Homestead Incentive Program

Each homebuyer may receive up to \$3,000 to be used for down payment, closing costs, pre-pays or go towards the purchase of the home. This loan is interest free and payment free but not forgiven, it runs co-terminus with the first mortgage and is due and payable at time of sale, refinance, if the home ceases to be the primary residence of the homeowner, or when the first mortgage term ends.

The Income Guidelines are:

Households of 1-2 persons = \$80,000

Households of 3 + persons = \$92,400

The home must be in a Core Neighborhood of St. Cloud and be homesteaded by the buyer at time of purchase and at least half of the down payment required by the first mortgage financier must come from the Homebuyer. A total of \$333,000 has been allocated for this program since its inception in 2014. There is currently \$44,467 available in program funds.

There were 45 households assisted with this program in 2017 and there are two currently in process.

Rental Rehab Deferred Loan Program (RRDL)

The HRA was awarded \$400,000 in funds from MN Housing to rehab rental property in the City of St. Cloud. \$100,000 of the funds is to be used for Small Project funds and \$300,000 to be used in a large project. The program funds are 0% interest deferred loans. The small funds are forgiven 100% after 10 years provided they maintain the applicable income and rent requirements and adhere to annual compliance reporting. The large program funds qualify for a 15 year term and a 10 year affordability period with up to 10% of the debt forgiven for maintaining the applicable income, rent and compliances requirement for the full loan term.

We are currently in the process of underwriting and seeking MN Housing approval on two applications for the small project funds and we are processing one application for the \$300,000 in large funds.

Neighborhood Stabilization Program:

A total of \$1.9 million in Federal Neighborhood Stabilization funds were awarded through MN Housing for the purchase and rehabilitation of foreclosed properties by homeowners. Central MN Habitat for Humanity was a sub-recipient of \$600,000 of the award. All program funds have been obligated and spent in past years; however as program income is received it can be utilized for new projects. Five homeowners repaid loans in 2017, totaling approximately \$78,800 and approximately \$24,000 was spent on the carrying costs and demolition of 426 19th Avenue N. There is approximately \$132,000 of program income that can be utilized.