

**REGULAR MEETING OF THE
ST. CLOUD HRA BOARD OF COMMISSIONERS**

City Hall Council Chambers, 400 2nd Street South

**Wednesday, August 25, 2021
6:00 P.M.**

STUDY SESSION -- 5:00 P.M., City Hall, Conference Room #1
**AGENDA: Funding Request for Proposed River Heights Construction, Housing Rehab Programs,
Down-Payment Assistance Programs, and Operations**

**Mission Statement: To enhance the communities we serve by providing
housing opportunities, fostering stability, and promoting neighborhood revitalization.**

Regular Meeting Agenda:

1. Roll Call and Pledge of Allegiance.

Consent Agenda:

2. Approval of Agenda. REQUESTED ACTION: Approve.
3. Approval of Regular Minutes, July 28, 2021. REQUESTED ACTION: Approve.
4. Review of 2021 Financial Reports. REQUESTED ACTION: None.
5. Approval of Contract for Scattered Sites Furnace and Water Heater Replacement and Air Conditioner Installation 2021. REQUESTED ACTION: Approve.

Open Forum: At this time members of the public may address the Board with questions, concerns, or comments (regarding an item NOT on the agenda). Citizens are asked to sign up to speak prior to the Open Forum portion of the meeting. Speakers will be limited to the first five citizens who sign up. The Board members will not ask questions of the speakers, but rather refer the matter to the Administration with a request for a follow-up report. A citizen may speak at the Open Forum only twice during the year. Open Forum is limited to a total of 10 minutes. TIME LIMIT IS 2 MINUTES PER PERSON.

Old Business:

6. Update on 19th Avenue Lots.

New Business:

7. A. Public Hearing for the PHA Plan for FY 2022.
B. Approval of Resolution 2021-16 – 2022 Public Housing Agency Plan.
C. Approval of Resolution 2021-17 – Capital Fund Program and Five-Year Plan.
8. Approval of Return of Community Development Block Grant (CDBG) Funds to the City.
9. Approval of Homestead Incentive Loan Program Guideline Changes.

10. Approval of Interfund Transfer for the Homestead Incentive Loan Program.
11. Approval of Funding for the Proposed River Heights Supportive Housing Project.
12. Report on Activities.

Open Discussion:

Adjourn.

2021 HRA Board Meeting Schedule - 4th Wednesday each month at 6:00 p.m.; early meetings as needed at 5:00 p.m. Note: November and December moved forward one week to accommodate holidays; November 17th and December 15th.

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING MINUTES

Wednesday, July 28, 2021

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, July 28, 2021, City Hall Council Chambers, 400 2nd Street South, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 6:00 p.m.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken: Mike Conway, Seal Dwyer, Nancy Gohman, Jeff Goerger, George Hontos, and Hani Jacobson. Absent: Abdi Daisane
2. Approval of Agenda – Commissioner Conway moved for approval of consent items and the agenda; Commissioner Dwyer seconded the motion. Commissioner Goerger abstained from voting on Items 3 and 4. All Board members voted in approval. The agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, June 23, 2021 – approved as presented.
4. Approval of Regular Minutes, June 23, 2021 – approved as presented.
5. Review of 2021 Financial Reports – no requested action.
6. Approval of Computer Servers and Storage Upgrade – contract approved with Marco Technologies in the amount of \$32,233.
7. Review of Actions on 2020-2025 Goals – no requested action.

Open Forum: Chair Gohman opened the forum to the public; there was no one wishing to speak.

Old Business:

8. Approval of Resolution 2021-13 – Amendment to Bridges Region 7E Rental Assistance Grant. Executive Director Louise Reis discussed the need for Minnesota Housing to adjust the dollar amount for rental assistance and administrative fees. There are approximately 21 residents in the program. Commissioner Dwyer moved; Commissioner Goerger seconded the motion. Commissioner Hontos questioned the verbiage about individuals being homeless upon admission to a treatment center and Ms. Reis clarified that it is for individuals that are homeless upon admission, and when they are discharged from the treatment center they may be eligible for the program. All commissioners voted in favor; the motion passed.

New Business:

9. Approval of Resolution 2021-14 – Authorization of Employee Units in Public Housing. Ms. Reis recapped that in two of the St. Cloud HRA's properties, Empire and Wilson, there are designated units for caretakers of the buildings. The caretakers maintain the buildings and take care of the property in exchange to live at the property rent-free. The Department of HUD requires the Board authorize the units every three years. Commissioner Goerger moved; Commissioner Dwyer seconded the motion. Chair Gohman inquired about the rent being taxable income for the caretakers. Ms. Reis indicated they do not receive a W-2 for rent, but if the caretakers spend additional time each week completing the necessary

tasks, and if it equals more than the value of the unit, then the caretakers receive an additional hourly wage that would go on a W-2. All commissioners voted in favor; the motion passed.

10. Approval of Resolution 2021-15 – Adopting the Special Tax Levy for Payment in the Year of 2022. Ms. Reis recapped that at the June Study Session Finance Director Karen Rizer reviewed the 2022 Tax Levy and the COCC budget. Ms. Reis asked for approval to move forward and present to the City Council at their August meeting. Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. All commissioners voted in favor; the motion passed.

11. Report on Activities – Ms. Reis discussed National Night Out and the properties with their respective planned activities. Ms. Reis noted after the vacancy report, she included the number of applicants on the waiting lists as of July 2021. Ms. Reis also discussed a software upgrade at the St. Cloud HRA office that will allow applicants to go in and check their status and update their personal information. She reminded the Board that the main office was open by appointment only and the front vestibule continues to be open. Ms. Reis then asked Vouchers Programs Manager, Lori Lygre, to provide an update on the Emergency Housing Vouchers. Ms. Lygre provided background that the HRA was awarded 48 housing vouchers to use for households that experience homelessness or are fleeing domestic violence or human trafficking situations. The HRA requested 62 referrals from the Central Coordinated Entry List, as well as three referrals from agencies that provide services for domestic violence or human trafficking situations. The HRA requested more referrals than vouchers because some of the referrals do not respond to the HRA's attempts to contact them. As of July 2021, the HRA has 28 referrals that are eligible and looking for housing. Commissioner Goerger asked about the length it takes residents fleeing from domestic violence or human trafficking to find a home. Ms. Lygre confirmed they are in transitional housing or at a shelter until their permanent housing is finalized. The individuals work with the staff to find a landlord to rent from, because there can be barriers like their rental history. Commissioner Jacobson asked about whether or not there are a lot of landlords accepting vouchers. Ms. Lygre says there are some landlords that will not accept vouchers, but there are COVID-19 dollars that allowed the HRA to provide monetary incentives to landlords that currently did not accept vouchers to encourage more landlords to accept housing vouchers. Commissioner Hontos questioned the number of port ins and Ms. Lygre confirmed that the 220 amount is the total for the program as of June 30, 2021, not solely for the month of July.

Open Discussion: none.

There being no further business the meeting adjourned at 6:19 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: August 18, 2021
SUBJECT: 2021 Financial Reports

Requested Action: None.

Background: The Board receives financial reports for certain funds on a rotating basis.

The planned reporting schedule is as follows:

June – Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, Housing Development & Rehab Fund, Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, Eastwood Apartments Fund, Al Loehr Apartments Fund, and the seven tax credit limited partnership funds.

July and October – Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, and Housing Development & Rehab Fund.

August and November – Al Loehr Apartments Fund and the seven tax credit limited partnership funds.

September and December – Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, and Eastwood Apartments Fund.

Please call or email if you have any questions. (320-202-3148 or krizer@stcloudhra.com) Thank you.

**St. Cloud HRA
AI Loehr Veteran and Community Apartments
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 13,682
Restricted Reserves	764,915
Tenant Security Deposits	25,285
Accounts Receivable Net of Allowance - Tenants	10,965
Due from Other Governments	1,633
Prepaid Insurance and Expenses	9,343
Furniture, Equipment, Machinery - Dwelling	16,213
Buildings	6,152,284
Accumulated Depreciation	<u>(2,311,660)</u>
Total Assets	<u>\$ 4,682,660</u>

Liabilities & Equity

Due to Other Governments	\$ 5,607
Accounts Payable	22,739
Tenant Security Deposit & Interest Payable	24,861
Prepaid Rent	<u>5,125</u>
Total Liabilities	<u>\$ 58,332</u>
 Net Assets	 <u>\$ 4,624,328</u>
 Total Liabilities & Equity	 <u>\$ 4,682,660</u>

Operating Statement

Date: June 30, 2021

Al Loehr Veteran and Community Apartments			
4055 12th Street N		Budgeted Vacancy Loss	2.0%
Number of Units	61	Vacancy Loss YTD	1.7%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 300,430	\$ 150,215	\$ 150,567	\$ 352	0.2%
2	Less: Vacancy Loss	(6,030)	(3,015)	(2,532)	483	16.0%
3	Net Tenant Rental Revenue	294,400	147,200	148,035	835	0.6%
4	Other Income	19,200	9,600	6,328	(3,272)	-34.1%
5	Total Operating Income	313,600	156,800	154,363	(2,437)	-1.6%

Operating Expenses:						
6	Management & Bkpg Fees	70,000	35,000	35,211	(211)	-0.6%
7	Auditing Fees	5,000	4,500	1,980	2,520	56.0%
8	Legal Expense	1,000	500	-	500	0.0%
9	Travel & Training	-	-	2	(2)	0.0%
10	Other Administrative Costs	20,000	10,000	6,602	3,398	34.0%
11	Total Administrative	96,000	50,000	43,795	6,205	12.4%
12	Tenant Services	2,500	1,250	1,529	(279)	-22.3%
	Utilities					
13	Water & Sewer	\$ 14,000	\$ 7,000	\$ 6,851	\$ 149	2.1%
14	Electricity	38,000	19,000	16,811	2,189	11.5%
15	Gas	3,000	1,500	1,372	128	8.5%
16	Total Utilities	55,000	27,500	25,034	2,466	9.0%
17	Maintenance	105,700	52,850	49,032	3,818	7.2%
18	Protective Services	7,000	3,500	11,173	(7,673)	-219.2%
19	Insurance Expense	13,600	6,800	6,824	(24)	-0.4%
20	Payments in Lieu of Taxes	11,200	5,600	5,604	(4)	-0.1%
21	Bad Debt-Tenants	2,000	1,000	813	187	18.7%

22	Total Operating Expenses	293,000	148,500	143,804	4,696	3.2%
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23	Net Income (Loss) Excl. Depr & Amort.	20,600	8,300	10,559	2,259	27.2%
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Other Financial Items-Sources & (Uses)						
24	Capital Reserves	(20,600)	(10,300)	(10,300)	-	0.0%
25	Total Other Financial Items	(20,600)	(10,300)	(10,300)	-	0.0%

26	Net Cash Flow	\$ -	\$ (2,000)	\$ 259	\$ 2,259	0.0%
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18 Replaced fire alarm panels \$8,370

**St. Cloud HRA
Plum Creek Family Housing, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 52,447
Restricted Reserves	10,959
Tenant Security Deposits	14,227
Accounts Receivable Net of Allowance - Tenants	21,667
Due from Other Governments	2,005
Prepaid Insurance and Expenses	9,290
Land	166,378
Land Improvements	117,034
Furniture, Equipment, Machinery - Dwelling	1,654
Buildings	2,646,097
Accumulated Depreciation	<u>(2,154,382)</u>
Total Assets	<u>\$ 887,376</u>

Liabilities & Equity

Due to Other Governments	\$ 2,400
Accounts Payable	1,793
Tenant Security Deposit & Interest Payable	14,481
Prepaid Rent	1,446
Accrued Interest - MHFA Long-term	51,796
Loans Payable - MHFA Long-term	<u>250,000</u>
Total Liabilities	<u>\$ 321,916</u>
Partner's Equity	<u>\$ 565,460</u>
Total Liabilities & Equity	<u>\$ 887,376</u>

Operating Statement

Date: June 30, 2021

Plum Creek Family Housing, LP			
721, 733, 745, & 757 33rd St. S		Budgeted Vacancy Loss	2%
Number of Units	24	Vacancy Loss YTD	3.0%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 183,200	\$ 91,600	\$ 91,600	\$ -	0.0%
2	Less: Vacancy Loss	(3,700)	(1,850)	(2,722)	(872)	-47.1%
3	Net Tenant Rental Revenue	179,500	89,750	88,727	(1,023)	-1.1%
4	Other Income	18,400	9,200	10,053	853	9.3%
5	Total Operating Income	197,900	98,950	98,780	(170)	-0.2%

Operating Expenses:						
	Administrative					
6	Management & Bkpg Fees	21,500	11,750	10,962	788	6.7%
7	Audit and Accounting	1,000	800	812	(12)	-1.5%
8	Legal	600	300	-	300	0.0%
9	Other Administrative Costs	14,200	7,100	4,933	2,167	30.5%
10	Total Administrative	37,300	19,950	16,707	3,243	16.3%
11	Tenant Services	100	50	4	46	92.0%
	Utilities					
12	Water & Sewer	16,000	8,000	6,122	1,878	23.5%
13	Electricity	2,000	1,000	744	256	25.6%
14	Gas	1,200	600	509	91	15.2%
15	Total Utilities	19,200	9,600	7,375	2,225	23.2%
16	Maintenance	115,700	57,850	51,952	5,898	10.2%
17	Protective Services	1,900	950	248	702	73.9%
18	Insurance Expense	13,000	5,450	4,533	917	16.8%
19	PILOT	7,200	3,600	2,400	1,200	33.3%
20	Bad Debt-Tenants	3,500	1,750	7,964	(6,214)	-355.1%
21	Debt Interest (excl. Deferred)	-	-	-	-	0.0%

22	Total Operating Expenses	197,900	99,200	91,183	8,017	8.1%
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23	Net Income (Loss) Excl. Depr & Amort.	-	(250)	7,597	7,847	3138.8%
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	Other Financial Items-Sources & (Uses)					
24	Debt Principal	-	-	-	-	0.0%
25	Extraordinary Maintenance	-	-	-	-	0.0%
26	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
27	Total Other Financial Items	-	-	-	-	0.0%

28	Net Cash Flow	\$ -	\$ (250)	\$ 7,597	\$ 7,847	3138.8%
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**St. Cloud HRA
Brownstones Family Housing, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 49,705
Tenant Security Deposits	6,772
Accounts Receivable - Tenants	7,309
Due from Other Governments	856
Prepaid Insurance and Expenses	6,852
Land	117,806
Land Improvements	133,896
Buildings	1,597,493
Accumulated Depreciation	<u>(1,307,843)</u>
Total Assets	<u>\$ 612,846</u>

Liabilities & Equity

Accounts Payable	\$ 6,762
Due to Other Governments	1,267
Tenant Security Deposit & Interest Payable	6,268
Prepaid Rent	164
Advance from other funds	87,568
Accrued Interest - MHFA Long-term	52,360
Loans Payable - MHFA Long-term	<u>255,902</u>
Total Liabilities	<u>\$ 410,291</u>
Partner's Equity	<u>\$ 202,555</u>
Total Liabilities & Equity	<u>\$ 612,846</u>

Operating Statement

Date: June 30, 2021

Brownstones Family Housing LP			
402 9th Ave N & 403 8th Ave N		Budgeted Vacancy Loss	2%
Number of Units	12	Vacancy Loss YTD	0.0%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 91,700	\$ 45,850	\$ 45,850	\$ -	0.0%
2	Less: Vacancy Loss	(1,800)	(900)	-	900	0.0%
3	Net Tenant Rental Revenue	89,900	44,950	45,850	900	2.0%
4	Other Income	7,900	3,950	4,610	660	16.7%
5	Total Operating Income	97,800	48,900	50,460	1,560	3.2%

Operating Expenses:						
	<u>Administrative</u>					
6	Management & Bkpg Fees	13,600	7,800	7,689	111	1.4%
7	Audit Fees	600	500	452	48	9.6%
8	Legal	300	150	-	150	0.0%
9	Other Administrative Costs	1,700	850	809	41	4.8%
10	Total Administrative	16,200	9,300	8,950	350	3.8%
11	Tenant Services	100	50	2	48	96.0%
	<u>Utilities</u>					
12	Water	11,000	5,500	3,901	1,599	29.1%
13	Electricity	500	250	155	95	38.0%
14	Gas	100	50	-	50	0.0%
15	Total Utilities	11,600	5,800	4,056	1,744	30.1%
16	Maintenance	53,500	26,750	23,913	2,837	10.6%
17	Protective Services	600	300	124	176	58.7%
18	Insurance Expense	10,000	5,000	3,416	1,584	31.7%
19	PILOT	3,800	1,900	1,267	633	33.3%
20	Bad Debt-Tenants	2,000	1,000	-	1,000	0.0%
21	Debt Interest (excl. deferred interest)	-	-	-	-	0.0%

22	Total Operating Expenses	97,800	50,100	41,728	8,372	16.7%
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23	Net Income (Loss) Excl. Depr & Amort.	-	(1,200)	8,732	9,932	827.7%
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	<u>Other Financial Items-Sources & (Uses)</u>					
24	Debt Principal	-	-	-	-	0.0%
25	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
26	Total Other Financial Items	-	-	-	-	0.0%

27	Net Cash Flow	\$ -	\$ (1,200)	\$ 8,732	\$ 9,932	827.7%
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**St. Cloud HRA
Westwood Village Apartments One, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 5,497
Restricted Reserves	93,321
Tenant Security Deposits	17,932
Accounts Receivable Tenants	19,122
Due From Other Governments	2,469
Prepaid Insurance and Expenses	9,517
Land	191,469
Land Improvements	165,327
Furniture, Equipment, Machinery - Dwelling	11,333
Buildings	2,845,346
Accumulated Depreciation	<u>(2,060,940)</u>
Total Assets	<u>\$ 1,300,393</u>

Liabilities & Equity

Due to Other Governments	\$ 3,667
Accounts Payable	21,418
Due to Other Funds	24,450
Tenant Security Deposits & Interest Payable	17,096
Prepaid Rents	373
Advance from Other Funds	850,008
Accrued Interest - MHFA Long-term	71,527
Loans Payable - MHFA Long-term	<u>406,072</u>
Total Liabilities	<u>\$ 1,394,611</u>
Partner's Equity	<u>\$ (94,218)</u>
Total Liabilities & Equity	<u>\$ 1,300,393</u>

Operating Statement

Date: June 30, 2021

Westwood Village Apartments One, LP			
770 Savanna Ave N.		Budgeted Vacancy Loss	3%
Number of Units	32	Vacancy Loss YTD	1.2%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 268,600	\$ 134,300	\$ 134,300	\$ -	0.0%
2	Less: Vacancy Loss	(8,100)	(4,050)	(1,598)	2,452	60.5%
3	Net Tenant Rental Revenue	260,500	130,250	132,562	2,312	1.8%
4	Other Income	21,700	10,850	14,356	3,506	32.3%
5	Total Operating Income	282,200	141,100	146,918	5,818	4.1%

Operating Expenses:						
	<u>Administrative</u>					
6	Management & Bkkpg Fees	29,700	15,850	15,587	263	1.7%
7	Audit Fees	1,500	1,500	812	688	45.9%
8	Legal	2,500	1,250	74	1,176	94.1%
9	Other Administrative Costs	15,600	7,800	7,084	716	9.2%
10	Total Administrative	49,300	26,400	23,557	2,843	10.8%
11	Tenant Services	8,100	4,050	5	4,045	0.0%
	<u>Utilities</u>					
12	Water & Sewer	15,000	7,500	8,928	(1,428)	-19.0%
13	Electricity	8,000	4,000	4,158	(158)	-4.0%
14	Gas	12,000	6,000	5,999	1	0.0%
15	Total Utilities	35,000	17,500	19,085	(1,585)	-9.1%
16	Maintenance	121,000	60,500	58,951	1,549	2.6%
17	Protective Services	5,000	2,500	5,038	(2,538)	-101.5%
18	Insurance Expense	12,200	6,100	4,222	1,878	30.8%
19	PILOT	11,000	5,500	3,667	1,833	33.3%
20	Bad Debt-Tenants	5,000	2,500	2,655	(155)	-6.2%
21	Debt Interest (excl deferred)	30,200	15,100	15,253	(153)	-1.0%

22	Total Operating Expenses	276,800	140,150	132,433	7,717	5.5%
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23	Net Income (Loss) Excl. Depr & Amort.	6,000	950	14,485	13,535	1424.7%
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	<u>Other Financial Items-Sources & (Uses)</u>					
24	Debt Principal	(29,800)	(14,900)	(14,728)	172	-1.2%
25	Reserves	23,800	11,900	(5,305)	(17,205)	-144.6%
26	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
27	Total Other Financial Items	(6,000)	(3,000)	(20,033)	(17,033)	567.8%

28	Net Cash Flow	\$ -	\$ (2,050)	\$ (5,548)	\$ (3,498)	-170.6%
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17 Fire sprinkler repair \$4,299

**St. Cloud HRA
Westwood Village Apartments Two, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 30,371
Restricted Reserves	65,487
Tenant Security Deposits	20,749
Accounts Receivable - Tenants	8,536
Due from Other Governments	1,955
Prepaid Insurance and Expenses	8,670
Land	255,733
Land Improvements	121,958
Buildings	2,725,683
Accumulated Depreciation	<u>(1,717,186)</u>
Total Assets	<u>\$ 1,521,956</u>

Liabilities & Equity

Due to Other Governments	\$ 3,333
Accounts Payable	6,200
Due to Other Funds	34,220
Tenant Security Deposit & Interest Payable	19,942
Prepaid Rent	378
Advances from Other Funds	<u>1,201,039</u>
Total Liabilities	<u>\$ 1,265,112</u>
 Partner's Equity	 <u>\$ 256,844</u>
Total Liabilities & Equity	<u>\$ 1,521,956</u>

Operating Statement

Date: June 30, 2021

Westwood Village Apartments Two, LP			
822 Savanna Ave		Budgeted Vacancy Loss	3%
Number of Units	32	Vacancy Loss YTD	0.0%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 268,900	\$ 134,450	\$ 134,450	\$ -	0.0%
2	Less: Vacancy Loss	(8,400)	(4,200)	-	4,200	0.0%
3	Net Tenant Rental Revenue	260,500	130,250	134,428	4,178	3.2%
4	Other Income	21,700	10,850	8,780	(2,070)	-19.1%
5	Total Operating Income	282,200	141,100	143,208	2,108	1.5%

Operating Expenses:						
	Administrative					
6	Management & Bkpg Fees	29,100	15,550	14,940	610	3.9%
7	Audit	1,500	1,500	812	688	45.9%
8	Legal	2,000	1,000	2,366	(1,366)	-136.6%
9	Other Administrative Costs	15,800	7,900	6,187	1,713	21.7%
10	Total Administrative	48,400	25,950	24,305	1,645	6.3%
	Tenant Services					
21	Tenant Services-Other	8,100	4,050	5	4,045	99.9%
11	Tenant Services	8,100	4,050	5	4,045	99.9%
	Utilities					
12	Water & Sewer	18,000	9,000	7,124	1,876	20.8%
13	Electricity	12,000	6,000	5,264	736	12.3%
14	Gas	11,000	5,500	5,110	390	7.1%
15	Total Utilities	41,000	20,500	17,498	3,002	14.6%
16	Maintenance	82,800	41,400	36,936	4,464	10.8%
17	Protective Services	7,000	3,500	696	2,804	80.1%
18	Insurance Expense	10,900	5,450	3,788	1,662	30.5%
19	Asset Management Fee	-	-	-	-	0.0%
20	PILOT	10,000	5,000	3,333	1,667	33.3%
21	Bad Debt-Tenants	6,000	3,000	198	2,802	93.4%
22	Debt Interest (excl. deferred)	49,200	24,600	24,744	(144)	-0.6%

23	Total Operating Expenses	263,400	133,450	111,503	21,947	16.4%
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24	Net Income (Loss) Excl. Depr & Amort.	18,800	7,650	31,705	24,055	314.4%
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	Other Financial Items-Sources & (Uses)					
25	Debt Principal	(28,800)	(14,400)	(14,400)	-	0.0%
26	Other Financial Items-Sources & (Uses)	10,000	5,000	-	(5,000)	0.0%
27	Total Other Financial Items	(18,800)	(9,400)	(14,400)	(5,000)	53.2%

28	Net Cash Flow	\$ -	\$ (1,750)	\$ 17,305	\$ 19,055	1088.9%
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**St. Cloud HRA
Swisshelm Village Apartments One, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 11,274
Restricted Reserves	134,502
Tenant Security Deposits	17,248
Accounts Receivable - Tenants	17,471
Due from Other Governments	1,235
Prepaid Insurance and Expenses	8,458
Land	169,624
Land Improvements	177,266
Buildings	2,640,197
Accumulated Depreciation	<u>(1,870,685)</u>
Total Assets	<u>\$ 1,306,590</u>

Liabilities & Equity

Due to Other Governments	\$ 3,500
Accounts Payable	23,581
Tenant Security Deposits & Interest Payable	17,860
Prepaid Rent	1,454
Accrued Interest - MHFA Long-term	74,339
Advances from Other Funds	290,444
Loans Payable - MHFA Long-term	<u>531,658</u>
Total Liabilities	<u>\$ 942,836</u>
Partner's Equity	<u>\$ 363,754</u>
Total Liabilities & Equity	<u>\$ 1,306,590</u>

Operating Statement

Date: June 30, 2021

Swisshelm Village Apartment One, LP			
316 Laudenbach Ct		Budgeted Vacancy Loss	3%
Number of Units	32	Vacancy Loss YTD	1.8%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 268,900	\$ 134,450	\$ 134,450	\$ -	0.0%
2	Less: Vacancy Loss	(8,300)	(4,150)	(2,487)	1,663	40.1%
3	Less: Free Rent	-	-	(281)	(281)	0.0%
3	Net Tenant Rental Revenue	260,600	130,300	131,682	1,382	1.1%
4	Other Income	12,600	6,300	4,542	(1,758)	-27.9%
5	Total Operating Income	273,200	136,600	136,224	(376)	-0.3%

Operating Expenses:						
	Administrative					
6	Management & Bkpg Fees	29,100	15,550	14,685	865	5.6%
7	Audit and Accounting	1,000	1,000	812	188	18.8%
8	Legal	700	350	-	350	0.0%
9	Other Administrative Costs	13,900	6,950	4,140	2,810	40.4%
10	Total Administrative	44,700	23,850	19,637	4,213	17.7%
11	Tenant Services	8,100	4,050	5	4,045	99.9%
	Utilities					
12	Water & Sewer	19,000	9,500	9,231	269	2.8%
13	Electricity	12,000	6,000	5,114	886	14.8%
14	Gas	12,000	6,000	5,388	612	10.2%
15	Total Utilities	43,000	21,500	19,733	1,767	8.2%
16	Maintenance	77,500	38,750	36,528	2,222	5.7%
17	Protective Services	5,000	2,500	851	1,649	66.0%
18	Insurance Expense	11,500	5,750	3,982	1,768	30.7%
19	PILOT	10,500	5,250	3,500	1,750	33.3%
20	Bad Debt-Tenants	4,000	2,000	6,225	(4,225)	-211.3%
21	Debt Interest (excl. deferred)	28,900	14,450	2,280	12,170	84.2%

22	Total Operating Expenses	233,200	118,100	92,741	25,359	21.5%
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23	Net Income (Loss) Excl. Depr & Amort.	40,000	18,500	43,483	24,983	135.0%
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	Other Financial Items-Sources & (Uses)					
24	Debt Principal	(34,800)	(17,400)	(514,384)	(496,984)	2856.2%
25	Reserves	(5,200)	(2,600)	(3,661)	(1,061)	40.8%
26	Other Financial Items-Sources & (Uses)	-	-	435,000	435,000	0.0%
27	Total Other Financial Items	(40,000)	(20,000)	(83,045)	(63,045)	315.2%

28	Net Cash Flow	-	(1,500)	(39,562)	(38,062)	-2537.5%
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24 Paid off US Bank Loan

26 Transfer to pay off US Bank Loan

**St. Cloud HRA
Swisshelm Village Apartments Two, LP
Balance Sheet
June 30, 2021**

Assets	
Cash	\$ 37,338
Restricted Reserves	11,950
Tenant Security Deposits	17,326
Accounts Receivable - Tenants	22,835
Due from Other Governments	1,441
Prepaid Insurance and Expenses	8,769
Land	57,149
Land Improvements	102,324
Buildings	2,476,856
Accumulated Depreciation	<u>(1,678,619)</u>
Total Assets	<u>\$ 1,078,206</u>
 Liabilities & Equity	
Due to Other Governments	\$ 3,333
Accounts Payable	44,763
Tenant Security Deposits & Interest Payable	17,586
Due to Other Funds	34,002
Prepaid Rent	6,667
Advance from Other Funds	<u>847,807</u>
Total Liabilities	<u>\$ 954,158</u>
Partner's Equity	<u>\$ 124,048</u>
Total Liabilities & Equity	<u>\$ 1,078,206</u>

Operating Statement

Date: June 30, 2021

Swisshelm Village Apartment Two, LP			
304 Laudenbach Ct.		Budgeted Vacancy Loss	3%
Number of Units	32	Vacancy Loss YTD	2.5%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 268,900	\$ 134,450	\$ 134,450	\$ -	0.0%
2	Less: Vacancy Loss	(8,700)	(4,350)	(3,370)	980	22.5%
3	Net Tenant Rental Revenue	260,200	130,100	130,825	725	0.6%
4	Other Income	17,000	8,500	8,219	(281)	-3.3%
5	Total Operating Income	277,200	138,600	139,044	444	0.3%

Operating Expenses:						
	Administrative					
6	Management & Bkpg Fees	33,300	17,650	14,935	2,715	15.4%
7	Audit	1,500	1,500	812	688	45.9%
8	Legal	1,000	500	-	500	0.0%
9	Other Administrative Costs	13,000	6,500	4,397	2,103	32.4%
10	Total Administrative	48,800	26,150	20,144	6,006	23.0%
11	Tenant Services	7,600	3,800	5	3,795	99.9%
	Utilities					
12	Water & Sewer	26,000	13,000	11,123	1,877	14.4%
13	Electricity	12,000	6,000	6,081	(81)	-1.4%
14	Gas	12,000	5,400	5,532	(132)	-2.4%
15	Total Utilities	50,000	24,400	22,736	1,664	6.8%
16	Maintenance	73,000	36,500	34,874	1,626	4.5%
17	Protective Services	4,000	2,000	2,155	(155)	-7.8%
18	Insurance Expense	12,000	6,000	4,153	1,847	30.8%
19	Asset Management Fee	-	-	-	-	0.0%
20	PILOT	10,000	5,000	3,333	1,667	33.3%
21	Bad Debt-Tenants	5,000	2,500	2,802	(302)	-12.1%
22	Debt Interest (excl. deferred)	43,900	21,950	21,950	-	0.0%

23	Total Operating Expenses	254,300	128,300	112,152	16,148	12.6%
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24	Net Income (Loss) Excl. Depr & Amort.	22,900	10,300	26,892	16,592	161.1%
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	Other Financial Items-Sources & (Uses)					
25	Debt Principal	(30,100)	\$ (15,050)	(15,050)	-	0.0%
26	Extraordinary Maintenance	-	-	-	-	0.0%
27	Other Financial Items-Sources & (Uses)	7,200	3,600	-	(3,600)	0.0%
28	Total Other Financial Items	(22,900)	(11,450)	(15,050)	(3,600)	31.4%

29	Net Cash Flow	\$ -	\$ (1,150)	\$ 11,842	\$ 12,992	1129.7%
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**St. Cloud HRA
Riverside Apartments, LP
Balance Sheet
June 30, 2021**

Assets

Cash	\$ 85,725
Restricted Reserves	440,250
Tenant Security Deposits	49,012
Accounts Receivable - Tenants	(8,657)
Due from Other Governments	2,737
Prepaid Insurance and Expenses	16,992
Land	448,500
Land Improvements	87,822
Furniture, Equipment, Machinery - Dwelling	9,263
Buildings	5,769,069
Accumulated Depreciation	(3,415,791)
Total Assets	<u>\$ 3,484,922</u>

Liabilities & Equity

Due to Other Governments	\$ 8,667
Accounts Payable	23,393
Tenant Security Deposits & Interest Payable	47,694
Prepaid Rents	1,030
Bonds Payable	2,360,000
Bond Discount/Charges	137,734
Advances from Other Funds	1,957,572
Total Liabilities	<u>\$ 4,536,090</u>
Partner's Equity	<u>\$ (1,051,168)</u>
Total Liabilities & Equity	<u>\$ 3,484,922</u>

Operating Statement

Date: June 30, 2021

Riverside Apartments, LP			
101 Riverside Drive SE		Budgeted Vacancy Loss	2.5%
Number of Units	85	Vacancy Loss YTD	2.8%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 629,820	\$ 314,910	\$ 314,910	\$ -	0.0%
2	Less: Vacancy Loss	(15,520)	(7,760)	(8,930)	(1,170)	-15.1%
3	Less: Free Rent	-	-	(906)	(906)	0.0%
3	Net Tenant Rental Revenue	614,300	307,150	305,074	(2,076)	-0.7%
4	Other Income	30,000	15,000	9,850	(5,150)	-34.3%
5	Total Operating Income	644,300	322,150	314,924	(7,226)	-2.2%

Operating Expenses:						
<u>Administrative</u>						
6	Management & Bkpg Fees	77,900	39,950	41,136	(1,186)	-3.0%
7	Audit	8,000	8,000	7,385	615	7.7%
8	Legal	7,000	3,500	185	3,315	94.7%
9	Other Administrative Costs	31,200	15,600	8,216	7,384	47.3%
10	Total Administrative	124,100	67,050	56,922	10,128	15.1%
11	Tenant Services	3,500	1,750	2,430	(680)	-38.9%
<u>Utilities</u>						
12	Water & Sewer	18,000	9,000	8,195	805	8.9%
13	Electricity	44,000	22,000	20,931	1,069	4.9%
14	Gas	14,000	7,000	7,045	(45)	-0.6%
15	Total Utilities	76,000	38,000	36,171	1,829	4.8%
16	Maintenance	166,800	69,450	66,871	2,579	3.7%
17	Protective Services	10,000	5,000	3,072	1,928	38.6%
18	Insurance Expense	21,500	7,450	7,306	144	1.9%
20	Asset Management Fee	-	-	-	-	0.0%
21	PILOT	26,000	13,000	8,667	4,333	33.3%
22	Bad Debt-Tenants	5,000	2,500	2,337	163	6.5%
23	Debt Interest (excl. deferred)	115,500	57,750	95,506	(37,756)	-65.4%

24	Total Operating Expenses	548,400	261,950	279,282	(17,332)	-6.6%
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25	Net Income (Loss) Excl. Depr & Amort.	95,900	60,200	35,642	(24,558)	-40.8%
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<u>Other Financial Items-Sources & (Uses)</u>						
26	Debt Principal	(79,200)	(39,600)	(2,382,463)	(2,342,863)	5916.3%
27	Debt Proceeds	-	-	2,497,734	2,497,734	0.0%
28	Other Financial Items-Sources & (Uses)	(16,700)	(8,350)	(83,091)	(74,741)	895.1%
29	Total Other Financial Items	(95,900)	(47,950)	32,180	80,130	0.0%

30	Net Cash Flow	\$ -	\$ 12,250	\$ 67,822	\$ 55,572	453.6%
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26 Payoff of MHFA Loans

27 Bond Proceeds to pay off MHFA Loans

28 Bond issue costs

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: August 16, 2021

SUBJECT: Approval of Contract for Scattered Sites Furnace and Water Heater Replacement and Air Conditioner Installation 2021

Requested Action: Approval of the contract with August Plumbing & Heating in the amount of \$57,546.00 to replace furnaces and water heaters and install central air conditioners in 6 scattered site homes.

Background: The HRA owns & manages various scattered site single family houses in St. Cloud. We have identified 6 homes that need furnaces and water heaters replaced. The HRA has also decided to install central air conditioning units in these homes. We solicited proposals from 8 companies and placed it on our website. We received proposals from two companies as outlined below.

The proposals are:

Proposal

Air Max, LLC P.O Box 364 Rockville, MN 56369	\$72,312.00
Augusta Plumbing & Heating 2805 Clearwater Rd. St. Cloud, MN 56301	\$57,546.00

I believe the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Augusta Plumbing & Heating for the sum of \$57,546.00.

Frequency of Requests: Once.

Related Action: None.

Future Action: None.

Relationship to Goals: Goal #2 - St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Budget Impact: This project will be funded by the Public Housing Capital Fund Program through operations.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: August 17, 2021

SUBJECT: Update on 19th Avenue Lots

Requested Action: Discussion only

Background: The St. Cloud HRA applied for the Contamination Cleanup and Investigation Grant Program through the Minnesota Department of Employment and Economic Development (DEED). The grant would help cover costs associated with the Phase II Environmental Site Assessment (ESI) and any possible remediation services at the five adjoining residential parcels along 19th Ave. North; which was part of the former Anderson Trucking Facility. We were notified that competition for the grant funds was very high and our project was not awarded any funds.

At the time we applied for the DEED grant it was also recommended that we also apply for the Minnesota Targeted Brownfields Assessment Grant Program through the Minnesota Pollution Control Agency (MPCA). We were notified that we are being awarded funding for the MPCA Brownfields Grant in October of 2021 to conduct sub-surface testing / work on the three vacant lots. That work will be completed by Braun, Intertec, a remediation contractor who contracts with the MPCA. The HRA will still be responsible for any additional testing / work on the two developed lots at this time.

Kris Stahl from Environmental Health Testing Services is working with the MPCA at this time to come up with a plan to do additional testing on the two developed lots (single-family houses). MPCA wants holes drilled in the concrete floors of each of the two homes to test for soil gasses. The testing would need to be completed in two different seasons (winter/summer or fall/spring).

We will continue to update the HRA Board of Commissioners as results of the testing become known.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: August 18, 2021

SUBJECT: Public Hearing and Approval of the FY 2022 Public Housing Agency Plan

Requested Action: Hold Public Hearing and Approve of the FY 2022 Public Housing Agency Plan (PHA Plan)

Background: Annually the St. Cloud HRA is required to submit their PHA Plan for the fiscal year to the Department of Housing and Urban Development (HUD). This plan includes policies for the agency with regard to Public Housing, Housing Choice Voucher and the Capital Fund Programs. The proposed changes to the Public Housing Admissions and Continued Occupancy Policies (ACOP) and the Housing Choice Voucher Administrative Plan were submitted to legal counsel at Rinke Noonan and St. Cloud Area Legal Services.

A summary of the proposed changes are listed below:

Public Housing (ACOP)

The Admissions and Continued Occupancy Policy (ACOP) reflects changes based on the public housing regulations from the Department of HUD. The following items were adjusted and/or corrected: Flat Rents, Income Limits and Utility Allowances were updated. Public Housing Leases were reviewed for grammar corrections.

Housing Choice Voucher (Admin Plan)

The Administrative Plan (Admin Plan) reflects changes based on the current federal regulations from the Department of HUD. The HRA staff put together a new format for the Administrative Plan. The Plan now references the federal statute from the Code of Federal Regulations and the HRA policy on each item being addressed. Income Limits and Utility Allowances were updated.

Capital Fund Program (public housing only)

Attached are the projects planned for the Capital Fund Program 2022 that are listed on the 5-Year Plan.

Options: #1 - Approve PHA Plan as written.
#2 - Approve PHA Plan with recommendations that occur during public hearing and meeting.

Frequency of Request: Annually

Related Actions: None at this time.

Future Action: None at this time.

Relationship to Goals: Goal #2 – St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Budget Impact: The PHA Plan needs to be submitted on a timely basis in order for the St. Cloud HRA to receive funding for the above programs.

RESOLUTION 2021-16

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA

APPROVAL OF THE 2022 PUBLIC HOUSING AGENCY PLAN

WHEREAS, pursuant to Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990, requires each Public Housing Agency to prepare and update its annual plan; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority Board of Commissioners must review and approve the Public Housing Agency Plan as prepared; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held on August 25, 2021 and conducted a hearing to discuss the Plan and invited public comment; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority Board of Commissioners have considered all public comment on the plan

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF ST. CLOUD, MINNESOTA that this Public Housing Agency Plan is approved and shall be submitted to the U.S. Department of Housing and Urban Development.

Adopted this 25th day of August 2021.

ATTEST:

Nancy Gohman, Chair

George Hontos, Secretary

RESOLUTION 2021-17

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA

APPROVAL OF THE CAPITAL FUND PROGRAM AND FIVE-YEAR PLAN

WHEREAS, pursuant to Section 511 of the Quality Housing and Work Responsibility Act of 1998 that requires each Public Housing Agency to prepare and update its Capital Fund Program and Five-Year Plan; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority Board of Commissioners must review and approve the Capital Fund Program and Five-Year Plan as prepared; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority Board of Commissioners held a public hearing on the plan as presented on August 25, 2021 and have reviewed and approved the plan; and

WHEREAS, the St. Cloud Housing and Redevelopment Authority Board of Commissioners have considered all public comment on the plan

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF ST. CLOUD, MINNESOTA that this Capital Fund Program and Five-Year Plan is approved and shall be submitted to the U.S. Department of Housing and Urban Development.

Adopted this 25th day of August 2021.

ATTEST:

Nancy Gohman, Chair

George Hontos, Secretary

Capital Fund Program - Five-Year Action Plan

Status: Draft

Approval Date:

Approved By:

Part I: Summary						
PHA Name : HRA of ST. CLOUD, MINNESOTA		Locality (City/County & State)				
PHA Number: MN038		<input checked="" type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revised 5-Year Plan (Revision No:)				
A.	Development Number and Name	Work Statement for Year 1 2022	Work Statement for Year 2 2023	Work Statement for Year 3 2024	Work Statement for Year 4 2025	Work Statement for Year 5 2026
	EMPIRE APARTMENTS (MN038000001)	\$154,000.00	\$34,000.00	\$236,221.00	\$243,100.00	\$166,221.00
	ST. CLOUD HRA (MN038000002)	\$501,621.00	\$569,521.00	\$339,400.00	\$362,521.00	\$389,400.00
	WILSON APARTMENTS (MN038000003)	\$86,180.00	\$138,280.00	\$166,180.00	\$136,180.00	\$186,180.00

Form HUD-50075.2(4/2008)

Form HUD-50075.2(4/2008)

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
2577-0274
02/28/2022

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 1 2022				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	WILSON APARTMENTS (MN038000003)			\$86,180.00
ID0010	Operations(Operations (1406))	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304 On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0011	Capital Fund Administration (Administration (1410)-Salaries)	Capital Fund Administration		\$26,180.00
ID0075	Boiler Replacement(Contract Administration (1480)-Other Fees and Costs,Non-Dwelling Construction - Mechanical (1480)-Central Boiler,Non-Dwelling Construction - Mechanical (1480)-Heating Equipment - System)	Wilson Apartments 41 3rd Av NE, St. Cloud, MN Repair or replace boiler if necessary. Contractor to provide new equipment and remove and dispose all old equipment. The presence of asbestos is not anticipated, but abatement will be completed if necessary.		\$50,000.00
	Subtotal of Estimated Cost			\$741,801.00

Form HUD-50075.2(4/2008)

Form HUD-50075.2(4/2008)

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 2 2023				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	EMPIRE APARTMENTS (MN038000001)			\$34,000.00
ID0044	Operations(Operations (1406))	Empire Apartments, 54 4th Av N, St. Cloud, MN 56303 On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0045	Capital Fund Administration(Administration (1410)-Salaries)	Capital Fund Administration		\$24,000.00
	Subtotal of Estimated Cost			\$741,801.00

Form HUD-50075.2(4/2008)

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2024				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	ST. CLOUD HRA (MN038000002)			\$339,400.00
ID0051	Furnace and Water Heater Replacement(Dwelling Unit-Interior (1480)-Mechanical)	Replace the furnaces and water heaters in 12 scattered site single-family homes: 1424 12 Av N, 3019 12 St N, 3400 8 St N, 3501 8 St N, 236 23 Av N, 328 25 Av N, 416 24 Av N, 451 29 Av N, 432 30 Av N, 1047 33 Av N, 1042 33 Av N, 1018 35 Av N., using energy star furnaces and water heaters. New exhaust and intake venting to be installed if necessary. Old equipment to be removed by vendor. No asbestos issues are anticipated, but will abate if necessary.		\$50,000.00
ID0052	Concrete Work and Landscaping(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Parking)	Concrete work at 4 of 40 scattered site single-family homes: 711 25 Av N, 819 36 Av N, 1042 35 Av N, 1103 9 Av SE. Replace stoops, sidewalks, parking pads and driveways, and landscaping work as needed. Remove and dispose of old concrete. Prepare area, pour and finish concrete as needed. Because soil will be disturbed, the PHA will be responsive to any soil environmental review issues prior to work beginning.		\$100,000.00
ID0062	Operations(Operations (1406))	On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$165,400.00
ID0063	Capital Fund Administration(Administration (1410)-Salaries)	Capital Fund Administration		\$24,000.00
	WILSON APARTMENTS (MN038000003)			\$166,180.00
ID0055	Upgrade Common Area Lighting(Non-Dwelling Interior (1480)-Electrical)	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304. Replace all common area light fixtures with LED fixtures. Electrician to remove old fixtures and ballasts and replace with new, energy efficient LED fixtures.		\$50,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2024				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0056	Replace Hot Water Expansion Tank(Non-Dwelling Construction - Mechanical (1480)-Heating Equipment - System)	Update hot water system. Remove old hot water tank and all piping to that tank. Asbestos abatement to be completed by certified expert. New concrete pad to be formed. 1 new boiler, 2 pumps, and 3 tanks to be installed with applicable new piping. Complete inspections by Electrical and Plumbing before use.		\$80,000.00
ID0070	Operations(Operations (1406))	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304 On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0071	Capital Fund Administration(Administration (1410)-Salaries)	Capital Fund Administration		\$26,180.00
	Subtotal of Estimated Cost			\$741,801.00

Form HUD-50075.2(4/2008)

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 4

2025

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	ST. CLOUD HRA (MN038000002)			\$362,521.00
ID0017	Operations(Operations (1406))	On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$165,400.00
ID0018	Capital Fund Administration(Administration (1410)-Salaries)	Capital Fund Administration		\$24,000.00
ID0064	Flooring Replacement(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace flooring in 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N. Remove old flooring and install new to include vinyl and carpet for kitchens, bathrooms, hallways, bedrooms and living rooms. Disposal of old materials to be the responsibility of the vendor. Asbestos abatement will be completed if necessary.		\$26,750.00
ID0065	Replace Cabinetry(Dwelling Unit-Interior (1480)-Kitchen Cabinets)	Replace cabinetry in 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N. Remove and dispose of wall and base cabinets in kitchens. Will replace using same configuration. Laminate countertops will be replaced.		\$44,650.00
ID0066	Carpentry(Dwelling Unit-Interior (1480)-Other)	General carpentry related to the remodel of 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N, including drywall, rough and finish carpentry, interior doors (if needed), and trim.		\$53,250.00
ID0067	Interior Painting(Dwelling Unit-Interior (1480)-Interior Painting (non routine))	Painting related to the remodel at 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N.		\$9,171.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 4 2025

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0068	Electrical (Dwelling Unit-Interior (1480)-Electrical)	Replacement of light fixtures throughout 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N. Replacement to include kitchen overhead lighting, dining room overhead lighting, hallway lighting, overhead lighting in bedrooms. Will use existing wiring.		\$23,500.00
ID0069	Plumbing Upgrades(Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing)	Replace Kitchen and Bathroom faucets in 2 of 40 scattered site single-family homes: 860 19 Av N and 3501 8 St N. Chrome finish, single lever faucets with low flow aerators. Water shut-off valves and "P" traps to be replaced as needed. Sinks to be replaced if needed.		\$15,800.00
	WILSON APARTMENTS (MN038000003)			\$136,180.00
ID0027	Operations(Operations (1406))	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304 On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0028	Capital Fund Administration(Administration (1410)-Salaries)	Capital Fund Administration		\$26,180.00
ID0073	Repair or Replace Emergency Generators(Contract Administration (1480)-Other Fees and Costs,Non-Dwelling Construction - Mechanical (1480)-Generator)	Repair or replacement of the emergency generators at Wilson Apartments.		\$65,000.00
ID0074	Security System Upgrade(Management Improvement (1408)-Security Improvements (not police or guard-non-physical))	Replace current security system including cameral and camera servers.		\$35,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 4 2025				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			\$741,801.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	EMPIRE APARTMENTS (MN038000001)			\$166,221.00
ID0079	Operations(Operations (1406))	Empire Apartments, 54 4th Av N, St. Cloud, MN 56303 On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0080	Capital Fund Administration(Administration (1410)-Other,Administration (1410)-Salaries)	Capital Fund Administration		\$24,000.00
ID0081	Common Area Air Conditioning(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs,Non-Dwelling Construction - Mechanical (1480)-Cooling Equipment - Systems,Non-Dwelling Interior (1480)-Mechanical)	Empire Apartments, 54 4th Av N, St. Cloud, MN 56303 Install new air conditioning units to service common areas. New units will be placed at same location as old units. Old units to be removed and taken to recycling center. New units of sufficient capacity to be installed according to code.		\$35,000.00
ID0092	Replace Outdoor Lighting(Contract Administration (1480)-Other Fees and Costs,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Site Work (1480)-Lighting,Non-Dwelling Exterior (1480)-Lighting)	Empire Apartments, 54 4th Ave N, St. Cloud, MN 56303. Replace outdoor lighting with LED lighting, including new light poles. Contractor to provide new materials and remove and dispose of old materials. Soil may be disturbed - HRA will be responsive to any soil and environmental issues.		\$97,221.00
	ST. CLOUD HRA (MN038000002)			\$389,400.00
ID0082	Operations(Operations (1406))	On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$165,400.00

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
2577-0274
02/28/2022

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0083	Capital Fund Administration(Administration (1410)-Other,Administration (1410)-Salaries)	Capital Fund Administration		\$24,000.00
ID0085	Replace Playground Equipment, Fence and Playground Surface(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Landscape,Non-Dwelling Site Work (1480)-Playground Areas - Equipment)	Cedar Ridge Townhomes, 3459 through 3477 14th Av N, St. Cloud, MN. Replace playground surface, equipment and fence. Current surface material to be removed and replaced with new materials. Equipment to be removed and replaced with new equipment. Current chain link fence to be removed and replaced with new. Vendor to provide labor and will be responsible for disposal of all old materials. Soil will be disturbed. HRA will be responsive to any environmental requirements.		\$200,000.00
	WILSON APARTMENTS (MN038000003)			\$186,180.00
ID0086	Operations(Operations (1406))	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304. On-going operating costs including trash removal, snow removal, lawn care, exterminating services and cleaning, as well as other costs as necessary.		\$10,000.00
ID0087	Capital Fund Administration(Administration (1410)-Other,Administration (1410)-Salaries)	Capital Fund Administration		\$26,180.00
ID0088	Common Area Air Conditioning(Contract Administration (1480)-Other Fees and Costs,Non-Dwelling Construction - Mechanical (1480)-Cooling Equipment - Systems,Non-Dwelling Construction - Mechanical (1480)-Other,Non-Dwelling Interior (1480)-Mechanical,Contract Administration (1480)-Other)	Wilson Apartments, 41 3rd Av NE, St. Cloud, MN 56304. Install new air conditioning units to service common areas. New units will be placed at same location as old units. Old units to be removed and taken to recycling center. New units of sufficient capacity to be installed according to code.		\$35,000.00
ID0089	Update Security Systems - Entrances and Apartment Doors(Contract Administration (1480)-Other,Contract Administration (1480)-Other Fees and Costs,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Other)	Wilson Apartments 41 3rd Av NE, St. Cloud, MN 56304. Upgrade security system in a 126 unit high-rise with installation of keyless electronic access-control system for entrance and apartment doors. Locks on all entrance doors and apartment doors to be changed to electronic locks and keys to be replaced with fobs. Vendor to provide all labor and materials.		\$70,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0091	Window Awnings(Contract Administration (1480)-Other Fees and Costs,Dwelling Unit-Exterior (1480)-Canopies)	Wilson Apartments, 41 3rd Ave NE, St. Cloud, MN 56304. Adding window awnings. Contractor to provide new materials and cleanup of the project.		\$45,000.00
	Subtotal of Estimated Cost			\$741,801.00

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: August 18, 2021

SUBJECT: Return of Community Development Block Grant (CDBG) Funds
to the City

Requested Action: Approve the Return of CDBG Funds to the City to be re-allocated to the River Heights Supportive Housing Project.

Background: Due to COVID-19, the HRA has not been able to complete as many CDBG rehab loans as staff would like. First, some homeowners did not want contractors or HRA staff in their homes and some contractors were not sending staff into homes. Since then, the timeline to get supplies and materials has significantly lengthened over what was previously considered normal.

At the beginning of August, HRA staff believed we could still spend all of the HRA's allocation within the required timelines. Since then, two homeowner projects have fallen through and the HRA received \$38,000 in loan repayments. Additionally, it is management's understanding that the City has \$58,397 that was returned from a past grantee as their project did not go forward.

Because of how long it is taking contractors to complete jobs due to materials shortages, the limited number of available contractors, the two projects falling through, and the influx of program income, HRA staff recommend that once the City allocates the \$58,397 to the HRA's 2019 Single Family Rehab Loan Program, it then re-allocates \$58,000 from 2019 and \$52,000 from 2020, for a grand total of \$110,000, to the River Heights Supportive Housing Project.

The HRA then requests receiving an additional \$110,000 with the 2022 allocation, if the construction environment has improved at that time. (Or potentially delaying the increase until 2023, if the current environment is sustained.)

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: None.

Future Action: None at this time.

Relationship to Goals: #1 – The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods.

Budget Impact: Delaying \$110,000 of homeowner improvement loans since they cannot be completed at this time.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: August 18, 2021

SUBJECT: Homestead Incentive Loan Program Guideline Changes

Requested Action: Approve the following changes to the Homestead Incentive Loan Program.

Background: The current requirements of the Homestead Incentive Loan Program are as follows:

The home must be within the designated core neighborhood boundaries and be homesteaded by the buyer at time of purchase. At least half of the down payment required by the first mortgage lender must come from the homebuyer. Each homebuyer may receive up to \$3,000 to be used for down payment, closing costs, pre-pays. 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 current Income Guidelines are:

Households of 1-2 persons = \$93,100

Households of 3 + persons = \$107,500

This program experienced a significant increase in activity during 2016, which has continued to date. Since the program started in June 2013 through December 2015, the HRA completed 20 loans totaling \$59,000. For 2016 through 2018, the HRA completed 120 loans totaling \$360,000. The average sales price in 2016 was \$111,337. The demographics for 2019 to 2021 (to date) are as follows:

	2019	2020	2021
# of loans completed or in process	31	38	14
\$ of loans completed or in process	\$93,000	\$114,000	\$42,000
Average household income	\$46,453	\$46,773	\$43,000
Average sales price	\$135,901	\$142,795	\$135,154
First-time homebuyers	28	35	12

Management is recommending the following changes be made to the program:

1. The home must be within the City limits of St. Cloud.
2. The maximum loan amount is \$5,000.
3. \$1,000 of the down payment required by the first mortgage lender must come from the homebuyer.

The current remaining balance in the Homestead Incentive Loan Program is approximately \$130,000. If the transfer from the Housing Development Fund is approved, that will bring the available balance to \$230,000, which will fund 46 \$5,000 loans.

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: Transfer from Housing Development Fund.

Future Action: Assess program for additional future funding when spent down.

Relationship to Goals: #1 – The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods.

Budget Impact: More loans at a higher dollar amount are expected to be processed.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: August 18, 2021

SUBJECT: Interfund Transfer for the Homestead Incentive Loan Program

Requested Action: Approve the following transfer with an effective date of August 25, 2021:

- To the Core Neighborhoods Fund from the Housing Development Fund: \$100,000

Background: Any transfers made between funds are required to be approved by the Board of Commissioners.

There have been loan repayments in past down payment assistance (DPA) programs, which is the source of funding we are recommending be transferred into the Homestead Incentive Loan program. There is approximately \$134,000 in the Housing Development fund from DPA repayments and we are recommending to transfer out \$100,000 for the Homestead Incentive Loan Program.

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: Agenda item for changes in program guidelines.

Future Action: Assess program for additional future funding when spent down.

Relationship to Goals: #1 – The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods.

Budget Impact: Using \$100,000 of reserves from the Housing Development Fund.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: August 18, 2021

SUBJECT: Funding for the Proposed River Heights Supportive Housing Project

Requested Action: Approve \$125,000 grant to Center City Housing Corp. (CCHC) for the Proposed River Heights Supportive Housing Project.

Background: CCHC is proposing to build a 40-unit supportive housing project. This project is primarily being funded by deferred loans from MN Housing. Due to significantly increased construction costs, the project has a projected short-fall and has the potential of not going forward.

The source of funds to make this grant is from the fee revenue received from issuing the housing bonds for The Sanctuary project. Revenues through 2021 for that project have been approximately \$167,000.

Following are the documents provided by CCHC.

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: Return of CDBG Funding to the City.

Future Action: Likely a resolution to approve the execution of the grant agreement.

Relationship to Goals: #1 – The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods.

Budget Impact: Using \$125,000 of reserves from the Housing Development Fund.



Center City Housing Corp.

July 21, 2021

Dear Louise,

Center City Housing Corp. (CCHC) is currently developing the River Heights supportive housing program for 40 homeless single adults in St. Cloud.

We were awarded capital funds for this project from Minnesota Housing in March. Since the award, the project has gone out for initial bidding and costs came in 15-20% higher than the available funds from Minnesota Housing. The largest increase is in lumber costs, which increased more than \$700,000. These increases have left us with a 1.1 million dollar gap after we went through an extensive value engineering process where we already eliminated \$428,150. Please see the attached Sources and Uses of Funds.

To fill the gap we are asking multiple partners for additional funding, hoping that through a joint effort we can meet the need. This includes requests for contributions from Minnesota Housing, the Greater Minnesota Housing Fund, the City of St. Cloud and Center City Housing Corp.

We are requesting \$100,000- \$250,000 from the St. Cloud HRA. Ideally, this would be a grant, but a 30-year deferred loan with a 0% or 1% interest rate would also be acceptable.

The need for affordable housing in St. Cloud is high. Please see the attached market study for additional information. All of these units will have rental assistance through a Housing Support Commitment from Sherburne County. It is our goal to fill the gap to ensure we can build these affordable housing units.

Thank you so much for your consideration of this support. We are confident that the local commitment will help us encourage MHFA to fill the remaining gap.

Sincerely,

Nancy Cashman
Executive Director

105 1/2 WEST FIRST STREET
DULUTH, MN 55802
PHONE (218) 722-7161 : FAX (218) 720-3483

River Heights Apartments
St. Cloud, MN
SOURCES AND USES OF FUNDS

SOURCES

MN Housing Housing Infrastructure Bonds	\$ 8,249,000
MN Hosuing Flexible Financing Capital Cost Funds	1,680,000
Sales Tax Exemption & Energy Rebates	230,455
TOTAL SOURCES	<u>\$ 10,159,455</u>

USES

Land Acquisition	0
Construction Housing	8,446,446
Construction Contingency	337,858
Furnishings	200,000
Architectural and Engineering and other professsional fees	569,608
Financing & construction period costs (insurance, taxes, title, fees)	185,760
Third Party Costs (appraisal, environmental assessment, etc.)	50,000
Legal	85,000
Developer Overhead & Consultant costs	1,321,000
Reserves (rent-up & operating)	<u>88,537</u>
TOTAL USES	<u>\$ 11,284,209</u>
GAP	(1,124,754)

A MARKET FEASIBILITY STUDY OF:

RIVER HEIGHTS APARTMENTS

A MARKET FEASIBILITY STUDY OF:

RIVER HEIGHTS

APARTMENTS

Located:

Adjacent to River Crest Apartments
St. Cloud, Sherburne County, Minnesota 56304

Effective Date: March 11, 2020

Report Date: April 13, 2020

Prepared for:

Nancy Cashman
Center City Housing Corp.
105 ½ West 1st Street
Duluth, MN 55802

Prepared by:

Novogradac Consulting LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
(913) 677-4600



April 13, 2020

Nancy Cashman
Center City Housing Corp.
105 ½ West 1st Street
Duluth, MN 55802

Re: MHFA-Compliant Market Study for River Heights Apartments, St. Cloud, Sherburne County, Minnesota.

Dear Ms. Cashman:

At your request, Novogradac Consulting LLP performed a study of the multifamily rental market in the St. Cloud, Sherburne County, Minnesota area relative to the above-referenced proposed 40-unit low-income housing tax credit permanent supportive housing development.

All of the Subject's units will be rent and income-restricted to households earning 30 and 60 percent of the area median income (AMI) or below. Further, all of the Subject's units will receive rental assistance through the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. The project will consist of one three-story lowrise residential building. All of the Subject units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. Furthermore seven households will also meet the High Priority Homeless Housing definition and will be referred through the Central Minnesota Coordinated Entry System (CES).

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. This report incorporates LIHTC rent and income restrictions. The scope of this report meets the requirements of the Minnesota Housing Finance Agency (MHFA) and includes the following:

- Inspecting the site of the Subject and the general location
- Executive Summary
- Introduction and Scope of Work
- Project Description
- Location and Market Area Definition
- Demographic Characteristics
- Employment and Economy
- Existing Rental Housing Stock
- Local Perspective of Rental Housing Market and Housing Alternatives
- Analysis and Conclusions

The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of MHFA pursuant to MHFA 2020 market study requirements, effective April 2020. Novogradac & Company LLP adheres to market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). This report deviates from NCHMA market study guidelines in areas specified in MHFA market study requirements, and therefore is not in compliance with NCHMA market study guidelines. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

All information contained in this report, which was furnished by others, is assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy. The report can be relied upon by MHFA as a true assessment of the low-income housing rental market within the Subject's market area. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

The authors of this report certify that there is no identity of interest between the analysts and the development team, owner of the Subject property, or general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

The effective date of this study is March 11, 2020. Rachel Denton inspected the Subject property and comparable market data incorporated in this report on March 11, 2020, and is competent to perform such analyses.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Description of Site and Surrounding Area

The Subject is a proposed new construction LIHTC development to be located adjacent to River Crest Apartments (1315 Lincoln Avenue SE) in St. Cloud, Sherburne County, Minnesota 56304. The site is currently a vacant parcel. The site is located within Census Tract 315.00, which is a 2020 Qualified Census Tract. The site totals approximately 1.15 acres or 50,094 square feet. The developer of the Subject is Center City Housing Corporation.

The Subject site is located within the eastern portion of St. Cloud in a mixed-use neighborhood. The neighborhood consists of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. Adjacent to the north of the Subject site are industrial uses and vacant undeveloped land. Land use adjacent to the east of the Subject site is a Woodland Village Townhomes, a 32-unit market rate development, which is currently fully occupied. It should be noted this property was excluded as a rental comparable as it only offers two and three-bedroom units. Land use to the south of the Subject consists of River Crest Apartments, an affordable comparable in good condition. Further south, land use consists of single-family homes in average to good condition. Land use to the west of the Subject site consists of vacant wooded land and a multifamily development, Oakhaven Estates, in average condition. Oakhaven Estates is a 38-unit LIHTC comparable targeted towards the general population and is currently 94.7 percent occupied. According to Zillow, single-family homes in the Subject's neighborhood have recently sold for between \$100,000 and \$400,000.

2. Project Summary

The Subject is a proposed new construction LIHTC development that will offer 40 one-bedroom units. All of the Subject's units will be rent and income-restricted to households earning 30 and 60 percent of the AMI or below. Further, all of the Subject's units will receive rental assistance through the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. The project will consist of one three-story lowrise residential building. All of the Subject units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. Furthermore seven households will also meet the High Priority Homeless Housing definition and will be referred through the Central Minnesota Coordinated Entry System (CES). The Subject's unit mix is detailed in the following table.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	Proposed Contract Rent**
30% AMI*							
1BR/1BA	616	21	\$562	\$0	\$562	\$562	\$733
60% AMI*							
1BR/1BA	616	19	\$733	\$0	\$733	\$1,125	\$733
Total		40					

(1) Landlord pays for all utilities

*All units benefit from project-based rental assistance. As such, tenants pay a portion of their income toward rent.

**Contract rent is based on Housing Support's Program rental assistance standard as of July 2020.

3. Description of the Primary Market Area

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new

area, especially if there is an attraction such as affordable housing at below market rents. Based on conversations with local area property managers including the management at the Subject property, the PMA includes the city of St. Cloud, as well as portions of the nearby communities of Waite Park, Sauk Rapids, Sartell, and St. Joseph. The boundaries are as follows:

North: 35th Street Northeast, Highway 29, 2nd Street South
South: Interstate 94
East: Highway 10, 35th Avenue Southeast, Mayhew Lake Road Northeast
West: Highway 23, Highway 133, Highway 134

The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. According to management at several of the comparables, the majority of tenants originate from the neighborhoods throughout this area, as well as nearby portions of both Benton and Stearns Counties. There are no natural boundaries in the market that would inhibit anyone from relocating to the Subject's neighborhood. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Further, it is not unreasonable that the PMA for this project would be larger than typical for a development of this size. As such, it is estimated that up to 15 percent of the Subject's support will come from "leakage" outside the PMA, including other parts of the St. Cloud metropolitan area.

The secondary market area (SMA) for the Subject is defined as a three-county area, which includes Sherburne, Benton, and Stearns Counties.

4. Strengths and Weaknesses

As stated in the following recommendations section, it is our opinion that the proposed Subject scheme does not suffer from any deficiencies. Strengths of the Subject development and market include:

- The Subject will provide excellent quality housing that is in strong demand in the area. The Subject will be new construction, and this type of rental development is appropriate for the area, given the surrounding land uses. As a newly constructed development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.
- The Subject site is located within close proximity to services, including retail, employment, education, and community services. The site is conforming to surrounding land usage, and the development will improve the immediate neighborhood. Overall, the location of the Subject within the community presents a good location for the proposed development.
- The Subject will provide a unit configuration that is appropriate for the target tenancy.
- Other affordable and stabilized market rate properties in the PMA maintain low vacancy levels, and all multifamily units are in strong demand.
- All of the Subject's units will receive rental assistance through the Housing Support Program through the Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent.
- The Subject's units will be full furnished and an array of supportive services will be offered at the Subject.

5. Recommendations and/or Modifications

- The Subject concept is generally well-conceived. The Subject's proposed rents will offer an advantage over current market rents, as well as NOVOCO's estimate of achievable market rents. The proposed 30 and 60 percent AMI rents are below the LIHTC competition. Further, all of the units will benefit from rental assistance, and tenants will pay a portion of their income towards rent. In addition, all of the Subject's units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. Furthermore seven households will also meet the High Priority Homeless (HPH) Housing definition and will be referred through the Central Minnesota Coordinated Entry System (CES). The CES will also be used as a referral source for the Subject's non-HPH units. There is limited competition for this type of housing in the market area. Therefore, we have no recommendations or suggested modifications.

6. Summary of Key Economic and Demographic Factors

- The demographic data demonstrates that both the population and the number of households in the PMA have increased from 2010 to 2019, and are forecast to continue to increase through the date of market entry and 2024. The Subject will accommodate one and two-person households, which represents 47.5 and 29.0 percent of renter households in the PMA as of 2019, respectively. As of 2019, 73.8 percent of renter households in the PMA earn less than \$50,000 annually, indicating that a large share of renter households will income qualify to reside at the Subject., which bodes well its success.
- The economy in St. Cloud is heavily reliant on the CentraCare Health Systems, which employs approximately 6,257. Other industries among the top employers include public administration, educational services, and transportation/warehousing. Nonetheless, the local economy is anchored by the healthcare/social assistance industry, which is historically stable during economic downturns. Employment in the SMA recovered and surpassed pre-recessionary levels in 2012, two years earlier than the overall nation. Since 2012, average employment growth in the SMA trailed the nation in all but two years. As of December 2019, total employment in the SMA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, similar to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA has been lower than the national unemployment rate in every year. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

7. Comparison of Subject to Comparable Properties

- The Subject will be a new construction, and will exhibit excellent condition. The comparable properties were constructed or last renovated between 1974 and 2017. East Germain Court was constructed in 2013 and exhibits excellent condition, similar to the Subject upon completion. Two comparables, River Crest Apartments and Regency Park Estates, were constructed or last renovated between 2010 and 2017 and exhibit good condition, slightly inferior to the Subject upon completion. The remaining comparables exhibit average condition, inferior to the Subject upon completion.
- The Subject's proposed unit sizes are within the overall range of the comparables. The Subject's proposed one-bedroom unit size provides a 10 percent disadvantage compared to the overall average but is relatively similar to the average one-bedroom unit size of the affordable comparables. We believe the Subject's unit sizes will be well-received given the subsidy in place and the target tenancy. However, we have taken into account the Subject's one-bedroom unit size in determining the achievable rents.

8. Summary of Key Conclusions

- The comparables reported vacancy rates ranging from zero to 21.4 percent, with an overall weighted average of 5.2 percent. The average vacancy rate reported by the affordable comparables was 4.7 percent, below the 5.6 percent average reported by the market rate properties. In addition, one of the affordable comparable properties reported a waiting list. The Subject will exhibit superior condition

relative to the majority of the surveyed properties, but will offer generally inferior unit amenities. The Subject's proposed rents will offer a significant advantage over NOVOCO's estimate of achievable market rents. The proposed 30 percent AMI rent is set at the maximum allowable level, while the proposed 60 percent AMI rent is set below the maximum allowable level. Furthermore, all of the Subject's units will benefit from rental assistance; thus, tenants will pay just a portion of their income towards rent. Despite the Subject's inferior unit sizes and amenities, we believe the proposed development will be well-accepted in the market, as all of the Subject units will be targeted towards a specific tenancy, which is well underserved in the market as there is just one other property targeting a similar tenancy in the area.

- Positive attributes of the Subject site include its close proximity to services, including retail, employment, community services. The site is conforming to surrounding land usage, as the Subject is situated adjacent to River Crest Apartments and within close proximity to two other multifamily developments. Overall, the location of the Subject within the community presents a good location for the proposed development.
- We reviewed MHFA and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions. The geographic area we consider relevant has been defined as the area within the established PMA boundaries. There are approximately 2,053 affordable rental units located within the PMA. In 2019, ESRI Demographics estimated a total of 18,202 rental units in the PMA. This yields an approximate ratio of 11.3 percent affordable rental housing to 88.7 percent market rate rental housing within the PMA.
- Existing multifamily housing projects in the PMA will not be adversely affected by the construction of the Subject property. A survey of affordable rental housing developments as well as the market rate developments in the area demonstrates strong demand for good quality rental units, as evidenced by the high occupancy rates and waiting lists. Given the strong demand for affordable housing in the area, we anticipate that the Subject property will also maintain a high occupancy level as well as a waiting list after the initial lease-up phase. Furthermore, the Subject will face very limited competition in the market.
- We expect the Subject to maintain a vacancy level of five percent or less once stabilized, consistent with the performance of the comparable affordable properties included in this analysis.
- The following tables illustrate the Subject's proposed tax credit rents in relation to comparable affordable rents. Rents have been adjusted for differences in utility structure and concessions, where applicable.

LIHTC RENT COMPARISON @30%

Property Name	County	Tenancy	1BR
River Heights Apartments	Sherburne	Family	\$562
2019 LIHTC Maximum Rent (Net)	Sherburne		\$562
River Crest Apartments	Sherburne	Family	\$562
Average	-	-	\$562
Achievable LIHTC Rent			\$562

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	1BR
River Heights Apartments	Sherburne	Family	\$733
2019 LIHTC Maximum Rent (Net)	Sherburne		\$1,125
Lincoln Pointe I And II	Sherburne	Family	\$886
Oakhaven Estates	Sherburne	Family	\$740
The Highlands	Sherburne	Family	\$877
Average			\$834
Achievable LIHTC Rent (Absent Subsidy)			\$865

As demonstrated in the previous tables, the Subject's proposed rents at the 30 percent AMI level are set at the maximum allowable level, similar to the one comparable, River Crest Apartments, also reporting rents at the 30 percent AMI level. However, it should be noted that all units at River Crest Apartments benefit from project-based rental assistance. As such, tenants pay just 30 percent of their income as rent. The Subject's proposed rents at the 60 percent AMI level are set below the maximum allowable level. None of the comparables reported offering 60 percent AMI units at the maximum allowable level. However, these three properties are also older, being constructed or last renovated between 1993 and 2002. As such, given the Subject's anticipated condition upon completion, we believe that the Subject would be able to achieve rents above the range of the comparables, absent subsidy. Furthermore, most of the affordable comparables reported high occupancy indicating demand for affordable housing in the area. As such, we have placed the Subject's achievable 60 percent AMI rents toward the high end of the range of reported rents, but below the maximum allowable level at \$865, absent subsidy.

- Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject's rental rates are below achievable market rates for the Subject's area. The following tables show the market rent comparisons and the achievable market rents for the Subject.

MARKET RENT COMPARISON

Property Name	1BR
Subject's Proposed Contract Rent	\$733
Bentonshire Apartments	\$668
East Germain Court	\$894
Hampton Apartments	\$950
Oakwood Heights Apartments	\$633
Regency Park Estates	\$1,033
Average	\$836
Achievable Market Rent	\$900

MARKET RENT COMPARISON (RPSF)

Property Name	1BR
Subject's Proposed Contract Rent	\$1.19
Bentonshire Apartments	\$0.92
East Germain Court	\$1.12
Hampton Apartments	\$1.33
Oakwood Heights Apartments	\$0.98
Regency Park Estates	\$1.27
Average	\$1.12
Achievable Market Rent	\$1.38

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject's Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR/1BA	@30%	\$562	\$633	\$1,033	\$836	\$900	38%
1BR/1BA	@60%	\$733	\$633	\$1,033	\$836	\$900	19%

The Subject will offer one-bedroom units restricted at the 30 and 60 percent AMI levels. The proposed rents for these units are below to just within the range of the market rate comparables. Generally, the Subject will be in similar to superior in condition, and offer competitive community amenities compared to the market rate comparable properties. As a result, we believe the Subject's proposed rents offer a substantial value in the market. The Subject's proposed LIHTC rents offer a rent advantage (19 to 38

percent) over NOVOCO's estimated achievable market rents. To determine the achievable market rents, we considered the market rents currently being achieved at East Germain Court and Hampton Apartments, as they are the most comparable properties with regards to location, age, unit mix, and unit sizes.

East Germain Court is a 25-unit market rate property, located 1.0 mile north of the Subject in the PMA, exhibiting excellent condition. Further, this development is fully occupied. This comparable offers a similar condition when compared to the Subject, similar building design, generally similar location, slightly superior unit amenities, slightly inferior community amenities, and larger unit sizes compared to the Subject. As such, we believe the Subject could achieve rents similar to the rents achieved at this comparable.

Regency Park Estates is a 147-unit market rate property, located 0.7 miles north of the Subject in the PMA, exhibiting good condition. Further, this development is 93.9 percent occupied. This comparable offers a slightly inferior condition when compared to the Subject, similar building design, generally similar location, slightly superior unit amenities, slightly inferior community amenities, and larger unit sizes compared to the Subject. As such, we believe the Subject could achieve rents similar to the rents achieved at this comparable. With consideration given to all factors, our estimates of achievable market rents are within the range of the comparables, but toward the high end of the range, due to the Subject's community amenities and appeal as new construction.

Per the 2020 MHFA market study guidelines, we have included the following table. It should be noted that net rents are reflected in this table.

Unit Type	Subject's Proposed Rent	Achievable Market Rents	Achievable Rents at 30% MTSP	30% MTSP Rent Limit	Achievable Rents at 60% MTSP	60% MTSP Rent Limit
1BR/1BA	\$562-\$733	\$900	\$562	\$562	\$865	\$1,164

The Subject's proposed LIHTC rents are achievable and offer a discount to the achievable market rent.

- Overall, we believe the Subject will have a positive impact on the surrounding neighborhood and will not hinder the ability of the existing affordable and market rate developments' ability to maintain full occupancy
- The Demand Analysis illustrates demand for the Subject based on capture rates of income-eligible renter households for the general population, which are detailed in the table following.

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
30% AMI	0.4%	2.5%
60% AMI	0.2%	0.6%
All Units	0.5%	1.0%
Annual Demand	0.7%	1.3%
Penetration Rate	5.9%	6.4%

- We were unable to obtain absorption information from any properties within the PMA. However, we were able to obtain absorption information from one LIHTC property within a 10-mile radius of the Subject, which is detailed in the table below.

ABSORPTION

Property Name	Type	Tenancy	Year Built	# of Units	Units Absorbed / Month
Cornerstone Village II	LIHTC	Family	2017	49	24

Based on the absorption information from this property and the presence of some waiting lists in the market, we anticipate that absent subsidy, the Subject would be fully absorbed within two months of completion. This equates to an absorption rate of approximately 20 units per month. However, the Subject's units will target individuals with severe and persistent mental illness or severe mental illness diagnosis, and seven units will be further restricted to High Priority Homeless individuals. The Subject's High Priority Homeless units will receive referrals through the Continuum of Care Coordinated Entry System (CES). Therefore, the actual absorption could possibly occur even faster.

- We believe the Subject will provide good quality, stable, and safe permanent supportive housing targeting single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder.

II. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

At the request of Nancy Cashman of Center City Housing Corporation, Novogradac Consulting LLP performed a comprehensive market analysis full narrative report of the multifamily rental market in the St. Cloud, Sherburne County, Minnesota area relative to the proposed River Heights Apartments (Subject).

Center City Housing Corporation is the client in this engagement. We understand that they will use this document for submittal to the Minnesota Housing Finance Agency (MHFA) for application to receive low income housing tax credits (LIHTCs). Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Center City Housing Corporation owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. This report incorporates LIHTC rent and income restrictions. The scope of this report meets the requirements of the MHFA and includes the following:

- Inspecting the site of the Subject and the general location
- Executive Summary
- Introduction and Scope of Work
- Project Description
- Location and Market Area Definition
- Demographic Characteristics
- Employment and Economy
- Existing Rental Housing Stock
- Local Perspective of Rental Housing Market and Housing Alternatives
- Analysis and Conclusions
- Required Addenda and Other Miscellaneous Requirements

The date of property inspection for this market study is March 11, 2020; this is also the effective date of the study. Rachel Denton inspected the Subject property and comparable market data incorporated in this report, and is competent to perform such analyses, and Jon Sestak is the primary analyst that has reached conclusions presented in the report.

III. PROJECT DESCRIPTION

PROJECT DESCRIPTION

The Subject is a proposed new construction LIHTC development to be located adjacent to 1315 Lincoln Avenue SE (River Crest Apartments), St. Cloud, Sherburne County, Minnesota 56304. The site is currently a vacant parcel. The site is located in the eastern portion of St. Cloud in a mixed-use neighborhood consisting of a mixture of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. The site is located within Census Tract 315.00, which is a 2020 Qualified Census Tract. All of the Subject's units will be rent and income-restricted to households earning 30 and 60 percent of the AMI or below. Further, all of the units will receive rental assistance through the Minnesota's Department of Human Services Housing Support Program; thus, tenants will pay a portion of their income towards rent. All of the Subject units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless (HPH) Housing guidelines and will be referred through the local Continuum of Care Coordinated Entry System (CES). The CES will also be used as a referral source for the Subject's non-HPH units. The site totals approximately 1.15, acres or 50,094 square feet. The developer of the Subject is Center City Housing Corporation.

Construction Type: The Subject is a proposed new construction development that will offer 40 one-bedroom LIHTC units. The project will consist of one three-story lowrise residential building. The improvements will feature brick and masonry exterior with a pitched roof.

Occupancy Type: All of the Subject's units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless Housing guidelines.

Tenant Income Levels: The units will be income-restricted to households earning 30 and 60 percent of the Area Median Income (AMI) levels or below. Qualifying incomes for the Subject's units will range from \$19,269 to \$48,000, absent rental assistance. However, all of the Subject's units will benefit from rental assistance through the Housing Supports Program through the Minnesota Department of Human Services; thus, the effective minimum income will be zero.

Special Population Target: All of the Subject's units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless (HPH) Housing guidelines.

Unit Mix: The Subject's unit mix and square footage is detailed below.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	# of Units	Unit Size (SF)	Net Leasable Area (SF)
1BR / 1BA	40	616	24,640
Total	40		24,640

Proposed Rents: All of the Subject's units will be LIHTC-restricted to households earning 30 and 60 percent of the AMI or less. The Subject's gross

and net rents are shown in the following table, as well as the 2019 LIHTC maximum allowable gross rents and proposed contract rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	Proposed Contract Rent**
				30% AMI*			
1BR/1BA	616	21	\$562	\$0	\$562	\$562	\$733
				60% AMI*			
1BR/1BA	616	19	\$733	\$0	\$733	\$1,125	\$733
Total		40					

(1) Landlord pays for all utilities

*All units benefit from project-based rental assistance. As such, tenants pay a portion of their income toward rent.

**Contract rent is based on Housing Support's Program rental assistance standard as of July 2020.

Utility Structure:

Tenants at the Subject will not be responsible for any utility expenses. The landlord will be responsible for electric cooking, geothermal heating, gas water heating, general electrical expenses, cold water, sewer, and trash expenses, as well as common area utility expenses.

Existing or Proposed Project Based Rental Assistance:

All of the Subject's units will benefit from rental assistance through the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent.

Unit Amenities:

The Subject's units will include blinds, carpet/vinyl flooring, central air conditioning, a coat closet, oven/range, microwave, and a refrigerator. In addition, the Subject's units will be fully furnished with a bed, dresser, side tables in bedroom, a couch, chair, side tables in living area, and coffee table. Kitchens will also be fully furnished with built-in eating counters and chairs, as well as with plates, cooking utensils, pots, and pans. Bathrooms will have shower curtains and linens.

Community Amenities:

The Subject will offer a central laundry facility, on-site management, off-street parking, computer lab, and picnic areas. Security features will include limited access, buzzer intercom system, in-unit alarms, and video surveillance. In addition, the Subject will have a case manager and supportive services available on-site.

Parking:

The Subject will offer 24 off-street uncovered parking spaces, or approximately 0.6 spaces per unit.

On-Site Supportive Services:

The Subject will offer service coordination, case management, and basic skills classes, as well as transportation on-site. The supportive services team will include a case manager, targeted case management, and adult rehabilitative mental health services (ARMHS) staff. The service staff will work directly with each individual to assure comprehensive services meet the needs of tenants. CCHC will provide the Case Manager and the 24 hour front desk staff. A

separate provider will provide TCM and ARMHS staff. These services can be provided after intake and a diagnostic assessment with a mental health professional. The service staff will work directly with each household to identify barriers to long-term housing success and then work to address those barriers. CCHC's service model is to provide housing and comprehensive services to meet the needs of the tenants. This includes: on-site case management, 24-hour per day Tenant Assistant/Front Desk staff, behavioral health support, assistance with applying for mainstream benefits, advocacy, community building activities, and family reconnection.

Date of Construction: Construction is expected to commence in October 2021, with an estimated completion date in October 2022.

Architectural Plans: We reviewed architectural drawings prepared by LHB on March 2, 2020. Copies of the architectural drawings are included in *Appendix E*.

Conclusion: The Subject will consist of the new construction of a three-story lowrise residential building in the eastern portion of St. Cloud in a mixed-use neighborhood consisting of a mixture of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. All of the Subject's units will be LIHTC units restricted to households earning 30 and 60 percent of Area Median Income (AMI) or less. All of the Subject's units will receive rental assistance through the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. Further, all of the Subject's units will be classified as permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless Housing guidelines. This type of rental development is appropriate for the area. As a newly constructed development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

IV. LOCATION AND MARKET AREA DEFINITION

LOCATION AND MARKET AREA DEFINITION

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. Based on conversations with local area property managers including the management at the Subject property, the PMA includes the city of St. Cloud, as well as portions of the nearby communities of Waite Park, Sauk Rapids, Sartell, and St. Joseph. The boundaries are as follows:

North: 35th Street Northeast, Highway 29, 2nd Street South

South: Interstate 94

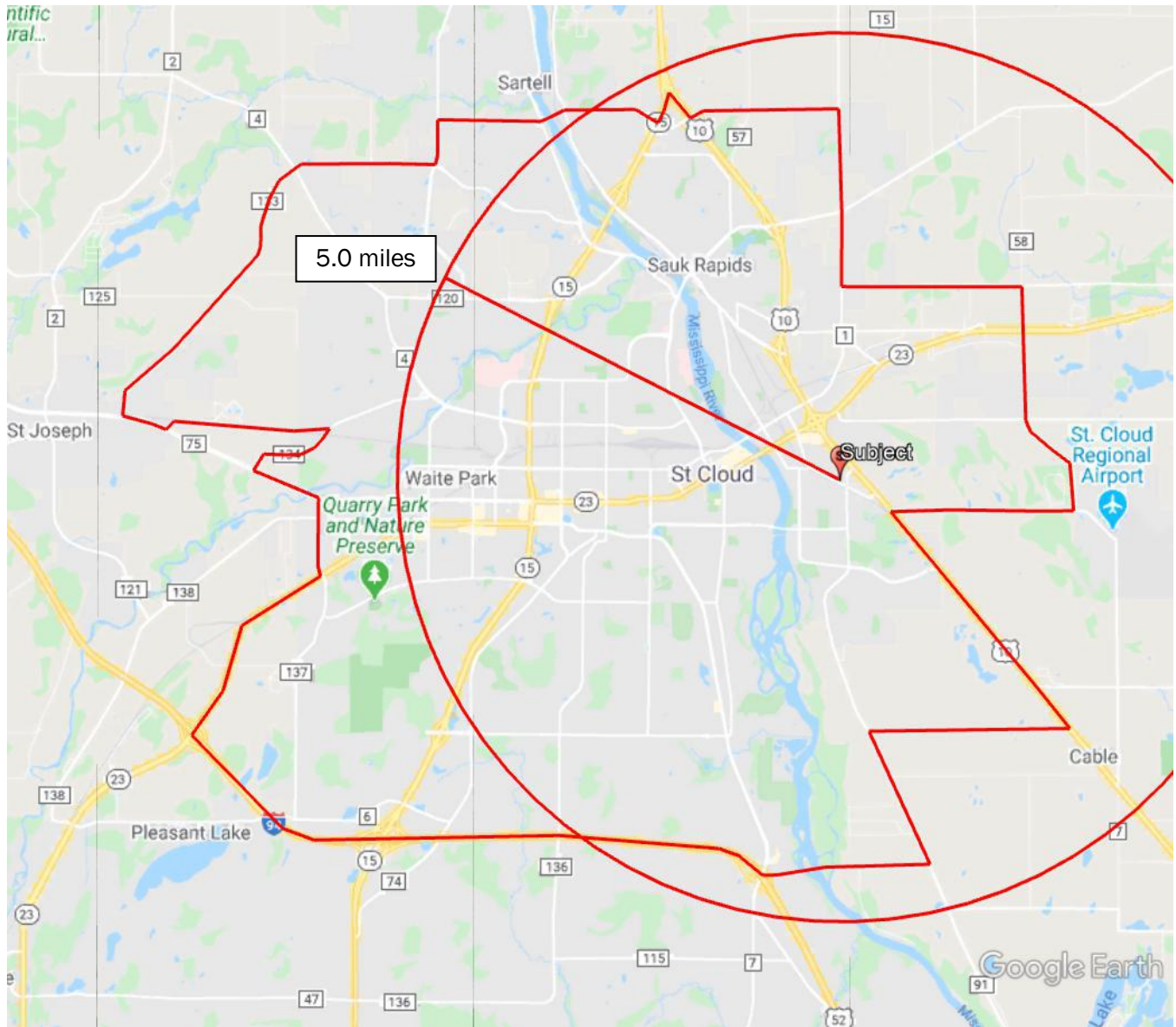
East: Highway 10, 35th Avenue Southeast, Mayhew Lake Road Northeast

West: Highway 23, Highway 133, Highway 134

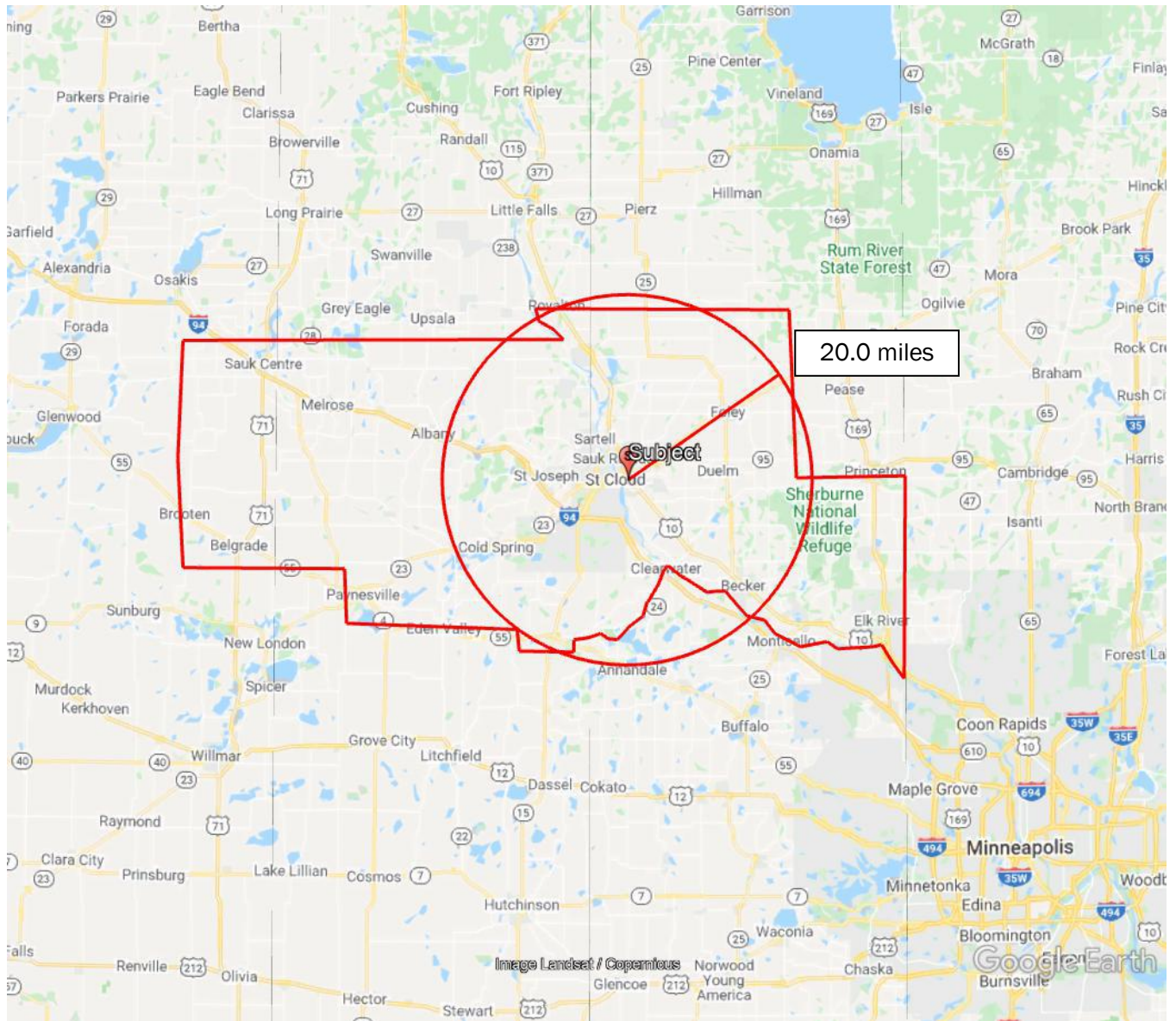
The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. According to management at several of the comparables, the majority of tenants originate from the neighborhoods throughout this area, as well as nearby portions of both Benton and Stearns Counties. There are no natural boundaries in the market that would inhibit anyone from relocating to the Subject’s neighborhood. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Further, it is not unreasonable that the PMA for this project would be larger than typical for a development of this size. As such, it is estimated that up to 15 percent of the Subject’s support will come from “leakage” outside the PMA, including other parts of the St. Cloud metropolitan area.

The secondary market area (SMA) for the Subject is defined as a three-county area, which includes Sherburne, Benton, and Stearns Counties. Maps outlining the PMA and SMA can be found following.

Primary Market Area Map



Secondary Market Area Map



SITE CHARACTERISTICS

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

Location:

The Subject site is located adjacent to 1315 Lincoln Avenue Southeast (River Crest Apartments) in Sherburne County, Minnesota. The site is located in the eastern portion of St. Cloud in a mixed-use neighborhood consisting of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. The Subject site is identified in the aerial map following.

Aerial:



Source: GoogleMaps, Novogradac & Company LLP, 3/2020

Shape:

Rectangular in shape.

Size:

The site totals approximately 1.15 acres, or 50,094 square feet.

Date of Site Visit:

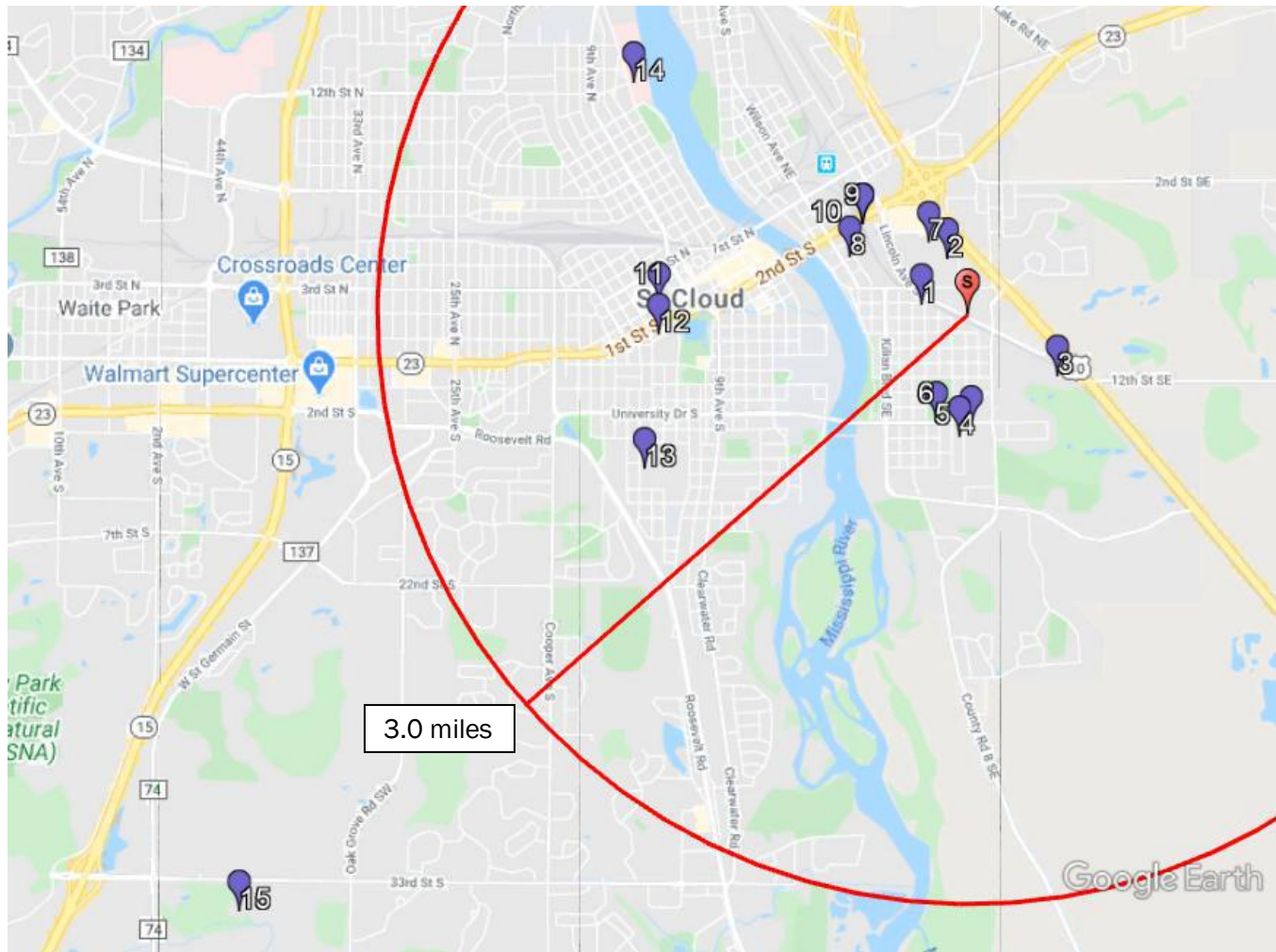
March 12, 2020.

Frontage:

The Subject site has frontage along the east side of 13th Avenue.

Topography:	The Subject site is generally level.
Existing Improvements:	The site is currently vacant.
Vegetation:	Limited vegetation consisting of natural grasses, trees, and shrubs.
Zoning:	According to the City of St. Cloud, the Subject site is currently zoned C-5 (Highway Commercial District). This district allows for multifamily development with no density restriction but a maximum building height of 50 feet. The minimum parking requirements for multifamily development is two spaces per dwelling unit. According to the client, development of the Subject as proposed will require a conditional use permit and discussions have been had with the City in regards to adding an amendment that would allow for development of the Subject. However, the client noted that they do not plan to pursue this amendment unless they are awarded LIHTC funding.
Layout and Curb Appeal:	The Subject site will be improved with a three-story lowrise residential building. The finished product will have excellent curb appeal, enhancing the site and neighborhood. Additionally, we have reviewed the site plan, and it appears that the Subject will have a functional layout.
Surrounding Land Uses:	The Subject site is located within the eastern portion of St. Cloud in a mixed-use neighborhood. The neighborhood consists of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. Adjacent to the north of the Subject site are industrial uses and vacant undeveloped land. Land use adjacent to the east of the Subject site is a multifamily development, Woodland Village Townhomes, a 32-unit market rate development, which is currently fully occupied. It should be noted this property was excluded as a rental comparable as it only offers two and three-bedroom units. Land use to the south of the Subject consists of River Crest Apartments, an affordable comparable in good condition. Further south, land use consists of single-family homes in average to good condition. Land use to the west of the Subject site consists of vacant wooded land and a multifamily development, Oakhaven Estates, a 38-unit LIHTC comparable targeted towards the general population and is currently 94.7 percent occupied. According to Zillow, single-family homes in the Subjects neighborhood have recently sold for between \$100,000 and \$400,000.
Proximity to Local Services:	The following table illustrates the Subject's proximity to local services. The Subject site is located in reasonable proximity to commercial, recreation, and healthcare services.

Map of Services



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject	Map #	Service or Amenity	Distance from Subject
1	Gas Station	0.3 miles	9	Target	0.8 miles
2	Bank	0.4 miles	10	Pharmacy	0.8 miles
3	Bus Stop	0.5 miles	11	Police Station	1.6 miles
4	Fire Station	0.5 miles	12	Great River Regional Library	1.6 miles
5	Talahi Community School	0.5 miles	13	South Junior High School	1.8 miles
6	Park	0.5 miles	14	St Cloud Hospital	2.2 miles
7	Post Office	0.5 miles	15	Tech High School	4.7 miles
8	Lincoln Elementary School	0.8 miles	-	-	-

Photographs of Site, Neighborhood, and Street Views



View of Subject site facing north



View of Subject site facing north



View of Subject site facing east



View of Subject site facing southwest



View of Subject site facing south



View from Subject site facing east



View from Subject site facing east



View from Subject site facing west



Commercial use north of the Subject site



Multifamily use northwest of the Subject site



Multifamily use east of the Subject site



River Crest Apartments south of the Subject site



Typical single-family homes south of the Subject site



Typical single-family homes south of the Subject site



View south along 13th Avenue South



View north along 13th Avenue South

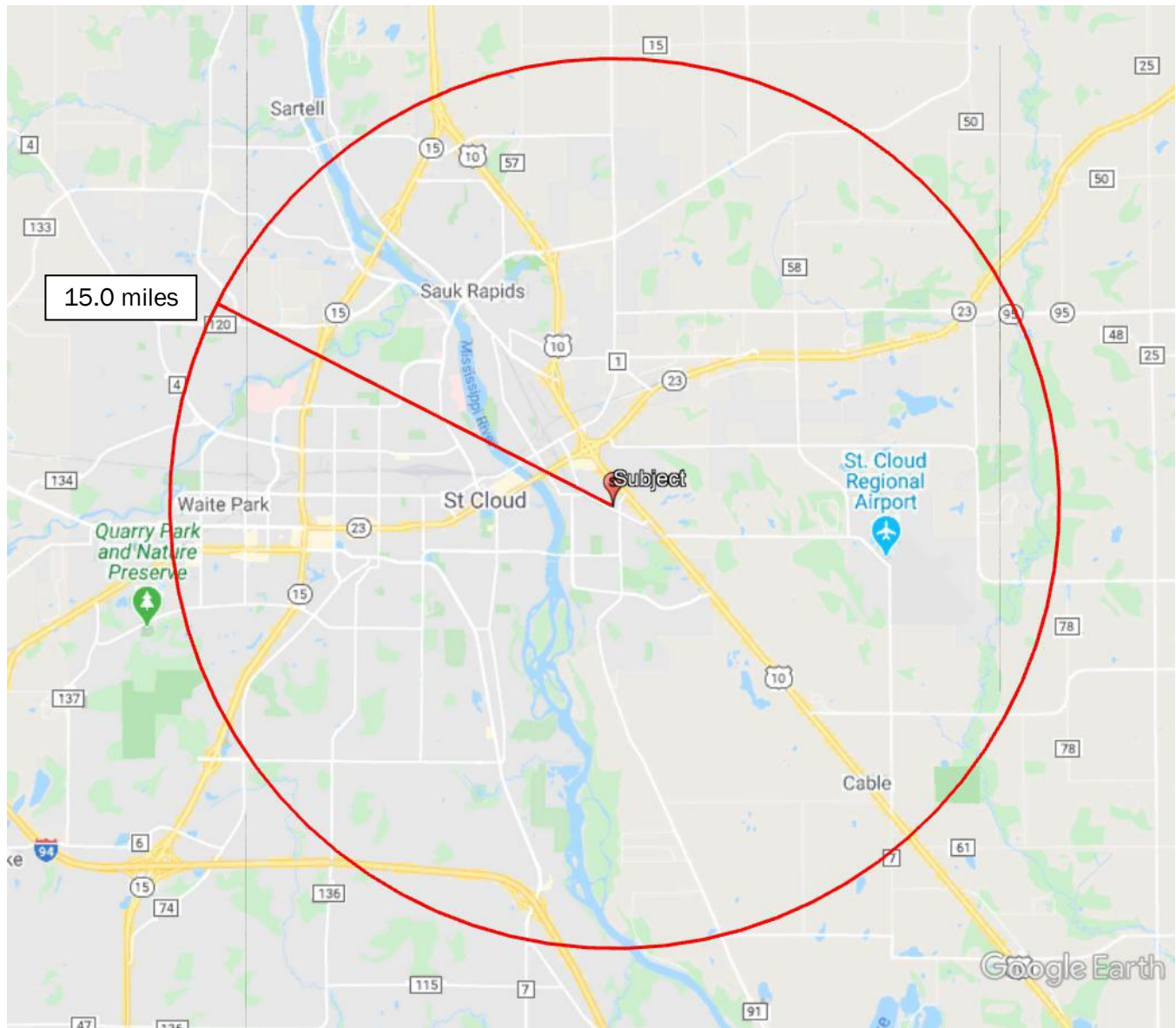


View northwest along Lincoln Avenue Southeast



View southeast along Lincoln Avenue Southeast

Map of Subject's Location:



Zoning of Surrounding Areas:

According to the City of St. Cloud, land to the north of the Subject site is zoned C-5 (Highway Commercial District). Land east of the Subject site is zoned C-3 (Central Business District). Land south of the Subject is zoned C-1 (Business Office District). Land west of the Subject is zoned C-3.

Access and Traffic Flow:

The Subject site is accessible via the east side of 13th Avenue Southeast, a two-lane, lightly trafficked road that traverses north/south and provides access to Lincoln Avenue Southeast. Lincoln Avenue Southeast is a two-lane, lightly trafficked road that generally traverses northwest/southeast. Lincoln Avenue Southeast provides access to U.S. Highway 10, approximately 0.4 miles southeast of the Subject site. U.S. Highway 10 is a moderately

trafficked road that provides access to Coon Rapids, approximately 51.6 miles to the southeast, and to Fargo, North Dakota, approximately 155.9 miles to the northwest. Overall, access is considered good, and traffic flow in the Subject's immediate area is considered light.

Visibility/Views:

Views to the north of the Subject site consist of an industrial use in average condition. Views to the west, east, and south of the Subject site consists of multifamily developments. Overall, visibility is considered average, and views are considered average and typical for the immediate area.

Detrimental Influences:

There are railroad tracks located approximately 70 yards to the south of the Subject. According to a U.S. Dot Crossing Inventory Form by the Department of Transportation these tracks are moderately trafficked as 32 trains travel these tracks daily. However, the Subject will be located adjacent to River Crest Apartments, which has historically reported high occupancy. Furthermore, given the Subject's specialized target tenancy, we do not believe that the presence of these railroad tracks will impact the performance of the Subject.

Environmental Concerns:

We were not provided with an environmental assessment report. We did not observe any obvious environmental hazards during site inspection; however, we are not environmental experts.

Flood Plain:

According to FEMA Community Panel Number 27145C0645E, dated February 2012, the Subject site is located within Flood Zone X, in an area with 0.2 percent annual chance flood hazard. Further analysis by Novogradac is beyond the scope of the report.

Conclusion:

The Subject site is located within the eastern portion of St. Cloud in a generally mixed-use neighborhood. The neighborhood consists of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. The site is conforming to surrounding land usage, as the Subject is situated adjacent to multifamily development, River Crest Apartments, and just east of Oakhaven Estates, another multifamily development. Overall, the location of the Subject within the community presents a good location for the proposed development.

V. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

Total Population

The table below illustrates total population in the PMA, the SMA, and nation from 2000 through 2024. According to the developer, the projected time of market entry is October 2022. All data referring to the estimated time of market entry will reflect this point in time.

POPULATION						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	78,801	-	225,854	-	281,250,431	-
2010	92,489	1.7%	276,702	2.3%	308,745,538	1.0%
2019	100,751	1.0%	303,600	1.1%	332,417,793	0.8%
Proj. Mkt Entry	103,968	1.0%	314,426	1.1%	340,913,169	0.8%
2024	105,700	1.0%	320,256	1.1%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Total population in the PMA increased annually by 1.7 percent from 2000 to 2010, whereas the SMA and the nation grew annually by 1.1 and 1.0 percent, respectively. Between 2010 and 2019, annual population growth increased annually by 1.0 percent, which is similar to the surrounding SMA and slightly above the nation during the same time. Through the projected market entry date and 2024, population growth in the PMA is projected to remain similar to that of the SMA and above the nation.

Population by Age Group

The tables below detail population by age group in the PMA and SMA from 2000 through 2024, as well as the projected market entry date.

POPULATION BY AGE GROUP					
Age Cohort	PMA				
	2000	2010	2019	Proj. Mkt Entry	2024
0-4	5,092	5,970	6,075	6,355	6,506
5-9	5,352	5,263	5,639	5,826	5,926
10-14	5,591	4,739	5,265	5,469	5,579
15-19	6,322	7,701	7,446	7,771	7,946
20-24	9,821	13,971	13,280	13,487	13,599
25-29	5,869	8,580	9,303	9,055	8,921
30-34	5,512	6,121	7,662	7,769	7,827
35-39	5,997	4,911	6,354	6,676	6,850
40-44	6,009	5,027	5,191	5,898	6,279
45-49	5,389	5,507	5,059	5,164	5,221
50-54	4,276	5,633	5,228	5,132	5,080
55-59	3,040	4,817	5,453	5,145	4,979
60-64	2,429	3,945	5,090	5,138	5,164
65-69	2,319	2,674	4,112	4,419	4,584
70-74	2,071	2,109	3,284	3,643	3,837
75-79	1,717	1,996	2,401	2,855	3,100
80-84	1,159	1,658	1,741	1,950	2,063
85+	834	1,867	2,170	2,214	2,237
Total	78,799	92,489	100,753	103,967	105,698

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

POPULATION BY AGE GROUP

Age Cohort	SMA				
	2000	2010	2019	Proj. Mkt Entry	2024
0-4	15,784	19,455	19,709	20,546	20,997
5-9	16,722	19,627	19,827	20,432	20,757
10-14	17,759	19,246	19,995	20,700	21,079
15-19	20,750	21,668	21,621	22,445	22,889
20-24	21,445	24,944	25,946	25,715	25,591
25-29	14,731	19,996	22,577	21,612	21,092
30-34	16,314	18,122	20,803	22,656	23,653
35-39	18,715	17,357	20,200	21,204	21,745
40-44	17,628	18,692	17,887	19,821	20,863
45-49	15,104	20,611	18,336	18,151	18,051
50-54	12,160	18,798	18,769	18,146	17,810
55-59	8,736	15,705	19,638	18,518	17,915
60-64	7,120	12,431	17,189	18,159	18,682
65-69	6,387	8,784	13,671	15,139	15,929
70-74	5,482	6,798	10,401	11,851	12,631
75-79	4,638	5,624	7,036	8,484	9,264
80-84	3,277	4,357	4,744	5,419	5,783
85+	3,097	4,487	5,250	5,429	5,525
Total	225,849	276,702	303,599	314,426	320,256

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As illustrated in the previous tables, population in the PMA appears to be the greatest in the 20 to 24, 25 to 29, and 30 to 34 year cohorts, which collectively comprise 30.0 percent of the population as of 2019. Within the SMA, the 20 to 24, 25 to 29, and 15 to 19 year cohorts exhibit the greatest population, comprising 23.1 percent of the population.

Household Trends

The table below illustrates the total number of households in the PMA, SMA, and nation.

HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	30,874	-	80,334	-	105,409,439	-
2010	36,411	1.8%	101,243	2.6%	116,716,296	1.1%
2019	39,639	1.0%	111,026	1.0%	125,168,557	0.8%
Proj. Mkt Entry	40,899	1.0%	114,945	1.1%	128,042,211	0.7%
2024	41,578	1.0%	117,055	1.1%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Household growth in the PMA was exceeded by that of the SMA between 2000 and 2010; however, both areas experienced higher annual percentage growth relative to the nation during the same time. Annual household growth slowed slightly to 1.0 percent between 2010 and 2019, which was similar to the growth reported for the SMA during the same time period. Through the projected market entry date and 2024, household growth in the PMA is projected to remain stable at 1.0 percent annually, similar to the SMA and above the nation.

Households by Tenure

The following tables illustrate total households by tenure in the PMA and SMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	18,148	58.8%	12,726	41.2%
2019	21,437	54.1%	18,202	45.9%
Proj. Mkt Entry	22,134	54.1%	18,766	45.9%
2024	22,509	54.1%	19,069	45.9%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

TENURE PATTERNS SMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	60,558	75.4%	19,776	24.6%
2019	82,396	74.2%	28,630	25.8%
Proj. Mkt Entry	85,437	74.3%	29,508	25.7%
2024	87,075	74.4%	29,980	25.6%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As of 2019, approximately 45.9 percent of households are renter-occupied, compared to 25.8 percent in the SMA. The number of renter-occupied households in the PMA is projected to increase through 2024. Similar to the PMA, the number of renter-occupied households in the SMA is also projected to increase slightly through 2024.

Number of Elderly and Non-elderly

The table below is an illustration of the elderly and non-elderly population.

NUMBER OF ELDERLY AND NON-ELDERLY

Year	Total Population	PMA		Total Population	SMA	
		Non-Elderly	Elderly (62+)		Non-Elderly	Elderly (62+)
2000	78,801	69,244	9,557	225,854	187,117	27,153
2010	92,489	79,818	12,671	276,702	218,516	37,509
2019	100,751	83,989	16,762	303,600	225,671	51,415
Proj. Mkt Entry	103,968	85,804	18,164	314,426	231,427	57,217
2024	105,700	86,781	18,919	320,256	234,527	60,341

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As illustrated, population is the greatest in the non-elderly population in the PMA and SMA. At the time of market entry, the non-elderly population will comprise approximately 82.5 percent of the population.

Average Household Size

The table below illustrates average household size in the PMA, SMA, and the nation.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.51	-	2.69	-	2.59	-
2010	2.39	-0.5%	2.64	-0.2%	2.58	-0.1%
2019	2.39	0.0%	2.64	0.0%	2.59	0.1%
Proj. Mkt. Entry	2.39	0.1%	2.64	0.0%	2.60	0.1%
2024	2.40	0.1%	2.64	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As of 2019, the average household size in the PMA is lower than that of the SMA and the nation. Through the date of market entry and 2024, household size is projected to increase by 0.1 percent annually, similar to the growth rates in the nation.

Renter Households by Number of Persons

The following tables illustrate the number of persons per household by tenure.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA						
Household Size	2019		Proj. Mkt. Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	8,654	47.5%	9,058	48.3%	9,275	48.6%
2 Persons	5,280	29.0%	5,316	28.3%	5,336	28.0%
3 Persons	2,128	11.7%	2,205	11.8%	2,247	11.8%
4 Persons	1,453	8.0%	1,485	7.9%	1,502	7.9%
5+ Persons	687	3.8%	701	3.7%	709	3.7%
Total Households	18,202	100.0%	18,766	100.0%	19,069	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - SMA						
Household Size	2019		Proj. Mkt. Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	13,799	48.2%	14,450	49.0%	14,801	49.4%
2 Persons	7,948	27.8%	7,995	27.1%	8,020	26.8%
3 Persons	3,278	11.4%	3,378	11.4%	3,432	11.4%
4 Persons	2,352	8.2%	2,401	8.1%	2,428	8.1%
5+ Persons	1,253	4.4%	1,283	4.3%	1,299	4.3%
Total Households	28,630	100.0%	29,508	100.0%	29,980	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

The previous tables break down renter households by the number of persons in both the PMA and the SMA. The Subject will accommodate only one and two-person households, which represents 47.5 and 29.0 percent of renter households in the PMA, respectively.

Households by Income

Displayed below is a breakdown of household income in the PMA and SMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,543	8.9%	3,486	8.5%	3,455	8.3%
\$10,000-19,999	4,642	11.7%	4,476	10.9%	4,386	10.5%
\$20,000-29,999	4,227	10.7%	4,253	10.4%	4,267	10.3%
\$30,000-39,999	4,181	10.5%	4,110	10.0%	4,072	9.8%
\$40,000-49,999	3,979	10.0%	3,962	9.7%	3,953	9.5%
\$50,000-59,999	3,319	8.4%	3,398	8.3%	3,440	8.3%
\$60,000-74,999	3,915	9.9%	4,024	9.8%	4,083	9.8%
\$75,000-99,999	4,657	11.7%	4,881	11.9%	5,002	12.0%
\$100,000-124,999	3,049	7.7%	3,314	8.1%	3,456	8.3%
\$125,000-149,999	1,693	4.3%	1,986	4.9%	2,143	5.2%
\$150,000-199,999	1,281	3.2%	1,549	3.8%	1,693	4.1%
\$200,000+	1,153	2.9%	1,462	3.6%	1,628	3.9%
Total	39,639	100.0%	40,899	100.0%	41,578	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2019		Projected Mkt Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,916	5.3%	5,809	5.1%	5,752	4.9%
\$10,000-19,999	8,113	7.3%	7,808	6.8%	7,644	6.5%
\$20,000-29,999	9,139	8.2%	8,942	7.8%	8,836	7.5%
\$30,000-39,999	9,438	8.5%	9,162	8.0%	9,014	7.7%
\$40,000-49,999	9,702	8.7%	9,319	8.1%	9,113	7.8%
\$50,000-59,999	8,700	7.8%	8,922	7.8%	9,042	7.7%
\$60,000-74,999	12,497	11.3%	12,353	10.7%	12,275	10.5%
\$75,000-99,999	17,096	15.4%	17,381	15.1%	17,534	15.0%
\$100,000-124,999	11,661	10.5%	12,563	10.9%	13,048	11.1%
\$125,000-149,999	7,230	6.5%	8,236	7.2%	8,778	7.5%
\$150,000-199,999	6,414	5.8%	7,661	6.7%	8,333	7.1%
\$200,000+	5,120	4.6%	6,788	5.9%	7,686	6.6%
Total	111,026	100.0%	114,945	100.0%	117,055	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

Renter Households by Income

Displayed below is a breakdown of renter household income in the PMA and SMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,881	15.8%	2,838	15.1%	2,815	14.8%
\$10,000-19,999	3,549	19.5%	3,419	18.2%	3,349	17.6%
\$20,000-29,999	2,654	14.6%	2,710	14.4%	2,740	14.4%
\$30,000-39,999	2,501	13.7%	2,477	13.2%	2,464	12.9%
\$40,000-49,999	1,861	10.2%	1,890	10.1%	1,906	10.0%
\$50,000-59,999	1,262	6.9%	1,345	7.2%	1,390	7.3%
\$60,000-74,999	1,082	5.9%	1,194	6.4%	1,255	6.6%
\$75,000-99,999	938	5.2%	1,051	5.6%	1,112	5.8%
\$100,000-124,999	542	3.0%	624	3.3%	668	3.5%
\$125,000-149,999	403	2.2%	499	2.7%	550	2.9%
\$150,000-199,999	191	1.0%	268	1.4%	309	1.6%
\$200,000+	338	1.9%	450	2.4%	511	2.7%
Total	18,202	100.0%	18,766	100.0%	19,069	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2019		Projected Mkt Entry		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,888	13.6%	3,855	13.1%	3,837	12.8%
\$10,000-19,999	4,986	17.4%	4,807	16.3%	4,710	15.7%
\$20,000-29,999	3,978	13.9%	3,971	13.5%	3,967	13.2%
\$30,000-39,999	3,810	13.3%	3,752	12.7%	3,721	12.4%
\$40,000-49,999	3,167	11.1%	3,187	10.8%	3,197	10.7%
\$50,000-59,999	1,995	7.0%	2,127	7.2%	2,198	7.3%
\$60,000-74,999	2,112	7.4%	2,264	7.7%	2,346	7.8%
\$75,000-99,999	1,817	6.3%	1,989	6.7%	2,081	6.9%
\$100,000-124,999	1,020	3.6%	1,172	4.0%	1,254	4.2%
\$125,000-149,999	676	2.4%	829	2.8%	912	3.0%
\$150,000-199,999	569	2.0%	733	2.5%	821	2.7%
\$200,000+	612	2.1%	823	2.8%	936	3.1%
Total	28,630	100.0%	29,508	100.0%	29,980	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

The following tables identify renter households by income and household size for the PMA and SMA.

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	PMA 2019				
	1	2	3	4	5+
\$0-9,999	1,649	649	322	173	88
\$10,000-19,999	1,974	1,035	267	150	123
\$20,000-29,999	1,407	543	306	255	143
\$30,000-39,999	1,201	655	228	331	86
\$40,000-49,999	546	924	189	125	77
\$50,000-59,999	582	303	170	178	29
\$60,000-74,999	360	344	228	75	75
\$75,000-99,999	197	412	257	66	6
\$100,000-124,999	286	174	25	29	28
\$125,000-149,999	197	90	62	46	8
\$150,000-199,999	92	61	15	15	8
\$200,000+	163	90	59	10	16
Total	8,654	5,280	2,128	1,453	687

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	PMA Projected Mkt Entry October 2022				
	1	2	3	4	5+
\$0-9,999	1,669	617	296	167	89
\$10,000-19,999	1,979	943	243	140	114
\$20,000-29,999	1,464	538	307	261	140
\$30,000-39,999	1,215	626	225	330	81
\$40,000-49,999	573	925	196	123	74
\$50,000-59,999	615	323	184	189	34
\$60,000-74,999	404	390	236	82	83
\$75,000-99,999	217	454	305	72	3
\$100,000-124,999	321	201	32	39	31
\$125,000-149,999	247	108	81	40	23
\$150,000-199,999	136	71	27	25	9
\$200,000+	218	120	74	17	22
Total	9,058	5,316	2,205	1,485	701

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	PMA 2024				
	1	2	3	4	5+
\$0-9,999	1,680	600	282	164	89
\$10,000-19,999	1,982	894	230	134	109
\$20,000-29,999	1,494	535	308	264	139
\$30,000-39,999	1,223	610	223	330	78
\$40,000-49,999	587	926	199	122	72
\$50,000-59,999	633	334	191	195	37
\$60,000-74,999	427	414	241	86	87
\$75,000-99,999	228	477	331	75	1
\$100,000-124,999	340	216	36	44	32
\$125,000-149,999	274	117	91	37	31
\$150,000-199,999	160	77	33	30	9
\$200,000+	247	136	82	21	25
Total	9,275	5,336	2,247	1,502	709

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	SMA 2019				
	1	2	3	4	5+
\$0-9,999	2,368	821	349	229	121
\$10,000-19,999	2,914	1,359	363	201	149
\$20,000-29,999	2,135	897	426	330	190
\$30,000-39,999	1,883	982	425	392	128
\$40,000-49,999	1,177	1,294	311	242	143
\$50,000-59,999	738	595	285	278	99
\$60,000-74,999	752	606	362	235	157
\$75,000-99,999	445	671	409	209	83
\$100,000-124,999	480	260	139	61	80
\$125,000-149,999	313	190	74	64	35
\$150,000-199,999	319	140	39	33	38
\$200,000+	275	133	96	78	30
Total	13,799	7,948	3,278	2,352	1,253

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	SMA Projected Mkt Entry				
	1	2	3	4	5+
\$0-9,999	2,414	776	322	222	120
\$10,000-19,999	2,932	1,229	319	187	139
\$20,000-29,999	2,164	883	420	327	178
\$30,000-39,999	1,877	942	420	391	122
\$40,000-49,999	1,197	1,291	307	247	144
\$50,000-59,999	790	623	312	296	107
\$60,000-74,999	821	640	384	248	171
\$75,000-99,999	500	717	466	224	82
\$100,000-124,999	554	298	157	79	85
\$125,000-149,999	387	234	97	56	55
\$150,000-199,999	426	181	49	38	39
\$200,000+	388	181	123	88	42
Total	14,450	7,995	3,378	2,401	1,283

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	SMA 2024				
	1	2	3	4	5+
\$0-9,999	2,439	752	308	218	120
\$10,000-19,999	2,942	1,159	296	180	133
\$20,000-29,999	2,180	875	416	325	171
\$30,000-39,999	1,874	920	418	390	119
\$40,000-49,999	1,207	1,290	305	250	145
\$50,000-59,999	818	638	326	305	111
\$60,000-74,999	858	659	396	255	178
\$75,000-99,999	530	741	497	232	81
\$100,000-124,999	594	318	167	88	87
\$125,000-149,999	427	258	110	51	66
\$150,000-199,999	483	203	55	41	39
\$200,000+	449	207	138	93	49
Total	14,801	8,020	3,432	2,428	1,299

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

Income limits for the Subject's units "as proposed" will range from zero to \$48,000. The previous data suggests that a sufficient pool of income-qualified renters exists within both the PMA and SMA.

Conclusion

The demographic data demonstrates that both the population and the number of households in the PMA have increased from 2010 to 2019, and are forecast to continue to increase through the date of market entry and 2024. The Subject will accommodate one and two-person households, which represents 47.5 and 29.0 percent of renter households in the PMA as of 2019, respectively. As of 2019, 73.8 percent of renter households in the PMA earn less than \$50,000 annually, indicating that a large share of renter households will income qualify to reside at the Subject., which bodes well for its success.

VI. EMPLOYMENT AND ECONOMY

EMPLOYMENT AND ECONOMY

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and the nation as a whole.

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	9,952	18.5%	22,612,482	14.1%
Retail Trade	8,396	15.6%	17,127,172	10.7%
Manufacturing	6,275	11.7%	16,057,876	10.0%
Educational Services	5,630	10.5%	14,565,802	9.1%
Accommodation/Food Services	4,151	7.7%	11,738,765	7.3%
Transportation/Warehousing	2,575	4.8%	7,876,848	4.9%
Other Services	2,465	4.6%	8,141,078	5.1%
Finance/Insurance	2,397	4.5%	7,377,311	4.6%
Prof/Scientific/Tech Services	2,286	4.2%	11,744,228	7.3%
Construction	2,021	3.8%	11,245,975	7.0%
Admin/Support/Waste Mgmt Svcs	1,904	3.5%	6,106,184	3.8%
Public Administration	1,689	3.1%	7,828,907	4.9%
Wholesale Trade	1,352	2.5%	4,183,931	2.6%
Real Estate/Rental/Leasing	846	1.6%	3,204,043	2.0%
Information	736	1.4%	3,157,650	2.0%
Arts/Entertainment/Recreation	716	1.3%	3,332,132	2.1%
Utilities	208	0.4%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	136	0.3%	1,915,709	1.2%
Mgmt of Companies/Enterprises	47	0.1%	237,307	0.1%
Mining	32	0.1%	819,151	0.5%
Total Employment	53,814	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 45.8 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, healthcare/social assistance, and manufacturing industries. Conversely, the PMA is underrepresented in the construction, professional/scientific/technology services, and public administration industries.

Major Employers

The economic base of the St. Cloud area is reliant upon its largest employers, which are concentrated in the healthcare/social assistance, public administration, educational services, and transportation/warehousing industries. The major employers in St. Cloud are shown in the following table.

MAJOR EMPLOYERS - ST. CLOUD, MN

Employer Name	Industry	# Of Employees
CentraCare Health Systems	Healthcare/Social Assistance	6,257
State of Minnesota	Public Administration	2,311
St. Cloud VA Health Care System	Healthcare/Social Assistance	1,725
St. Cloud Area School District #742	Educational Services	1,166
Fulfillment Distribution Center	Transportation/Warehousing	851
New Flyer of America, Inc.	Manufacturing	800
Capital One	Finance/Insurance	780
Electrolux Home Products	Manufacturing	760
Coborn's Inc.	Retail Trade	721
Stearns County	Public Administration	704
Anderson Trucking Service, Inc.	Transportation/Warehousing	571
Wolters Kluwer Financial Services	Prof/Scientific/Tech Services	513
Essilor of America	Manufacturing	496
Bluestem Brands, Inc.	Prof/Scientific/Tech Services	475
City of St. Cloud	Public Administration	462
Woodcraft Industries, Inc.	Manufacturing	394
AAM Casting	Manufacturing	366
Marco	Prof/Scientific/Tech Services	344
Nahan Printing	Manufacturing	342
SpeedDee Delivery	Transportation/Warehousing	346

Source: City of St. Cloud, March 2020

The economy in St. Cloud is heavily reliant on CentraCare Health Systems, which employs approximately 6,257. Other industries among the top employers include public administration, educational services, and transportation/warehousing. Nonetheless, the local economy is anchored by the healthcare/social assistance industry, which is historically stable during economic downturns.

Employment and Unemployment Trends

The following tables detail employment and unemployment trends for the SMA and the nation from 2003 through December 2019.

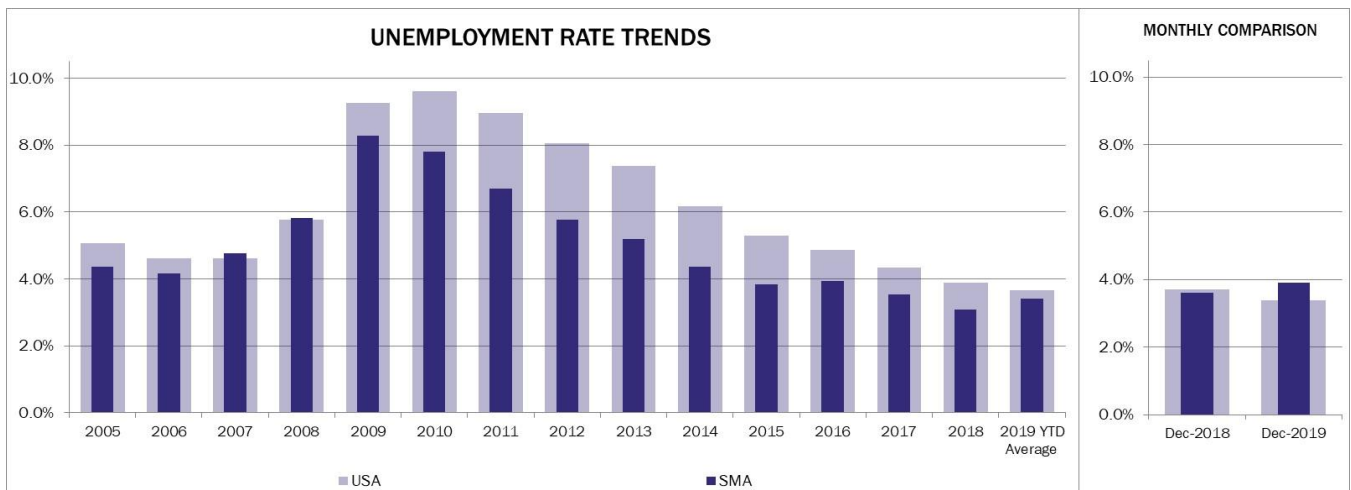
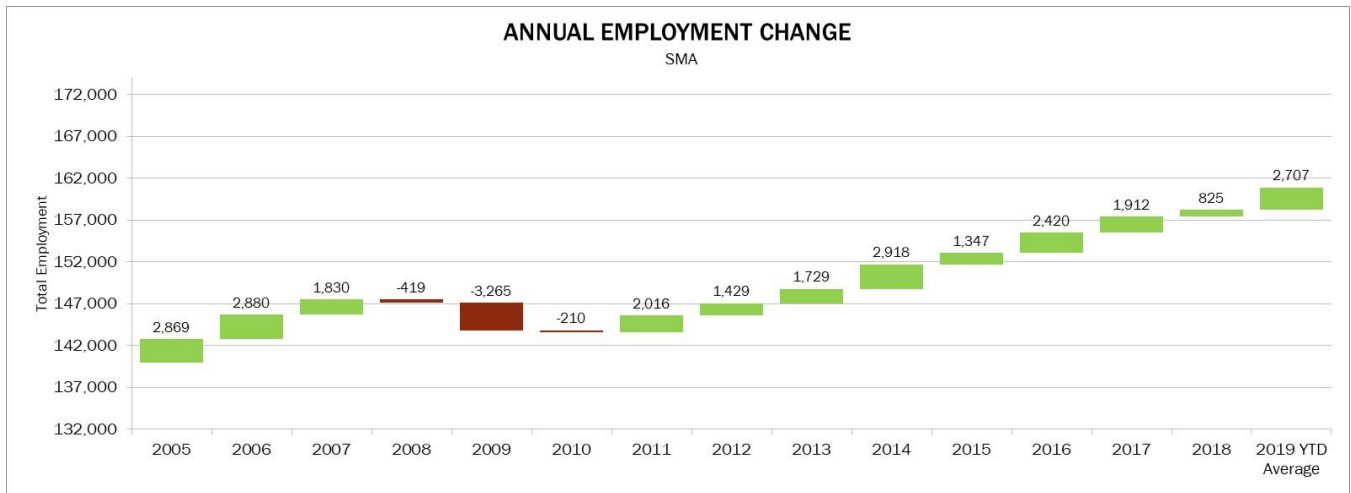
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2003	137,659	-	5.0%	-	137,736,000	-	6.0%	-
2004	139,938	1.7%	4.8%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	142,807	2.1%	4.4%	-0.4%	141,730,000	1.8%	5.1%	-0.5%
2006	145,687	2.0%	4.2%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	147,517	1.3%	4.8%	0.6%	146,047,000	1.1%	4.6%	0.0%
2008	147,098	-0.3%	5.8%	1.0%	145,363,000	-0.5%	5.8%	1.2%
2009	143,833	-2.2%	8.3%	2.5%	139,878,000	-3.8%	9.3%	3.5%
2010	143,623	-0.1%	7.8%	-0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	145,639	1.4%	6.7%	-1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	147,068	1.0%	5.8%	-0.9%	142,469,000	1.9%	8.1%	-0.9%
2013	148,797	1.2%	5.2%	-0.6%	143,929,000	1.0%	7.4%	-0.7%
2014	151,715	2.0%	4.4%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	153,062	0.9%	3.8%	-0.5%	148,833,000	1.7%	5.3%	-0.9%
2016	155,481	1.6%	3.9%	0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	157,394	1.2%	3.5%	-0.4%	153,337,000	1.3%	4.4%	-0.5%
2018	158,218	0.5%	3.1%	-0.5%	155,761,000	1.6%	3.9%	-0.4%
2019 YTD Average	160,925	1.7%	3.4%	0.3%	157,538,083	1.1%	3.7%	-0.2%
Dec-2018	158,743	-	3.6%	-	156,481,000	-	3.7%	-
Dec-2019	160,662	1.2%	3.9%	0.3%	158,504,000	1.3%	3.4%	-0.3%

Source: U.S. Bureau of Labor Statistics, April 2020

Annual job growth in the SMA exceeded the nation between 2003 and 2007. Comparatively speaking, the SMA economy performed well during the recession. Total SMA employment contracted by only 2.6 percent, less than the 4.8 percent decline reported by the overall nation. Employment in the SMA recovered and surpassed pre-recessionary levels in 2012, two years earlier than the overall nation. As of December 2019, total employment in the SMA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, similar to the overall nation.

Since 2003, the unemployment rate in the SMA has been lower than the national unemployment rate in every year. Further, during the national recession, the unemployment rate in the SMA increased by 4.1 percentage points, compared to a 4.9 percentage point increase across the nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.9 percent, just above the current national unemployment rate of 3.4 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Employment Expansion/ Contraction

We contacted Cathy Mehelich, Economic Development Director with the St. Cloud Economic Development Department, to obtain information about employment expansions and openings within the region. Ms. Mehelich provided us with a variety of resources and information. Recent economic expansions and openings in Sherburne County are included in the following table.

BUSINESS EXPANSIONS AND OPENINGS - SHERBURNE COUNTY

Company Name	Location	Industry	Investment	Jobs Created	Square Footage Added
2019					
Google	Becker	Data Processing/Hosting	\$600,000,000	50	375,000
Alliance Machine Inc	Elk River	Machinery	N/Av	50	N/Av
Distinctive Iron (Hemmer Properties)	Elk River	Fabricated Metal Products	\$1,500,000	5	N/Av
2018					
Cargill Kitchen Solutions	Big Lake	Food & Beverage	\$20,000,000	12	N/Av
M&M Precision Machining	Elk River	Machinery	N/Av	2	N/Av
2017					
Xcel Energy	Becker	Utilities	N/Av	150	N/Av
Northern Metal Recycling	Becker	Waste Management	N/Av	85	N/Av
Lisi Medical Remmele	Big Lake	Medical Equipment	\$9,400,000	19	50,000
CMP Attachments LLC	Becker	Machinery	N/Av	44	13,700
CST Co	Elk River	Wholesale	N/Av	10	45,000
Geringhoff	St Cloud	Machinery	\$500,000	20	N/Av
Total			\$631,400,000	447	483,700

Source: Minnesota Employment and Economic Development, Novogradac & Company LLP, 3/2020

Further, according to MinnesotaBusiness, the St. Cloud metropolitan area is home to companies such as Geringhoff, Microbiologics, Marco, Native X, Geo-Comm, Anderson Trucking Service, Array Services Group, Granite Equity Partners, and Cloud Coworking.

WARN Notices

We have reviewed publications by the Minnesota Employment and Economic Development Department's Dislocated Worker Program listing WARN (Worker Adjustment and Retraining Notification Act) notices since 2018 within the city of St. Cloud, as detailed in the following table.

WARN LISTINGS - ST. CLOUD, MN

Company	Industry	Employees Affected	Layoff Date
Cash Wise	Retail Trade	28	2/28/2020
Electrolux	Manufacturing	900	12/31/2019
Sentinel Printing	Manufacturing	40	12/1/2019
BlueStem	Retail Trade	56	9/1/2019
Shopko	Retail Trade	60	6/15/2019
Payless	Retail Trade	6	5/31/2019
Cherrydale Fundraising	Transportation/Warehousing	20	1/19/2019
Herberger's	Retail Trade	72	7/1/2018
Pilgrim's Pride	Admin/Support/Waste Mgmt Svcs	30	5/1/2018

Source: Minnesota Employment and Economic Development, Novogradac & Company LLP, March 2020

As shown, there have been nine WARN listings filed in St. Cloud since 2018, affecting a total of 1,212 workers. As previously discussed, there have been several significant investments that have more than offset the number of employees laid off in recent years.

Employment Trends in Relation to the Subject

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries. The Subject site is located within a reasonable commuting distance of various employment centers throughout the area.

Wages by Occupation

The following table shows the Minneapolis-St. Paul-Bloomington, MN-WI MSA, which includes Sherburne County. average hourly and annual salary by occupation for the second quarter 2018, which is the most recent data available according to the U.S. Bureau of Labor and Statistics.

MSA - 2ND QTR 2018 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	1,956,300	\$27.60	\$57,420
Management Occupations	129,190	\$60.60	\$126,040
Legal Occupations	16,550	\$47.55	\$98,910
Healthcare Practitioners and Technical Occupations	112,530	\$43.34	\$90,140
Computer and Mathematical Occupations	82,240	\$42.98	\$89,410
Architecture and Engineering Occupations	43,470	\$40.96	\$85,190
Life, Physical, and Social Science Occupations	20,060	\$37.95	\$78,940
Business and Financial Operations Occupations	134,600	\$36.66	\$76,250
Construction and Extraction Occupations	63,730	\$30.63	\$63,710
Education, Training, and Library Occupations	109,310	\$28.40	\$59,070
Arts, Design, Entertainment, Sports, and Media Occupations	31,600	\$27.52	\$57,250
Installation, Maintenance, and Repair Occupations	60,260	\$24.97	\$51,940
Protective Service Occupations	30,730	\$24.87	\$51,740
Community and Social Service Occupations	36,680	\$24.20	\$50,330
Sales and Related Occupations	189,260	\$22.63	\$47,070
Office and Administrative Support Occupations	280,040	\$20.60	\$42,850
Transportation and Material Moving Occupations	115,380	\$20.25	\$42,110
Production Occupations	131,820	\$20.14	\$41,900
Healthcare Support Occupations	48,720	\$18.02	\$37,480
Farming, Fishing, and Forestry Occupations	1,240	\$16.60	\$34,530
Building and Grounds Cleaning and Maintenance Occupations	53,930	\$16.52	\$34,360
Personal Care and Service Occupations	103,180	\$13.87	\$28,840
Food Preparation and Serving Related Occupations	161,790	\$13.12	\$27,280

Source: Department Of Labor, Occupational Employment Statistics, 5/2018, retrieved 3/2020

The previous table illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving related occupations, at \$13.12 per hour. The highest average hourly wage of \$60.60 is management occupations.

The qualifying incomes for the Subject's tenants will range from zero to \$48,000, which encompasses a moderate portion of the employment in the area. Utilizing the lower end of the wage range at \$13.12 per hour at 2,080 annual hours equates to \$27,280. The upper end of the qualifying income to reside at the Subject development is \$48,000, which corresponds to an approximate hourly wage rate of \$19.62. An element not reflected in the wage rate data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates.

Commuting Patterns

The following table shows the travel time to work for the PMA.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,849	3.9%
Travel Time 5-9 min	8,479	18.0%
Travel Time 10-14 min	12,134	25.7%
Travel Time 15-19 min	11,060	23.4%
Travel Time 20-24 min	4,991	10.6%
Travel Time 25-29 min	1,500	3.2%
Travel Time 30-34 min	2,478	5.2%
Travel Time 35-39 min	365	0.8%
Travel Time 40-44 min	674	1.4%
Travel Time 45-59 min	1,654	3.5%
Travel Time 60-89 min	1,450	3.1%
Travel Time 90+ min	588	1.2%

Source: US Census 2019, Novogradac Consulting LLP, March 2020

As shown in the preceding table, approximately 81.6 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes, higher than the 20 minutes in the PMA.

Conclusion

The economy in St. Cloud is heavily reliant on CentraCare Health Systems, which employs approximately 6,257. Other industries among the top employers include public administration, educational services, and transportation/warehousing. Nonetheless, the local economy is anchored by the healthcare/social assistance industry, which is historically stable during economic downturns. Employment in the SMA recovered and surpassed pre-recessionary levels in 2012, two years earlier than the overall nation. Since 2012, average employment growth in the SMA trailed the nation in all but two years. As of December 2019, total employment in the SMA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, similar to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA has been lower than the national unemployment rate in every year. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

VII. EXISTING RENTAL HOUSING STOCK

EXISTING RENTAL HOUSING STOCK

Building Permit Trends

The following table demonstrates building permit information for Sherburne County from 2000 through 2019.

BUILDING PERMITS: SHERBURNE COUNTY 2000 - 2019

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	1,150	28	109	1,287
2001	1,055	40	34	1,129
2002	1,085	16	8	1,109
2003	1,524	16	56	1,596
2004	1,501	4	32	1,537
2005	1,163	0	5	1,168
2006	722	0	0	722
2007	333	0	0	333
2008	108	0	0	108
2009	89	0	0	89
2010	82	0	53	135
2011	69	0	17	86
2012	149	0	0	149
2013	229	0	0	229
2014	245	0	0	245
2015	294	0	29	323
2016	363	0	38	401
2017	447	4	0	451
2018	949	8	16	973
2019	354	0	46	400
Total	11,911	116	443	12,470
Average*	608	6	21	

Source: US Census Bureau Building Permits, March 2020

Permit volume declined by 95 percent during the recession, reaching a low in 2011. Permit issuance increased in seven out of eight years between 2011 and 2019. Since 2015, there have been more permits issued for developments of single-family and duplex than for five or more units construction.

Rental Market Information

We reviewed MHFA and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions. The geographic area we consider relevant has been defined as the area within the established PMA boundaries. There are approximately 2,053 affordable rental units located within the PMA. In 2019, ESRI Demographics estimated a total of 18,202 rental units in the PMA. This yields an approximate ratio of 11.3 percent affordable rental housing to 88.7 percent market rate rental housing within the PMA.

Existing multifamily housing projects in the PMA will not be adversely affected by the construction of the Subject property. A survey of affordable rental housing developments as well as the market rate developments in the area demonstrates strong demand for good quality rental units, as evidenced by the high occupancy rates and waiting lists. Given the strong demand for affordable housing in the area, we anticipate that the Subject property will also maintain a high occupancy level as well as a waiting list after the initial lease-up phase. Furthermore, the Subject will face very limited competition in the market.

The following section details the multifamily housing developments within the PMA.

Multifamily Housing Tables

The following table details all the affordable housing developments located within the PMA.

AFFORDABLE PROPERTIES IN THE PMA									
Map #	Property Name	Address		Year Built	Program	Target Tenancy	Total Units	Wait List	Occupancy
1	La Cruz Community	1530 Sixth Ave S	St. Cloud	1976	LIHTC	Family	104	N/Av	100%
2	Northwood Of Sauk Rapids	1401 Second Ave N	Sauk Rapids	1989	LIHTC	Family	18	N/Av	100%
3	Park Avenue Apartments	1307 Second Ave N	Sauk Rapids	1989	LIHTC	Family	24	Yes	100%
4	Lincoln Pointe I & II*	1002 Seventh St Se St	St. Cloud	1993	LIHTC	Family	36	Yes	97%
5	Newbury I & II	3411 22nd St S	St. Cloud	1993	LIHTC	Family	24	Yes	100%
6	Park Villas	490 Third St S	Waite Park	1993	LIHTC	Senior	95	Yes	100%
7	River Crest Apartments*	1315 Lincoln Avenue Se	St. Cloud	2010	Affordable/PBRA	Homeless	40	No	88%
8	Oakhaven Estates*	1150 Seventh St Se	St. Cloud	1998	LIHTC	Family	38	No	95%
9	Brownstone	402 Ninth Ave N	St. Cloud	2000	LIHTC	Family	12	N/Av	N/Av
10	Natures Edge I & II	4222 Clearwater Rd	St. Cloud	2000	LIHTC	Family	40	No	95%
11	Creek Townhomes	721 33rd Ave N	St. Cloud	2000	LIHTC	Family	24	N/Av	N/Av
12	Woodland Park Apartments	1400 Ninth Ave S	St. Cloud	2000	LIHTC/Section 8	Family	86	Yes	100%
13	Oak Grove Townhomes	1704 Oak Grove Rd Sw	St. Cloud	2002	LIHTC	Family	30	N/Av	N/Av
14	Westwood Village Apartments I & II	770 Savanna Ave St	St. Cloud	2002	LIHTC	Family	32	N/Av	100%
15	Swisshelm Village Apartments I & II	316 Laudenbach Ct	St. Cloud	2003	LIHTC	Family	32	N/Av	100%
16	Pheasant Crest Townhomes	2356 Pheasant Crest Loop	Sartell	2004	LIHTC	Family	42	Yes	98%
17	Russell Arms/Benton Heights	1200 First Ave N	Sauk Rapids	2005	LIHTC/Section 8	Family	91	N/Av	100%
18	Riverside Apartments	101 Riverside Dr Se St	St. Cloud	2005	LIHTC/Market	Senior	85	N/Av	100%
19	Hope On Ninth	525 Ninth Ave N St	St. Cloud	2007	LIHTC	Family	31	Yes	100%
20	Burl Oaks Townhomes	725 Roberts Rd	Sartell	2012	LIHTC	Family/Homeless	38	N/Av	100%
21	North Meadows Apartments	1207 Second Ave N	Sauk Rapids	2013	Section 8	Mental Illness	36	N/Av	N/Av
22	Granite City Townhomes	433 33Rd Avenue North	St. Cloud	1996	LIHTC	Family	24	Yes	100%
23	Oak Haven Estates	1110-1150 7Th Street Se	St. Cloud	1997	LIHTC	Family	38	Yes	100%
25	The Highlands*	2015 27Th Street Se	St. Cloud	2002	LIHTC	Family	100	No	98%
26	Westwind Apartments	765 Savanna Avenue	St. Cloud	2004	LIHTC	Senior	60	Yes	97%
27	Benet Place	1420 Minnesota Blvd	St. Cloud	1995	Section 8	Senior/Disabled	40	Yes	100%
28	Cedar Terrace	1351 N 14Th St	St. Cloud	1981	Section 8	Family	24	Yes	100%
29	Germain Towers	905 W Saint Germain St	St. Cloud	1980	Section 8	Family	60	No	100%
30	Good Shepherd Homes	1211 4Th Ave N	Sauk Rapids	1980	Section 8	Senior	58	N/Av	N/Av
31	La Paz Community Apartments	530 16Th St S	St. Cloud	1979	Section 8	Senior	36	N/Av	100%
32	North Meadows Apartments	1215 Second Ave N	Sauk Rapids	1984	Section 8	Family	36	N/Av	N/Av
33	Northway A & B	1525 Northway Dr	St. Cloud	1980	Section 8	Senior	102	N/Av	N/Av
34	Parkview Terrace Apartments	625 14Th St S	St. Cloud	1990	Section 8	Family	52	Yes	100%
35	Quarry Heights	2051 Quarry Rd	St. Cloud	1978	Section 8	Senior/Disabled	24	N/Av	N/Av
36	Shepherd Oak Apartments	310 13Th St N	St. Cloud	1977	Section 8	Senior/Disabled	42	N/Av	N/Av
37	Wimbledon Green	401 N 33Rd Ave	St. Cloud	1995	Section 8	Family	45	No	100%
38	Courtyard Apartments Of St. Cloud	780 S 14Th St	St. Cloud	1983	Section 8	Family	108	N/Av	N/Av
39	Benet Place South	1975 15Th Ave Se	St. Cloud	1969	Section 8	Senior/Disabled	40	Yes	100%
40	Sartell Senior Housing, Inc.	1221 22Nd St S	Sartell	1999	Section 8	Senior/Disabled	43	Yes	100%
41	Sartell Supportive Housing, Inc.	243 Sundance Road	Sartell	2008	Section 8	Senior/Disabled	15	Yes	100%
42	Linden Grove Veteran Apartments	4105 12Th Street North	St. Cloud	2009	Section 8	Veterans	4	No	100%
43	The Bluffs at Liberty Glen	1075 24th St SE	St. Cloud	2019	LIHTC	Family	144	N/Av	N/Av

*Utilized as a rental comparable

All of the data combined with interviews of real estate professionals, demonstrate an ongoing need for the creation of affordable housing over the foreseeable term. The majority of the area's affordable housing developments that were surveyed maintain waiting lists for all unit types. The existing, proposed, and newly developing multifamily properties will not hinder each other's ability to maintain full occupancy. The Subject will have a positive impact on the surrounding neighborhood. It should be noted that three of the properties listed in the previous table have at least a portion of units reserved for persons with disabilities or homeless. However, we are only aware of one property, River Crest Apartments that targets a target tenancy as the Subject. As such, we believe competitive supply in the market area will be very limited due to the Subject's target tenancy.

The following table details the conventional housing developments located within the PMA from which we were able to obtain information.

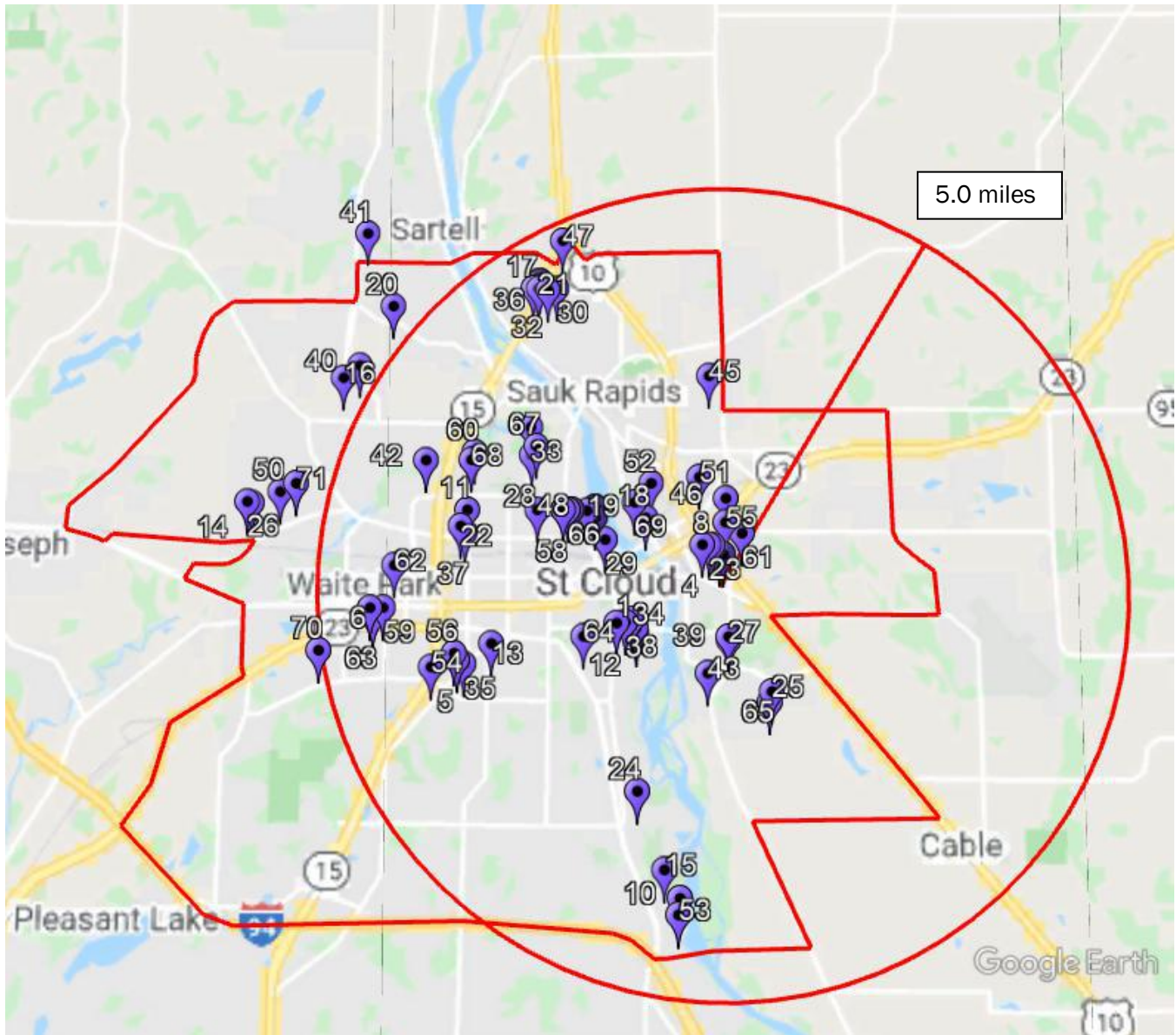
RIVER HEIGHTS APARTMENTS – ST. CLOUD, MN – MARKET STUDY

CONVENTIONAL MULTIFAMILY PROPERTIES IN THE PMA

Map #	Project Name	Project Address	Project City	Type	Tenancy	Total Units	Occupancy	Waiting List
44	Covington Place Apartments	510 8th Ave N	St. Cloud	Market	Family	60	93%	No
45	Autumn Woods Apartments	1301 15th Street NE	Sauk Rapids	Market	Family	84	98%	NO
46	Bentonshire Apartments*	1445 2nd Street Southeast	St. Cloud	Market	Family	87	99%	No
47	Camden Apartments	2019 4th Ave N	Sauk Rapids	Market	Family	65	100%	No
48	Centennial Apartments	1921 7th Street North	St. Cloud	Market	Family	18	94%	N/Av
49	Colonial Court Apartments	510 8th Avenue N	St. Cloud	Market	Family	66	100%	N/Av
50	Cypress Court Apartments	906 Cypress Rd	St. Cloud	Market	Family	196	96%	No
51	East Germain Court*	1027 East Saint Germain Street	St. Cloud	Market	Family	25	100%	No
52	Eastwood	530 3rd Street NE	St. Cloud	Market	Family	18	100%	N/Av
53	Edgewater Estates	4344 Clearwater Road	St. Cloud	Market	Family	57	96%	N/Av
54	Grand Gateway Apartment Homes	4005 24th St S	St. Cloud	Market	Family	116	97%	No
55	Hampton Apartments*	503 15th Avenue Southeast	St. Cloud	Market	Family	42	21%	No
56	Heritage Park Estates	3600 West Saint Germain Street	St. Cloud	Market	Family	150	98%	No
57	Jacqueline Apartments	1117 7th Street N	St. Cloud	Market	Family	12	100%	N/Av
58	Juniper Grove	703 15th Avenue N	St. Cloud	Market	Family	12	92%	N/Av
59	Legacy Apartments	248 3rd Street S	Waite Park	Market	Family	119	97%	N/Av
60	North Village Apartments	3201 14th Street N	St. Cloud	Market	Family	200	96%	N/Av
61	Oakwood Heights Apartments*	1615 7th Street Southeast	St. Cloud	Market	Family	38	100%	No
62	Park Gardens	114 1st Street	Waite Park	Market	Senior	72	100%	N/Av
63	Park Meadows Apartments	408 Park Meadows Drive	Waite Park	Market	Family	360	96%	N/Av
64	Regency Park Estates*	1615 15th Avenue	St. Cloud	Market	Family	147	94%	No
65	Sterling Heights	2010 27th Street SE	St. Cloud	Market	Family	95	100%	Yes
66	Terrace View Apartments	1405 7th Street N	St. Cloud	Market	Family	18	100%	N/Av
67	Timberland Crossing & Pointe Apartments	1300 15th Street N	St. Cloud	Market	Family	318	94%	N/Av
68	Townwood Apartments	1220 33rd Ave N	St. Cloud	Market	Family	18	100%	N/Av
69	Victorian Terrace	230 2nd Street NE	St. Cloud	Market	Family	48	100%	No
70	West Stonehill Apartments	690 Prosper Dr	Waite Park	Market	Family	313	96%	No
71	Westwood Parkway Estates	6120 Westwood Parkway	St. Cloud	Market	Family	171	100%	Yes

*Utilized as a rental comparable

A map detailing the locations of multifamily housing developments is provided following.



MOST COMPARABLE PROPERTIES

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to properties from the competing market to provide a picture of the health and available supply in the market.

Description of Property Types Surveyed

To evaluate the competitive position of the Subject, as planned, we performed a field survey of comparable affordable and market rate apartment properties within the market area. These properties were surveyed in depth. Property managers were interviewed for information on unit mix, size, absorption, unit features, and project amenities, tenant profiles, and market trends in general. The availability of the affordable data is considered average, as there are nine existing non-subsidized affordable properties located within the PMA that offer one-bedroom units. We have utilized a total of four affordable properties as comparables, all of which are located in the Subject's PMA, within 1.9 miles from the Subject site. Further, it should be noted that one of the affordable comparables targets a similar target tenancy as the Subject, while the remainder target the general population. The availability of market rate data is also considered good, and we have utilized five market rate properties as comparables, all of which are located in the PMA, within 1.0 mile of the Subject. We believe the comparable properties selected for this study are a good representation of the types of rental housing available in the Subject's PMA and surrounding areas.

Affordable Properties Excluded from Analysis

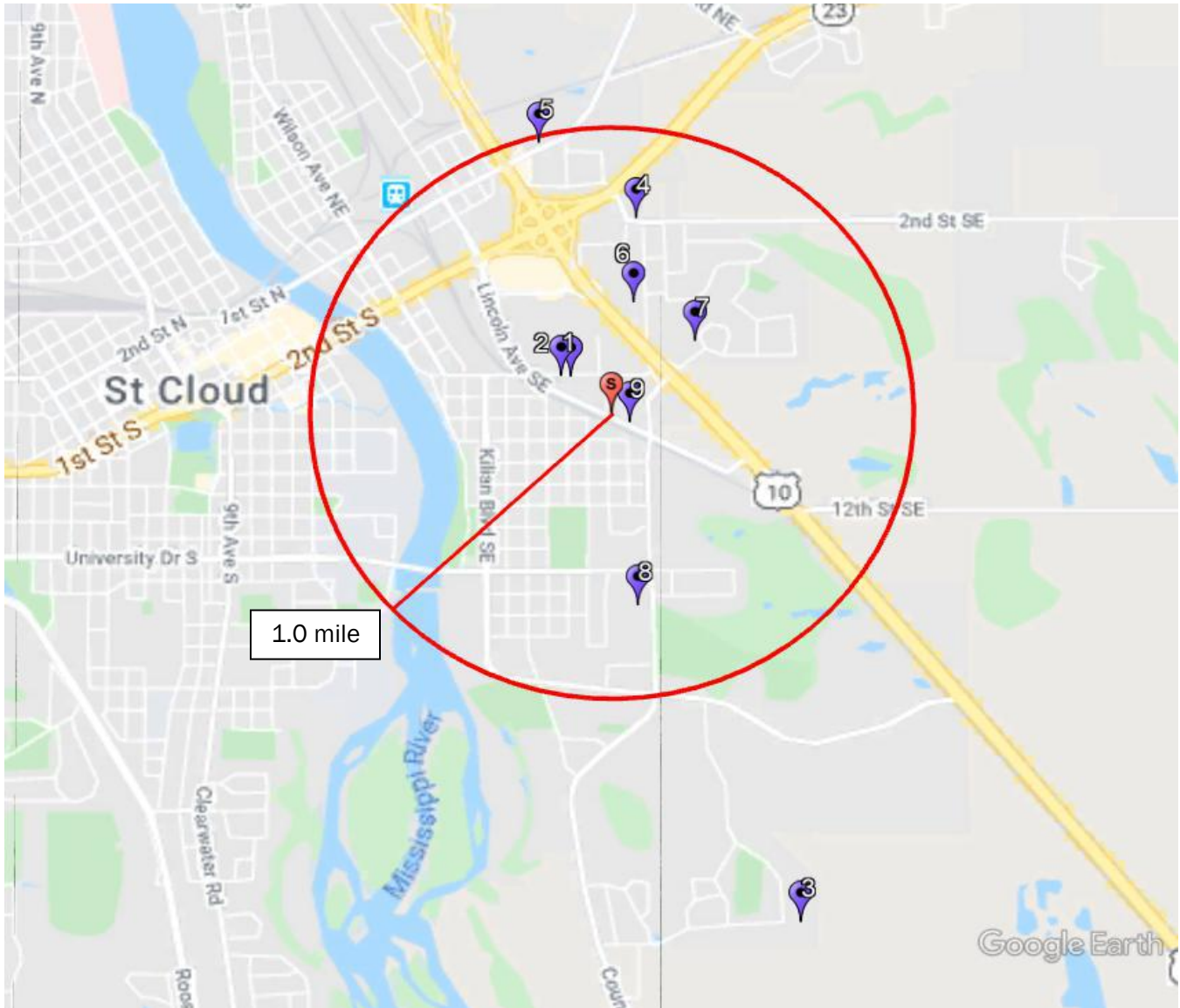
There are several affordable multifamily developments located in the Subject's PMA that we excluded from our analysis. The following table identifies these properties and the reason for their exclusion.

EXCLUDED AFFORDABLE PROPERTIES IN THE PMA

Property Name	Address	City	Year Built	Program	Target Tenancy	Total Units	Wait List	Occupancy	Reason for Exclusion
La Cruz Community	1530 Sixth Ave S	St. Cloud	1976	LIHTC	Family	104	N/Av	100%	Differing unit mix (no 1BR units)
Northwood Of Sauk Rapids	1401 Second Ave N	Sauk Rapids	1989	LIHTC	Family	18	N/Av	100%	Unable to contact
Park Avenue Apartments	1307 Second Ave N	Sauk Rapids	1989	LIHTC	Family	24	Yes	100%	Unable to contact
Newbury I & II	3411 22nd St S	St. Cloud	1993	LIHTC	Family	24	Yes	100%	Unable to contact
Park Villas	490 Third St S	Waite Park	1993	LIHTC	Senior	95	Yes	100%	Differing target tenancy
Brownstone	402 Ninth Ave N	St. Cloud	2000	LIHTC	Family	12	N/Av	N/Av	Differing unit mix (no 1BR units)
Natures Edge I & II	4222 Clearwater Rd	St. Cloud	2000	LIHTC	Family	40	No	95%	Differing unit mix (no 1BR units)
Creek Townhomes	721 33rd Ave N	St. Cloud	2000	LIHTC	Family	24	N/Av	N/Av	Differing unit mix (no 1BR units)
Woodland Park Apartments	1400 Ninth Ave S	St. Cloud	2000	LIHTC/Section 8	Family	86	Yes	100%	Subsidized rents
Oak Grove Townhomes	1704 Oak Grove Rd Sw	St. Cloud	2002	LIHTC	Family	30	N/Av	N/Av	Differing unit mix (no 1BR units)
Westwood Village Apartments I & II	770 Savanna Ave St	St. Cloud	2002	LIHTC	Family	32	N/Av	100%	Differing unit mix (no 1BR units)
Swisshelm Village Apartments I & II	316 Laudenbach Ct	St. Cloud	2003	LIHTC	Family	32	N/Av	100%	Unable to contact
Pheasant Crest Townhomes	2356 Pheasant Crest Loop	Sartell	2004	LIHTC	Family	42	Yes	98%	Differing unit mix (no 1BR units)
Russell Arms/Benton Heights	1200 First Ave N	Sauk Rapids	2005	LIHTC/Section 8	Family	91	N/Av	100%	Subsidized rents
Riverside Apartments	101 Riverside Dr Se St	St. Cloud	2005	LIHTC/Market	Senior	85	N/Av	100%	Differing target tenancy
Hope On Ninth	525 Ninth Ave N St	St. Cloud	2007	LIHTC	Family	31	Yes	100%	Unable to contact
Burl Oaks Townhomes	725 Roberts Rd	Sartell	2012	LIHTC	Family/Homeless	38	N/Av	100%	Differing unit mix (no 1BR units)
North Meadows Apartments	1207 Second Ave N	Sauk Rapids	2013	Section 8	Mental Illness	36	N/Av	N/Av	Subsidized rents
Granite City Townhomes	433 33Rd Avenue North	St. Cloud	1996	LIHTC	Family	24	Yes	100%	Differing unit mix (no 1BR units)
Oak Haven Estates	1110-1150 7th Street Se	St. Cloud	1997	LIHTC	Family	38	Yes	100%	Unable to contact
Westwind Apartments	765 Savanna Avenue	St. Cloud	2004	LIHTC	Senior	60	Yes	97%	Differing target tenancy
Benet Place	1420 Minnesota Blvd	St. Cloud	1995	Section 8	Senior/Disabled	40	Yes	100%	Differing target tenancy/subsidized rents
Cedar Terrace	1351 N 14th St	St. Cloud	1981	Section 8	Family	24	Yes	100%	Subsidized rents
Germain Towers	905 W Saint Germain St	St. Cloud	1980	Section 8	Family	60	No	100%	Subsidized rents
Good Shepherd Homes	1211 4th Ave N	Sauk Rapids	1980	Section 8	Senior	58	N/Av	N/Av	Differing target tenancy/subsidized rents
La Paz Community Apartments	530 16th St S	St. Cloud	1979	Section 8	Senior	36	N/Av	100%	Differing target tenancy/subsidized rents
North Meadows Apartments	1215 Second Ave N	Sauk Rapids	1984	Section 8	Family	36	N/Av	N/Av	Subsidized rents
Northway A & B	1525 Northway Dr	St. Cloud	1980	Section 8	Senior	102	N/Av	N/Av	Differing target tenancy/subsidized rents
Parkview Terrace Apartments	625 14th St S	St. Cloud	1990	Section 8	Family	52	Yes	100%	Subsidized rents
Quarry Heights	2051 Quarry Rd	St. Cloud	1978	Section 8	Senior/Disabled	24	N/Av	N/Av	Differing target tenancy/subsidized rents
Shepherd Oak Apartments	310 13th St N	St. Cloud	1977	Section 8	Senior/Disabled	42	N/Av	N/Av	Differing target tenancy/subsidized rents
Wimbledon Green	401 N 33Rd Ave	St. Cloud	1995	Section 8	Family	45	No	100%	Subsidized rents
Courtyard Apartments Of St. Cloud	780 S 14th St	St. Cloud	1983	Section 8	Family	108	N/Av	N/Av	Subsidized rents
Benet Place South	1975 15th Ave Se	St. Cloud	1969	Section 8	Senior/Disabled	40	Yes	100%	Differing target tenancy/subsidized rents
Sartell Senior Housing, Inc.	1221 22nd St S	Sartell	1999	Section 8	Senior/Disabled	43	Yes	100%	Differing target tenancy/subsidized rents
Sartell Supportive Housing, Inc.	243 Sundance Road	Sartell	2008	Section 8	Senior/Disabled	15	Yes	100%	Differing target tenancy/subsidized rents
Linden Grove Veteran Apartments	4105 12th Street North	St. Cloud	2009	Section 8	Veterans	4	No	100%	Differing target tenancy/subsidized rents
The Bluffs at Liberty Glen	1075 24th St SE	St. Cloud	2019	LIHTC	Family	144	N/Av	N/Av	Unable to contact

A map illustrating the location of the Subject in relation to the most comparable properties, summary table, and individual profiles of the comparable properties included in the survey are provided following.

Proximity of Rental Comparables Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Lincoln Pointe I & II	St. Cloud	LIHTC	Family	0.3 miles
2	Oakhaven Estates	St. Cloud	LIHTC	Family	0.2 miles
3	River Crest Apartments	St. Cloud	Affordable/PBRA	Family	Adjacent
4	The Highlands	St. Cloud	LIHTC	Family	1.9 miles
5	Bentonshire Apartments	St. Cloud	Market	Family	0.7 miles
6	East Germain Court	St. Cloud	Market	Family	1.0 miles
7	Hampton Apartments	St. Cloud	Market	Family	0.4 miles
8	Oakwood Heights Apartments	St. Cloud	Market	Family	0.3 miles
9	Regency Park Estates	St. Cloud	Market	Family	0.7 miles

RIVER HEIGHTS APARTMENTS – ST. CLOUD, MN – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	River Heights Apartments 1315 Lincoln Ave SE St. Cloud, MN 56304 Sherburne County	-	Lowrise 3-stories 2021 / n/a Family	@30% (PBRA), @60% (PBRA)	1BR / 1BA	21	52.5%	616	@30% (PBRA)	\$562	Yes	N/A	N/A	N/A
					1BR / 1BA	19	47.5%	616	@60% (PBRA)	\$733	No	N/A	N/A	N/A
											40			
1	Lincoln Pointe I & II 1060 7th Street Southeast St. Cloud, MN 56304 Sherburne County	0.3 miles	Garden 3-stories 1987 / 1993 Family	@60%	1BR / 1BA	6	16.7%	716	@60%	\$886	Yes	No	0	0.0%
					2BR / 1BA	24	66.7%	866	@60%	\$1,030	Yes	No	1	4.2%
					3BR / 1BA	6	16.7%	1,105	@60%	\$1,191	Yes	Yes	0	0.0%
						36					1	2.8%		
2	Oakhaven Estates 1110 7th Street SE St. Cloud, MN 56304 Sherburne County	0.2 miles	Townhouse 2-stories 1994 / n/a Family	@60%	1BR / 1BA	8	21.1%	770	@60%	\$740	No	No	0	0.0%
					2BR / 1BA	8	21.1%	925	@60%	\$867	No	No	1	12.5%
					3BR / 1BA	22	57.9%	1,057	@60%	\$1,027	No	No	1	4.6%
						38					2	5.3%		
3	River Crest Apartments 1315 Lincoln Avenue Southeast St. Cloud, MN 56304 Sherburne County	0.0 miles	Lowrise 3-stories 2010 / n/a Family	@30% (PBRA)	1BR / 1BA	40	100.0%	200	@30% (PBRA)	\$1,591	No	No	5	12.5%
						40					5	12.5%		
4	The Highlands 2015 27th Street Southwest St. Cloud, MN 56304 Sherburne County	1.9 miles	Garden 3-stories 2002 / n/a Family	@60%	1BR / 1BA	N/A	N/A	750	@60%	\$877	No	No	0	N/A
					2BR / 2BA	N/A	N/A	981	@60%	\$944	No	No	1	N/A
					2.5BR / 2BA	N/A	N/A	1,084	@60%	\$1,044	No	No	1	N/A
					3BR / 2BA	N/A	N/A	1,230	@60%	\$1,029	No	No	0	N/A
					3BR / 2BA	N/A	N/A	1,230	@60%	\$1,069	No	No	0	N/A
						100					2	2.0%		
5	Bentonshire Apartments 1445 2nd Street Southeast St. Cloud, MN 56304 Benton County	0.7 miles	Garden 3-stories 1974 / n/a Family	Market	1BR / 1BA	N/A	N/A	730	Market	\$668	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	1,050	Market	\$790	N/A	No	1	N/A
					3BR / 2BA	N/A	N/A	1,370	Market	\$930	N/A	No	0	N/A
						87					1	1.1%		
6	East Germain Court 1027 East Saint Germain Street St. Cloud, MN 56304 Benton County	1.0 miles	Lowrise 3-stories 2013 / n/a Family	Market	1BR / 1BA	10	40.0%	801	Market	\$894	N/A	No	0	0.0%
					2BR / 2BA	10	40.0%	1,079	Market	\$880	N/A	No	0	0.0%
					3BR / 2BA	5	20.0%	1,631	Market	\$1,260	N/A	No	0	0.0%
						25					0	0.0%		
7	Hampton Apartments 503 15th Avenue Southeast St. Cloud, MN 56304 Benton County	0.4 miles	Lowrise 3-stories 1985 / n/a Family	Market	1BR / 1BA	18	42.9%	716	Market	\$950	N/A	No	9	50.0%
					2BR / 1BA	18	42.9%	832	Market	\$1,098	N/A	No	0	0.0%
					3BR / 1BA	6	14.3%	988	Market	\$1,158	N/A	No	0	0.0%
						42					9	21.4%		
8	Oakwood Heights Apartments 1615 7th Street Southeast St. Cloud, MN 56304 Benton County	0.3 miles	Lowrise 3-stories 1996 / n/a Family	Market	1BR / 1BA	10	26.3%	645	Market	\$633	N/A	No	0	0.0%
					2BR / 1BA	14	36.8%	900	Market	\$720	N/A	No	0	0.0%
					2BR / 2BA	14	36.8%	1,080	Market	\$825	N/A	No	0	0.0%
						38					0	0.0%		
9	Regency Park Estates 1615 15th Avenue St. Cloud, MN 56304 Sherburne County	0.7 miles	Lowrise 3-stories 1994 / 2017 Family	Market	OBR / 1BA	1	0.7%	431	Market	\$700	N/A	No	0	0.0%
					1BR / 1BA	26	17.7%	815	Market	\$1,033	N/A	No	3	11.5%
					2BR / 1BA	34	23.1%	875	Market	\$985	N/A	No	0	0.0%
					2BR / 1.5BA	8	5.4%	1,100	Market	\$1,010	N/A	No	2	25.0%
					2BR / 2BA	52	35.4%	1,102	Market	\$1,110	N/A	No	3	5.8%
					2BR / 2.5BA	2	1.4%	1,562	Market	\$1,845	N/A	No	1	50.0%
					3BR / 2BA	10	6.8%	1,489	Market	\$1,450	N/A	No	0	0.0%
					3BR / 2.5BA	13	8.8%	1,675	Market	\$1,550	N/A	No	0	0.0%
					4BR / 3BA	1	0.7%	1,750	Market	\$1,705	N/A	No	0	0.0%
						147					9	6.1%		

PROPERTY PROFILE REPORT

Lincoln Pointe I & II

Effective Rent Date	3/10/2020
Location	1060 7th Street Southeast St. Cloud, MN 56304 Sherburne County
Distance	0.3 miles
Units	36
Vacant Units	1
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	1987 / 1993
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from Stearns County
Contact Name	Jessica
Phone	320-258-4000



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	33%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 15-17% annually since 4Q17
Concession	None
Waiting List	Yes - Three bedroom units only

Utilities

A/C	not included -- wall
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	6	716	\$859	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (3 stories)	24	866	\$1,030	\$0	@60%	No	1	4.2%	no	None
3	1	Garden (3 stories)	6	1,105	\$1,191	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$859	\$0	\$859	\$27	\$886
2BR / 1BA	\$1,030	\$0	\$1,030	\$38	\$1,068
3BR / 1BA	\$1,191	\$0	\$1,191	\$48	\$1,239

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Phone)	None
Coat Closet	Dishwasher	Limited Access	
Oven	Refrigerator		
Wall A/C			
Property		Premium	Other
Garage(\$45.00)	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

Comments

The contact reported that the property only maintains a waiting list for three bedroom units since those are highest in demand. Detached garage parking is available for an additional fee of \$45 per month.

Trend Report

Vacancy Rates

3Q15	4Q17	1Q20	2Q20
0.0%	0.0%	2.8%	2.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$455	\$0	\$455	\$482
2017	4	0.0%	\$525	\$0	\$525	\$552
2020	1	0.0%	\$859	\$0	\$859	\$886
2020	2	0.0%	\$859	\$0	\$859	\$886

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$575	\$0	\$575	\$613
2017	4	0.0%	\$625	\$0	\$625	\$663
2020	1	4.2%	\$1,030	\$0	\$1,030	\$1,068
2020	2	4.2%	\$1,030	\$0	\$1,030	\$1,068

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$650	\$0	\$650	\$698
2017	4	0.0%	\$765	\$0	\$765	\$813
2020	1	0.0%	\$1,191	\$0	\$1,191	\$1,239
2020	2	0.0%	\$1,191	\$0	\$1,191	\$1,239

Trend: Comments

3Q15	The contact indicated the property has been operating on a first come, first served basis and does not maintain a waiting list.
4Q17	The contact reported that the property only maintains a waiting list for three bedroom units since those are in high demand.
1Q20	The contact reported that the property only maintains a waiting list for three bedroom units since those are in high demand. The contact was unable to provide the length of the waiting list. Detached garage parking is available for an additional \$45 per month.
2Q20	The contact reported that the property only maintains a waiting list for three bedroom units since those are highest in demand. Detached garage parking is available for an additional fee of \$45 per month.

Photos



PROPERTY PROFILE REPORT

Oakhaven Estates

Effective Rent Date	3/11/2020
Location	1110 7th Street SE St. Cloud, MN 56304 Sherburne County
Distance	0.2 miles
Units	38
Vacant Units	2
Vacancy Rate	5.3%
Type	Townhouse (2 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lincoln Pointe, Green Gables
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Tami
Phone	320-253-6069



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	83%
Leasing Pace	Within one month
Annual Chg. in Rent	Remained stable since 2019
Concession	\$100 off first month's rent
Waiting List	None

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	8	770	\$710	\$8	@60%	No	0	0.0%	no	None
2	1	Townhouse (2 stories)	8	925	\$875	\$8	@60%	No	1	12.5%	no	None
3	1	Townhouse (2 stories)	22	1,057	\$1,035	\$8	@60%	No	1	4.5%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$710	\$8	\$702	\$38	\$740
2BR / 1BA	\$875	\$8	\$867	\$54	\$921
3BR / 1BA	\$1,035	\$8	\$1,027	\$69	\$1,096

Oakhaven Estates, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Wall A/C		
Property		Premium	Other
Garage(\$45.00)	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

Garage parking is available to tenants for an additional fee of \$45 per month.

Trend Report

Vacancy Rates

4Q17	2Q18	2Q19	1Q20
5.3%	0.0%	7.9%	5.3%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	12.5%	\$570	\$0	\$570	\$608
2018	2	0.0%	\$600	\$0	\$600	\$638
2019	2	25.0%	\$710	\$8	\$702	\$740
2020	1	0.0%	\$710	\$8	\$702	\$740

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	12.5%	\$680	\$0	\$680	\$734
2018	2	0.0%	\$700	\$0	\$700	\$754
2019	2	12.5%	\$875	\$8	\$867	\$921
2020	1	12.5%	\$875	\$8	\$867	\$921

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$785	\$0	\$785	\$854
2018	2	0.0%	\$800	\$0	\$800	\$869
2019	2	0.0%	\$1,035	\$0	\$1,035	\$1,104
2020	1	4.5%	\$1,035	\$8	\$1,027	\$1,096

Trend: Comments

4Q17	The contact reported that the property has recently been taken over by new management. The contact also reported a waiting list of 30 households.
2Q18	Garage parking is available for an additional \$45 per month.
2Q19	Garage parking is available for \$45 per month. The contact reported a significant rent increase for new tenants over the last year; while we could not get confirmation of the reasoning, we assume rents were previously held at a lower AMI level artificially, or due to MHFA restrictions that have since burned off.
1Q20	Garage parking is available to tenants for an additional fee of \$45 per month.

Photos



PROPERTY PROFILE REPORT

River Crest Apartments

Effective Rent Date	3/10/2020
Location	1315 Lincoln Avenue Southeast St. Cloud, MN 56304 Sherburne County
Distance	0.1 miles
Units	40
Vacant Units	5
Vacancy Rate	12.5%
Type	Lowrise (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Homeless chronic alcoholics
Contact Name	Bryan
Phone	320-217-7970



Market Information

Program	@30% (Project Based Rental Assistance -
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	40	200	\$1,591	\$0	@30% (Project Based Rental Assistance - PBRA)	No	5	12.5%	yes	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,591	\$0	\$1,591	\$0	\$1,591

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	Adult Education
Central A/C	Coat Closet	Limited Access	
Furnishing			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	Medical Professional	None
Central Laundry	Off-Street Parking		
On-Site Management	Service Coordination		

Comments

Contract rents are noted in the property profile. The development is group residential housing for homeless and chronic alcoholics, which is funded by the Minnesota Housing Finance Agency through 501(C)3 bonds . The contact noted the units are fully furnished. The property typically operates with high turnover given its target tenancy. Elevated vacancy at the property is atypical. Residents have a private or shared bedroom with common areas for dining and other activities. Supportive services include assistance with independent living skills, assistance with transportation, assistance with scheduling, medical and social services, medication reminders, and health services.

River Crest Apartments, continued

Trend Report

Vacancy Rates

1Q20	2Q20
12.5%	12.5%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	12.5%	\$1,591	\$0	\$1,591	\$1,591
2020	2	12.5%	\$1,591	\$0	\$1,591	\$1,591

Trend: Comments

1Q20	The contract rents are noted in the profile. The contact noted the units are fully furnished, dorm style units and the property has a full sized kitchen.
2Q20	Contract rents are noted in the property profile. The development is group residential housing for homeless and chronic alcoholics, which is funded by the Minnesota Housing Finance Agency through 501(C)3 bonds . The contact noted the units are fully furnished. The property typically operates with high turnover given its target tenancy. Elevated vacancy at the property is atypical. Residents have a private or shared bedroom with common areas for dining and other activities. Supportive services include assistance with independent living skills, assistance with transportation, assistance with scheduling, medical and social services, medication reminders, and health services.

Photos



PROPERTY PROFILE REPORT

The Highlands

Effective Rent Date	3/11/2020
Location	2015 27th Street Southwest St. Cloud, MN 56304 Sherburne County
Distance	1.9 miles
Units	100
Vacant Units	2
Vacancy Rate	2.0%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oakhaven Estates
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Samantha
Phone	320-251-4795



Market Information

Program	@60%
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	55%
Leasing Pace	Within one week
Annual Chg. in Rent	Fluc. 0-12% since 2019
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	included -- gas
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	750	\$844	\$0	@60%	No	0	N/A	no	None
2	2	Garden (3 stories)	N/A	981	\$944	\$0	@60%	No	1	N/A	no	None
2.5	2	Garden (3 stories)	N/A	1,084	\$1,044	\$0	@60%	No	1	N/A	no	None
3	2	Garden (3 stories)	N/A	1,230	\$1,029	\$0	@60%	No	0	N/A	no	None
3	2	Garden (3 stories)	N/A	1,230	\$1,069	\$0	@60%	No	0	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$844	\$0	\$844	\$33	\$877
2BR / 2BA	\$944	\$0	\$944	\$47	\$991
2.5BR / 2BA	\$1,044	\$0	\$1,044	\$47	\$1,091
3BR / 2BA	\$1,029 - \$1,069	\$0	\$1,029 - \$1,069	\$60	\$1,089 - \$1,129

The Highlands, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage(\$15.00)	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Garage		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Exterior storage is available for an additional fee ranging from \$15 to \$25 per month. Garage parking is available to tenants at no additional cost. Each unit offers an in-unit washer/dryer.

The Highlands, continued

Trend Report

Vacancy Rates

3Q18	2Q19	1Q20	2Q20
0.0%	0.0%	2.0%	2.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$819	\$0	\$819	\$852
2019	2	N/A	\$829	\$0	\$829	\$862
2020	1	N/A	\$844	\$0	\$844	\$877
2020	2	N/A	\$844	\$0	\$844	\$877

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$1,044	\$0	\$1,044	\$1,091
2020	2	N/A	\$1,044	\$0	\$1,044	\$1,091

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$919	\$0	\$919	\$966
2019	2	N/A	\$929	\$0	\$929	\$976
2020	1	N/A	\$944	\$0	\$944	\$991
2020	2	N/A	\$944	\$0	\$944	\$991

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,019	\$0	\$1,019	\$1,079
2019	2	N/A	\$1,029 - \$1,054	\$0	\$1,029 - \$1,054	\$1,089 - \$1,114
2020	1	N/A	\$1,029 - \$1,069	\$0	\$1,029 - \$1,069	\$1,089 - \$1,129
2020	2	N/A	\$1,029 - \$1,069	\$0	\$1,029 - \$1,069	\$1,089 - \$1,129

Trend: Comments

3Q18	N/A
2Q19	Exterior storage is available for \$15 to \$25 per month. Garage parking is included in the rent. An additional garage parking space is available for \$45 per month.
1Q20	Exterior storage is available for \$15 to \$25 per month. Garage parking is available to tenants at no additional cost. Each unit offers an in-unit washer/dryer.
2Q20	Exterior storage is available for an additional fee ranging from \$15 to \$25 per month. Garage parking is available to tenants at no additional cost. Each unit offers an in-unit washer/dryer.

PROPERTY PROFILE REPORT

Bentonshire Apartments

Effective Rent Date	3/25/2020
Location	1445 2nd Street Southeast St. Cloud, MN 56304 Benton County
Distance	0.7 miles
Units	87
Vacant Units	1
Vacancy Rate	1.1%
Type	Garden (3 stories)
Year Built/Renovated	1974 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	East Germain Court
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Kelsey
Phone	320-252-4985



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	730	\$630	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,050	\$790	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,370	\$930	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$630	\$0	\$630	\$38	\$668
2BR / 1BA	\$790	\$0	\$790	\$54	\$844
3BR / 2BA	\$930	\$0	\$930	\$69	\$999

Bentonshire Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

The contact was unable to provide information on Housing Choice Voucher utilization and the property's annual turnover rate.

Photos



PROPERTY PROFILE REPORT

East Germain Court

Effective Rent Date	3/11/2020
Location	1027 East Saint Germain Street St. Cloud, MN 56304 Benton County
Distance	1 mile
Units	25
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hampton Apartments
Tenant Characteristics	Mixed tenancy from local area, mainly families
Contact Name	Dave
Phone	320-291-5320



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	10	801	\$780	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	10	1,079	\$880	\$0	Market	No	0	0.0%	N/A	None
3	2	Lowrise (3 stories)	5	1,631	\$1,260	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$114	\$894
2BR / 2BA	\$880	\$0	\$880	\$140	\$1,020
3BR / 2BA	\$1,260	\$0	\$1,260	\$166	\$1,426

East Germain Court, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Coat Closet	Limited Access	
Fireplace	Microwave	Video Surveillance	
Oven	Refrigerator		
Walk-In Closet	Wall A/C		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Elevators	Exercise Facility	None	None
Garage(\$40.00)	Off-Street Parking		

Comments

Each unit includes an in-unit washer/dryer. Detached garage parking is available to the tenants for an additional fee of \$40 per month. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Hampton Apartments

Effective Rent Date	3/25/2020
Location	503 15th Avenue Southeast St. Cloud, MN 56304 Benton County
Distance	0.4 miles
Units	42
Vacant Units	9
Vacancy Rate	21.4%
Type	Lowrise (3 stories)
Year Built/Renovated	1985 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	East Germain Court
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Property Manager
Phone	844-647-2414



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	18	716	\$892	\$0	Market	No	9	50.0%	N/A	None
2	1	Lowrise (3 stories)	18	832	\$1,098	\$0	Market	No	0	0.0%	N/A	None
3	1	Lowrise (3 stories)	6	988	\$1,158	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$892	\$0	\$892	\$58	\$950
2BR / 1BA	\$1,098	\$0	\$1,098	\$78	\$1,176
3BR / 1BA	\$1,158	\$0	\$1,158	\$97	\$1,255

Hampton Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Central A/C	Coat Closet		
Ceiling Fan	Fireplace		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Elevators	Exercise Facility		
Garage(\$40.00)	Off-Street Parking		
Recreation Areas	Sport Court		
Swimming Pool			

Comments

The contact was unable to provide Housing Choice Voucher utilization and the property's annual turnover rate. Garage parking is available for an additional fee of \$40 per month.

Photos



PROPERTY PROFILE REPORT

Oakwood Heights Apartments

Effective Rent Date	3/10/2020
Location	1615 7th Street Southeast St. Cloud, MN 56304 Benton County
Distance	0.3 miles
Units	38
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (3 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Regency Park Estates
Tenant Characteristics	Mixed tenancy from local area, mainly families
Contact Name	Megan
Phone	320-203-9145



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	10	645	\$595	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	14	900	\$720	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	14	1,080	\$825	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$595	\$0	\$595	\$38	\$633
2BR / 1BA	\$720	\$0	\$720	\$54	\$774
2BR / 2BA	\$825	\$0	\$825	\$54	\$879

Oakwood Heights Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Coat Closet	Limited Access	
Dishwasher	Microwave		
Oven	Refrigerator		
Wall A/C	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Garage(\$45.00)	Off-Street Parking		

Comments

The property accepts Housing Choice Vouchers; however, the contact was unable to state how many tenants are currently utilizing them. Select units offer in-unit washer/dryer. Detached and tuck-under garage parking is available to tenants for an additional fee of \$45 and \$55, respectively.

Photos



PROPERTY PROFILE REPORT

Regency Park Estates

Effective Rent Date	3/01/2020
Location	1615 15th Avenue St. Cloud, MN 56304 Sherburne County
Distance	0.7 miles
Units	147
Vacant Units	9
Vacancy Rate	6.1%
Type	Lowrise (3 stories)
Year Built/Renovated	1994 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Crest Apartments
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Leslie
Phone	320-253-4434



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 0-10% since 3Q19
Concession	None
Waiting List	None

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	1	431	\$700	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	26	815	\$975	\$0	Market	No	3	11.5%	N/A	None
2	1	Lowrise (3 stories)	34	875	\$985	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Lowrise (3 stories)	8	1,100	\$1,010	\$0	Market	No	2	25.0%	N/A	None
2	2	Lowrise (3 stories)	52	1,102	\$1,110	\$0	Market	No	3	5.8%	N/A	None
2	2.5	Lowrise (3 stories)	2	1,562	\$1,845	\$0	Market	No	1	50.0%	N/A	None
3	2	Lowrise (3 stories)	10	1,489	\$1,450	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Lowrise (3 stories)	13	1,675	\$1,550	\$0	Market	No	0	0.0%	N/A	None
4	3	Lowrise (3 stories)	1	1,750	\$1,705	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$700	\$0	\$700	\$50	\$750
1BR / 1BA	\$975	\$0	\$975	\$58	\$1,033
2BR / 1BA	\$985	\$0	\$985	\$78	\$1,063
2BR / 1.5BA	\$1,010	\$0	\$1,010	\$78	\$1,088
2BR / 2BA	\$1,110	\$0	\$1,110	\$78	\$1,188
2BR / 2.5BA	\$1,845	\$0	\$1,845	\$78	\$1,923
3BR / 2BA	\$1,450	\$0	\$1,450	\$97	\$1,547
3BR / 2.5BA	\$1,550	\$0	\$1,550	\$97	\$1,647
4BR / 3BA	\$1,705	\$0	\$1,705	\$117	\$1,822

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Cable/Satellite/Internet	Carpeting	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Ceiling Fan	Garbage Disposal		
Refrigerator	Walk-In Closet		
Wall A/C	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Sauna	Swimming Pool		

Comments

Subterranean garage parking is available to tenants at no additional cost. The property does not accept Housing Vouchers. Each unit offers an in-unit washer/dryer. Exterior storage is available for an additional fee of \$30 per month. Basic cable is included with rent.

Trend Report

Vacancy Rates

4Q17	3Q19	1Q20
2.0%	4.1%	6.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$765 - \$1,175	\$0	\$765 - \$1,175	\$823 - \$1,233
2019	3	3.8%	\$900	\$0	\$900	\$958
2020	1	11.5%	\$975	\$0	\$975	\$1,033

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	25.0%	\$1,000	\$0	\$1,000	\$1,078
2020	1	25.0%	\$1,010	\$0	\$1,010	\$1,088

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$950	\$0	\$950	\$1,028
2020	1	0.0%	\$985	\$0	\$985	\$1,063

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,415	\$0	\$1,415	\$1,493
2020	1	50.0%	\$1,845	\$0	\$1,845	\$1,923

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$785 - \$1,895	\$0	\$785 - \$1,895	\$863 - \$1,973
2019	3	5.8%	\$1,065	\$0	\$1,065	\$1,143
2020	1	5.8%	\$1,110	\$0	\$1,110	\$1,188

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,525	\$0	\$1,525	\$1,622
2020	1	0.0%	\$1,550	\$0	\$1,550	\$1,647

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$775 - \$1,735	\$21	\$754 - \$1,714	\$851 - \$1,811
2019	3	0.0%	\$1,445	\$0	\$1,445	\$1,542
2020	1	0.0%	\$1,450	\$0	\$1,450	\$1,547

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,690	\$0	\$1,690	\$1,807
2019	3	0.0%	\$1,640	\$0	\$1,640	\$1,757
2020	1	0.0%	\$1,705	\$0	\$1,705	\$1,822

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$700	\$0	\$700	\$750
2020	1	0.0%	\$700	\$0	\$700	\$750

Trend: Comments

4Q17	The contact reported that all units are being renovated as they become vacant. The contact also reported that the vacancy rate tends to be higher in the winter months. The property utilizes an LRO system, which causes rents to change daily.
3Q19	The property has not had any major renovations since opening but does upgrade units as they become vacant. The contact also reported that the vacancy rate tends to be higher in the winter months. The property offers garage parking included in the rent. The studio, two bedroom with one bath and one and a half baths, three, and four-bedroom rents were estimated by the contact because the property did not have any available units. The property does not accept Housing Vouchers.
1Q20	Subterranean garage parking is available to tenants at no additional cost. The property does not accept Housing Vouchers. Each unit offers an in-unit washer/dryer. Exterior storage is available for an additional fee of \$30 per month. Basic cable is included with rent.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed.

Location

The Subject site is located within the eastern portion of St. Cloud in a mixed-use neighborhood. The neighborhood consists of a mixture of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. The majority of single-family homes are situated to the south of the Subject site, and have recently sold for between \$100,000 and \$400,000, according to Zillow. Although the Subject's location is designated 'Car-Dependent' by Walk Score with a score of 39, the Subject is located within a mile of several amenities including retail, educational uses, and civic uses.

The affordable properties are located within 1.9 miles of the Subject site. Lincoln Pointe I & II, Oakhaven Estates, and River Crest Apartments are all located in neighborhoods with similar median household incomes, median home values, and median gross rents as the Subject. As such, these three comparables are considered to be located in generally similar locations as the Subject. The remaining comparable, The Highlands, is located in an area with a slightly superior median household income, but similar median home value and median gross rent. As such, despite the higher median household income, this comparable is also considered to be located in a generally similar location as the Subject.

The market rate developments are located within 1.0 mile of the Subject site. Four of the comparables are located in areas with slightly inferior median household incomes as the Subject, while the remaining comparable, Regency Park Estates, is located in an area with a generally similar median household income as the Subject. Furthermore, all the market rate comparables are located in areas with similar median home values and median gross rents as the Subject. As such, despite the differences in median household incomes, all market rate comparables are located in generally similar locations as the Subject.

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score
S	River Heights Apartments	St. Cloud	Family	LIHTC/PBRA	-	\$50,697	\$140,900	\$703	99	43
1	Lincoln Pointe I & II	St. Cloud	Family	LIHTC	0.3 miles	\$51,210	\$140,900	\$703	124	43
2	Oakhaven Estates	St. Cloud	Family	LIHTC	0.2 miles	\$50,171	\$140,900	\$703	99	43
3	River Crest Apartments	St. Cloud	Family	Affordable/PBRA	Adjacent	\$50,697	\$140,900	\$703	99	43
4	The Highlands	St. Cloud	Family	LIHTC	1.9 miles	\$57,786	\$140,900	\$703	114	0
5	Bentonshire Apartments	St. Cloud	Family	Market	0.7 miles	\$32,977	\$140,900	\$703	131	43
6	East Germain Court	St. Cloud	Family	Market	1.0 miles	\$31,200	\$140,900	\$703	95	61
7	Hampton Apartments	St. Cloud	Family	Market	0.4 miles	\$40,060	\$140,900	\$703	99	45
8	Oakwood Heights Apartments	St. Cloud	Family	Market	0.3 miles	\$41,140	\$140,900	\$703	99	38
9	Regency Park Estates	St. Cloud	Family	Market	0.7 miles	\$49,453	\$140,900	\$703	114	19

*Located outside of the PMA

Size, Age, and Condition

The Subject will be a new construction, and will exhibit excellent condition. The comparable properties were constructed or last renovated between 1974 and 2017. East Germain Court was constructed in 2013 and exhibits excellent condition, similar to the Subject upon completion. Two comparables, River Crest Apartments and Regency Park Estates, were constructed or last renovated between 2010 and 2017 and exhibit good condition, slightly inferior to the Subject upon completion. The remaining comparables exhibit average condition, inferior to the Subject upon completion.

The Subject will offer a three-story elevator-serviced lowrise design, similar to five of the comparables, which also offer elevator-serviced designs. Of the remaining comparables, three offer garden-style designs, which are considered slightly inferior to the Subject's design. The remaining comparable offers townhome-style units, which are a different, yet similar design as the Subject in terms of curb appeal.

Unit Size

The following tables illustrate the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON (ALL COMPARABLES)	
Bedroom Type	1BR
Subject	616
Average	683
Min	200
Max	815
Advantage/Disadvantage	-10%

UNIT SIZE COMPARISON - AFFORDABLE PROPERTIES	
Bedroom Type	1BR
Subject	616
Average	609
Min	200
Max	770
Advantage/Disadvantage	1%

The Subject's proposed unit sizes are within the overall range of the comparables. The Subject's proposed one-bedroom unit size provides a 10 percent disadvantage compared to the overall average, but is similar to the average one-bedroom unit size of the affordable comparables. We believe the Subject's unit sizes will be well-received given the subsidy in place and the target tenancy. However, we have taken into account the Subject's one-bedroom unit size in determining the achievable rents.

Project Amenities

The table following illustrates the in-unit, common area, and security amenities available at the Subject and all of the comparable properties.

RIVER HEIGHTS APARTMENTS – ST. CLOUD, MN – MARKET STUDY

AMENITY MATRIX

	Subject	Lincoln Pointe I & II	Oakhaven Estates	River Crest Apartments	The Highlands	Bentonshire Apartments	East Germain Court	Hampton Apartments	Oakwood Heights Apartments	Regency Park Estates
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/PBRA	LIHTC	Market	Market	Market	Market	Market
Building										
Property Type	Lowrise	Garden	Townhouse	Lowrise	Garden	Garden	Lowrise	Lowrise	Lowrise	Lowrise
# of Stories	3-stories	3-stories	2-stories	3-stories	3-stories	3-stories	3-stories	3-stories	3-stories	3-stories
Year Built	2021	1987	1994	2010	2002	1974	2013	1985	1996	1994
Year Renovated	n/a	1993	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2017
Elevators	yes	no	no	yes	yes	no	yes	yes	yes	yes
Courtyard	no	no	no	no	no	no	no	no	no	yes
Utility Structure										
Cooking	yes	yes	no	yes	no	no	no	no	no	no
Water Heat	yes	yes	no	yes	yes	no	no	no	no	no
Heat	yes	yes	yes	yes	yes	yes	no	no	yes	no
Other Electric	yes	no	no	yes	no	no	no	no	no	no
Water	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Sewer	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Trash	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Unit Amenities										
Balcony/Patio	no	no	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	yes	no	yes	no	no
Central A/C	yes	no	no	yes	yes	yes	no	yes	no	no
Ceiling Fan	no	no	no	no	yes	yes	no	yes	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	yes	no	no	no	no	no
Fireplace	no	no	no	no	yes	no	yes	yes	no	no
Furnishing	yes	no	no	yes	no	no	no	no	no	no
Vaulted Ceilings	no	no	no	no	yes	no	no	no	no	no
Walk-In Closet	no	no	yes	no	yes	yes	yes	no	no	yes
Wall A/C	no	yes	yes	no	no	no	yes	no	yes	yes
Washer/Dryer	no	no	no	no	yes	no	yes	yes	yes	yes
W/D Hookup	no	no	no	no	yes	no	yes	yes	yes	yes
Kitchen										
Dishwasher	no	yes	yes	no	yes	yes	no	no	yes	yes
Disposal	no	no	yes	no	yes	yes	no	no	no	yes
Microwave	yes	no	no	no	yes	no	yes	no	yes	no
Oven	yes	yes	yes	no	yes	yes	yes	yes	yes	no
Refrigerator	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Community										
Business Center	yes	no	no	no	yes	yes	no	yes	no	no
Community Room	yes	no	no	yes	yes	yes	no	yes	yes	yes
Central Laundry	yes	yes	yes	yes	no	yes	no	no	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	no	no	yes
Recreation										
Exercise Facility	no	no	no	no	yes	yes	yes	yes	no	yes
Playground	no	yes	yes	no	yes	yes	no	no	no	no
Swimming Pool	no	no	no	no	yes	no	no	yes	no	yes
Picnic Area	yes	yes	no	no	no	no	no	no	no	yes
Sport Court	no	no	no	no	no	no	no	yes	no	no
Sauna	no	no	no	no	no	no	no	no	no	yes
Recreational Area	no	no	no	no	no	no	no	yes	no	no
Adult Education	no	no	no	yes	no	no	no	no	no	no
Service Coordination	yes	no	no	yes	no	no	no	no	no	no
Security										
In-Unit Alarm	yes	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	no	yes	yes	no	yes	yes	yes	yes
Intercom (Phone)	no	yes	no	no	no	no	no	no	no	no
Limited Access	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Perimeter Fencing	no	no	no	no	no	no	no	no	no	yes
Video Surveillance	yes	no	no	no	no	no	yes	no	no	no
Parking										
Garage	no	yes	yes	no	yes	no	yes	yes	yes	no
Garage Fee	\$0	\$45	\$45	\$0	\$0	\$0	\$40	\$40	\$45	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Unit Amenities

The Subject's units will include blinds, carpet/vinyl flooring, central air conditioning, a coat closet, oven/range, microwave, and a refrigerator. In addition, the Subject's units will be fully furnished with a bed, dresser, side tables in bedroom, a couch, chair, side tables in living area, and coffee table. Kitchens will also be fully furnished with built-in eating counters and chairs, as well as with plates, cooking utensils, pots, and pans. Bathrooms will have shower curtains and linens. In general, the affordable comparable properties offer generally similar unit amenities relative to the Subject, while the market rate comparable properties offer superior unit amenities relative to the Subject. These properties offer features such as a balcony/patio, dishwashers, garbage disposals, in-unit washer/dryers, exterior storage, and walk-in closets, none of which are included in the Subject's proposed amenity scheme. However, it should be noted that the Subject's units will be fully furnished, similar to just one of the comparable properties. The Subject's proposed amenities have been taken into consideration in our determination of achievable market rents; however, we believe the Subject's amenities will be appropriate given the subsidy in place, as well as its target tenancy.

Common Area Amenities & Services

The Subject will offer a central laundry facility, on-site management, and picnic areas. In addition, the Subject will have a case manager and supportive services available on-site, which will provide various training and educational classes to tenants, as well as transportation. The supportive services team will include a case manager, targeted case management, and adult rehabilitative mental health services (ARMHS) staff. The service staff will work directly with each individual to assure comprehensive services to meet the needs of tenants. CCHC will provide the Case Manager and the 24-hour front desk staff known as Tenant Assistants. A separate provider (to be identified) will provide TCM and ARMHS staff. These services can be provided after an intake and a diagnostic assessment with a mental health professional. The service staff will work directly with each household to identify barriers to long term housing success and then work to address those barriers. CCHC's service model is to provide housing and comprehensive services to meet the needs of the tenants. This includes: on-site case management, 24-hour per day Tenant Assistant/Front Desk staff, behavioral health supports, assistance with applying for mainstream benefits, advocacy, community building activities, and family reconnection.

In general, the comparable properties offer similar to slightly inferior property amenities relative to the Subject. These properties offer features such as fitness centers and swimming pools, none of which are included in the Subject's proposed amenity scheme, but lack of service coordination, business centers, and picnic areas, all of which are a part of the Subject's proposed amenity scheme. We believe the Subject's amenity scheme is appropriate given the subsidy in place, as well as its target tenancy. Further, tenants will benefit from additional services to be offered at the Subject, which are not offered at the majority of the comparables.

Security Features

According to demographic data, crime risk indices in the Subject's location are similar to the national average. The Subject's security features include limited access, buzzer intercom system, in-unit alarms, and video surveillance. All of the comparables, with the exception of Oakhaven Estates, offer at least some form of security feature. As such, the Subject will be similar to most of the comparables in terms of security features.

Utility Structure

Tenants at the Subject will not be responsible for any utility expenses. The landlord will be responsible for electric cooking, gas heating, gas water heating, general electrical expenses, as well as cold water, sewer, and trash expenses, as well as common area utility expenses. The utility conventions differ at the comparable properties; therefore, we have adjusted "base" or "asking" rents of the comparable properties to "net" rents, reflecting the Subject's utility convention. The utility adjustments were based upon the utility

allowance schedule provided by the St. Cloud Housing and Redevelopment Authority, effective dated January 1, 2020. A copy of this utility allowance is included in *Appendix G*.

Parking

The Subject will offer 24 off-street uncovered parking spaces, or approximately 0.6 spaces per unit. All of the comparable properties offer off-street surface parking, while two comparables offer garage parking at no additional cost, and five also offer garage parking for an additional monthly charge ranging from \$40 to \$45 per month. The Subject's parking will be considered generally similar to most of the comparables, slightly inferior to the two comparables including garage parking rent, and appears appropriate for the Subject's target tenancy.

Summary of Property Characteristics

The Subject will be new construction, and will exhibit excellent condition, generally superior to the majority of the comparables. Although the Subject will offer one-bedroom units similar to those of the affordable properties and unit amenities, while different than most of the comparables, are appropriate given the target tenancy. Further, the Subject will have a case manager and supportive services available on site, which will provide various training and educational classes for tenants. Overall, we believe the Subject will be well received as proposed given the target tenancy and subsidy in place.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Turnover

The following table illustrates turnover rates within the market. It should be noted that Bentonshire Apartments and Hampton Apartments were unable to provide their properties' annual turnover rates.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Lincoln Pointe I & II	LIHTC	Family	15%
Oakhaven Estates	LIHTC	Family	15%
River Crest Apartments	Affordable/PBRA	Family	50%
The Highlands	LIHTC	Family	12%
Bentonshire Apartments	Market	Family	N/A
East Germain Court	Market	Family	20%
Hampton Apartments	Market	Family	N/A
Oakwood Heights Apartments	Market	Family	20%
Regency Park Estates	Market	Family	15%
Average Turnover			21%

The comparables reported turnover rates ranging from 12 to 50 percent, with an overall average of 21 percent. The affordable comparables operate with an average turnover rate of 23 percent, which was above the 18 percent average reported by the market rate properties. However, this is largely due to the high turnover experienced at River Crest Apartments, which is due to the property's target tenancy. It should be noted Bentonshire Apartments and Hampton Apartments were unable to provide turnover information. Based on the performance of the affordable comparables, we expect the Subject will operate with a turnover rate of approximately 10 to 15 percent.

Concessions

Only one of the comparables, Oakhaven Estates, reported offering any concessions. Oakhaven Estates reported a concession of \$100 off the first month's rent. Given that the lack of concessions offered in the market, we do not believe the Subject will have to offer rental concessions in order to remain competitive within the market.

Waiting Lists

The following table illustrates waiting lists at the comparable properties.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Lincoln Pointe I & II	LIHTC	Family	Yes - Three bedroom units only
Oakhaven Estates	LIHTC	Family	None
River Crest Apartments	Affordable/PBRA	Family	None
The Highlands	LIHTC	Family	None
Bentonshire Apartments	Market	Family	None
East Germain Court	Market	Family	None
Hampton Apartments	Market	Family	None
Oakwood Heights Apartments	Market	Family	None
Regency Park Estates	Market	Family	None

As illustrated in the previous table, one of the affordable comparable properties reported a waiting list for its three-bedroom units only. As a newly constructed affordable property with subsidy, we anticipate that the Subject will not maintain a waiting list given the referral nature of tenanting the property.

Vacancy Levels

The following table details vacancy levels at comparable properties included in the survey.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Lincoln Pointe I & II	LIHTC	Family	36	1	2.8%
Oakhaven Estates	LIHTC	Family	38	2	5.3%
River Crest Apartments	Affordable/PBRA	Family	40	5	12.5%
The Highlands	LIHTC	Family	100	2	2.0%
Bentonshire Apartments	Market	Family	87	1	1.1%
East Germain Court	Market	Family	25	0	0.0%
Hampton Apartments	Market	Family	42	9	21.4%
Oakwood Heights Apartments	Market	Family	38	0	0.0%
Regency Park Estates	Market	Family	147	9	6.1%
Total Affordable			214	10	4.7%
Total Market Rate			339	19	5.6%
Overall Total			553	29	5.2%

The comparables reported vacancy rates ranging from zero to 21.4 percent, with an overall weighted average of 5.2 percent. The average vacancy rate reported by the affordable comparables was 4.7 percent, below the 5.6 percent average reported by the market rate properties. The average affordable vacancy rate of 4.7 percent is considered relatively low, and indicative of supply constrained conditions. River Crest Apartments noted an elevated vacancy rate of 12.5 percent; however, it should be noted that given the comparable's target tenancy, the property typically operates with high turnover and as such, recent move-outs have caused the vacancy rate to be inflated. Furthermore, Hampton Apartments also reported an elevated vacancy rate of 21.4 percent; however, the contact was unable to provide a reason behind the elevated vacancy rate. Further, the Subject will benefit from rental assistance and tenants will only pay a portion of their income towards rent. Based on the performance of the affordable comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

Housing Choice Voucher Tenants

The following table illustrates tenant voucher utilization at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Lincoln Pointe I & II	LIHTC	Family	33%
Oakhaven Estates	LIHTC	Family	83%
River Crest Apartments	Affordable/PBRA	Family	0%
The Highlands	LIHTC	Family	55%
Bentonshire Apartments	Market	Family	N/A
East Germain Court	Market	Family	0%
Hampton Apartments	Market	Family	N/A
Oakwood Heights Apartments	Market	Family	N/A
Regency Park Estates	Market	Family	0%

The affordable comparables reported voucher usage ranging from zero to 83 percent. Contacts at Bentonshire Apartments, Hampton Apartments, and Oakwood Heights Apartments were unsure of voucher usage at their properties. Overall, we anticipate that the Subject would operate with Housing Choice Voucher usage of approximately 30 percent if it were to hypothetically operate without subsidy.

REASONABILITY OF RENTS

The table below illustrates the proposed gross and net rents at the Subject.

PROPOSED RENTS

Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	Proposed Contract Rent
30% AMI*							
1BR/1BA	616	21	\$562	\$0	\$562	\$562	\$733
60% AMI*							
1BR/1BA	616	19	\$733	\$0	\$733	\$1,125	\$733
Total		40					

(1) Landlord pays for all utilities

*All units benefit from project-based rental assistance. As such, tenants pay a portion of their income toward rent.

Achievable LIHTC Rents

The following table illustrates the Subject's proposed tax credit rents in relation to comparable LIHTC rents. For the purposes of this market study, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents.

LIHTC RENT COMPARISON @30%

Property Name	County	Tenancy	1BR
River Heights Apartments	Sherburne	Family	\$562
2019 LIHTC Maximum Rent (Net)	Sherburne		\$562
River Crest Apartments	Sherburne	Family	\$562
Average	-	-	\$562
Achievable LIHTC Rent (Absent Subsidy)			\$562

LIHTC RENT COMPARISON @60%

	County	Tenancy	1BR
River Heights Apartments	Sherburne	Family	\$733
2019 LIHTC Maximum Rent (Net)	Sherburne		\$1,125
Lincoln Pointe I And II	Sherburne	Family	\$886
Oakhaven Estates	Sherburne	Family	\$740
The Highlands	Sherburne	Family	\$877
Average			\$834
Achievable LIHTC Rent (Absent Subsidy)			\$865

As demonstrated in the previous tables, the Subject's proposed rents at the 30 percent AMI level are set at the maximum allowable level, similar to the one comparable, River Crest Apartments, also reporting rents at the 30 percent AMI level. However, it should be noted that all units at River Crest Apartments benefit from project-based rental assistance. As such, tenants pay just 30 percent of their income as rent. The Subject's proposed rents at the 60 percent AMI level are set below the maximum allowable level. None of the comparables reported offering 60 percent AMI units at the maximum allowable level. However, these three properties are also older, being constructed or last renovated between 1993 and 2002. As such, given the Subject's anticipated condition upon completion, we believe that the Subject would be able to achieve rents above the range of the comparables, absent subsidy. Furthermore, most of the affordable comparables reported high occupancy indicating demand for affordable housing in the area. As such, we have placed the

Subject's achievable 60 percent AMI rents towards the high end of the range of reported rents, but below the maximum allowable level at \$865, absent subsidy.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject's rental rates are below achievable market rates for the Subject's area. The following tables show the market rent comparisons and the achievable market rents for the Subject.

MARKET RENT COMPARISON

Property Name	1BR
Subject's Proposed Contract Rent	\$733
Bentonshire Apartments	\$668
East Germain Court	\$894
Hampton Apartments	\$950
Oakwood Heights Apartments	\$633
Regency Park Estates	\$1,033
Average	\$836
Achievable Market Rent	\$900

MARKET RENT COMPARISON (RPSF)

Property Name	1BR
Subject's Proposed Contract Rent	\$1.19
Bentonshire Apartments	\$0.92
East Germain Court	\$1.12
Hampton Apartments	\$1.33
Oakwood Heights Apartments	\$0.98
Regency Park Estates	\$1.27
Average	\$1.12
Achievable Market Rent	\$1.38

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject's Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR/1BA	@30%	\$562	\$633	\$1,033	\$836	\$900	38%
1BR/1BA	@60%	\$733	\$633	\$1,033	\$836	\$900	19%

The Subject will offer one-bedroom units restricted at the 30 and 60 percent AMI levels. The proposed rents for these units are within to just below the range of the market rate comparables. Generally, the Subject will be in similar to superior in condition, and offer competitive community amenities compared to the market rate comparable properties. As a result, we believe the Subject's proposed rents offer a substantial value in the market. The Subject's proposed LIHTC rents offer a rent advantage (19 to 38 percent) over NOVOCO's estimated achievable market rents. To determine the achievable market rents, we considered the market rents currently being achieved at East Germain Court and Hampton Apartments, as they are the most comparable properties with regards to location, age, unit mix, and unit sizes.

- East Germain Court is a 25-unit market rate property, located 1.0 mile north of the Subject in the PMA, exhibiting excellent condition. Further, this development is fully occupied. This comparable offers a similar condition when compared to the Subject, similar building design, generally similar location, slightly superior unit amenities, slightly inferior community amenities, and larger unit sizes compared to

the Subject. As such, we believe the Subject could achieve rents similar to the rents achieved at this comparable.

- Regency Park Estates is a 147-unit market rate property, located 0.7 miles north of the Subject in the PMA, exhibiting good condition. Further, this development is 93.9 percent occupied. This comparable offers a slightly inferior condition when compared to the Subject, similar building design, generally similar location, slightly superior unit amenities, slightly inferior community amenities, and larger unit sizes compared to the Subject. As such, we believe the Subject could achieve rents similar to the rents achieved at this comparable. With consideration given to all factors, our estimates of achievable market rents are within the range of the comparables, but toward the high end of the range, due to the Subject's community amenities and appeal as new construction.

Per the 2020 MHFA market study guidelines, we have included the following table. It should be noted that net rents are reflected in this table.

Unit Type	Subject's Proposed Rent	Achievable Market Rents	Achievable Rents at 30% MTSP	30% MTSP Rent Limit	Achievable Rents at 60% MTSP	60% MTSP Rent Limit
1BR/1BA	\$562-\$733	\$900	\$562	\$562	\$865	\$1,164

The Subject's proposed LIHTC rents are achievable and offer a discount to the achievable market rent.

Cost and Availability of Home Ownership

The Subject will be a multifamily development consisting of 40 one-bedroom units, with rent restrictions at 30 and 60 percent of the AMI or less. Further, all of the Subject's units will benefit from rental assistance from the Housing Supports Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. All of the Subject units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. Therefore, homeownership will not likely be an option for the Subject's tenants, and an analysis is moot.

Projects Proposed, Planned, and Currently Under Construction

According to the MHFA and HUD lists of projects, there has been one development awarded with LIHTC funding in the Subject's PMA since 2017. The Bluffs at Liberty Glen was allocated funding in 2018 and completed construction in 2019. The property offers 144 one, two, and three-bedroom LIHTC units. We were unable to contact this property to utilize it as a comparable; however, we do not expect units at the Subject to compete directly with this development upon completion due to its differing target tenancy.

St. Cloud Planning Department

We attempted to contact the St. Cloud Planning Department for information on any new proposed or under construction multifamily developments in the area. However, as of the date of this report our calls have not been returned. Additionally, we conducted online research and referenced CoStar for any new multifamily developments that are currently proposed or under construction. These are detailed in the following.

PLANNED DEVELOPMENT					
Property Name	Rent Structure	Tenancy	Total Units	Construction Status	Distance to Subject
Crest View Village	Market	Family	96	Under Construction	3.0 miles
Mayhew Apartments	Market	Family	<u>35</u>	Under Construction	3.4 miles
Totals			131		

As shown, there are 131 under construction units in the PMA. All of these developments are market rate and not expected to compete with the Subject. Further, given the Subject's target tenancy, none of the developments are expected to compete with the Subject as proposed.

Impact on Existing Housing Stock

The Subject will have a positive impact on the surrounding neighborhood. There has been only one recently allocated LIHTC development in the Subject's PMA since 2017 and thus we do not believe that the limited amount of new supply into the market will affect performance at the Subject. In addition, we are only aware of one "truly" competitive development within the PMA, River Crest Apartments. Further, based on the market's strong performance, we do not believe the addition of the Subject will impact the performance or marketability of existing affordable or market rate developments in the PMA. In addition, all of the Subject's units will benefit from rental assistance from the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. The Subject will have a positive impact on the surrounding neighborhood and we do not believe any new construction developments coming online prior to the Subject's market entry will adversely impact demand for the Subject's units.

Conclusion

The comparables reported vacancy rates ranging from zero to 21.4 percent, with an overall weighted average of 5.2 percent. The average vacancy rate reported by the affordable comparables was 4.7 percent, below the 5.6 percent average reported by the market rate properties. In addition, one of the affordable comparable properties reported a waiting list. The Subject will exhibit superior condition relative to the majority of the surveyed properties, but will offer generally inferior unit amenities. The Subject's proposed rents will offer a significant advantage over NOVOCO's estimate of achievable market rents. The proposed 30 percent AMI rent is set at the maximum allowable level, while the proposed 60 percent AMI rent is set below the maximum allowable level. Furthermore, all of the Subject's units will benefit from rental assistance; thus, tenants will pay just a portion of their income towards rent. Despite the Subject's inferior unit sizes and amenities, we believe the proposed development will be well-accepted in the market, as all of the Subject units will be targeted towards a specific tenancy, which is well underserved in the market as there is just one other property targeting a similar tenancy in the area.

VIII.LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET AND HOUSING ALTERNATIVES

LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET AND HOUSING ALTERNATIVES

Following is a summary of research impacting the proposed construction of the Subject and interviews conducted with professionals within the market area.

ECONOMIC DEVELOPMENT

We contacted, Cathy Mehelich, Economic Development Director with the St. Cloud Economic Development Department, to obtain information about employment expansions and openings within the region. Ms. Mehelich provided us with a variety of resources and information. Recent economic expansions and openings in Sherburne County are included in the following table.

BUSINESS EXPANSIONS AND OPENINGS - SHERBURNE COUNTY

Company Name	Location	Industry	Investment	Jobs Created	Square Footage Added
2019					
Google	Becker	Data Processing/Hosting	\$600,000,000	50	375,000
Alliance Machine Inc	Elk River	Machinery	N/Av	50	N/Av
Distinctive Iron (Hemmer Properties)	Elk River	Fabricated Metal Products	\$1,500,000	5	N/Av
2018					
Cargill Kitchen Solutions	Big Lake	Food & Beverage	\$20,000,000	12	N/Av
M&M Precision Machining	Elk River	Machinery	N/Av	2	N/Av
2017					
Xcel Energy	Becker	Utilities	N/Av	150	N/Av
Northern Metal Recycling	Becker	Waste Management	N/Av	85	N/Av
Lisi Medical Remmele	Big Lake	Medical Equipment	\$9,400,000	19	50,000
CMP Attachments LLC	Becker	Machinery	N/Av	44	13,700
CST Co	Elk River	Wholesale	N/Av	10	45,000
Geringhoff	St Cloud	Machinery	<u>\$500,000</u>	<u>20</u>	<u>N/Av</u>
Total			\$631,400,000	447	483,700

Source: Minnesota Employment and Economic Development, Novogradac & Company LLP, 3/2020

Further, according to MinnesotaBusiness, the St. Cloud metropolitan area is home to companies such as Geringhoff, Microbiologics, Marco, Native X, Geo-Comm, Anderson Trucking Service, Array Services Group, Granite Equity Partners, and Cloud Coworking.

WARN Notices

We have reviewed publications by the Minnesota Employment and Economic Development Department's Dislocated Worker Program listing WARN (Worker Adjustment and Retraining Notification Act) notices since 2018 within the city of St. Cloud, as detailed in the following table.

WARN LISTINGS - ST. CLOUD, MN

Company	Industry	Employees Affected	Layoff Date
Cash Wise	Retail Trade	28	2/28/2020
Electrolux	Manufacturing	900	12/31/2019
Sentinel Printing	Manufacturing	40	12/1/2019
BlueStem	Retail Trade	56	9/1/2019
Shopko	Retail Trade	60	6/15/2019
Payless	Retail Trade	6	5/31/2019
Cherrydale Fundraising	Transportation/Warehousing	20	1/19/2019
Herberger's	Retail Trade	72	7/1/2018
Pilgrim's Pride	Admin/Support/Waste Mgmt Svcs	30	5/1/2018

Source: Minnesota Employment and Economic Development, Novogradac & Company LLP, March 2020

As shown, there have been nine WARN listings filed in St. Cloud since 2018, affecting a total of 1,212 workers. As previously discussed, there have been several significant investments that have more than offset the number of employees laid off in recent years.

NEW SUPPLY

According to the MHFA and HUD lists of projects, there has been one development awarded with LIHTC funding in the Subject's PMA since 2017. The Bluffs at Liberty Glen was allocated funding in 2018 and completed construction in 2019. The property offers 144 one, two, and three-bedroom LIHTC units. We were unable to contact this property to utilize it as a comparable; however, we do not expect units at the Subject to compete directly with this development upon completion due to its differing target tenancy.

St. Cloud Planning Department

We attempted to contact the St. Cloud Planning Department for information on any new proposed or under construction multifamily developments in the area. However, as of the date of this report our calls have not been returned. Additionally, we conducted online research and referenced CoStar for any new multifamily developments that are currently proposed or under construction. These are detailed in the following.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Construction Status	Distance to Subject
Crest View Village	Market	Family	96	Under Construction	3.0 miles
Mayhew Apartments	Market	Family	35	Under Construction	3.4 miles
Totals			131		

As shown, there are 131 under construction units in the PMA. All of these developments are market rate and not expected to compete with the Subject. Further, given the Subject's target tenancy, none of the developments are expected to compete with the Subject as proposed.

Impact on Existing Housing Stock

The Subject will have a positive impact on the surrounding neighborhood. There has been only one recently allocated LIHTC development in the Subject's PMA since 2017 and thus we do not believe that the limited amount of new supply into the market will affect performance at the Subject. In addition, we are only aware of one "truly" competitive development within the PMA, River Crest Apartments. Further, based on the market's strong performance, we do not believe the addition of the Subject will impact the performance or marketability of existing affordable or market rate developments in the PMA. In addition, all of the Subject's units will benefit from rental assistance from the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. The Subject will have a

positive impact on the surrounding neighborhood and we do not believe any new construction developments coming online prior to the Subject's market entry will adversely impact demand for the Subject's units.

HOUSING CHOICE VOUCHERS

St. Cloud Housing and Redevelopment Authority

We spoke with Lori Lygre, Housing Choice Voucher Program Manager for the St. Cloud Housing and Redevelopment Authority, regarding the Housing Choice Voucher program. According to Ms. Lygre, the agency administers 950 Housing Choice Vouchers, all of which are currently in use. Ms. Lygre reported that the waiting list is comprised of approximately 642 households and is currently closed. The gross payment standards for one-bedroom units is illustrated in the following table.

GROSS PAYMENT STANDARDS	
Unit Type	Standard
One-Bedroom	\$596

Source: St. Cloud Housing and Redevelopment Authority, effective 1/1/2020

The Subject's 30 percent AMI rent is below the one-bedroom payment standard, indicating that voucher tenants will not have to pay additional rent out of pocket to reside at the Subject. However, the Subject's 60 percent AMI rent is above the one-bedroom payment standard; therefore, voucher tenants will have to pay additional rent out of pocket to reside at the Subject. However, this is largely hypothetical, as all of the Subject's units will benefit from project-based rental assistance and tenants will pay a portion of their income towards rent.

IX. DEMAND ANALYSIS

DEMAND ANALYSIS

Introduction

The Subject is a proposed 40-unit LIHTC development offering one-bedroom units. All of the Subject's units will be restricted to households earning 30 and 60 percent of the AMI or less, and all of the units will benefit from rental assistance. We calculated the number of income-eligible residents in this section of the analysis.

LIHTC rents are based upon a percentage of the AMI, adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates. Rents are calculated assuming that the maximum net rent a household will pay is 30 percent of its income at the appropriate AMI levels.

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally HUD assumes that one-person households are accommodated in one-bedroom units. The Subject's units will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder, and seven units will be further restricted to High Priority Homeless (HPH) individuals. Therefore, we have utilized one-person households for LIHTC income purposes.

To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Demographics.

Primary Market Area Defined

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. Based on conversations with local area property managers including the management at the Subject property, the PMA includes the city of St. Cloud, as well as portions of the nearby communities of Waite Park, Sauk Rapids, Sartell, and St. Joseph. The boundaries are as follows:

North: 35th Street Northeast, Highway 29, 2nd Street South

South: Interstate 94

East: Highway 10, 35th Avenue Southeast, Mayhew Lake Road Northeast

West: Highway 23, Highway 133, Highway 134

The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. According to management at several of the comparables, the majority of tenants originate from the neighborhoods throughout this area, as well as nearby portions of both Benton and Stearns Counties. There are no natural boundaries in the market that would inhibit anyone from relocating to the Subject's neighborhood. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Further, it is not unreasonable that the PMA for this project would be larger than typical for a development of this size. As such, it is estimated that up to 15 percent of the Subject's support will come from "leakage" outside the PMA, including other parts of the St. Cloud metropolitan area.

The secondary market area (SMA) for the Subject is defined as a three-county area, which includes Sherburne, Benton, and Stearns Counties.

Setting the Minimum and Maximum Eligible Income Ranges

To establish the number of income eligible potential tenants for the Subject's affordable units, the calculations are as follows:

First, we estimate the Subject's minimum and maximum income levels for the affordable housing development. HUD determines maximum income guidelines for tax credit properties based on the area's Average Income. Minimum income levels were calculated based on the assumption that lower income families should pay no more than 35 percent of their income to gross rent. Often lower to moderate income households pay a higher percentage of income toward rent due to their income level. Although higher income households generally spend a smaller portion of their income on rent, the area is not dominated by high incomes.

Secondly, we illustrate the household population segregated by income band to determine those who are income-qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis to determine the number of potential income-qualified households. In some cases the restricted income-eligible band overlaps with more than one Census income range. In those cases, the prorated share of more than one Census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible.

The Subject will contain 40 one-bedroom bedroom LIHTC units restricted to households earning 30 and 60 percent of the AMI or less. HUD establishes the maximum income level for the Subject based on household size.

The maximum and minimum eligible household incomes for the Subject's units are as follows:

FAMILY INCOME LIMITS – AS PROPOSED				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%	
1BR	\$0	\$24,000	\$0	\$48,000

FAMILY INCOME LIMITS - ABSENT SUBSIDY				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%	
1BR	\$19,269	\$24,000	\$25,131	\$48,000

The number of eligible households by income cohort is illustrated in the tables following. As previously stated, this assumes an even distribution of persons within each Census income range.

FAMILY INCOME DISTRIBUTION 2019 - AS PROPOSED										
Income Cohort	Total Renter Households	30% AMI			60% AMI			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	2,881	9,999	100.0%	2,881	9,999	100.0%	2,881	9,999	100.0%	2,881
\$10,000-19,999	3,549	9,999	100.0%	3,549	9,999	100.0%	3,549	9,999	100.0%	3,549
\$20,000-29,999	2,654	4,000	40.0%	1,062	9,999	100.0%	2,654	9,999	100.0%	2,654
\$30,000-39,999	2,501				9,999	100.0%	2,501	9,999	100.0%	2,501
\$40,000-49,999	1,861				8,000	80.0%	1,489	8,000	80.0%	1,489
\$50,000-59,999	1,262									
\$60,000-74,999	1,082									
\$75,000-99,999	938									
\$100,000-124,999	542									
\$125,000-149,999	403									
\$150,000-199,999	191									
\$200,000+	338									
Total	18,202		41.2%	7,492		71.8%	13,074		71.8%	13,074

FAMILY INCOME DISTRIBUTION 2019 - ABSENT SUBSIDY										
Income Cohort	Total Renter Households	30% AMI			60% AMI			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	2,881									
\$10,000-19,999	3,549	730	7.3%	259				730	7.3%	259
\$20,000-29,999	2,654	4,000	40.0%	1,062	4,868	48.7%	1,292	8,868	88.7%	2,354
\$30,000-39,999	2,501				9,999	100.0%	2,501	9,999	100.0%	2,501
\$40,000-49,999	1,861				8,000	80.0%	1,489	8,000	80.0%	1,489
\$50,000-59,999	1,262									
\$60,000-74,999	1,082									
\$75,000-99,999	938									
\$100,000-124,999	542									
\$125,000-149,999	403									
\$150,000-199,999	191									
\$200,000+	338									
Total	18,202		7.3%	1,321		29.0%	5,282		36.3%	6,603

Based on this analysis, using 2019 income and demographic data, 71.8 percent of renter households are income qualified to reside in the Subject's units as proposed, and 36.3 percent of renter households are income qualified to reside in the Subject's units absent subsidy.

DEMAND ANALYSIS ONE - CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for the 30 and 60 percent AMI levels in the *As Proposed* and *Absent Subsidy* scenarios.

The by-unit-type breakdown illustrates an ample level of demand at each income level when considered on a by-bedroom basis. The capture rates illustrated are low and indicative of ample demand and conservative captures rates.

The distribution of households by unit type is dependent on the following assumptions.

HOUSEHOLD DISTRIBUTION

1 BR	100% Of one-person households in 1BR units
-------------	--

30% AMI Demand, As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,654	x	41.2%	3,562
2 persons	5,280	x	41.2%	2,173
3 persons	2,128	x	41.2%	876
4 persons	1,453	x	41.2%	598
5+ persons	687	x	41.2%	283
Total	18,202			7,492

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	3,997
Total	3,997

Capture Rate Analysis - 30% AMI - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	21	0.5%
Total/Overall	21	0.5%
<i>Adjusted for Leakage from Outside of the PMA</i>		15%
1BR	21	0.4%
Total/Overall	21	0.4%

30% AMI Demand, Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter		% Income-Qualified Renter	Number Qualified Renter
	Households		Households	Households
1 person	8,654	x	7.3%	628
2 persons	5,280	x	7.3%	383
3 persons	2,128	x	7.3%	154
4 persons	1,453	x	7.3%	105
5+ persons	687	x	7.3%	50
Total	18,202			1,321

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	705
Total	705

Capture Rate Analysis - 30% AMI - Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	21	3.0%
Total/Overall	21	3.0%

Adjusted for Leakage from Outside of the PMA

1BR	21	2.5%
Total/Overall	21	2.5%

60% AMI Demand, As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,654	x	71.8%	6,216
2 persons	5,280	x	71.8%	3,792
3 persons	2,128	x	71.8%	1,528
4 persons	1,453	x	71.8%	1,044
5+ persons	687	x	71.8%	493
Total	18,202			13,074

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,974
Total	6,974

Capture Rate Analysis - 60% AMI - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	19	0.3%
Total/Overall	19	0.3%
<i>Adjusted for Leakage from Outside of the PMA</i>		<i>15%</i>
1BR	19	0.2%
Total/Overall	19	0.2%

60% AMI Demand, Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,654	x	29.0%	2,511
2 persons	5,280	x	29.0%	1,532
3 persons	2,128	x	29.0%	618
4 persons	1,453	x	29.0%	422
5+ persons	687	x	29.0%	199
Total	18,202			5,282

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,818
Total	2,818

Capture Rate Analysis - 60% AMI - Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	19	0.7%
Total/Overall	19	0.7%

Adjusted for Leakage from Outside of the PMA

15%

1BR	19	0.6%
Total/Overall	19	0.6%

All Units, As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,654	x	71.8%	6,216
2 persons	5,280	x	71.8%	3,792
3 persons	2,128	x	71.8%	1,528
4 persons	1,453	x	71.8%	1,044
5+ persons	687	x	71.8%	493
Total	18,202			13,074

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,974
Total	6,974

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	40	0.6%
Total/Overall	40	0.6%
<i>Adjusted for Leakage from Outside of the PMA</i>		<i>15%</i>
1BR	40	0.5%
Total/Overall	40	0.5%

All Units, Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	47.5%	8,654
2 persons	29.0%	5,280
3 persons	11.7%	2,128
4 persons	8.0%	1,453
5+ persons	3.8%	687
Total	100.0%	18,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,654	x	36.3%	3,139
2 persons	5,280	x	36.3%	1,915
3 persons	2,128	x	36.3%	772
4 persons	1,453	x	36.3%	527
5+ persons	687	x	36.3%	249
Total	18,202			6,603

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	3,522
Total	3,522

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	40	1.1%
Total/Overall	40	1.1%
<i>Adjusted for Leakage from Outside of the PMA</i>		15%
1BR	40	1.0%
Total/Overall	40	1.0%

DEMAND ANALYSIS TWO – ANNUAL CAPTURE RATE ANALYSIS

The second calculation derives an estimated market capture rate based on per annum demand. This is an indication of the percentage of net demand capture that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

Existing households that live in the area but move to a new home: This phenomenon occurs because people are searching for better housing, more affordable housing, or housing in a desired location. The calculation begins by determining base level eligible demand in the year 2019. To determine how many of these households will be looking for units; we multiply the number by the estimated turnover rate. The 2014-2018 American Community Survey indicated that approximately 36.0 percent of renter households in the PMA pay 35 percent or higher of their annual wages towards housing costs and therefore were considered rent-overburdened. The national average was estimated at 41.5 percent. As such, we have utilized this percentage as our estimated percentage of renter households, which are rent-overburdened in the PMA.

Population change as a result of new households moving in or out of the area: This was previously calculated, with an estimated renter household population increase from 2019 to 2024. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

According to the MHFA and HUD lists of projects, there has been one development awarded LIHTC funding in the Subject's PMA since 2017. However, this development completed construction in 2019 and has reached stabilized occupancy.

Further, as previously mentioned, there are two additional developments currently under construction in the PMA that will not offer affordable units. Further, none of these units will directly compete with the Subject as proposed.

This calculation derives an annual capture rate for the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. It is further adjusted by the number of units that are currently in the development or absorption phase. The demand estimate remaining is the number of units that will be unsatisfied in the market without construction of the Subject. These unaccommodated units of demand will be forced to leave the market without additional housing construction. The capture rate is the percentage of this demand that the Subject will capture. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year.

ANNUAL DEMAND - AS PROPOSED

Calculation	PMA
Number of Renter Households in 2019	18,202
Increase in Number of Renter Households	867
Number of Renter Households in 2024	19,069
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	45.9%
Percentage of Income-Qualified Renter Households	71.8%
Number of Income-Qualified Renter Households	13,074
Percentage of Rent-Overburdened	36.0%
Existing Income-Qualified Renter Household Turnover	4,707
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	173
Percentage of Income-Qualified Renter Households	71.8%
New Rental Income Qualified Households	125
<i>Capture Rate Analysis</i>	
Number of Units in Subject	40
Occupied Units at Subject With Vacancy of: 5%	38
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	4,831
Portion Originating within PMA	85%
Total Demand (Turnover and Growth) from within PMA	5,684
Less: Existing LIHTC Projects in Absorption Process (Number of Units) 0	
Total Demand after Competition (Turnover and Growth)	5,684
Yielded Annual Capture Rate of Available Demand in 2020	0.7%

ANNUAL DEMAND - ABSENT SUBSIDY

Calculation	PMA
Number of Renter Households in 2019	18,202
Increase in Number of Renter Households	867
Number of Renter Households in 2024	19,069
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	45.9%
Percentage of Income-Qualified Renter Households	36.3%
Number of Income-Qualified Renter Households	6,603
Percentage of Rent-Overburdened	36.0%
Existing Income-Qualified Renter Household Turnover	2,377
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	173
Percentage of Income-Qualified Renter Households	36.3%
New Rental Income Qualified Households	63
<i>Capture Rate Analysis</i>	
Number of Units in Subject	40
Occupied Units at Subject With Vacancy of: 5%	38
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	2,440
Portion Originating within PMA	85%
Total Demand (Turnover and Growth) from within PMA	2,871
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
Total Demand after Competition (Turnover and Growth)	2,871
Yielded Annual Capture Rate of Available Demand in 2020	1.3%

The yielded capture rates are approximately 0.7 percent as proposed and 1.3 percent absent subsidy of available demand per annum for the Subject's LIHTC units.

Penetration Rate

A penetration rate analysis was performed in order to establish the percentage of age appropriate income-qualified renter households that all existing and under construction LIHTC properties within the PMA must capture to achieve a stabilized level of occupancy within the PMA.

The following table illustrates all existing affordable developments within the PMA and the number of competitive LIHTC, affordable, and subsidized units in each development.

RIVER HEIGHTS APARTMENTS – ST. CLOUD, MN – MARKET STUDY

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Address		Year Built	Program	Target Tenancy	Total Units	Wait List	Occupancy	Competitive Units (As Proposed)	Competitive Units (Absent Subsidy)
La Cruz Community	1530 Sixth Ave S	St. Cloud	1976	LIHTC	Family	104	N/Av	100%	0	0
Northwood Of Sauk Rapids	1401 Second Ave N	Sauk Rapids	1989	LIHTC	Family	18	N/Av	100%	18	18
Park Avenue Apartments	1307 Second Ave N	Sauk Rapids	1989	LIHTC	Family	24	Yes	100%	12	12
Lincoln Pointe I & II*	1002 Seventh St Se St	St. Cloud	1993	LIHTC	Family	36	Yes	97%	6	6
Newbury I & II	3411 22nd St S	St. Cloud	1993	LIHTC	Family	24	Yes	100%	24	24
Park Villas	490 Third St S	Waite Park	1993	LIHTC	Senior	95	Yes	100%	0	0
River Crest Apartments*	1315 Lincoln Avenue Se	St. Cloud	2010	Affordable/PBRA	Homeless	40	No	88%	40	0
Oakhaven Estates*	1150 Seventh St Se	St. Cloud	1998	LIHTC	Family	38	No	95%	8	8
Brownstone	402 Ninth Ave N	St. Cloud	2000	LIHTC	Family	12	N/Av	N/Av	0	0
Natures Edge I & II	4222 Clearwater Rd	St. Cloud	2000	LIHTC	Family	40	No	95%	0	0
Creek Townhomes	721 33rd Ave N	St. Cloud	2000	LIHTC	Family	24	N/Av	N/Av	0	0
Woodland Park Apartments	1400 Ninth Ave S	St. Cloud	2000	LIHTC/Section 8	Family	86	Yes	100%	44	0
Oak Grove Townhomes	1704 Oak Grove Rd Sw	St. Cloud	2002	LIHTC	Family	30	N/Av	N/Av	0	0
Westwood Village Apartments I & II	770 Savanna Ave St	St. Cloud	2002	LIHTC	Family	32	N/Av	100%	0	0
Swisshelm Village Apartments I & II	316 Laudendbach Ct	St. Cloud	2003	LIHTC	Family	32	N/Av	100%	32	32
Pheasant Crest Townhomes	2356 Pheasant Crest Loop	Sartell	2004	LIHTC	Family	42	Yes	98%	0	0
Russell Arms/Benton Heights	1200 First Ave N	Sauk Rapids	2005	LIHTC/Section 8	Family	91	N/Av	100%	90	0
Riverside Apartments	101 Riverside Dr Se St	St. Cloud	2005	LIHTC/Market	Senior	85	N/Av	100%	0	0
Hope On Ninth	525 Ninth Ave N St	St. Cloud	2007	LIHTC	Family	31	Yes	100%	31	31
Burl Oaks Townhomes	725 Roberts Rd	Sartell	2012	LIHTC	Family/Homeless	38	N/Av	100%	0	0
North Meadows Apartments	1207 Second Ave N	Sauk Rapids	2013	Section 8	Mental Illness	36	N/Av	N/Av	0	0
Granite City Townhomes	433 33rd Avenue North	St. Cloud	1996	LIHTC	Family	24	Yes	100%	0	0
Oak Haven Estates	1110-1150 7Th Street Se	St. Cloud	1997	LIHTC	Family	38	Yes	100%	8	8
The Highlands*	2015 27Th Street Se	St. Cloud	2002	LIHTC	Family	100	No	98%	100	100
Westwind Apartments	765 Savanna Avenue	St. Cloud	2004	LIHTC	Senior	60	Yes	97%	0	0
Benet Place	1420 Minnesota Blvd	St. Cloud	1995	Section 8	Senior/Disabled	40	Yes	100%	0	0
Cedar Terrace	1351 N 14Th St	St. Cloud	1981	Section 8	Family	24	Yes	100%	0	0
Germain Towers	905 W Saint Germain St	St. Cloud	1980	Section 8	Family	60	No	100%	60	0
Good Shepherd Homes	1211 4Th Ave N	Sauk Rapids	1980	Section 8	Senior	58	N/Av	N/Av	0	0
La Paz Community Apartments	530 16Th St S	St. Cloud	1979	Section 8	Senior	36	N/Av	100%	0	0
North Meadows Apartments	1215 Second Ave N	Sauk Rapids	1984	Section 8	Family	36	N/Av	N/Av	36	0
Northway A & B	1525 Northway Dr	St. Cloud	1980	Section 8	Senior	102	N/Av	N/Av	0	0
Parkview Terrace Apartments	625 14Th St S	St. Cloud	1990	Section 8	Family	52	Yes	100%	10	0
Quarry Heights	2051 Quarry Rd	St. Cloud	1978	Section 8	Senior/Disabled	24	N/Av	N/Av	0	0
Shepherd Oak Apartments	310 13Th St N	St. Cloud	1977	Section 8	Senior/Disabled	42	N/Av	N/Av	0	0
Wimbledon Green	401 N 33Rd Ave	St. Cloud	1995	Section 8	Family	45	No	100%	44	0
Courtyard Apartments Of St. Cloud	780 S 14Th St	St. Cloud	1983	Section 8	Family	108	N/Av	N/Av	30	0
Benet Place South	1975 15Th Ave Se	St. Cloud	1969	Section 8	Senior/Disabled	40	Yes	100%	0	0
Sartell Senior Housing, Inc.	1221 22Nd St S	Sartell	1999	Section 8	Senior/Disabled	43	Yes	100%	0	0
Sartell Supportive Housing, Inc.	243 Sundance Road	Sartell	2008	Section 8	Senior/Disabled	15	Yes	100%	0	0
Linden Grove Veteran Apartments	4105 12Th Street North	St. Cloud	2009	Section 8	Veterans	4	No	100%	0	0
The Bluffs at Liberty Glen	1075 24th St SE	St. Cloud	2019	LIHTC	Family	144	N/Av	N/Av	144	144
Total						2,053			737	383

*Utilized as a rental comparable

Of the 2,053 affordable units in the PMA, we have concluded that 737 units are competitive as proposed and 383 units are competitive absent subsidy. Thus, we have included this in our penetration analysis. However, it should be noted that the Subject's units will be permanent supportive housing and will target persons with single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless Housing guidelines.

Penetration Rate Calculation

A penetration rate analysis was performed in order to establish the percentage of income-qualified renter households that all existing and proposed properties, including the Subject, within the PMA must capture to achieve a stabilized level of occupancy.

The tables following outline the analysis of this methodology including the Subject's proposed units.

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Family Affordable Units in the PMA	737
	+
Number of Proposed Affordable Units at the Subject	40
	=
Total	777
	/
Income Eligible Households - All AMI Levels	13,074
	=
Overall Penetration Rate - As Proposed	5.9%

PENETRATION RATE – ABSENT SUBSIDY	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Family Affordable Units in the PMA	383
	+
Number of Proposed Affordable Units at the Subject	40
	=
Total	423
	/
Income Eligible Households - All AMI Levels	6,603
	=
Overall Penetration Rate - Absent Subsidy	6.4%

The above table provides an indication of the percentage of the net demand penetration that the Subject must attract to reach stabilized occupancy. This measure establishes the percentage of age appropriate income-qualified renter households that all existing and proposed properties, including the Subject, within the PMA must capture to achieve a stabilized level of occupancy.

The penetration rate analysis calculates a penetration rate of 5.9 percent for the Subject as proposed and 6.4 percent for the Subject absent subsidy. The penetration rates for the Subject are good when considering that strong performance of comparable properties and the affordable housing in the market. The penetration rates indicate that there is adequate demand for the Subject, the existing, and the proposed affordable units.

Conclusion

The *Demand Analysis* illustrates demand for the Subject based on capture rates of income-eligible renter households, which are detailed in the table following.

DEMAND CONCLUSION		
Calculation	As Proposed	Absent Subsidy
30% AMI	0.4%	2.5%
60% AMI	0.2%	0.6%
All Units	0.5%	1.0%
Annual Demand	0.7%	1.3%
Penetration Rate	5.9%	6.4%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *Annual Demand Analysis*, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual capture rate is 0.7 percent as proposed and 1.3 percent absent subsidy for the first year of operation for the Subject units. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

The penetration rate analysis calculates a penetration rate of 5.9 percent as proposed and 6.4 percent absent subsidy for the Subject's units. The penetration rate for the Subject are low as proposed and absent subsidies and indicate that there is adequate demand for the Subject, the existing, and the proposed affordable units. Furthermore, it should be noted that this demand analysis is largely conservative as the Subject will target a very specialized target tenancy and will face very little competition in the existing market.

Absorption Rate

The *Demand Analysis* indicates that there are sufficient income eligible households in the Subject's market area.

The moderate number of potential renters in the market area, the high cost of multifamily rental units, the low vacancy, and absence of concession in the market indicates strong demand for affordable housing. Similarly, market demand is evident for market rate units, based on limited vacancies and the quick turnover of vacant units. According to our rent survey and the analysis of the low income housing demand, the demand for housing of all types is strong. As an affordable housing development, with the advantage of below market rate units to offer tenants, absorption is anticipated to be relatively quick.

We were unable to obtain absorption information from any properties within the PMA. However, we were able to obtain absorption information from one LIHTC property within a 10-mile radius of the Subject, which is detailed in the table below.

ABSORPTION

Property name	Type	Tenancy	Year Built	# of Units	Units Absorbed / Month
Cornerstone Village II	LIHTC	Family	2017	49	24

Based on the absorption information from this property and the presence of some waiting lists in the market, we anticipate that absent subsidy, the Subject would be fully absorbed within two months of completion. This equates to an absorption rate of approximately 20 units per month. However, the Subject's units will target individuals with severe and persistent mental illness or severe mental illness diagnosis, and seven units will be further restricted to High Priority Homeless individuals. The Subject's High Priority Homeless units will receive referrals through the Continuum of Care Coordinated Entry System (CES). Therefore, the actual absorption could possibly occur even faster.

Future Competitive Environment

Based on the analysis contained in this report, the future competitive environment within the PMA will pose no material risk to the marketability of the proposed Subject LIHTC development. No unusual conditions or mitigating circumstances exist.

The Subject PMA is an area of an increasing population growth and the number of renter household. Based on ESRI Demographics estimates, the number of households within the PMA is projected to increase by

approximately 388 household annually over the next five years, whereas the number of renter households within this market is forecast to increase slightly by 1.0 percent. With the number of renter households projected to increase by 2024, we believe there is more than adequate demand for the Subjects units given the subsidy in place, as well as the target tenancy for the Subject's units.

The current rental housing market conditions are healthy. The average vacancy level of the affordable comparables is just 4.7 percent. Further, one of the affordable developments maintains a waiting list.

X. SPECIAL NEEDS ANALYSIS

SPECIAL NEEDS ANALYSIS

Homeless Tenancy

All of the Subject's units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven units will be further restricted to High Priority Homeless Housing guidelines (HPH). Center City Housing Corporation (CCHC) will be the primary service provider to provide on-site service coordination, case management, basic skills classes, and transportation, as well as partnering with the Continuum of Care Coordinated Entry System to fill all HPH units.

Homeless Population Analysis

We consulted the Amherst H. Wilder Foundation's 2018 Minnesota Homeless Study, the most recent report available, to determine the depth of need for the Subject's units. According to the Wilder Research Study, there are 50,600 homeless individuals in the state of Minnesota, and approximately 944 of these persons (1.9 percent) are in central Minnesota, which includes Sherburne County. According to the study, "Most adults experiencing homelessness have either a chronic physical health condition (57%), serious mental illness (64%), or substance use disorder (24%)."

According to the Wilder Research Study determined that there was a 10 percent increase in the homeless population since the previous study that was conducted in 2015. Overall, the most significant increase (25 percent) was among adults aged 55 and older, while adults 25 to 54 increased by 20 percent. The number of people not in a formal shelter setting also increased by 62 percent since 2015. The study adds that more than half of the adult interviewees said they were on a waiting list for subsidized housing. For those on a waiting list, the average wait time has been 12 months since they were placed on a list.

There is a shortage of housing for homeless in the PMA and in central Minnesota. With such a significant need for housing, we do not expect there to be competition for the Subject's units, and we anticipate that the Subject, as proposed or absent subsidy, will be fully absorbed within two months of completion. This leasing pace equates to an absorption rate of 20 units per month.

Employment opportunities for unskilled and semi-skilled people are numerous throughout the Subject's PMA. The Subject is located within close proximity to jobs and services, and transportation will be provided to tenants. According to the Wilder Research Study, "more than half of respondents (56%) said they have had difficulty renting an apartment or getting housing because there was no housing they could afford, and the most common reasons that adults reported for leaving their last housing were eviction or not having their lease renewed (39%) and being the second, the term "shelter" includes emergency shelters, domestic violence shelters, transitional housing, and a limited number of Rapid Rehousing programs. During the month of the study, 13% of adults experiencing homelessness had no income; three-quarters (76%) made less than \$1,000 in income. Adults experiencing homelessness reported a median income of \$550 during the month of the study (\$600 in the Twin Cities metro area and \$500 in greater Minnesota). This is less than the fair market rent – \$864 per month for a one-bedroom apartment in the Twin Cities and \$576 per month in greater Minnesota." The Subject will be fully subsidized; thus, tenants will pay a portion of their income toward rent. Further, the Subject will provide case management and counseling to help residents learn job skills and find employment.

Furthermore, we are only aware of one "truly" competitive development in the PMA, River Crest Apartments. The contact at this development reported that the property typically is highly performing, but does have relatively high turnover. This is expected however, given the property's target tenancy. Furthermore, this development is operated by the same sponsor as the Subject. As such, the sponsor is experienced in operating this particular type of housing.

Conclusion

We believe the Subject will provide good quality, stable, and safe housing to persons suffering from homelessness or at risk of homelessness with mental illness and/or a substance use disorder. Homelessness is high within the metropolitan area, especially those with a serious mental illness. As such, the need for supportive permanent housing units, such as the proposed Subject, is strong. Therefore, we believe that there is adequate demand for the Subject units. We believe that the Subject's units will be fully absorbed within two months of completion. Furthermore, the Subject will fulfill the ongoing demand for affordable housing in the Subject's market.

XI. ANALYSIS & CONCLUSIONS

ANALYSIS & CONCLUSIONS

- The Subject is a proposed new construction LIHTC development to be located adjacent to 1315 Lincoln Avenue SE (River Crest Apartments), St. Cloud, Sherburne County, Minnesota 56304. The site is currently a vacant parcel. The site is located in the eastern portion of St. Cloud in a mixed-use neighborhood consisting of a mixture of multifamily development, single-family homes, retail/commercial uses, educational uses, and civic uses. The site is located within Census Tract 315.00, which is a 2020 Qualified Census Tract. All of the Subject's units will be rent and income-restricted to households earning 30 and 60 percent of the AMI or below. Further, all of the units will receive rental assistance through the Minnesota's Department of Human Services Housing Support Program; thus, tenants will pay a portion of their income towards rent. All of the Subject units will be permanent supportive housing and will target single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder. In addition, seven households will also meet the High Priority Homeless (HPH) Housing guidelines and will be referred through the local Continuum of Care Coordinated Entry System (CES). The CES will also be used as a referral source for the Subject's non-HPH units. The site totals approximately 1.15, acres or 50,094 square feet. The developer of the Subject is Center City Housing Corporation.
- Positive attributes of the Subject site include its close proximity to services, including retail, employment, community services. The site is conforming to surrounding land usage, as the Subject is situated adjacent to River Crest Apartments and within close proximity to two other multifamily developments. Overall, the location of the Subject within the community presents a good location for the proposed development.
- The demographic data demonstrates that both the population and the number of households in the PMA have increased from 2010 to 2019, and are forecast to continue to increase through the date of market entry and 2024. The Subject will accommodate one and two-person households, which represents 47.5 and 29.0 percent of renter households in the PMA as of 2019, respectively. As of 2019, 73.8 percent of renter households in the PMA earn less than \$50,000 annually, indicating that a large share of renter households will income qualify to reside at the Subject, which bodes well for its success.
- The economy in St. Cloud is heavily reliant on CentraCare Health Systems, which employs approximately 6,257. Other industries among the top employers include public administration, educational services, and transportation/warehousing. Nonetheless, the local economy is anchored by the healthcare/social assistance industry, which is historically stable during economic downturns. Employment in the SMA recovered and surpassed pre-recessionary levels in 2012, two years earlier than the overall nation. Since 2012, average employment growth in the SMA trailed the nation in all but two years. As of December 2019, total employment in the SMA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, similar to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA has been lower than the national unemployment rate in every year. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.
- We reviewed MHFA and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions. The geographic area we consider relevant has been defined as the area within the established PMA boundaries. There are approximately 2,053 affordable rental units located within the PMA. In 2019, ESRI Demographics estimated a total of 18,202 rental units in the PMA. This yields an approximate ratio of 11.3 percent affordable rental housing to 88.7 percent market rate rental housing within the PMA.

- The Subject will be a new construction, and will exhibit excellent condition. The comparable properties were constructed or last renovated between 1974 and 2017. East Germain Court was constructed in 2013 and exhibits excellent condition, similar to the Subject upon completion. Two comparables, River Crest Apartments and Regency Park Estates, were constructed or last renovated between 2010 and 2017 and exhibit good condition, slightly inferior to the Subject upon completion. The remaining comparables exhibit average condition, inferior to the Subject upon completion.
- The Subject's proposed unit sizes are within the overall range of the comparables. The Subject's proposed one-bedroom unit size provides a 10 percent disadvantage compared to the overall average and is relatively similar to the average one-bedroom unit size of the affordable comparables. We believe the Subject's unit sizes will be well-received given the subsidy in place and the target tenancy. However, we have taken into account the Subject's small one-bedroom unit size in determining the achievable rents.
- The comparables reported vacancy rates ranging from zero to 21.4 percent, with an overall weighted average of 5.2 percent. The average vacancy rate reported by the affordable comparables was 4.7 percent, below the 5.6 percent average reported by the market rate properties. In addition, one of the affordable comparable properties reported a waiting list. The Subject will exhibit superior condition relative to the majority of the surveyed properties, but will offer generally inferior unit amenities. The Subject's proposed rents will offer a significant advantage over NOVOCO's estimate of achievable market rents. The proposed 30 percent AMI rent is set at the maximum allowable level, while the proposed 60 percent AMI rent is set below the maximum allowable level. Furthermore, all of the Subject's units will benefit from rental assistance; thus, tenants will pay just a portion of their income towards rent. Despite the Subject's inferior unit sizes and amenities, we believe the proposed development will be well-accepted in the market, as all of the Subject units will be targeted towards a specific tenancy, which is well underserved in the market as there is just one other property targeting a similar tenancy in the area.
- We expect the Subject to maintain a vacancy level of five percent or less once stabilized, consistent with the performance of the comparable affordable properties included in this analysis.
- The Subject will have a positive impact on the surrounding neighborhood. There has been only one recently allocated LIHTC development in the Subject's PMA since 2017 and thus we do not believe that the limited amount of new supply into the market will affect performance at the Subject. In addition, we are only aware of one "truly" competitive development within the PMA, River Crest Apartments. Further, based on the market's strong performance, we do not believe the addition of the Subject will impact the performance or marketability of existing affordable or market rate developments in the PMA. In addition, all of the Subject's units will benefit from rental assistance from the Housing Support Program through Minnesota Department of Human Services; thus, tenants will pay a portion of their income towards rent. The Subject will have a positive impact on the surrounding neighborhood and we do not believe any new construction developments coming online prior to the Subject's market entry will adversely impact demand for the Subject's units.
- The Demand Analysis illustrates demand for the Subject based on capture rates of income-eligible renter households, which are detailed in the table following.

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
30% AMI	0.4%	2.5%
60% AMI	0.2%	0.6%
All Units	0.5%	1.0%
Annual Demand	0.7%	1.3%
Penetration Rate	5.9%	6.4%

- To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *Annual Demand Analysis*, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual capture rate is 0.7 percent as proposed and 1.3 percent absent subsidy for the first year of operation for the Subject units. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

The penetration rate analysis calculates a penetration rate of 5.9 percent as proposed and 6.4 percent absent subsidy for the Subject's units. The penetration rate for the Subject are low as proposed and absent subsidies and indicate that there is adequate demand for the Subject, the existing, and the proposed affordable units. Furthermore, it should be noted that this demand analysis is largely conservative as the Subject will target a very specialized target tenancy and will face very little competition in the existing market.

- We were unable to obtain absorption information from any properties within the PMA. However, we were able to obtain absorption information from one LIHTC property within a 10 mile radius of the Subject, which is detailed in the table below.

ABSORPTION

Property name	Type	Tenancy	Year Built	# of Units	Units Absorbed / Month
Cornerstone Village II	LIHTC	Family	2017	49	24

Based on the absorption information from this property and the presence of some waiting lists in the market, we anticipate that absent subsidy, the Subject would be fully absorbed within two months of completion. This equates to an absorption rate of approximately 20 units per month. However, the Subject's units will target individuals with severe and persistent mental illness or severe mental illness diagnosis, and seven units will be further restricted to High Priority Homeless individuals. The Subject's High Priority Homeless units will receive referrals through the Continuum of Care Coordinated Entry System (CES). Therefore, the actual absorption could possibly occur even faster.

- We believe the Subject will provide good quality, stable, and safe housing for single adults who are experiencing homelessness or at risk of homelessness with mental illness and/or a substance use disorder and High Priority Homeless individuals.

APPENDIX A

Market Study Checklist

MARKET STUDY CHECKLIST

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APPENDIX B


Minnesota Housing Market Study Certification

Minnesota Housing Market Study Certification

The undersigned certify that the following is true and correct:

1. That the Market Analyst is knowledgeable and experienced in the development of affordable rental properties.
2. That the Market Analyst conducted and was the primary author of the attached low income housing tax credit market study report ("Report") for River Heights Apartments ("Project") for Center City Housing Corp.
3. That the Report was completed on April 10, 2020.
4. That to the best of the Market Analyst knowledge, all data contained in the Report is accurate.
5. That the Market Analyst has made a physical inspection of the area in which the Project will be located, reviewed all relevant data, and independently established the conclusions for the Report.
6. That all projections contained in the Report were based on current professionally accepted methodology.
7. That the Market Analyst has no financial interest in the proposed Project.
8. That the Market Analyst's fee for conducting the Report, and the findings and conclusions contained therein, were not contingent upon the proposed Project being selected by the Minnesota Housing Finance Agency.

By: 
(Market Analyst)

By: 
(Authorized Representative)
Title: Partner
Date: April 10, 2020

APPENDIX C

Assumptions & Limiting Conditions

ASSUMPTIONS & LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation, the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations, or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

APPENDIX D

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

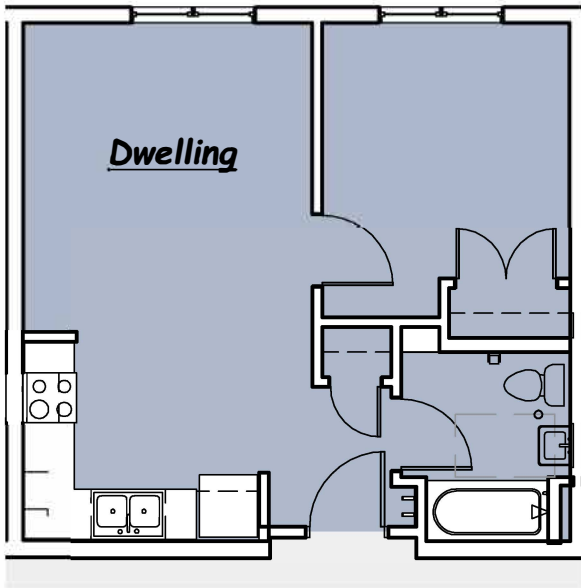
- U.S. Census Bureau
- City of St. Cloud, Minnesota
- Minnesota Employment and Economic Development
- ESRI Demographics 2019
- Ribbon Demographics 2019
- www.Zillow.com
- www.Bankrate.com
- www.RealtyTrac.com
- CoStar
- HUD, State of the Cities Data Systems (SOCDS)
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- St. Cloud Planning Department
- St. Cloud Housing and Redevelopment Authority
- Minnesota Housing Finance Agency
- Housing Link (www.housinglink.org/inventory)
- 2020 MHFA Market Study Requirements, January 2019
- Minnesota Economic Development Corporation

APPENDIX E

Site, Floor Plans, and Elevations

MAYOWOOD

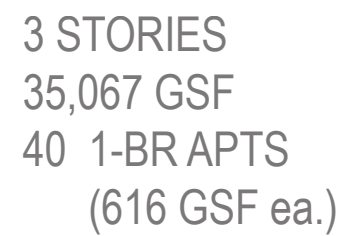
MHFA 2019



TYPICAL DWELLING UNIT FLOOR PLAN

ROCHESTER, MN
SCALE: 1/4" = 1' - 0"

March 2, 2020



13TH AVENUE



APPENDIX F

Qualifications of Consultants

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Georgia Certified General Real Estate Appraiser No. 391113
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of North Dakota Certified General Real Estate Appraiser No. CG-219110
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of South Dakota Certified General Real Estate Appraiser No. 1488CG
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

V. SPEAKING ENGAGEMENTS

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

VI. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

SARA N. NACHBAR

I. EDUCATION

Missouri State University – Springfield, MO
Bachelor of Science – Finance

II. PROFESSIONAL EXPERIENCE

Manager, Novogradac & Company LLP
Executive Assistant, Helzberg Entrepreneurial Mentoring Program
Claims Associate, Farmers Insurance Group

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

JONATHON D. SESTAK

I. EDUCATION

University of Kansas – Lawrence, KS
Bachelor of Science – Economics

State Certified General Trainee – MO #2018032615

II. PROFESSIONAL EXPERIENCE

Analyst, Novogradac & Company LLP
Financial Analyst, Lockton Companies

III. PROFESSIONAL TRAINING

Basic Appraisal Principles, March 2018
Basic Appraisal Procedures, April 2018
15-Hour National USPAP Equivalent, June 2018
Real Estate Finance Statistics and Valuation Modeling, October 2018
General Appraiser Sales Comparison Approach, February 2019
General Appraiser Site Valuation and Cost Approach, June 2019
General Appraiser Income Approach Part I, November 2019

IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Conducted physical inspections of subject properties and comparables to determine condition and evaluate surrounding markets.
- Employed discount cash flow analysis (utilizing Excel) to value income-producing properties and prepare to analyze cash flow forecasts.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

State of Professional Qualifications

Ryan Houghtaling

I. Education

Missouri State University – Springfield, MO
Bachelor of Science General Business

II. Professional Experience

Novogradac & Company LLP – August 2018 – Present
Junior Analyst

State Street Bank – December 2014 – September 2018
Insurance Services, Fund Administration – Associate I
Alternative Investment Solutions – Associate II

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assist in the preparation of market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Conducted physical inspections of subject properties and comparables to determine condition and evaluate surrounding markets.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

APPENDIX G

Utility Allowance Schedule

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing

		Date (mm/dd/yyyy): 01/01/2020					
Locality: St Cloud Housing and Redevelopment Authority, MN		Unit Type: Apartment					
Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Monthly Dollar Allowances							
Heating							
a. Natural Gas	\$18.00	\$20.00	\$24.00	\$28.00	\$32.00	\$35.00	\$38.00
b. Bottle Gas/Propane	\$46.00	\$52.00	\$62.00	\$72.00	\$81.00	\$91.00	\$98.00
c. Electric	\$27.00	\$32.00	\$43.00	\$55.00	\$67.00	\$79.00	\$86.00
d. Electric Heat Pump	\$24.00	\$28.00	\$33.00	\$37.00	\$42.00	\$46.00	\$49.00
e. Oil / Other	\$69.00	\$81.00	\$97.00	\$109.00	\$124.00	\$140.00	\$150.00
Cooking							
a. Natural Gas	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$6.00
b. Bottle Gas/Propane	\$4.00	\$4.00	\$7.00	\$9.00	\$12.00	\$13.00	\$14.00
c. Electric	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$19.00
Other Electric & Cooling							
Other Electric (Lights & Appliances)	\$21.00	\$24.00	\$34.00	\$43.00	\$53.00	\$62.00	\$67.00
Air Conditioning	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$7.00
Water Heating							
a. Natural Gas	\$4.00	\$5.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00
b. Bottle Gas/Propane	\$10.00	\$13.00	\$17.00	\$22.00	\$29.00	\$34.00	\$36.00
c. Electric	\$15.00	\$18.00	\$23.00	\$28.00	\$33.00	\$38.00	\$41.00
d. Oil / Other	\$15.00	\$18.00	\$28.00	\$36.00	\$43.00	\$51.00	\$56.00
Water, Sewer, Trash Collection							
Water	\$22.00	\$22.00	\$28.00	\$35.00	\$42.00	\$49.00	\$54.00
Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trash Collection	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
Tenant-supplied Appliances							
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other--specify: Monthly Charges							
Electric Charge \$9.64	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Natural Gas Charge \$9.89	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Actual Family Allowances		Utility or Service		per month cost			
To be used by the family to compute allowance. Complete below for the actual unit rented.		Heating		\$			
		Cooking		\$			
		Other Electric		\$			
		Air Conditioning		\$			
		Water Heating		\$			
Name of Family		Water		\$			
		Sewer		\$			
		Trash Collection		\$			
		Range / Microwave		\$			
		Refrigerator		\$			
Address of Unit		Other		\$			
		Other		\$			
		Other		\$			
		Other		\$			
		Other		\$			
Number of Bedrooms		Other		\$			
		Total		\$			



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing

		Date (mm/dd/yyyy): 01/01/2020					
Locality: St Cloud Housing and Redevelopment Authority, MN		Unit Type: Row House/Townhouse/Semi-Detached/Duplex					
Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Monthly Dollar Allowances							
Heating							
a. Natural Gas	\$22.00	\$25.00	\$30.00	\$34.00	\$39.00	\$43.00	\$46.00
b. Bottle Gas/Propane	\$56.00	\$65.00	\$77.00	\$88.00	\$99.00	\$111.00	\$120.00
c. Electric	\$39.00	\$45.00	\$60.00	\$75.00	\$89.00	\$104.00	\$112.00
d. Electric Heat Pump	\$29.00	\$34.00	\$40.00	\$45.00	\$50.00	\$55.00	\$60.00
e. Oil / Other	\$86.00	\$102.00	\$119.00	\$135.00	\$152.00	\$170.00	\$183.00
Cooking							
a. Natural Gas	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$6.00
b. Bottle Gas/Propane	\$4.00	\$4.00	\$7.00	\$9.00	\$12.00	\$13.00	\$14.00
c. Electric	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$19.00
Other Electric & Cooling							
Other Electric (Lights & Appliances)	\$26.00	\$31.00	\$43.00	\$55.00	\$67.00	\$79.00	\$85.00
Air Conditioning	\$2.00	\$3.00	\$4.00	\$6.00	\$8.00	\$10.00	\$11.00
Water Heating							
a. Natural Gas	\$5.00	\$6.00	\$8.00	\$11.00	\$14.00	\$17.00	\$18.00
b. Bottle Gas/Propane	\$13.00	\$16.00	\$21.00	\$29.00	\$35.00	\$43.00	\$46.00
c. Electric	\$19.00	\$23.00	\$29.00	\$35.00	\$41.00	\$47.00	\$51.00
d. Oil / Other	\$20.00	\$23.00	\$33.00	\$43.00	\$53.00	\$66.00	\$71.00
Water, Sewer, Trash Collection							
Water	\$22.00	\$22.00	\$28.00	\$35.00	\$42.00	\$49.00	\$54.00
Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trash Collection	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
Tenant-supplied Appliances							
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other--specify: Monthly Charges							
Electric Charge \$9.64	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Natural Gas Charge \$9.89	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Actual Family Allowances		Utility or Service		per month cost			
To be used by the family to compute allowance. Complete below for the actual unit rented.		Heating		\$			
		Cooking		\$			
		Other Electric		\$			
		Air Conditioning		\$			
		Water Heating		\$			
Name of Family		Water		\$			
		Sewer		\$			
		Trash Collection		\$			
		Range / Microwave		\$			
		Refrigerator		\$			
		Other		\$			
		Number of Bedrooms		Other		\$	
		Total		\$			



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

		Date (mm/dd/yyyy): 01/01/2020				
Locality: St Cloud Housing and Redevelopment Authority, MN		Unit Type: Detached House				
Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Monthly Dollar Allowances						
Heating						
a. Natural Gas	\$25.00	\$29.00	\$35.00	\$40.00	\$45.00	\$50.00
b. Bottle Gas/Propane	\$64.00	\$75.00	\$90.00	\$103.00	\$117.00	\$129.00
c. Electric	\$65.00	\$76.00	\$90.00	\$103.00	\$116.00	\$130.00
d. Electric Heat Pump	\$34.00	\$40.00	\$48.00	\$53.00	\$59.00	\$65.00
e. Oil / Other	\$99.00	\$114.00	\$137.00	\$157.00	\$178.00	\$198.00
Cooking						
a. Natural Gas	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00
b. Bottle Gas/Propane	\$4.00	\$4.00	\$7.00	\$9.00	\$12.00	\$13.00
c. Electric	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00
Other Electric & Cooling						
Other Electric (Lights & Appliances)	\$30.00	\$36.00	\$50.00	\$64.00	\$78.00	\$92.00
Air Conditioning	\$2.00	\$2.00	\$4.00	\$7.00	\$10.00	\$12.00
Water Heating						
a. Natural Gas	\$5.00	\$6.00	\$8.00	\$11.00	\$14.00	\$17.00
b. Bottle Gas/Propane	\$13.00	\$16.00	\$21.00	\$29.00	\$35.00	\$43.00
c. Electric	\$19.00	\$23.00	\$29.00	\$35.00	\$41.00	\$47.00
d. Oil / Other	\$20.00	\$23.00	\$33.00	\$43.00	\$53.00	\$66.00
Water, Sewer, Trash Collection						
Water	\$22.00	\$22.00	\$28.00	\$35.00	\$42.00	\$49.00
Sewer	N/A	N/A	N/A	N/A	N/A	N/A
Trash Collection	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
Tenant-supplied Appliances						
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other--specify: Monthly Charges						
Electric Charge \$9.64	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Natural Gas Charge \$9.89	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Actual Family Allowances		Utility or Service		per month cost		
To be used by the family to compute allowance. Complete below for the actual unit rented.		Heating		\$		
		Cooking		\$		
		Other Electric		\$		
		Air Conditioning		\$		
		Water Heating		\$		
Name of Family		Water		\$		
		Sewer		\$		
		Trash Collection		\$		
		Range / Microwave		\$		
		Refrigerator		\$		
Address of Unit		Other		\$		
		Other		\$		
		Other		\$		
		Other		\$		
		Total		\$		
Number of Bedrooms		Other		\$		
		Total		\$		



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

		Date (mm/dd/yyyy): 01/01/2020					
Locality: St Cloud Housing and Redevelopment Authority, MN		Unit Type: Detached House					
Utility or Service:	6 BR	7 BR					
Monthly Dollar Allowances							
Heating							
a. Natural Gas	\$54.00	\$58.00					
b. Bottle Gas/Propane	\$139.00	\$150.00					
c. Electric	\$140.00	\$150.00					
d. Electric Heat Pump	\$70.00	\$75.00					
e. Oil / Other	\$213.00	\$229.00					
Cooking							
a. Natural Gas	\$6.00	\$6.00					
b. Bottle Gas/Propane	\$14.00	\$16.00					
c. Electric	\$19.00	\$21.00					
Other Electric & Cooling							
Other Electric (Lights & Appliances)	\$99.00	\$106.00					
Air Conditioning	\$13.00	\$14.00					
Water Heating							
a. Natural Gas	\$18.00	\$19.00					
b. Bottle Gas/Propane	\$46.00	\$48.00					
c. Electric	\$51.00	\$55.00					
d. Oil / Other	\$71.00	\$76.00					
Water, Sewer, Trash Collection							
Water	\$54.00	\$58.00					
Sewer	N/A	N/A					
Trash Collection	\$34.00	\$34.00					
Tenant-supplied Appliances							
Range / Microwave Tenant-supplied	\$11.00	\$11.00					
Refrigerator Tenant-supplied	\$12.00	\$12.00					
Other--specify: Monthly Charges							
Electric Charge \$9.64	\$10.00	\$10.00					
Natural Gas Charge \$9.89	\$10.00	\$10.00					
Actual Family Allowances			Utility or Service		per month cost		
To be used by the family to compute allowance. Complete below for the actual unit rented.			Heating		\$		
			Cooking		\$		
Name of Family			Other Electric		\$		
			Air Conditioning		\$		
			Water Heating		\$		
			Water		\$		
			Sewer		\$		
Address of Unit			Trash Collection		\$		
			Range / Microwave		\$		
			Refrigerator		\$		
			Other		\$		
			Other		\$		
Number of Bedrooms			Total		\$		



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing

		Date (mm/dd/yyyy): 01/01/2020					
Locality: St Cloud Housing and Redevelopment Authority, MN		Unit Type: Mobile Home					
Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Monthly Dollar Allowances							
Heating							
a. Natural Gas		\$25.00	\$29.00	\$34.00	\$38.00	\$43.00	\$46.00
b. Bottle Gas/Propane		\$64.00	\$75.00	\$87.00	\$98.00	\$109.00	\$118.00
c. Electric		\$79.00	\$82.00	\$85.00	\$87.00	\$90.00	\$97.00
d. Electric Heat Pump		\$34.00	\$40.00	\$45.00	\$50.00	\$55.00	\$60.00
e. Oil / Other		\$99.00	\$117.00	\$132.00	\$150.00	\$168.00	\$180.00
Cooking							
a. Natural Gas		\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$6.00
b. Bottle Gas/Propane		\$4.00	\$7.00	\$9.00	\$12.00	\$13.00	\$14.00
c. Electric		\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$19.00
Other Electric & Cooling							
Other Electric (Lights & Appliances)		\$36.00	\$50.00	\$64.00	\$78.00	\$92.00	\$99.00
Air Conditioning		\$2.00	\$4.00	\$6.00	\$8.00	\$9.00	\$10.00
Water Heating							
a. Natural Gas		\$6.00	\$8.00	\$11.00	\$14.00	\$17.00	\$18.00
b. Bottle Gas/Propane		\$16.00	\$21.00	\$29.00	\$35.00	\$43.00	\$46.00
c. Electric		\$23.00	\$29.00	\$35.00	\$41.00	\$47.00	\$51.00
d. Oil / Other		\$23.00	\$33.00	\$43.00	\$53.00	\$66.00	\$71.00
Water, Sewer, Trash Collection							
Water		\$22.00	\$28.00	\$35.00	\$42.00	\$49.00	\$54.00
Sewer		N/A	N/A	N/A	N/A	N/A	N/A
Trash Collection		\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
Tenant-supplied Appliances							
Range / Microwave Tenant-supplied		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other--specify: Monthly Charges							
Electric Charge \$9.64		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Natural Gas Charge \$9.89		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Actual Family Allowances		Utility or Service		per month cost			
To be used by the family to compute allowance. Complete below for the actual unit rented.		Heating		\$			
		Cooking		\$			
		Other Electric		\$			
		Air Conditioning		\$			
		Water Heating		\$			
Name of Family		Water		\$			
		Sewer		\$			
		Trash Collection		\$			
		Range / Microwave		\$			
		Refrigerator		\$			
		Other		\$			
Address of Unit		Other		\$			
		Total		\$			
Number of Bedrooms							



TO: HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: August 17, 2021

SUBJECT: Report on Activities

Board Retreat: The board retreat is being planned for October 27, 2021 at the St. Cloud HRA office. If there is an item that you would like addressed at the board retreat, please let me know.

Empire Fire: I will give a verbal update at the board meeting as things are progressing each day. We are in the process of working with the insurance company to get the rehab started. We are waiting on the elevator company to get back to us with an approximate date of when they will get the mechanical parts needed to restore the elevators. The elevators were shut down by the State of Minnesota due to water damage sustained from the sprinkler system. Stearns County is helping to address issues for those residents with mobility issues that are unable to handle the stairs.

Housing Choice Voucher Program: During the month of July 2021, there were nine housing choice vouchers released. Four of the vouchers were voluntary releases, one was due to death and four were for program violations. Two were over the age of 62.

As of July 31, 2021 – 232 Port In vouchers and 39 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 3 in construction
- 1 waiting for materials
- 2 in closing process
- 3 in application process
- 6 on the waiting list

St. Cloud Homelessness Task Force Report: The City of St. Cloud convened a Homelessness Task Force in July. The report from the Task Force is attached for your reference. The 2021 city focus areas are the four areas that the task force agreed that needed focus and to work on.

State of Homelessness: For your information I have attached a map of the Continuum of Care (CoC) regions in the state. The St. Cloud/Central MN CoC consists of 13 counties which includes St. Cloud. On the second page is a graph showing the homelessness by population in our area from 2007 to January 2020. The two populations of veteran and youth have different start dates as tracking did not begin on those populations until 2011 for veterans and 2015 for youth. This information was provided by the National Alliance to End Homelessness. The information does not reflect any changes due to the pandemic. The entire report can be found at: <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021>

Housing Department Vacancy Report – For the Month Ending July 31, 2021

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>7/31/21</u>
Empire	89	1.31%	3
Wilson	126	1.18%	0
Scattered Sites	76	0.54%	1

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>7/31/21</u>
Germain	60	1.10%	0
Grace/NWB	102	0.69%	2

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>7/31/21</u>
Creeks	24	2.12%	0
Brownstones	12	2.38%	1
Swisshelm One	32	2.80%	0
Westwood One	32	3.22%	1
Swisshelm Two	32	3.62%	0
Westwood Two	32	1.93%	0
Riverside	85	3.29%	3*

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>6/30/21</u>
Eastwood	18	9.79%	2
Loehr	61	1.42%	0

*Anticipate two units filled by end of August

Homelessness Task Force Report

July 30, 2021

Task Force Members

Pastor Carol Smith
Place of Hope Ministries

Karla Rolfzen
Salvation Army

Tim Poland
Central MN Housing
Partnership

Stacy Pederson
Catholic Charities

Harry Fleegel
Homeless Helping
Homeless

Judy Foster
Human Rights
Commission

Alexis Lutgen
United Way

Julie Ellis
Stearns County

Sandi Shoberg
Benton County

Steve Heinen
Benton County

Jodi Heurung-Dick
Sherburne County

Louise Reis
St. Cloud HRA

City of St. Cloud Staff

Matt Glaesman
Carla Berry
Tad Hoeschen

OVERVIEW

The City of St. Cloud convened a 2004 task force to determine the most pressing needs surrounding the broad issue of homelessness at the time. The task force focused on initiatives that were consistent with the City of St. Cloud's organizational roles and potential to affect change. Given the economic and social challenges presented by the 2020 COVID pandemic, the City of St. Cloud called on local partners again to identify appropriate roles, service gaps, and solutions across the homelessness continuum.

ROLE OF THE CITY OF ST. CLOUD

The City of St. Cloud and its metropolitan area remain a focal point for services proactively and responsively meeting needs of those experiencing homelessness in central Minnesota and beyond. The region is fortunate to have a wealth of county government, non-profit, and for-profit service providers with capacity and expertise to meet the growing needs of the moment. Rather than duplicate existing resources, this report concurs with the 2004 task force position that the City of St. Cloud should concentrate on the following roles to best serve those in need:

City Roles



City Direct Services



2004 TASK FORCE RECOMMENDATIONS

The Task Force acknowledges the progress of local partners to increase awareness, enhance housing options, and advance targeted solutions. The City of St. Cloud and its partners have made particular progress to implement key recommendations of the 2004 report or remain focused on those outcomes as noted below.



Completed: Development of a **Chronic Inebriate Permanent Housing Facility**

Opening of River Crest and 2022 Expansion



In-Process: Improve **Public Understanding** of Homelessness and Develop Relationships in Community

Awareness Campaigns, Partner Meetings, Relationships



Completed: Development of a Zone of Compassion **Homeless Outreach/ Resources/Day Service Center**

*Amendment of Land Development Code
Lincoln Center, Place of Hope, Dallas Place, Pathways*



In-Process: Development of a **Chronic Safe Haven**

Discussions Occurring Following Lincoln Center

2021 CITY FOCUS AREAS

The state of homelessness in the St. Cloud metropolitan area, like all Minnesota, remains an issue of social concern and requires attention from local governments, homeless service providers, community organizations, and the general public. The following strategies represent new opportunities to address short-term needs with an emphasis on initiatives that are consistent with the City of St. Cloud's organizational role. Complexity, urgency, and relative benefit were the primary considerations in selecting these four focus areas from the list of fourteen strategies identified by the task force.

1

Create 100+ New Units of Permanent Supportive Housing

Lead Agencies: HRA, City, Developers (Center City, Catholic Charities, CMBA, CMHP, Place of Hope)

Barriers: Support Service Capacity, Adequate Zoned Land, NIMBY, Grant Competition, Construction Costs

Necessary Resources: Tax Credits, State Grants, Local Resources

Next Steps: Review Supply Appropriately Zoned Land, Solicit Developer Interest

2

Invest in Maintenance of Existing Homelessness Facilities

Lead Agencies: HRA, City, Habitat for Humanity, CMBA, GMHF

Barriers: Grant Competition, CDBG Funds vs Need, Communication Between Contractors/Donors and Service Providers

Necessary Resources: CDBG, State Grants, Future Housing Trust Fund, HOME

Next Steps: December 2021 CDBG Applications, Engage CMBA, Donated Services Request System

3

Create Public/Private Taskforce to Lead Regional Homelessness Plan Preparation

Lead Agencies: United Way, Continuum of Care, City, HRA, Area Cities, Counties, Service Providers

Barriers: Local Priorities, Consensus

Necessary Resources: Partner Contributions for Consultant Services, Active Participation by All Stakeholders

Next Steps: Gauge Stakeholder Interest, Develop Project Estimate/Budget/Timeline

4

Revise City Code to Increase Length of Stay in Temporary Shelter Facilities

Lead Agencies: City, Place of Hope, Salvation Army, Anna Maries, Catholic Charities, Dallas Place, HHH

Barriers: Public Perception, Education, Staffing

Necessary Resources: None

Next Steps: Zoning Application by TSFs, Develop Education Materials (e.g, forms of homelessness)

REGIONAL DISCUSSION TOPICS

The Task Force acknowledges that homelessness exists throughout central Minnesota. A shared plan is needed to affect meaningful change in the St. Cloud metropolitan area including, Sartell, Sauk Rapids, Waite Park, St. Joseph, St. Augusta, St. Cloud and the three contiguous counties. The following strategies were identified as being more appropriate for discussion of government, non-profit, and community stakeholders at the regional level through a subsequent comprehensive homelessness action planning process.



Housing Strategies

Pursue 'Tiny House' Indoor Village Housing Model

Create New Transitional Housing Focused on Addiction Recovery

Establish Housing Trust Fund for Affordable Housing Development



Policy Strategies

Revisit Zoning for Siting Homeless Day Centers

Consider Zoning and Siting for 'Safe Havens'

Revisit Lodging House Restrictions that Limit Congregate Housing



Outreach/Navigation Strategies

Lessen Reliance on Background Checks for Re-Entry Housing

Reduce Deposit Required by Landlords

Establish a Homeless Bill of Rights

Meaningful and Sustainable Employment for Those Experiencing Homelessness

Snapshot | Capacity



State of Homelessness

State

of Years

Click on a Continuum of Care (CoC) or the State icon on the left to get started. Information about homelessness in the selected State or CoC will appear to the right of the map and below. Data can be viewed for all years through the last two years by clicking the # of Years filter. Click the Capacity tab at the top of the dashboard to view bed inventory and capacity to serve people experiencing homelessness.



MN-500

MN-501

MN-502

MN-503

MN-504

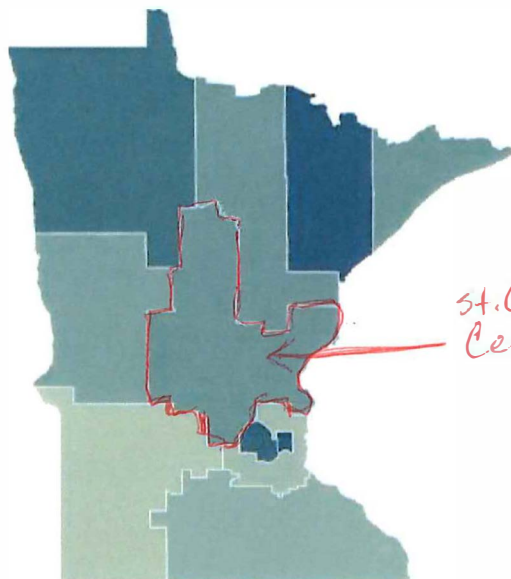
MN-505

MN-506

MN-508

MN-509

MN-511



Minnesota

7,940

People Homeless on a Given Night
in 2020

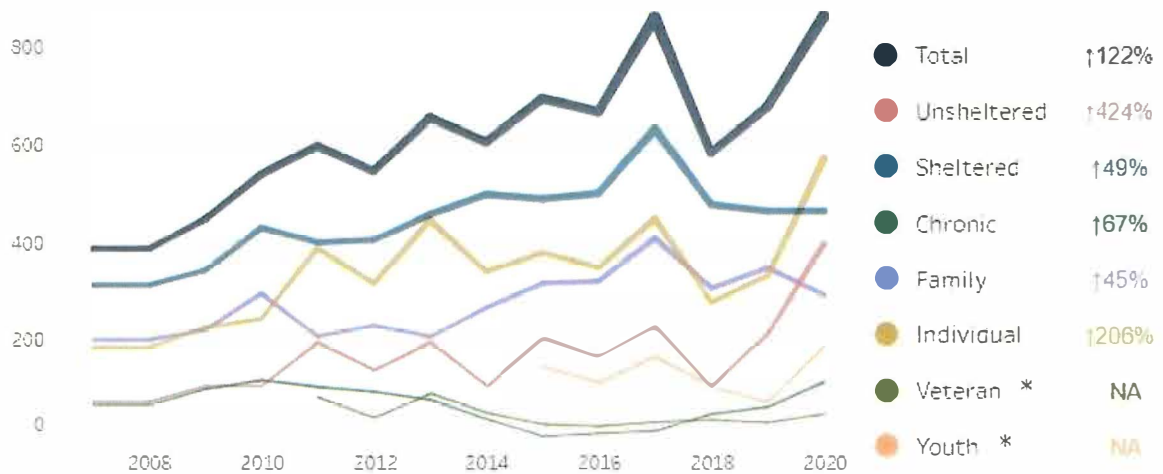
14.1

Homeless Per 10,000 People in the
General Population

*St. Cloud /
Central MN CoC.*

CoC Homelessness by Population (select a CoC above)

Between 2007 and 2020, **St. Cloud/Central Minnesota CoC's Total** homeless population changed by **↑122%**, the **Sheltered** population changed by **↑49%**, and the **Unsheltered** population changed by **↑424%**. See list for statistics on other populations.



Sources: US Department of Housing and Urban Development, US Census Bureau

<https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-dashboards/?State=Minnesota>