

**REGULAR MEETING OF THE
ST. CLOUD HRA BOARD OF COMMISSIONERS
Wednesday, September 23, 6:00 P.M.**

City Hall Council Chambers, 400 2nd Street South

STUDY SESSION 5:30 P.M. AGENDA: Compliance and Operations Update

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, August 26, 2020. REQUESTED ACTION: Approve.
4. Review of Financials: Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, and Eastwood Apartments Fund.
REQUESTED ACTION: NONE
5. Approval of Contract for Scattered Site Furnace, Water Heater and Central Air Replacements and Installation. REQUESTED ACTION: Approve.
6. Approval of Contract for Scattered Site Window Replacements.
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: None.

New Business:

7. Report on Activities.

Open Discussion:

Adjourn.

2020 HRA Board Meeting Schedule - 4th Wednesday each month at 6:00 pm; early meetings as needed.
 Note: November and December moved forward one week to accommodate holidays. December 16th meeting will begin at 4:00 p.m.

JANUARY

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DECEMBER

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ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
REGULAR MEETING

Wednesday, August 26, 2020

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, August 26, 2020, City Hall Council Chambers, 400 2nd Street South, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 6:00 p.m. Pledge of allegiance was spoken.

1. Roll call was taken and the following Commissioners were present: Seal Dwyer, Nancy Gohman, George Hontos, Jeff Goerger and Mike Conway. Absent: Abdi Daisane. [The board has one vacancy.]
2. Approval of Agenda – Commissioner Dwyer moved for approval of the consent items and agenda; Commissioner Goerger seconded the motion. The motion carried.
3. Approval of Study Session Minutes, July 22, 2020 – approved as presented.
4. Approval of Regular Meeting Minutes, July 22, 2020 – approved as presented.
5. Review of Financials: Al Loehr Apartments Fund, Brownstones Family Housing Fund, Plum Creek Family Housing Fund, Riverside Apartments Fund, Swisshelm Village One Apartments Fund, Swisshelm Village Two Apartments Fund, Westwood Village One Apartments Fund and Westwood Village Two Apartments Fund – no action requested.
6. Approval to Write-Off Resident Accounts Receivable – authorization to write-off and expense former residents and program participants in the following amounts approved: Public Housing: \$3,424.14; Germain Towers: \$2,769.04; Northway A & B: \$1,270.32; Eastwood Apartments: \$1,136.36; Al Loehr: \$180.52; Brownstones: \$62.59; Swisshelm Two: \$4,311.04; Westwood One: \$4,914.75; Westwood Two: \$2,949.10. Approved as requested.

Old Business:

7. A. Public Hearing for the PHA Plan for the FY 2021 - Louise Reis, Executive Director, introduced the item and gave a brief summary of the proposed changes. She stated annually under HUD compliance the plan is reviewed and changes submitted once approved by the Board. Ms. Reis said plan changes were sent for review prior to the meeting to Central Minnesota (St. Cloud Area) Legal Services and have been reviewed by HRA counsel.

Chair Gohman opened the public hearing at 6:04 p.m. There being no one present to speak the public hearing closed.

- B. Resolution 2020-07 - Approval of 2021 Public Housing Agency Plan – Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. All Commissioners present voted in favor. The motion carried.

- C. Resolution 2020-08 – Approval of Capital Fund Program and 5-Year Plan – Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. All Commissioners present voted in favor. The motion carried.

New Business:

8. Approval of Emergency Paid Sick Leave Policy – Finance Director Karen Rizer introduced the proposed new policy. She said the policy follows the Families First Coronavirus Response Act Policy 05.18 as required by Federal regulation added back in April. Ms. Rizer stated this new policy would allow an employee who has used all their paid leave for a serious illness or in caring for a family member with a serious illness to use a one-time bank of 80 hours emergency sick leave. She said the Personnel Committee met prior to this meeting and is in agreement of the policy. Commissioner Goerger moved for approval; Commissioner Dwyer seconded the motion. All Commissioners present voted in favor. The motion carried.

9. Approval of Addition to Paid Leave Policy 05.10 – Ms. Rizer stated the proposed change for paid leave is that employees be allowed to carry over 320 hours at the end of the first full or partial pay period ending in January whereas currently it is 240 hours. She said due to COVID-19, and the additional staff hours it has taken for all the changes, staff has been unable to use their paid leave as they have in the past. Ms. Rizer said this policy change would remain in effect for 2021 and 2022. Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion.

10. Approval of Resolution 2020-09 - Authorizing the Acquisition of Limited Partnership Interests in Riverside Apartments, LP from NDC Corporate Equity Fund VI, L.P. – Ms. Reis explained how the HRA is the General Partner and NDC is the Limited Partner under a 15-year compliance period partnership that ends March, 2021. Ms. Rizer stated this will be the final tax credit property for the HRA to acquire to make all of them wholly owned. She said the fee to acquire NDC's partnership interest would be \$3,000.

Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. Commissioner Hontos asked if this would affect cashflow in any way. Ms. Rizer responded Minnesota Housing holds the mortgage so once NDC is out she will look at housing bonds to find a lower interest rate. She said there is no prepayment penalty. All Commissioners present voted in favor. The motion carried.

11. Approval of Redevelopment of 418 Wilson Avenue SE – Ms. Reis summarized communication between her and Minnesota Housing regarding the Neighborhood Stabilization Program (NSP). She said Minnesota Housing will be ending the program in the next year and has indicated they would like all homes completed on properties purchased under the program in the next year. Ms. Reis said in talking with Habitat for Humanity they are not ready to do this. She said her suggestion to Minnesota Housing is for the HRA to build on the property and rent it as an affordable housing unit. Ms. Reis stated Minnesota Housing responded they are willing to award St. Cloud HRA \$225,000 for the project.

Ms. Rizer said staff realizes the cost to build will be greater than this. She said additional funds for the project could come out of the housing bond fees collected from conduit debt. Ms. Rizer said this has been done in past projects.

Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion.

Commissioner Hontos asked for further explanation of the amount in housing bond fees. Ms. Rizer explained to date the HRA has received approximately \$139,500 in unrestricted funds from the fees; she said she projects an average of \$25,000 per year as long as the bonds are outstanding.

The Board discussed the advantages to the HRA owning the home, the expectations of it fitting into the neighborhood, being economically friendly, how many bedrooms it should or could be, garages, and the cost.

Ms. Reis said they would review a 3-5-bedroom home cost along with what can be built on the lot size and all the other specifics the Board questioned.

Chair Gohman asked the Board members for a vote to move forward; all agreed it was a good idea. The motion passed.

12. Report on Activities – Ms. Rizer said the uncollected rents as of August is 11.2% and last year was 8.2%. She said the total since March is \$57,000.

Ms. Reis highlighted her report and gave a brief explanation of the COVID-19 Housing Assistance Program (CHAP). She said flyers are in the office vestibule and cards to call 211 for assistance. Ms. Reis said all eligible participants were sent information. She said it will help in covering rent, mortgages, insurance, and utilities but it is not for anyone who is assisted by other programs like HCV or Public Housing.

Commissioner Hontos went back to the uncollected rents and asked when it would be considered a serious problem. Ms. Rizer responded HUD has granted some funding to cover through additional operating funds. She said at this time when you consider the agency is a \$16 million-dollar organization, the additional \$30,000 in non-payments in comparison to other years is not significant. Ms. Rizer assured the Board she is closely monitoring it.

Open Discussion: none.

There being no further business the meeting adjourned at 6:37 p.m.

ATTEST:

Secretary, George Hontos

Chair, Nancy Gohman

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: September 16, 2020
SUBJECT: 2020 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.

Comment for all properties: Protective Services is under budget because since March, the HRA's dedicated police officer has been put on other duty due to the department changing operating procedures due to COVID-19. It is unknown when he will return to working full-time or mostly full-time for the HRA again.

If you have any questions about the financial statements, it is helpful if you call or email prior to the meeting in case I need to research your question. (202-3148 or krizer@stcloudhra.com) Thank you.

**St. Cloud HRA
Public Housing Fund 441, 442, 443
Balance Sheet
July 31, 2020**

Assets	
Cash & Investments	\$ 784,875
Accounts Receivable (Net of Allowance)	39,038
Due From Governments - Other	30,734
Interest Receivable	913
Tenant Security Deposits	94,035
Prepaid Insurance and Expenses	42,758
Land & Land Improvements	1,701,929
Furniture & Equipment	340,132
Buildings	18,500,756
Accumulated Depreciation	(15,330,480)
Construction In Progress	497,856
Total Assets	\$ 6,702,546
Liabilities & Net Assets	
Accounts Payable	\$ 197,351
Due To Other Governments	21,933
Accrued Wages & Benefits	8,733
Accrued Compensated Absences	4,540
Tenant Security Deposit & Interest Payable	94,267
Prepaid Rents	20,493
Total Liabilities	\$ 347,317
Net Assets	<u>\$ 6,355,229</u>
Total Liabilities & Net Assets	<u>\$ 6,702,546</u>

Operating Statement

Date:

July 31, 2020

Empire Apartments (Public Housing)			
54 4 Ave N		Budgeted Vacancy Loss	2%
Number of Units	89	Vacancy Loss YTD	2.7%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 289,300	\$ 168,758	\$ 159,374	\$ (9,384)	-5.6%
2	Less: Vacancy Loss	(5,800)	(3,383)	(4,308)	(925)	-27.3%
3	Net Tenant Rental Revenue	283,500	165,375	155,066	(10,309)	-6.2%
4	Gross Potential Subsidy	173,900	101,442	92,696	(8,746)	-8.6%
5	Less: Subsidy Loss - Proration	(17,400)	(10,150)	(5,205)	4,945	48.7%
6	Net Operating Subsidy	156,500	91,292	87,491	(3,801)	-4.2%
7	HUD PHA Operating Grant - CFP	56,900	33,192	28,900	(4,292)	-12.9%
8	Other Income	28,700	16,742	14,953	(1,789)	-10.7%
	Total Operating Income	525,600	306,601	286,410	(20,191)	-6.6%

Operating Expenses:

	Administrative					
9	Administrative Salaries & Benefits	109,000	63,583	46,718	16,865	26.5%
10	Management & Bkpg Fees - Operations	75,200	43,867	59,510	(15,643)	-35.7%
11	Management Fees - CFP	19,000	11,083	28,900	(17,817)	-160.8%
12	Auditing Fees	3,400	3,400	2,891	509	15.0%
13	Legal Expense	7,000	4,083	2,738	1,345	32.9%
14	Travel & Training	4,000	2,333	538	1,795	76.9%
15	Other Administrative Costs	19,800	11,550	13,726	(2,176)	-18.8%
16	Other Administrative Costs - CFP	-	-	-	-	0.0%
17	Total Administrative	237,400	139,899	155,021	(15,122)	-10.8%
18	Asset Management Fees	10,560	-	-	-	0.0%
19	Tenant Services	2,200	1,283	3,511	(2,228)	-173.7%
Utilities						
20	Water & Sewer	23,000	13,417	8,980	4,437	33.1%
21	Electricity	46,000	26,833	23,728	3,105	11.6%
22	Gas	24,000	14,000	10,753	3,247	23.2%
23	Total Utilities	93,000	54,250	43,461	10,789	19.9%
24	Maintenance	200,840	117,157	115,746	187	0.2%
25	Protective Services	18,200	10,617	4,564	5,353	50.4%
26	Insurance Expense	16,300	9,508	9,758	(425)	-4.5%
27	Payments in Lieu of Taxes	11,100	6,475	6,775	(300)	-4.6%
28	Bad Debt-Tenants	6,000	3,500	2,084	1,416	40.5%

29	Total Operating Expenses	595,600	342,689	340,920	(330)	-0.1%
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30	Cash Flow from Operations	(70,000)	(36,088)	(54,510)	(20,521)	-56.9%
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	Other Financial Items-Sources & (Uses)					
31	HUD Grants - CFP	200,000	116,667	70,879	(45,788)	-39.2%
32	Capital Expenditures	(200,000)	(116,667)	(82,453)	34,214	-29.3%
33	Other Financial Items - Sources & (Uses)	-	-	11,574	11,574	0.0%
34	Total Other Financial Items	-	-	-	-	0.0%

35	Net Cash Flow	\$ (70,000)	\$ (36,088)	\$ (54,510)	\$ (20,521)	-56.9%
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For all Public Housing Operating Statements:

Lines 4 and 5 always have the potential to differ from budget because we adopt the budget in Nov/Dec and don't usually know these numbers until April/May of the next year.

Lines 7, 11, 16, 31, and 32 - This amount can vary from the budget because we may decide to draw the funds at a different AMP. Additionally, the amounts typically aren't earned/spent uniformly during the year.

Lines 10 and 11 - Higher fees are allowed to the COCC due to COVID-19

Operating Statement

Date:

July 31, 2020

Scattered Sites & Townhomes (Public Housing)			
Various		Budgeted Vacancy Loss	2%
Number of Units	76	Vacancy Loss YTD	0.2%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 278,200	\$ 162,283	\$ 174,209	\$ 11,926	7.3%
2	Less: Vacancy Loss	(5,600)	(3,267)	(265)	3,002	91.9%
3	Net Tenant Rental Revenue	272,600	159,016	173,944	14,928	9.4%
4	Gross Potential Subsidy	128,900	75,192	83,810	8,618	11.5%
5	Less: Subsidy Loss - Proration	(12,900)	(7,525)	(4,706)	2,819	37.5%
6	Net Operating Subsidy	116,000	67,667	79,104	11,437	16.9%
7	HUD PHA Operating Grant - CFP	48,700	28,408	224,680	196,272	690.9%
8	Other Income	63,000	36,750	44,312	7,562	20.6%
	Total Operating Income	500,300	291,841	522,040	230,199	78.9%

Operating Expenses:

Administrative						
9	Administrative Salaries & Benefits	93,000	54,250	53,439	811	1.5%
10	Management & Bkpg Fees- Operations	64,900	37,858	51,298	(13,440)	-35.5%
11	Management Fees - CFP	16,300	9,508	24,680	(15,172)	-159.6%
12	Auditing Fees	2,800	2,800	2,366	434	15.5%
13	Legal Expense	2,000	1,167	122	1,045	89.5%
14	Travel & Training	3,000	1,750	765	985	56.3%
15	Other Administrative Costs	22,000	12,833	15,693	(2,860)	-22.3%
16	Other Administrative Costs - CFP	-	-	-	-	0.0%
17	Total Administrative	204,000	120,166	148,363	(28,197)	-23.5%
18	Asset Management Fees	9,120	-	-	-	0.0%
19	Tenant Services	1,900	1,108	804	304	27.4%
Utilities						
20	Water & Sewer	52,000	30,333	32,880	(2,547)	-8.4%
21	Electricity	6,500	3,792	3,700	92	2.4%
22	Gas	2,000	1,167	903	264	22.6%
23	Total Utilities	60,500	35,292	37,483	(2,191)	-6.2%
24	Maintenance	251,980	146,988	344,931	(172,789)	-117.6%
25	Protective Services	5,800	3,383	2,145	1,180	34.9%
26	Insurance Expense	49,000	28,583	28,841	(4,283)	-15.0%
27	Payments in Lieu of Taxes	13,000	7,583	7,583	-	0.0%
28	Bad Debt-Tenants	10,000	5,833	-	5,833	0.0%

29	Total Operating Expenses	605,300	348,936	570,150	(200,143)	-57.4%
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30	Cash Flow from Operations	(105,000)	(57,095)	(48,110)	30,056	52.6%
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Other Financial Items-Sources & (Uses)						
31	HUD Grants - Capital Contributions - CFP	140,000	81,667	46,450	(35,217)	-43.1%
32	Capital Expenditures	(140,000)	(81,667)	(46,450)	35,217	-43.1%
33	Other Financial Items - Sources & (Uses)					
34	Total Other Financial Items	-	-	-	-	0.0%

35	Net Cash Flow	\$ (105,000)	\$ (57,095)	\$ (48,110)	\$ 30,056	52.6%
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Notes (Number is line reference)

24 Significant rehab projects \$247,000; single family home rehab and roofs on 3 - 12 unit townhomes

Operating Statement

Date:

July 31, 2020

Wilson Apartments (Public Housing)			
41 3 Ave NE		Budgeted Vacancy Loss	2%
Number of Units	126	Vacancy Loss YTD	1.0%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 354,000	\$ 206,500	\$ 227,951	\$ 21,451	10.4%
2	Less: Vacancy Loss	(7,100)	(4,142)	(2,177)	1,965	47.4%
3	Net Tenant Rental Revenue	346,900	202,358	225,774	23,416	11.6%
4	Gross Potential Subsidy	261,600	152,600	158,577	5,977	3.9%
5	Less: Subsidy Loss - Proration	(26,200)	(15,283)	(8,906)	6,377	41.7%
6	Net Operating Subsidy	235,400	137,317	149,671	12,354	9.0%
7	HUD PHA Operating Grant - CFP	80,700	47,075	40,920	(6,155)	-13.1%
8	Other Income	44,200	25,783	24,788	(995)	-3.9%
	Total Operating Income	707,200	412,533	441,153	28,620	6.9%

Operating Expenses:

Administrative						
9	Administrative Salaries & Benefits	129,000	75,250	60,889	14,361	19.1%
10	Management & Bkpg Fees - Operations	106,600	62,183	84,935	(22,752)	-36.6%
11	Management Fees - CFP	27,000	15,750	40,920	(25,170)	-159.8%
12	Auditing Fees	4,800	4,800	3,943	857	17.9%
13	Legal Expense	5,000	2,917	557	2,360	80.9%
14	Travel & Training	3,000	1,750	683	1,067	61.0%
15	Other Administrative Costs	25,800	15,050	11,918	3,132	20.8%
16	Other Administrative Costs - CFP	-	-	-	-	0.0%
17	Total Administrative	301,200	177,700	203,845	(26,145)	-14.7%
18	Asset Management Fees	15,000	-	-	-	0.0%
19	Tenant Services	3,100	1,808	2,628	(820)	-45.4%
Utilities						
20	Water & Sewer	23,000	13,417	11,306	2,111	15.7%
21	Electricity	55,000	32,083	33,329	(1,246)	-3.9%
22	Gas	38,000	22,167	17,953	4,214	19.0%
23	Total Utilities	116,000	67,667	62,588	5,079	7.5%
24	Maintenance	271,000	158,083	114,689	37,383	23.6%
25	Protective Services	21,000	12,250	7,311	5,523	45.1%
26	Insurance Expense	21,400	12,483	12,501	(367)	-2.9%
27	Payments in Lieu of Taxes	13,500	7,875	7,875	-	0.0%
28	Bad Debt-Tenants	5,000	2,917	1,641	1,276	43.7%

29	Total Operating Expenses	767,200	440,783	413,078	21,929	5.0%
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30	Cash Flow from Operations	(60,000)	(28,250)	28,075	50,549	178.9%
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Other Financial Items-Sources & (Uses)						
31	HUD Grants - Capital Contributions - CFP	300,000	175,000	-	(175,000)	0.0%
32	Extraordinary Maintenance	-	-	-	-	0.0%
33	Capital Expenditures	(300,000)	(175,000)	-	175,000	0.0%
34	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
35	Total Other Financial Items	-	-	-	-	0.0%

36	Net Cash Flow	\$ (60,000)	\$ (28,250)	\$ 28,075	\$ 50,549	178.9%
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**St. Cloud HRA
 Germain Towers Fund 402
 Balance Sheet
 July 31, 2020**

Assets

Cash & Investments	\$	10,786
Accounts Receivable (Net of Allowance)		215
Due From Governments - Other		964
Tenant Security Deposits		14,634
Accrued Interest Receivable		106
Prepaid Insurance and Expenses		14,761
Land & Land Improvements		76,067
Furniture & Equipment		2,750
Buildings		4,331,370
Accumulated Depreciation		(3,218,815)
Construction In Progress		313
Total Assets	\$	<u>1,233,151</u>

Liabilities & Net Assets

Current Liabilities

Due To Other Governments	\$	4,900
Accrued Wages and Benefits		1,357
Tenant Security Deposit & Interest Payable		15,298
Prepaid Rents		8,380
Interest Payable		855
Bonds Payable		190,000
Accrued Compensated Absences		2,817
Total Current Liabilities	\$	<u>223,607</u>

Long-term Liabilities

Advance From Other Funds		
COCC (440)	\$	53,463
Community Housing Fund (301)		<u>238,214</u>
Total Advances from Other Funds	\$	291,677
Loans Payable - MHFA		362,755
Bond Discount Amortization		(4,289)
Total Long Term Liabilities	\$	<u>650,143</u>

Net Assets	\$	<u>359,401</u>
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Total Liabilities & Net Assets	\$	<u>1,233,151</u>
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Operating Statement

Date: July 31, 2020

Germain Towers (Section 8 New Construction)			
905 West St. Germain		Budgeted Vacancy Loss	3%
Number of Units	89	Vacancy Loss YTD	0.5%

	Account Title	Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 173,400	\$ 101,150	\$ 113,662	\$ 12,512	12.4%
2	Less: Vacancy Loss	(3,500)	(2,042)	(519)	1,523	74.6%
3	Net Tenant Rental Revenue	169,900	99,108	113,143	14,035	14.2%
4	HUD HAP Subsidy	245,100	142,975	143,375	400	0.3%
5	Other Income	45,100	26,308	25,728	(580)	-2.2%
6	Total Operating Income	460,100	268,391	282,246	13,855	5.2%

Operating Expenses:						
7	Administrative Salaries & Benefits	56,000	32,667	28,295	4,372	13.4%
8	Management & Bkpg Fees	50,400	29,400	31,559	(2,159)	-7.3%
9	Auditing Fees	1,100	1,100	1,051	49	4.5%
10	Legal Expense	1,000	583	280	303	52.0%
11	Travel & Training	1,000	583	141	442	75.8%
12	Other Administrative Costs	12,100	7,058	10,212	(3,154)	-44.7%
13	Total Administrative	121,600	71,391	71,538	(147)	-0.2%
14	Tenant Services	100	58	248	(190)	-327.6%
Utilities						
15	Water & Sewer	13,000	7,583	6,680	903	11.9%
16	Electricity	17,000	9,917	7,881	2,036	20.5%
17	Gas	20,000	11,667	7,852	3,815	32.7%
18	Total Utilities	50,000	29,167	22,413	6,754	23.2%
19	Maintenance	96,000	56,000	64,599	(6,265)	-11.2%
20	Protective Services	14,000	8,167	5,762	5,321	65.2%
21	Insurance Expense	18,500	10,792	16,950	(6,566)	-60.8%
22	Payments in Lieu of Taxes	8,400	4,900	6,208	(1,308)	-26.7%
23	Bad Debt-Tenants	5,000	2,917	2,769	148	5.1%
24	Debt Interest	4,700	2,742	2,993	(251)	-9.2%

25	Total Operating Expenses	318,300	186,134	193,480	(2,504)	-1.3%
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26	Net Income (Loss) Excl. Depr & Amort.	141,800	82,257	88,766	11,351	13.8%
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Other Financial Items-Sources & (Uses)						
27	Debt Principal	(552,800)	(322,467)	(322,467)	-	0.0%
28	Capital Expenditures	(290,000)	(169,167)	(207,547)	(38,380)	22.7%
29	Other Financial Items-Sources & (Uses)	701,000	408,917	450,014	41,097	10.1%
30	Total Other Financial Items	(141,800)	(82,717)	(80,000)	2,717	-3.3%

31	Net Cash Flow	\$ -	\$ (460)	\$ 8,766	\$ 14,068	0.0%
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Notes:

28 Roof project

**St. Cloud HRA
Northway A & B Fund 403
Balance Sheet
July 31, 2020**

Assets	
Cash & Investments	\$ 285,327
Accounts Receivable (Net of Allowance)	3,095
Accrued Interest Receivable	505
Due from Other Governments	1,281
Tenant Security Deposits	28,744
Prepaid Insurance and Expenses	13,609
Land & Land Improvements	205,818
Furniture & Equipment	50,392
Buildings	4,706,264
Accumulated Depreciation	<u>(4,430,163)</u>
Total Assets	<u>\$ 864,872</u>
Liabilities & Net Assets	
Current Liabilities	
Accounts Payable	\$ 1,838
Due To Other Governments	7,700
Due To Other Funds	90,000
Accrued Salaries and Benefits	2,507
Tenant Security Deposit & Interest Payable	27,983
Prepaid Rent	10,644
Accrued Compensated Absences	<u>4,691</u>
Total Current Liabilities	<u>\$ 145,363</u>
Net Assets	<u>\$ 719,509</u>
Total Liabilities & Net Assets	<u>\$ 864,872</u>

Operating Statement

Date:

July 31, 2020

Northway A & B (Section 8 New Construction)						
1525 Northway Dr./2401-2445 15 St. N		Budgeted Vacancy Loss			1.5%	
Number of Units		101	Vacancy Loss YTD		1.0%	
Account Title		Annual Budget	YTD Budget	YTD Actual	YTD Budget vs. Actual Var. \$	YTD Budget vs. Actual Var. %
Operating Income:						
1	Gross Potential Rent	\$ 325,000	\$ 189,583	\$ 188,285	\$ (1,298)	-0.7%
2	Less: Vacancy Loss	(4,900)	(2,858)	(1,968)	890	31.1%
3	Net Tenant Rental Revenue	320,100	186,725	186,317	(408)	-0.2%
4	HUD HAP Subsidy	325,400	189,817	209,929	20,112	10.6%
5	Other Income	22,500	13,125	11,961	(1,164)	-8.9%
6	Total Operating Income	668,000	389,667	408,207	18,540	4.8%
Operating Expenses:						
7	Administrative Salaries & Benefits	81,000	47,250	47,816	(566)	-1.2%
8	Management & Bkkpg Fees	86,800	50,633	53,124	(2,491)	-4.9%
9	Auditing Fees	1,600	1,600	1,314	286	17.9%
10	Legal Expense	1,500	875	430	445	50.9%
11	Travel & Training	1,300	758	8	750	98.9%
12	Other Administrative Costs	16,000	9,333	10,776	(1,443)	-15.5%
13	Total Administrative	188,200	110,449	113,468	(3,019)	-2.7%
14	Asset Management Fees	12,100	-	-	-	0.0%
15	Total Tenant Services	500	292	300	(8)	-2.7%
Utilities						
16	Water & Sewer	33,000	19,250	18,952	298	1.5%
17	Electricity	18,000	10,500	9,598	902	8.6%
18	Gas	28,000	16,333	10,449	5,884	36.0%
19	Total Utilities	79,000	46,083	38,999	7,084	15.4%
20	Maintenance	190,000	110,833	74,508	10,251	9.2%
21	Protective Services	17,000	9,917	9,243	673	6.8%
22	Insurance Expense	28,000	16,333	15,851	74	0.5%
23	Payments in Lieu of Taxes	13,200	7,700	7,700	-	0.0%
24	Bad Debt-Tenants	3,000	1,750	1,270	480	27.4%
25	Debt Interest	-	-	-	-	0.0%
26	Total Operating Expenses	531,000	303,357	261,339	15,535	5.1%
27	Net Income (Loss) Excl. Depr & Amort.	137,000	86,310	146,868	34,075	39.5%
Other Financial Items-Sources & (Uses)						
29	Debt Principal	(90,000)	(52,500)	(52,500)	-	0.0%
30	Capital Expenditures	-	-	-	-	0.0%
31	Other Financial Items-Sources & (Uses)	-	-	-	-	0.0%
32	Total Other Financial Items	(90,000)	(52,500)	(52,500)	-	0.0%
33	Net Cash Flow	\$ 47,000	\$ 33,810	\$ 94,368	\$ 34,075	100.8%

**St. Cloud HRA
Eastwood Park Apartments Fund 404
Balance Sheet
July 31, 2020**

Assets	
Cash & Investments	\$ 940
Accounts Receivable (Net of Allowance)	4,549
Due from Other Governments	247
Tenant Security Deposits	7,902
Prepaid Insurance and Expenses	1,963
Land & Land Improvements	156,570
Buildings	831,975
Accumulated Depreciation	(422,612)
Total Assets	\$ 581,534
Liabilities & Net Assets	
Current Liabilities	
Accounts Payable	\$ 388
Due To Other Governments	3,325
Due To Other Funds	25,000
Accrued Salaries and Benefits	537
Tenant Security Deposit & Interest Payable	8,136
Prepaid Rents	3,582
Accrued Compensated Absences	828
Total Current Liabilities	\$ 41,796
Long Term Liabilities	
Advance From Other Funds (301)	\$ 377,000
Loans Payable - MHFA	196,000
Total Long Term Liabilities	\$ 573,000
Net Assets	(33,262)
Total Liabilities & Net Assets	\$ 581,534

Operating Statement

Date: July 31, 2020

Eastwood Park Apartments (Workforce Housing)			
530 3 St NE		Budgeted Vacancy Loss	5%
Number of Units	17	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	\$ 125,800	\$ 73,383	\$ 71,947	\$ (1,436)	-2.0%
2	Less: Vacancy Loss	(6,300)	(3,675)	(1,328)	2,347	63.9%
3	Net Tenant Rental Revenue	119,500	69,708	70,619	911	1.3%
4	Other Income	10,400	6,067	6,467	400	6.6%
5	Total Operating Income	129,900	75,775	77,086	1,311	1.7%

Operating Expenses:

<u>Administrative</u>						
6	Administrative Salaries & Benefits	14,000	8,167	9,403	(1,236)	-15.1%
7	Management & Bkpg Fees - Operations	14,900	8,692	9,317	(625)	-7.2%
8	Auditing Fees	300	300	263	37	12.3%
9	Legal Expense	2,000	1,167	408	759	65.0%
10	Travel & Training	100	58	4	54	93.1%
11	Other Administrative Costs	2,300	1,342	2,344	(1,002)	-74.7%
12	Total Administrative	33,600	19,726	21,739	(2,013)	-10.2%
<u>Utilities</u>						
13	Water & Sewer	5,500	3,208	4,807	(1,599)	-49.8%
14	Electricity	2,800	1,633	1,493	140	8.6%
15	Gas	5,000	2,917	2,504	413	14.2%
16	Total Utilities	13,300	7,758	8,804	(1,046)	-13.5%
17	Maintenance	40,500	23,625	27,271	(3,995)	-16.9%
18	Protective Services	4,500	2,625	3,110	(1,068)	-40.7%
19	Insurance Expense	4,300	2,508	2,461	164	6.5%
20	Payments in Lieu of Taxes	5,700	3,325	3,325	-	0.0%
21	Bad Debt-Tenants	3,000	1,750	1,136	614	35.1%

22	Total Operating Expenses	104,900	61,317	67,958	(7,456)	-12.2%
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23	Cash Flow from Operations	25,000	14,458	9,128	(6,145)	-42.5%
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<u>Other Financial Items-Sources & (Uses)</u>						
24	Debt Service Payment Principal	(25,000)	(14,583)	(14,583)	-	0.0%
25	Total Other Financial Items	(25,000)	(14,583)	(14,583)	-	0.0%

26	Net Cash Flow	\$ -	\$ (125)	\$ (5,455)	\$ (6,145)	0.0%
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17 Unit turn \$7,630; additional cleaning \$915

TO: St. Cloud HRA Board of Commissioners
 FROM: Paul Soenneker, Project Manager
 DATE: September 15, 2020
 SUBJECT: Approval of Contract for Scattered Sites Furnace and Water Heater Replacement and Air Conditioner Installation

Requested Action: Approval of the contract with Air Max, LLC in the amount of \$46,475.00 to replace furnaces and water heaters and install central air conditioners in 5 scattered site homes.

Background: The HRA owns & manages various scattered site single family houses in St. Cloud. We have identified 5 homes that need furnaces and water heaters or a combination of both replaced. The HRA has also decided to install central air conditioning units in these homes. We solicited proposals from 9 companies and placed it on our website. We received proposals from two companies as outlined below.

The proposals are:

	<u>Proposal</u>
Air Max, LLC P.O Box 364 Rockville, MN 56369	\$46,475.00
Lyon Sheet Metal & Heating & El-Jay Plumbing 235 Stearns Dr. 520 Apollo Ave. NE Sauk Rapids, MN 56379 St. Cloud, MN 56304	\$62,250.00

I believe the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Air Max, LLC for the sum of \$46,475.00.

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: September 15, 2020
SUBJECT: Approval of Contract for Scattered Sites Window Replacement

Requested Action: Approval of the contract with Master Trade Service in the amount of \$30,174.90 to replace windows in two scattered site homes.

Background: The HRA owns & manages various scattered site single family houses in St. Cloud. We have identified two homes that need windows replaced. We solicited proposals from 7 companies and placed it on our website. We received proposals from three companies as outlined below.

The proposals are:

	<u>Proposal</u>
Brand Built Homes 5879 Co. Rd. 136 St. Cloud, MN 56301	\$33,300.00
J Lewis Building & Remodeling 20071 Nowthen Blvd. NW Nowthen, MN 55330	\$34,385.00
Master Trade Services 1200 5 th St. S. Sauk Rapids, MN 56379	\$30,174.90

I believe the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Master Trade Services for the sum of \$30,174.90.

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: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: September 16, 2020
SUBJECT: Report on Activities

Germain Towers: Our office received approval from the Department of Housing & Urban Development for the renewal of a 20 year Housing Assistance Payment Contract for the rental subsidies at Germain Towers. The new contract will run from September 19, 2020 to September 30, 2040.

HUD Audit: The HUD audit that was previously scheduled for April through June and had been postponed due to COVID-19. It resumed in September. HUD staff will be conducting all work remotely.

National Night Out: The St. Cloud Police Department will be holding National Night Out on October 6, 2020. The HRA properties will not be holding a community gathering but instead providing informational flyers and hand sanitizer in coordination with the police department.

Rent Collection: Through September 16, 12.1% of September rent remained uncollected, compared to 9.8% for the same period in 2019. 1.8% of April through August rent remains uncollected, compared to .3% for the same period in 2019, which is a difference of \$22,777.

Housing Choice Voucher Program: During August, there were four housing choice vouchers released. Two vouchers were voluntary released, and two vouchers expired. Two of the voucher holders were over the age of 62.

As reported to you last month, HUD issued a notice on July 31 indicating that agencies could apply for additional HAP funding if PUC (per unit costs) had increased due to COVID-19. The HRA was funded at \$508.26 PUC and the July PUC was \$534.75. The HRA submitted an application on August 11.

We were notified on August 28 that we would receive \$323,885 of additional HAP funding under that application. With this additional funding, the HCV program is no longer in short-fall for the year.

As of August 31, 2020 – we have 232 Port In vouchers and 24 Port Out.

CDBG Update:

For the homeowner rehab program:

- 5 in construction
- 2 in pre-bid walk-through
- 1 in closing
- 1 in application stage
- 9 on the waiting list

Housing Department Vacancy Report – For the Month Ending July 31, 2020

Fund: Public Housing – 291 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	7/31/20
Empire	89	2.28%	0
Wilson	126	0.73%	0
Scattered Sites	76	0.12%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	7/31/20
Germain	60	0.42%	0
Grace/NWB	102	0.96%	2*

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	7/31/20
Creeks	24	1.80%	0
Brownstones	12	3.57%	0
Swisshelm One	32	2.97%	0
Westwood One	32	5.58%	0
Swisshelm Two	32	4.11%	0
Westwood Two	32	2.07%	1
Riverside	85	0.55%	0

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	7/31/20
Eastwood	18	1.97%	0
Loehr	61	1.64%	2**

* One unit rented 8/1/20, other offered to applicant

** One unit rented 8/1/20, other offered to applicant