

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY STUDY SESSION MINUTES

Wednesday, August 25, 2021

A Study Session for The St. Cloud HRA Board of Commissioners was held on Wednesday, August 25, 2021, City Hall Conference Room One, 400 2nd Street South, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 5:00 p.m. Commissioners present: Mike Conway, Nancy Gohman, George Hontos, and Hani Jacobson. Absent: Abdi Daisane and Seal Dwyer.

Study Session Topic: Funding Request for Proposed River Heights Construction, Housing Rehab Programs, Down-Payment Assistance Programs and Operations.

Executive Director Louise Reis began the Study Session by discussing Item 11 on the agenda: Funding for the Proposed River Heights Supportive Housing Project. The St. Cloud HRA received a request from Center City Housing Corporation (CCHC) for their River Heights project. Center City is proposing a 40-unit supportive housing building, but due to significant increased construction costs, the project has the potential of not going forward.

Commissioner Goerger asked about parameters for residents of the building. Ms. Reis responded that the building would provide one-bedrooms units for low-income individuals that have mental and/or physical issues. Commissioner Conway asked if the idea is to move CDBG funds to help the fund; he stated he doesn't want to move CDBG funds for a 30-year grant that will not be quickly repaid, and suggested the funds would be better spent on other projects like low-income loans or the down-payment assistance program.

Commissioner Jacobson stated that as someone working in healthcare, the St. Cloud community severely lacks appropriate housing for members of the community that struggle with addiction and homelessness.

Commissioner Goerger agreed with Commissioner Conway, that there are other opportunities to use the funding to assist the community. Chair Gohman discussed the prices of lumber and materials being at an all-time high but could the CCHC wait for the prices to decrease prior to moving forward and asked Ms. Reis what the timeline is. Ms. Reis replied that CCHC had hoped to move forward this fall. She indicated CCHC made some adjustments to the cost, but the developmental costs did not decrease.

Commissioner Hontos added that he would have liked to see the developmental costs decrease, and hopes the CDBG funds can be used for a different project, like the Homestead Incentive Loan Program.

Commissioner Gohman questioned if the HRA can get an extension for the CDBG Program, and Ms. Reis stated it would have to be requested from the City, and the City would have to make the request to HUD.

Commissioner Hontos asked if we have more applications for the loan programs. Neighborhood Programs Assistant Shannon Adamski stated a new ad goes out in October and historically is an effective way to get new applicants. Ms. Adamski anticipates the HRA will get a few more applications after the ad goes out, as well as when the colder temperatures enter the area.

Commissioner Conway suggests we could get four more applications, instead of transferring the funds for the proposed River Heights Supportive Housing Project. Ms. Adamski stated there are several people that did not want to go through with the loan last year due to Covid-19, so the HRA would follow-up with the applicants to see if there is interest at this time.

Ms. Reis moved on to the Homestead Incentive Logan Program discussion, Item 9 and Item 10 on the agenda.

Finance Director Karen Rizer stated the changes include any home within the city limits and raising the loan amount to \$5,000. The HRA's homeowner funding requirement would be \$1,000, to match what Minnesota Housing requires. Commissioner Conway commented he is excited the whole city is now being included. Ms. Adamski stated the change would go into effect immediately. Commissioner Jacobson asked if the buyers have to return the funds if they sell the home. Ms. Adamski confirmed the buyers do need to repay the funds, but it goes back into the program for new buyers.

The board had no other questions on the study session topics.

There being no further discussion, the meeting ended at 5:54 p.m.

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING MINUTES

Wednesday, August 25, 2021

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, August 25, 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, Nancy Gohman, Jeff Goerger, George Hontos, and Hani Jacobson. Absent: Abdi Daisane and Seal Dwyer.
2. Approval of Agenda – Commissioner Conway moved for approval of consent items and the agenda;
3. Approval of Regular Minutes, July 28, 2021 – approved as presented.
4. Review of 2021 Financial Reports – no requested action.
5. Approval of Contract for Scattered Sites Furnace and Water Heater Replacement and Air Conditioner Installation 2021 – contract approved with Augusta Plumbing & Heating in the amount of \$57,546.

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

Old Business:

6. Update on 19th Avenue Lots. Project Manager Paul Soenneker recapped that the St. Cloud HRA had applied for the Contamination Cleanup and Investigation Grant Program through the Minnesota Department of Employment and Economic Development (DEED), as well as the Minnesota Targeted Brownfields Assessment Grant Program through the Minnesota Pollution Control Agency (MPCA). The HRA did not receive the grant funds from DEED, but the HRA is being awarded funding for the MPCA Brownfields Grant in October of 2021 to conduct sub-surface testing and work on the three vacant lots. Mr. Soenneker indicated Kris Stahl from Environmental Health Testing Services is working with the MPCA to come up with a plan to do additional testing on the two developed lots (single-family houses). Commissioner Hontos asked if the homes have radon mitigation systems, and Mr. Soenneker indicated according to the house plans, the homes were built with radon mitigation systems. The HRA will continue to update the Board of Commissioners as results of the testing become known.

New Business:

7. A. Public Hearing for the PHA Plan for FY 2022 – Louise Reis, Executive Director, introduced the item and gave a brief summary of the proposed changes. She stated some of the changes included the income limits and utility allowances, as well as the Admin Plan for the Housing Choice Voucher Program.

Chair Gohman opened the public hearing at 6:08 pm. There being no one present to speak, the public hearing closed.

B. Resolution 2021-16 – Approval of 2022 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 2021-17 – Approval of Capital Fund Program and Five-Year Plan – Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. All Commissioners present voted in favor; the motion carried.

8. Approval of Return of Community Development Block Grant (CDBG) Funds to the City – Finance Director Karen Rizer said City Staff approached the HRA about funds that could potentially not be used timely in the CDBG program and asked if the funds could be used for the River Heights Supportive Housing Project. Commissioner Goerger moved for approval; Commissioner Conway seconded the motion. Commissioner Goerger commented that CDBG funds should go to housing initiatives in our community and he does not want to lose the funds. Commissioner Conway said he will not be voting in favor as he believes there are better ways to do spend the dollars in the community and help more people with the CDBG funds. Commissioner Hontos has concerns about the River Heights Supportive Housing Project; stating the high costs of development and the potential neighborhood disruption. Commissioner Hontos would also like to see a neighborhood plan. Commissioner Jacobson stated she would vote yes, and indicated while she would like to see a neighborhood plan, that there is a void in the city to help and house this group of people. The motion failed by a vote of 4-1 with Commissioner Jacobson voting in favor.

9. Approval of Homestead Incentive Loan Program Guideline Changes – Ms. Rizer discussed the new requested guidelines would allow the home to be anywhere within the City limits of St. Cloud, the maximum loan amount is \$5,000, and the first \$1,000 of the down payment required by the mortgage lender would come from the homebuyer. Commissioner Conway moved for approval; Commissioner Goerger seconded the motion. Commissioner Conway commented he is excited the program is being extended to the City of St. Cloud. All Commissioners present voted in favor; the motion carried.

10. Approval of Interfund Transfer for the Homestead Incentive Loan Program – Ms. Rizer proposed \$100,000 be transferred from the Housing Development Fund to the Core Neighborhoods Fund. Commissioner Goerger moved for approval; Commissioner Conway seconded. All Commissioners present voted in favor; the motion carried.

11. Funding for the Proposed River Heights Supportive Housing Project – Ms. Rizer discussed that City Center Housing Corp. (CCHC) approached the St. Cloud HRA for the River Heights Supportive Housing Project. Commissioner Goerger moved for approval; Commissioner Conway seconded. Commissioner Conway mentioned that when the River Heights Supportive Housing Project came before the City, it was going to be self-funded and the funds should be used for different projects. Commissioner Hontos reiterated the proposal needs to be reviewed with scrutiny and should address issues of concern within the community. The motion failed by a vote of 4-1 with Commissioner Jacobson voting in favor.

12. Report on Activities – Ms. Reis discussed there is a Board Retreat tentatively planned for October 27, beginning at 4:00pm and ending with the Regular Meeting. The Board of Commissioners should provide Ms. Reis with agenda items. She then moved on to provide an update on the Empire Apartment fire. The majority of the damage was done by the sprinkler systems, and everything has dried out, but the elevators are still down. The elevator company is waiting on parts, and Ms. Reis asked Mr. Soenneker to talk with an elevator consultant the St. Cloud HRA had worked with previously. Mr. Soenneker spoke to the elevator consultant in attempts to speed up the process to get at least one elevator working soon. Commissioner Hontos asked how many residents are being impacted by the elevators being down, and Ms. Reis said six units initially were affected due to mobility issues, but Stearns County and the Red Cross helped with individuals that needed temporary housing with elevator access.

Ms. Reis moved on to the St. Cloud Homelessness Task Force Report included at the end of the agenda materials. The report from the Task Force includes the 2021 city focus areas that the task force agreed that needed focus and to work on. Ms. Reis said the second report is a map of the Continuum of Care (CoC) regions in the state showing homelessness by population in the St. Cloud area from 2007 to January 2020.

Open Discussion: none.

There being no further business the meeting adjourned at 6:29 p.m.