

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: January 15, 2022

SUBJECT: Lease Enforcement

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**Requested Action:** Discussion only. No action requested.

**Background:** During a previous study session, the Board had requested a study session on the lease enforcement in our housing. I have attached a copy of the lease currently used for Wilson Apartments.

In addition to the lease agreement, there are two lease addendums required by HUD: Over-Income Resident or Family and Violence Against Women and Justice Department Reauthorization Act of 2005. The other two lease addendums are Smoke Free Policy and Integrated Pest Management Policy and Treatment. Each property also has a Resident Handbook which is an attachment to the lease agreement. The Resident Handbook covers specifics for each property such as Appliances, Bicycles, Refuse Removal, Vehicles, etc.

In addition to the lease agreement, lease addendums, resident handbook, the new resident also is given a move-in packet and will watch a cleaning video. The cleaning video is in four languages; English, Somali, Hmong, and Spanish.



WILSON APARTMENTS LEASE

1. IDENTIFICATION OF PARTIES AND PREMISES

The parties to this Lease are the Housing and Redevelopment Authority (HRA) of St. Cloud, Minnesota, referred to as a "Landlord", and \_\_\_\_\_ (Head of Household) referred to as "Resident." The Landlord leases to the Resident, the dwelling unit located at: 41 NE 3<sup>RD</sup> Ave, Apt # \_\_\_\_\_ St. Cloud, MN 56304

The premises leased are for the exclusive use and occupancy of the resident's household consisting of the following named persons who will live in the dwelling unit:

\_\_\_\_\_

2. LEASE TERM AND RENT PAYMENTS

This Lease shall begin on \_\_\_\_\_, 200\_\_\_\_. The term shall be one year and shall renew automatically for another year, unless terminated as provided by the Lease. If the Resident is leasing the dwelling unit starting after the first of the month, the rent for the partial first month is \$ \_\_\_\_\_ prorated from \_\_\_\_\_, 200\_\_\_\_ to \_\_\_\_\_, 20\_\_\_\_.

Resident shall pay full monthly rent of \$ \_\_\_\_\_. This amount is due on the first of each month at the HRA Management Office; 1225 West St. Germain Street, St. Cloud, Minnesota 56301. This rent will remain in effect until adjusted in accordance with Section 7 of this Lease.

Resident has the option, upon admission to public housing and annually thereafter, whether to pay flat rent (market value) or income-based rent. The flat rent for the dwelling unit listed above is \$ \_\_\_\_\_. Flat rent does not include a utility allowance.

If the Resident does not pay the full amount of the rent shown in Section Two of the Lease by the 10<sup>th</sup> day of the month in which the rent is due, Management shall impose an 8 percent late fee not to exceed \$10.00 for late rent on the 11<sup>th</sup> day of the month. If the check is returned to the HRA from the bank for any reason, such as insufficient funds, the Resident will be charged a \$35.00 service fee.

If the Resident fails to make a rent payment by the 10<sup>th</sup> day of the month, and the Landlord has not agreed to accept payment at a later date, a "Notice of Termination" will be issued to the Resident.

3. SECURITY DEPOSIT

The Resident has deposited \$ \_\_\_\_\_ with the Landlord as a Security Deposit to be used by the Landlord at the termination of this Lease toward reimbursement of the cost of repairing damages to the unit caused by the Resident, by family, dependents, or guests, cleaning, rent or other charges owed by the Resident. The Landlord shall not use the Security Deposit for rent or other charges while the Resident is living in the dwelling unit.

Payment of the Security Deposit in the amount stated above shall be made in full prior to occupancy. Security Deposits shall be held by the Landlord and shall bear interest according to State law.

Landlord shall, within the time limit prescribed by Minnesota State Law, return such deposit to Resident, plus interest earned, or furnish to Resident a written notice stating the reason for the withholding of the deposit or any portion thereof. The Landlord may withhold from the Deposit such amounts as are necessary to remedy Resident defaults in the payment of rent; other charges due under the Lease; cleaning; and/ or repair of damages that exceed normal wear and tear.

4. OCCUPANCY

The Resident must live in the dwelling unit and the dwelling must be the only place of residence. The Resident shall use the premises solely as a private dwelling for himself or herself and the persons named in Section 1 of this Lease, with the exception of the minor children born into the household during tenancy (Resident should report such family change to the Landlord for a lease addendum to be done), and shall not permit its use for any other purpose. Only individuals listed on the HUD Form 50058 and lease agreement may receive mail at the dwelling unit.

The Resident shall not: a) permit any persons other than those listed to reside in the dwelling unit without obtaining the prior written approval of Landlord; (This provision does not exclude reasonable stay of Resident guests or visitors whose stay is two weeks or less. Upon showing by Resident of special circumstances, this period of time may be extended for a reasonable period not to exceed 30 days in total. There shall be no additional adults in the unit who are not on the Lease and application without prior approval of Landlord.); b) sublet or assign the unit (or any part of unit); c) engage in or permit unlawful activities in the unit, in common areas, or on the grounds, including possession of firearms or illegal substances; d) have pets or animals of any kind in the dwelling unit or on the grounds without prior permission from the HRA (this includes visitor's pets); e) give accommodations to boarders or lodgers; and, f) make or permit noises or acts that will disturb the rights and/or comforts of neighbors.

Resident shall conduct himself herself and cause his/her family, guests, and other persons who are on the premises with his/her consent to conduct themselves in a manner which will not disturb his/her neighbors and will be conducive to maintaining the project in a decent, safe, and sanitary manner and shall refrain from illegal or other activity which impairs the physical or social environment of the project/unit. Resident and his/her family or guests shall not make or permit noises or acts that will disturb the rights and/or comforts of neighbors. Resident agrees to keep the volume of any radio, stereo, television, or musical instrument at a level which will not disturb the neighbors.

Resident shall abide by such necessary and reasonable regulations as may be promulgated by Landlord for the benefit and/or well-being of the housing project/unit and/or Resident. Resident Handbook contains additional information and is a part of this Lease.

## **5. CONDITION OF THE DWELLING**

By signing this Lease and the Unit Inspection Report, the Resident acknowledges that the dwelling unit is safe, clean, and in good condition, and that all appliances and equipment in the dwelling unit are in good working order as described on the Unit Inspection Report. This report, signed by Resident and Landlord, is a part of this Lease. Each year, the Landlord will perform an annual inspection of the unit. At the time of move-out, the Landlord will complete another inspection of the unit. The Resident is encouraged to be present at move-out inspection.

## **6. UTILITIES**

- a) The Landlord shall provide the following utilities, services, and equipment: stove and refrigerator; water/sewer; trash collection; heat; electricity; yard maintenance; hallway and common area maintenance; snow removal from walks and parking lot.
- b) The Landlord shall not be responsible for failure to furnish utilities for reasons beyond the Landlord's control.
- c) TV antenna service is provided to each unit at no charge to Resident. Any cable TV service(s) will be Resident's responsibility.
- d) Maintenance and repairs beyond "normal wear and tear" during occupancy of the Resident will be billed to the Resident by the Landlord with payment due with the following month's rent.
- e) Utilities not provided by landlord shall be the sole responsibility of Resident, shall be Paid by the Resident, and Resident shall keep the premises free of charge or lien for services and utilities, which are his/her responsibility to pay.

## **7. RECERTIFICATIONS AND PROGRAM OBLIGATIONS**

- a) Annual  
Each year, with date specified by Landlord, the Resident shall complete an application for continued occupancy, furnishing Landlord with accurate information regarding income, assets, expenses, and family composition. The Landlord shall verify the information provided by Resident and use verified information to establish Resident rent and determine whether dwelling unit size is appropriate for Resident. Determinations will be made in accordance with the "Admissions and Occupancy Policy" available at the HRA for viewing.
- b) Interim  
The Resident should promptly report to the Landlord any of the following changes in household circumstances when they occur between Annual Recertifications:
  - 1. a decrease in annual income
  - 2. child care expenses change
  - 3. handicapped assistance expenses change
  - 4. any change in Resident household
  - 5. one monthly increase of \$100 or more must be reported within 10 days after it is received for the first time. If two or more increases occur during the period between annual reexaminations, and the increases together total \$100 a month of income that is likely to continue, the changes must be reported within 10 days of the increase that brought the total to the \$100 threshold.

Interim adjustments may also occur if it is found that Resident has misrepresented to Landlord the facts upon which his/her rent is based, so that the rent he/she is paying is less than he/she should have been charged (if this is found, then rent increase may be retroactive); the current rent was calculated for a temporary period of time (usually when annual income can't be projected for a 12 month period); there is a change in Regulations requiring an interim adjustment; or change in contracted cable TV rates (if applicable).

If the family's adjusted income exceeds the over-income limits for 24 consecutive months, the family will be subject to either a higher rent (as determined by a HUD formula) or termination based on the Landlord's policies.

- c) In the event of any rent adjustment pursuant to the above, the Landlord will mail or deliver a "Notice of Rent Adjustment" to Resident. Such notice need only be signed by Landlord and shall be effective as follows:

Rent increases: The Landlord shall process rent increases so that Resident is given no less than one month advance written notice of amount due. Rent increases resulting from a finding of intentional misrepresentation by Resident shall become effective upon notice to Resident of such increase and it may be retroactive.

Rent decreases: The Landlord shall process rent decreases so that the lower rent amount becomes effective on the first day of the month after the Resident reports the change in circumstances.

- d) Resident shall be obligated for all non-exempt adults in the household to comply with the community service requirements (Section 12 USHA):
  - 1) Community service requires that each non-exempt adult resident shall contribute 8 hours per month of community service (not including political activities), or participate in an economic self-sufficiency program for 8 hours per month. Exemption is provided subject to specific requirements as described in the housing authority's Admissions and Continued Occupancy Policy, upon verification. Resident



must immediately notify the housing authority of any change that affects a household member's exemption from the community service requirement, specifically if the household member no longer meets the exemption requirements.

2) Noncompliance: The housing authority shall determine annually if non-exempt adult residents are in compliance. This Lease shall not be renewed or extended unless the head of household and the noncompliant adult, before the lease expiration date, enter into an agreement to make up the hours within the next twelve (12) month period.

- e) Management shall not reduce Resident's rent due to a reduction in welfare assistance when the welfare reduction is a result of:
  - 1) Fraud; or
  - 2) Failure to participate in an economic self-sufficiency program; or
  - 3) Failure to participate in a work activities requirement.The housing authority will verify the above circumstances through the local welfare department through a local agreement with the welfare department to verify such circumstances as quickly as possible. Refusal to reduce Resident's rent is not applicable if the welfare reduction results from:
  - 1) The expiration of a lifetime limit on receiving welfare benefits; or
  - 2) When the family has sought but cannot find employment; or
  - 3) The family has complied with welfare program requirements but loses welfare because of a durational time limit.
- f) Resident shall reimburse Landlord for the difference between the rent which was paid which should have been charged if the following circumstances occur: a) Resident does not submit recertification information by the date specified by Landlord; or b) Resident submits false information at admission or at annual, special, or interim recertifications.
- g) The Resident understands that the Landlord assigns dwelling units according to Occupancy Standards outlined in the "Admissions and Occupancy Policy." The standards consider the type (such as dwelling units designed for handicapped and size of dwelling unit required by household members. If Landlord determines that Resident is, or has become, eligible for a different type or dwelling unit and an appropriate dwelling unit becomes available, the Resident may move if the Resident agrees to move within one month after the Landlord notifies the Resident that a unit is available. If the Resident fails to move to the designated dwelling unit within the time specified by Landlord, the Landlord may terminate this Lease as provided in Section 10.

## **8. MAINTENANCE**

- a) Resident agrees to:
  - 1) keep the dwelling unit and other areas assigned (including grounds) for Resident's use in a clean and safe condition;
  - 2) use all appliances, fixtures and equipment in a safe manner and only for the purpose for which they are intended and keeping them clean;
  - 3) keep windows clean;
  - 4) not litter the grounds or common areas, and to keep the yard, attic, basement and garage/shed free of junk storage, furniture, or trash. No junk cars or inoperable cars to be stored on the premises;
  - 5) park all vehicles in space provided. No vehicles are to be parked on the yard;
  - 6) keep sidewalks, driveway/parking areas free of ice and snow;
  - 7) not undertake, or permit his/her family or guests to undertake any hazardous acts or do anything that will damage the property;
  - 8) not alter the unit or grounds in any way. For example: dismantle, change or remove any part of the appliances, fixtures or equipment in the unit; paint or install wallpaper or contact paper in unit; attach awnings or window guards; attach or place any fixtures, signs or fences; attach any shelves, or other permanent improvement; install carpet, resurface floors or alter woodwork; install fans, heaters; place aerials, antennas or other electrical connections; or install additional or different locks or gates on any door or window; not destroy, deface, damage or remove any part of the dwelling unit, common areas, or ground;
  - 9) remove garbage/trash and other waste from the dwelling unit and grounds in a clean and safe manner. Resident shall use trash chute provided at the project for disposal of trash. Trash shall be wrapped or in a closed bag before placement in trash chute or and dumpster;
  - 10) install appropriate drapes/curtains on windows as approved by Landlord. No blankets or sheets are to be used for window covers;
  - 11) use only artificial Christmas trees;
  - 12) not allow water to overflow or be wasted by leaving faucets open. Windows must not be left open in cold weather whereby water pipes freeze;
  - 13) use water closets (toilets) and other water apparatus only for purposes in which they were constructed and not for sweepings, rubbish, rags, ashes, garbage, diapers, sanitary napkins, or other improper substances. Only toilet paper to be used in water closet;
  - 14) give Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of unit or related facilities;
  - 15) pay charges for repairs of damages as invoiced by Landlord (except for normal wear and tear items) or services performed or caused to be performed by Landlord because of Resident's failure to perform;
  - 16) take reasonable precautions to prevent fires and to refrain from storing or keeping flammable materials upon the premises; to not disconnect any smoke alarm/carbon monoxide detector in the dwelling unit, resident disconnection of any smoke alarm/carbon monoxide detector is a health and safety violation; to notify the housing authority immediately when any smoke alarm/carbon monoxide detector is not operable.
- b) Landlord agrees to:

- 1) comply with requirements of applicable codes materially affecting health and safety and US Department of HUD regulations;
- 2) make necessary repairs to premises;
- 3) keep project buildings, facilities and common areas not otherwise assigned to Resident (if any) in clean and safe manner;
- 4) maintain in good and safe working order and condition electrical, plumbing, heating, ventilating, and other facilities and appliances supplied.
- 5) provide and maintain appropriate receptacles and facilities for deposit of trash/garbage and other waste as expected.

**9. ACCESS BY LANDLORD**

Resident agrees that any duly authorized agent, employee or representative of Landlord will, upon no less than two (2) days advance notice having been delivered to Resident's premises, be permitted to enter Resident's dwelling unit for the purpose of conducting routine inspections and maintenance, for making improvements and repairs, or to show the premises for re-leasing; the Landlord shall have the right to enter the premises at any time without advance notice to Resident if Landlord reasonably believes that an emergency exists which requires such entrance. In the event that Resident and all adult members of his/her household are absent from the premises at the time of entry, Landlord's agent, employee or representative shall leave in the dwelling unit a written statement specifying the date, time, and purpose of entry, prior to leaving Resident's dwelling unit.

Upon no less than two (2) days advance notice having been delivered to Resident's premises, the Landlord or its representatives or agents shall be permitted to enter Resident's dwelling unit for the purpose of performing pest control services. In such event, Resident shall comply with the reasonable request of Landlord, including but not limited to, cleaning and/or cleaning cupboards and moving furniture.

**10. LEASE TERMINATION BY LANDLORD**

Any termination of this Lease shall be carried out in accordance with Housing and Urban Development (HUD) regulations, state and local law, and this Lease.

The Landlord shall not terminate or refuse to renew the Lease other than for serious or repeated violation of material terms of the Lease or other good cause, such as, but not limited to, the following:

- a) non-payment of rent or other charges due under the Lease, or repeated chronic late payment of rent (defined as when a resident fails to pay rent by the 10<sup>th</sup> of the month for two (2) or more consecutive months or three or more non-consecutive months in a one-year period without written permission of the Landlord);
- b) failure to provide timely and accurate statement of income, assets, expenses and family composition at admission, interim, special or annual recertifications or failure to make or keep appointment for recertifications; or other applicable information as requested; or has exceeded the over income limits;
- c) assign or subleasing of the premises or providing accommodations to boarders or lodgers;
- d) use of unit/premises by the Resident or a guest of family for the use, sale, possession, illegal manufacture, or transferring in any other manner of illegal drugs or narcotics; or any other criminal activity;
- e) use of premises for purposes other than solely as a dwelling for the Resident and Resident household as identified herein, or permitting its use for any other purpose;
- f) failure to abide by necessary and reasonable rules made by Landlord for the benefit and well-being of project and/or Resident;
- g) failure to abide by applicable building and housing codes materially affecting health and safety;
- h) failure to dispose of garbage/trash, waste, rubbish in a safe and sanitary manner and/or creation of health hazards;
- i) failure to use electrical, plumbing, sanitary, heating, ventilating, air conditioning and other equipment in a safe manner;
- j) acts of destruction, defacement or removal of any part of the premises, or failure to cause guests to refrain from such acts;
- k) failure to pay reasonable charges for repairs or services;
- l) serious or repeated interference with rights and quiet enjoyment of other Residents or neighbors;
- m) serious or repeated damage to rental unit, common areas, exteriors or grounds,
- n) creation of physical hazard;
- o) failure to fulfill Resident obligations as set forth in Lease;
- p) permitting unauthorized persons to live in the rental unit;
- q) refusal to accept Lease modifications required by HUD;
- r) serious or repeated violations of the terms of the Lease; and/or
- s) management shall terminate assistance permanently for persons convicted of manufacturing or producing methamphetamine on premises. Premises are building or complex in which the dwelling unit is located, including common areas and grounds;
- t) display, use, or possess or allow member of Resident's household or guests to display, use or possess any firearms; (operable or inoperable) or other offensive weapons as defined by the laws and courts of the State of Minnesota anywhere in the unit or elsewhere on the property of the authority;
- u) other good cause.

The receipt and acceptance by Landlord of rental payments as they become due from Resident where Landlord has knowledge of the existence of the breach of the term or condition of this Lease by Resident, or after Landlord has served notice, commenced an action, or obtained a final judgment for a breach of this Lease by Resident, shall not be construed as a waiver of the breach by Landlord and shall not operate to prejudice, waive or affect any right or remedy that Landlord may have under this Lease or by operation of law, as to that breach or any future breach of the same or of a different nature.

**11. LEGAL NOTICE**

Any notice to Resident required by this Lease shall be sufficient if in writing and delivered to Resident personally or to an adult person answering door at leased unit or if no adult responds, by placing notice under or through the door; and sent to Resident by first class mail, properly addressed, postage paid. Notice to Landlord must be in writing and either delivered to employee at HRA Management Office (1225 West St. Germain; St Cloud, MN) or sent to the HRA by first class mail, postage prepaid and properly addressed.

## **12. NOTICE OF LEASE TERMINATION**

This Lease may be terminated by landlord at any time by giving notice to vacate as set forth in Section 11, not less than 14 days for non-payment of rent; or not less than five days if the Resident has used the premises for an illegal activity (such as, but not limited to, the sale or distribution of illegal drugs) or if Resident's occupancy creates a threat to the health or safety of neighbors, management, employees or property, and not less than one month for all other causes.

## **13. LEASE TERMINATION BY RESIDENT**

The Resident shall give the Landlord one month plus one day written notice before moving from the dwelling unit. If the Resident does not give the full notice, the Resident shall be liable for rent to the end of the notice period or to the date the dwelling unit is re-rented whichever date comes first. **(EXAMPLE OF NOTICE:** If Resident vacates by January 1, notice must be received by Landlord on or before November 30<sup>th</sup>.)

## **14. TERMINATION OF LEASE UPON DEATH OF RESIDENT**

Upon the death of the Resident, or if there is more than one Resident, upon the death of all Residents, either the Landlord or the person representative of the Resident's estate may terminate this Lease upon at least one month plus one day written notice, to be given on the last day of the calendar month. If full notice is not given, the Resident's estate shall be liable for rent to the end of the notice period of the date the unit is re-rented, whichever date comes first. The termination of a Lease under this section shall not relieve the Resident's estate from liability either for payment of rent or other amounts owed prior to or during the notice period, or for the payment of amounts necessary to restore the premises to their condition at the beginning of the Resident's occupancy, normal wear and tear expected.

## **15. DEFECTS HAZARDOUS TO LIFE, HEALTH OR SAFETY**

In event that the dwelling unit is damaged to the extent that conditions are created that are hazardous to the life, health or safety of the occupants:

HRA Responsibilities:

a) St. Cloud HRA shall be responsible for repair of the unit within a reasonable period of time after receiving notice from Resident, provided, if the damage was caused by Resident, household members, or guests, the reasonable cost of the repairs shall be charged to the Resident.

b) St. Cloud HRA shall offer the Resident a replacement dwelling unit, if available, if necessary repairs cannot be made within a reasonable period of time. St. Cloud HRA is not required to offer the Resident a replacement unit if the Resident, household members, or guests caused the hazardous condition.

c) Resident shall accept any replacement unit offered by the St. Cloud HRA.

d) In the event St. Cloud HRA, as described above cannot make repairs, and alternative accommodations are unavailable, then rent shall abate in proportion to the seriousness of the damage and loss in value as a dwelling. No abatement of rent shall occur if Resident rejects alternative accommodations or if Resident refuses alternative accommodations, this Lease shall be terminated, and any rent paid will be refunded to Resident.

e) If St. Cloud HRA determines that the dwelling unit is uninhabitable because of imminent danger to the life, health, and safety of the Resident, and Resident refuses alternative accommodations, this Lease shall be terminated, and any rent paid will be refunded to the Resident.

Resident Responsibilities:

a) Resident shall immediately notify the St. Cloud HRA of the damage and intent to abate rent, when the damage is or becomes sufficiently severe that Resident believes he/she is justified in abating rent.

b) Resident agrees to continue to pay full rent, less the abated portion agreed upon by St. Cloud HRA, during the time in which the defect remains uncorrected.

## **16. GRIEVANCES**

All individual grievances or appeals, with the exception of those cases concerning eviction or termination of tenancy which are based upon a Resident's creation or maintenance of a threat to health or safety of other Residents or Landlord employees, shall be processed under the Landlord's Grievance Policy. This policy is posted in the Management Office. Grievance hearings shall be presided over by a Hearing Officer who shall be an impartial person selected by the Housing Authority's Executive Director.

## **17. MODIFICATIONS TO LEASE**

The Landlord may change the provisions of this Lease. The Landlord shall provide the Resident with at least one-month advance notice before lease change becomes effective. The Landlord shall notify the Resident and offer the Resident a new Lease or an addendum to existing Lease. The Tenancy may accept the changed provisions by signing the new agreement and returning it to the Landlord, or the Resident may reject the changed provisions by giving the Landlord written notice of intent to terminate tenancy as outlined in Section 13 of this Lease. If the Resident does not accept the amended Lease or give notice to vacate, the Landlord may terminate Tenancy.

## **18. RESIDENT HANDBOOK AND ADMISSIONS AND OCCUPANCY POLICY**

The Resident agrees to obey rules as outlined in Resident Handbook and understands such rules are a part of this Lease. Such rules may be modified by the Landlord from time to time.

The Admissions and Occupancy Policy as used herein refers to Policy as approved and amended by the HRA Board of Commissioners, which is hereby incorporated into this Lease by reference and made part hereof. A copy of such policy is available for viewing at HRA Management Office.

## **19. DISCRIMINATION PROHIBITED**

The Landlord shall not discriminate based upon race, color, creed, religion, national origin, sex, marital status, age, handicap or disability, or membership in a class such as unmarried mothers or recipients of public assistance and shall comply with all non-discrimination requirements of Federal, State, and local law.

**20. WATER FURNITURE**

Residents with waterbeds or other water furniture must receive permission, in writing from landlord and Resident must show proof of effective insurance. Such insurance to be renewed and proof provided at each annual recertification.

**21. CITY OF ST. CLOUD ORDINANCE NOTICE**

Residents of rental dwelling units will conduct themselves in such a manner to ensure that they or persons (guest) upon the premises are not in violation of Noise Regulations Section 1050:05, Keg Permit Provisions Section 817.35 or Disorderly Conduct MN Statute 609.72. Any conduct which would be a violation of the above shall constitute a material breach of the lease and grounds for termination of such lease.

**22. FOR CRIME-FREE/DRUG-FREE HOUSING**

In consideration of the execution or renewal of a lease of the dwelling unit identified in the lease, Owner and Resident agrees as follows:

- a) Resident, any members of the resident’s household or a guest or other person under resident’s control shall not engage in illegal activity, including drug-related illegal activity, on or near the said premises. “Drug-related illegal activity” means the illegal manufacture, sale, distribution, purchase, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 or the Controlled Substance Act (21 U.S.C 802) or possession of drug paraphernalia.
- b) Resident, any member of the resident’s household or a guest or other person under the resident’s control shall not engage in any act intended to facilitate illegal activity, including drug-related illegal activity, on or near the said premises.
- c) Resident or members of the household will not permit the dwelling to be used for or to facilitate illegal activity, including drug-related illegal activity, regardless of whether the individual engaging in such activity is a member of the household.
- d) Resident or members of the household will not engage in the manufacture, sale or distribution of illegal drugs at any locations, whether on or near the dwelling unit premises or otherwise.
- e) Resident, any member of the resident’s household, or a guest or other person under the resident’s control shall not engage in acts of violence or threats of violence, including but not limited to the unlawful discharge of firearms, prostitution, criminal street gang activity, intimidation, or any other breach of the rental agreement that otherwise jeopardizes the health, safety or welfare of the landlord, his agents or tenants.
- f) VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE LEASE AND GOOD CAUSE FOR TERMINATION OF TENANCY. *A single violation of any of the provisions of this added addendum shall be deemed a serious violation and material non-compliance with the lease.*

**It is understood and agreed that a single violation shall be good cause for termination of Lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by the preponderance of evidence**

- g) In case of the conflict between the provisions of this addendum and any other provisions of the lease, the provisions of the addendum shall govern.
- h) This LEASE ADDENDUM is incorporated into the lease executed or renewed this day between Owner and Resident.

This Lease executed this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

Housing and Redevelopment Authority of St. Cloud

By: \_\_\_\_\_  
HRA Representative

**NOTE:** Resident should carry his/her own insurance on furniture and personal property (Renters Insurance).

**LEASE ADDENDUM**  
**Over-Income Resident or Family**

The Resident and all members of the Resident's family or household are parties to a written lease with the Landlord. This lease addendum states the following terms, conditions and rules which are hereby incorporated into the lease. A breach of this lease addendum shall give each party all the rights contained herein, as well as the rights in the Lease.

The St. Cloud HRA shall track all public housing residents who have an income over 120% of the Area Median Income (AMI) known as the over-income limit.

If, one (1) year after the initial determination by the St. Cloud HRA that a family's income exceeds the over-income limit and the family's income continues to exceed the over-income limit, the HRA must, as required by HUD regulation, provide written notification to the family that their income has exceeded the over-income limit for one (1) year. If the family's income continues to exceed the over-income limit for the next twelve (12) consecutive months, the family will be subject to either a higher rent or termination based on the HRA's policies.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
HRA

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

## **LEASE ADDENDUM SMOKE FREE POLICY**

The Resident and all members of the Resident's family or household are parties to a written lease with the Landlord. This lease addendum states the following terms, conditions and rules which are hereby incorporated into the lease. A breach of this lease addendum shall give each party all the rights contained herein, as well as the rights in the Lease.

**1. Purpose of No-Smoking Policy.** The parties desire to mitigate (i) the irritation and known health effects of secondhand smoke; (ii) the increased maintenance, cleaning, and redecorating costs from smoking; and (iii) the increased risk of fire from smoking.

**2. Definitions:**

**Smoking.** The term "smoking" means inhaling, exhaling, breathing, burning, vaping, carrying, or the use of possession of a lighted cigarette, lighted cigar, lighted pipe, electronic cigarette, lighted hookah, sage, or any other lighted tobacco product.

**Electronic Cigarette.** The term "electronic cigarette" means any electronic device that provides a vapor of liquid nicotine and/or other substances to the user as she or he simulates smoking. The term shall include such devices whether they are manufactured or referred to as e-cigarettes, e-cigars, e-pipes or under any product name.

**2. No-Smoking Building.** Resident agrees and acknowledges that the premises to be occupied by Resident and members of Resident's household have been designated as a no-smoking living environment. Resident and members of Resident's household shall not smoke anywhere in the apartment rented by Resident, or the building where the Resident's dwelling is located. Nor shall the Resident permit any guests or visitors under the control of the Resident to do so.

**4. Resident to Promote No-Smoking Policy and to Alert Landlord of Violations.** Resident shall inform Resident's guests of the no-smoking policy. Further, Resident shall promptly give Landlord a written statement of any incident where tobacco smoke is migrating into the Resident's unit from sources outside the Resident's apartment. Landlord shall take reasonable steps to enforce the no-smoking policy. Landlord is not required to take steps in response to smoking unless Landlord knows of said smoking or has been given written notice of said smoking.

**5. Landlord to Promote No-Smoking Policy.** Landlord shall post no-smoking signs at entrances and exits, common areas, hallways, and in conspicuous places on the grounds of the apartment building.

**6. Effect of Breach and Right to Terminate Lease.** A violation of this lease addendum shall give each party all the rights contained herein, as well as the rights in the Lease and the St. Cloud HRA Smoke Free Policy. A violation of this lease addendum shall be considered grounds for termination of the Lease.

**7. Disclaimer by Landlord.** Resident acknowledges that Landlord's adoption of a no-smoking policy and the efforts to designate the apartment building as no-smoking do not in any way change the standard of care that the Landlord would have to a Resident household to render the building as no-smoking any safer, more habitable, or improved in terms of air quality standards than any other apartment buildings. Landlord specifically disclaims any implied or express warranties that the building, common areas, or Resident's remises will have any higher or improved air quality standards than any other apartment buildings. Landlord cannot and does not warranty or promise that the apartment and common areas will be free from secondhand smoke. Resident acknowledges that Landlord's ability to police, monitor, or enforce the agreements in this lease addendum is dependent in significant part on voluntary compliance by Resident and Resident's guests. Landlord shall take reasonable steps to enforce the no-smoking policy. Landlord is not required to take steps in response to smoking unless Landlord knows of said smoking or has been given written notice of said smoking. Residents with respiratory ailments, allergies, or any other physical or mental condition relating to smoke are put on notice that Landlord does not assume any higher duty of care to enforce this lease addendum than any other landlord obligation under the Lease.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
HRA

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

**LEASE ADDENDUM**

**VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005**

|        |          |                    |
|--------|----------|--------------------|
| TENANT | LANDLORD | UNIT NO. & ADDRESS |
|--------|----------|--------------------|

This lease addendum adds the following paragraphs to the Lease between the above referenced Tenant and Landlord.

**Purpose of the Addendum**

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

**Conflicts with Other Provisions of the Lease**

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

**Term of the Lease Addendum**

The effective date of this Lease Addendum is \_\_\_\_\_. This Lease Addendum shall continue to be in effect until the Lease is terminated.

**VAWA Protections**

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

\_\_\_\_\_  
Tenant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Date



## **LEASE ADDENDUM FOR INTEGRATED PEST MANAGEMENT POLICY AND TREATMENT**

The Landlord will take prompt action to remove (exterminate) pests from the premises, but in order to make the Landlord's efforts successful, it is critical that the Resident promptly remove personal property that the Landlord determines are infested.

Residents are required to immediately notify the Landlord of bedbugs, cockroaches or other pests found in their unit or in common areas. Landlord will take action to remove pests in individual units or common areas. In some instances, the Landlord has standard pest control practices. In other instances, the Landlord may pursue strategies recommended by vendors or consultants. In all instances, management's decision on the approach to address the pest problem shall be final and unreviewable.

Residents must not bring items onto the premises (including but not limited to upholstered furniture, bed frames, mattresses or bedding) without first insuring that they are free of bedbugs and other pests. Residents are discouraged from bringing items onto the premises which have been purchased second hand, from thrift shops or which are being given away. Such items must be checked carefully for bedbugs and other pests before being brought onto the premises. Because you may be required to discard infested furniture, we encourage you to consider using furniture that is not susceptible to infestation.

Residents must maintain their units so as to discourage pests. This includes eliminating cockroach and bed bug habitats such as clutter and garbage; removing access to food and water for cockroaches; and keeping food items tightly covered.

In the event of an infestation, the Resident must cooperate with Landlord by allowing reasonable access for inspections or re-inspections. Resident must prepare the unit for treatment and comply with Landlord's instructions on how to prepare the unit. Resident must dispose of property that is infested or which may serve as a home for pests. Resident will not be reimbursed for the value of property which is disposed, nor will landlord be responsible for the cost of replacement property, or for damages of any kind incurred or claimed as a result of the disposition of property required by Landlord. Landlord's decision on whether the property must be disposed shall be final, binding and not subject to review. Failure to cooperate is grounds for termination of the Lease.

When infested personal property is removed, Resident may not return the property to the premises unless the Resident makes suitable arrangements to render the property pest-free to the satisfaction of the Landlord.

Residents may not treat their units or common areas with pesticides. The use of pesticides on the premises by the Resident is a serious violation of the Lease and grounds for termination.

Please refer to the Integrated Pest Management Policy and Treatment for further information.

Dated: \_\_\_\_\_

\_\_\_\_\_  
HRA

Dated: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room**

**Wednesday, February 23, 2022**  
*Immediately following 5:00 p.m. Study Session*

|   |
|---|
| <b>STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room</b><br><b>AGENDA: Discussion on Public Housing Lease Enforcement</b> |
|---|

**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 Annual Minutes, January 26, 2022. REQUESTED ACTION: Approve.
4. Approval of Regular Minutes, January 26, 2022. 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:**

5. Approval of Contract to Build a New Home at 418 Wilson Ave SE in St. Cloud.
6. PY 2022 CDBG Presentation.
7. Report on Activities.



**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY  
ANNUAL MEETING**

**Wednesday, January 26, 2022**

The annual meeting of the St. Cloud HRA was held on Wednesday, January 26, 2022. Chair Nancy Gohman called the meeting to order at 5:19 p.m. after a Study Session had adjourned. She presided over the meeting from the St. Cloud HRA Boardroom, 1225 West St. Germain Street. The regular meeting followed immediately.

1. Roll Call and Pledge of Allegiance: Commissioners present: Mike Conway, Seal Dwyer, Nancy Gohman, and George Hontos. Pledge of Allegiance was spoken.

Chair Gohman introduced board member, John Dvorak, who was appointed to the Board on January 10, 2022. Commissioner Dvorak joined the meeting via Zoom but did not vote on any of the items.

2. Approval of Agenda – Agenda approved as presented.

3. Election of Board Officers for 2022: Commissioner Hontos moved for Commissioner Gohman to remain as Chair; Commissioner Dwyer seconded the motion. All Commissioners voted in favor. The motion carried.

Commissioner Hontos moved for Commissioner Dwyer to be elected as Vice Chair; Commissioner Conway seconded the motion. All Commissioners voted in favor. The motion carried.

Commissioner Dwyer moved for Commissioner Hontos to remain as Secretary; Commissioner Gohman seconded the motion. All Commissioners voted in favor. The motion carried.

4. Review and Approval of Professional Responsibilities and the Code of Professional Conduct and Ethics for Commissioners: Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion. All Commissioners voted in favor. The motion carried.

5. Designation of committees:

Committee of the Whole: Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion. All Commissioners voted in favor. The motion carried.

Audit Committee: Commissioners Conway, Dwyer, and Gohman serve on this committee.

Commissioners Conway, Dwyer, and Gohman stated they would stay. Commissioner Hontos moved the motion. Commissioner Gohman seconded the motion. All Commissioners voted in favor.

Personnel Committee: Commissioners Dwyer, Goerger, and Jacobson serve on this committee.

Commissioner Dwyer stated she would stay; Commissioner Dvorak stated he would like to serve; Commissioner Conway made a motion for Dwyer, Dvorak, and Jacobson; Commissioner Hontos seconded the motion. All Commissioners voted in favor. The motion carried.

6. Designation of Official Newspaper – Commissioner Hontos moved to continue with the St. Cloud Times as the HRA's official newspaper; Commissioner Dwyer seconded the motion. All Commissioners voted in favor. The motion carried.

7. Designation of Official Depository – Commissioner Dwyer moved to continue using Liberty Bank Minnesota as the HRA’s official depository; Commissioner Conway seconded the motion. All Commissioners voted in favor. The motion carried.

8. Designation of Legal Representation – Commissioner Dwyer moved to continue using Rinke Noonan; Commissioner Hontos seconded the motion. All Commissioners voted in favor. The motion carried.

9. Designation of Auditors – The Board already approved Redpath and Company, LTD as the HRA auditor; however, it must also be designated each year at the annual meeting. Commissioner Dwyer moved for approval; Commissioner Conway seconded the motion. All Commissioners voted in favor. The motion carried.

10. Set Commissioner Compensation for 2022 – Chair Gohman and Commissioner Hontos provided background of this decision to the new commissioners. Commissioner Hontos moved for the compensation to remain at the rate of \$75.00 per meeting as allowed by statute; Commissioner Dwyer seconded the motion. All Commissioners voted in favor. The motion carrier.

11. Meeting Dates and Times – Chair Gohman asked if anyone had any changes or objections to the proposed schedule; there being none, Commissioner Hontos moved for approval; Commissioner Dwyer seconded the motion. All Commissioners were in favor of dates and times proposed for the 4<sup>th</sup> Wednesday of each month with the following exceptions: November up one week to November 16, 2022; December up one week to December 14, 2022. All Commissioners voted in favor. The motion carried.

12. Annual Reports for 2021 – Ms. Reis referred to page 7 of the packet with a chart showing that the St. Cloud HRA has been a high performer since 2002 in both Section 8 and Public Housing. She stated that due to COVID-19, the 2020 scores of 100 in SEMAP and 95 in PHAS would remain. Chair Gohman commended the staff on the achievement of the high scores.

Ms. Reis then moved on to a graph displaying the waitlist applicants. She noted the HRA has seen an increase in applications from the previous year. Commissioner Dwyer asked if the agency is getting closer to opening up the Section 8 voucher applications. Housing Choice Vouchers Programs Manager Lori Lygre responded that the HRA will be reevaluating opening applications in the first quarter of 2022.

Ms. Lygre began by highlighting the Veterans Affairs Supportive Housing (VASH) Vouchers. She noted the HRA was selected as one of two housing authorities in the country to participate in a HUD-VASH Continuum Pilot Program. This program serves homeless veterans with other than dishonorable discharge who are not eligible for VA services. This program has now been rolled into the regular VASH vouchers. At the end of 2021, 61 out of 75 VASH vouchers were under lease.

Ms. Lygre then moved to the Emergency Housing Vouchers (EHV) to discuss the 48 EHV’s the HRA was awarded in July 2021. The HRA has a partnership with the Central Minnesota Continuum of Care (CoC), Stearns County Human Services, Anna Marie’s Alliance, Terebinth, and Lutheran Social Services Savings Grace for the administration of EHV’s. At the end of 2021, 23 of 48 EHV’s were under lease.

On page 15, Ms. Lygre pointed to the Incentive Payments for New Landlords. The CARES Act allowed for the HRA to make incentive payments to new landlords to increase participation in the HCV Program. Landlords who had not had a participating unit in the HCV Program since April 1, 2018 were eligible for a one-time incentive payment based on the number of bedrooms in their rental unit. In 2021, 9 payments totaling \$10,500 were made to new landlords. Ms. Lygre noted that in addition to paying incentive payments, the HRA used CARES Act funds to make retention payments to existing landlords. The HRA

paid \$199 per unit with a qualifying voucher under lease during May 2021. As of December 29, 2021, the HRA made 262 payments totaling \$219,099.

The final section Ms. Lygre addressed was Bridges Region 7E. Bridges Region 7E was formerly administered by the Mora HRA. The Mora HRA did not apply to renew their Bridges Grant for the Biennium July 1, 2021 through June 30, 2023. Minnesota Housing asked the HRA to administer the rental assistance dollars from September 1, 2021 through June 30, 2023. The grants serve 21 households. Commissioners.

Ms. Reis continued with the Property Management and Rental Programs section. She noted the overall vacancy rate for 2021 was 1.16% versus 2.05% in 2020. She noted the Public Housing vacancy rate for 2021 was 1.62% versus the vacancy rate of 1.31% in 2020, attributing the slight increase due to the Empire fire. Ms. Reis noted many people were still not moving due to COVID-19, but vacancies were a bit harder to fill in 2021.

Ms. Reis provided a brief update to the Empire fire, noting there were roughly 25 units initially affected due to water damage. Eleven of the units are completed and the remaining units are in progress and tracking to be completed by the end of February.

Paul Soenneker, Project Manager, began with the capital improvement projects over \$25,000, noting the board had approved the items during 2021. He then moved to the CDBG Single Family Loan Program and said there were 10 projects completed and 6 that were started and still in progress. Under the St. Cloud Fix-Up Loan Program, the HRA provided 3 loans in 2021. Six loans were issued under the MN Housing Rehab Loan Program, with 4 applicants on the waiting list.

Chair Gohman thanked staff members for the reports and the work done by the agency. There being no further discussion, Chair Gohman adjourned the annual meeting at 6:08 p.m. The annual meeting moved immediately into the regular meeting.

ATTEST:

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Chair, Nancy Gohman

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Secretary, George Hontos

**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES**

**Wednesday, January 26, 2022**

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, January 26, 2022, St. Cloud HRA, 1225 West St. Germain Street, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 6:08 p.m.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken. Commissioners present: Mike Conway, Seal Dwyer, Nancy Gohman, George Hontos, and Hani Jacobson. Commissioner Dvorak joined the meeting via Zoom but did not vote on any of the items.
2. Approval of Agenda – Commissioner Dwyer moved for approval; Commissioner Hontos seconded the motion. All present board members voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, December 15, 2021 – approved as presented.
4. Approval of Regular Minutes, December 15, 2021 – approved as presented.
5. Approval of Purchase of New Maintenance Vehicle – contract approved for new 2022 maintenance vehicle for the St. Cloud HRA in the amount of \$26,100.00 from Schwieters in Cold Spring.

Open Forum: Chair Gohman asked Louise Reis, Executive Director, if any member of the public had requested to speak; Ms. Reis responded where were none.

Old Business: none.

New Business:

6. Approval of Resolution 2022-01 – Approval of Section 8 Management Assessment Program (SEMAP) Certification – Ms. Reis clarified this is the annual certification for the Housing Choice Voucher Program and said the HRA is required by HUD regulations to process and have board approval for performance measures on key areas of the Section 8 Housing Choice Voucher Program. Commissioner Conway moved for approval; Commissioner Dwyer seconded the motion. All present board members voted in favor. The motion carried.
7. Review of Progress on Goals 2020-2025 – Ms. Reis presented the ongoing goals and provided updates to accomplishments and updates from 2021. Commissioner Hontos questioned whether or not the goals should be reevaluated and updated. Ms. Reis responded that COVID-19 has impacted some of the goals and while they may appear stagnant, they will be progressing in 2022. Chair Gohman confirmed no action required on the agenda item.



8. Approval of Recommendation from Personnel Committee as Relating to the Annual Performance Review of the Executive Director for 2021 – Personnel Committee Chair, Seal Dwyer, stated the full Board met with the Personnel Committee at 5:00 p.m. for discussion.

Ms. Dwyer read the following motion decided at the meeting: *The Personnel Committee of the St. Cloud HRA has conducted a performance review of the Executive Director Louise Reis and through the process of evaluation has determined that the Executive Director has achieved the stated goals and has conducted her business successfully. We recommend to the full Board accepting this performance evaluation along with the new goals for the coming year and the salary adjustment of 6% effective December 27, 2021.* Commissioner Hontos moved for approval; Commissioner Conway seconded the motion. All Commissioner voted in favor. The motion carried.

9. Report on Activities – Ms. Reis noted the annual audit had started with file testing and other preliminary procedures were done and the rest of the audit will start March 14. Ms. Reis continued by saying the Westwood Village Apartments One was approved for a Project Based Assistance Contract on April 1, 2002 and the current contract will end on March 31, 2022 due to the 20-year limit by the Department of Housing and Urban Development. The contact had 8 slots for project-based assistance, but the HRA will end the project-based assistance for 4 slots following the HUD regulations and issue those residents regular vouchers. The other 4 slots will continue as project-based assistance slots due to the commitment to Minnesota Housing to provide 4 slots under the Minnesota Families Affordable Rental Investment Fund program. The property will continue to accept regular Housing Choice Vouchers.

There being no further business, the meeting adjourned at 6:38 p.m.

ATTEST:

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Chair, Nancy Gohman

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Secretary, George Hontos

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: February 14, 2022

SUBJECT: Approval of Contract to Build a New Home at 418 Wilson Ave. SE. in St. Cloud

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**Requested Action:** Approve the contract with Brand Built Homes, Inc. in the amount of \$364,450.00 to build a new single-family home at 418 Wilson Ave. SE. in St. Cloud.

**Background:** The St. Cloud HRA purchased a blighted property located at 418 Wilson Ave. SE. in St. Cloud. The house and garages that were located on the property were demolished in 2020. The HRA wishes to build a new five-bedroom rambler with basement. The home will have a main floor laundry, three bathrooms and an attached two car garage. The main level of the home will be ADA accessible. Total finished square footage of the two levels will be 2,470. Energy Star systems will be utilized in the home where possible. It is the intent of the HRA to build a home that complements the existing general neighborhood aesthetics. The HRA intends to apply for a rental license for this home in the near future.

We solicited bids from 13 contractors. The invitation for bids was placed on the HRA website and advertised in the St. Cloud Times. Three contractors submitted bids by the due date and time.

#### **Bid**

|  |              |
|--|--------------|
| Berscheid Builders, LLC<br>25 86 <sup>th</sup> St. NW.<br>Rice, MN 56367     | \$449,861.00 |
| Brand Built Homes, Inc.<br>5879 Co. Rd. 136<br>St. Cloud, MN 56301           | \$364,450.00 |
| Kue Contractors, Inc.<br>130 Central Ave. S. PO Box 408<br>Watkins, MN 55389 | \$427,366.00 |

I believe the low bid we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Brand Built Homes, Inc. for the sum of \$364,450.00.

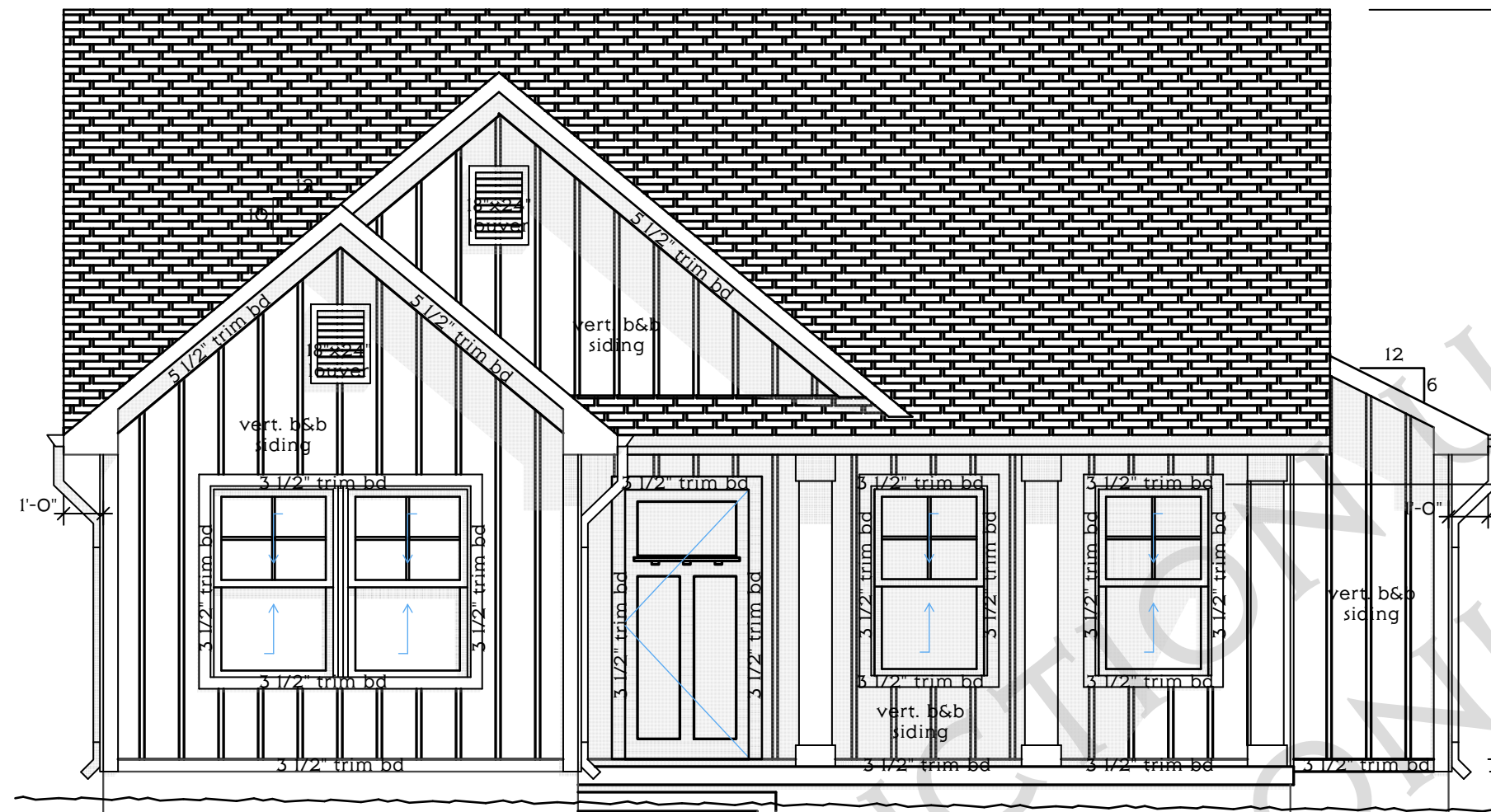
**Frequency of Request:** Once

**Related Actions:** None

**Future Action:** Approval of loan from the Community Housing Fund.

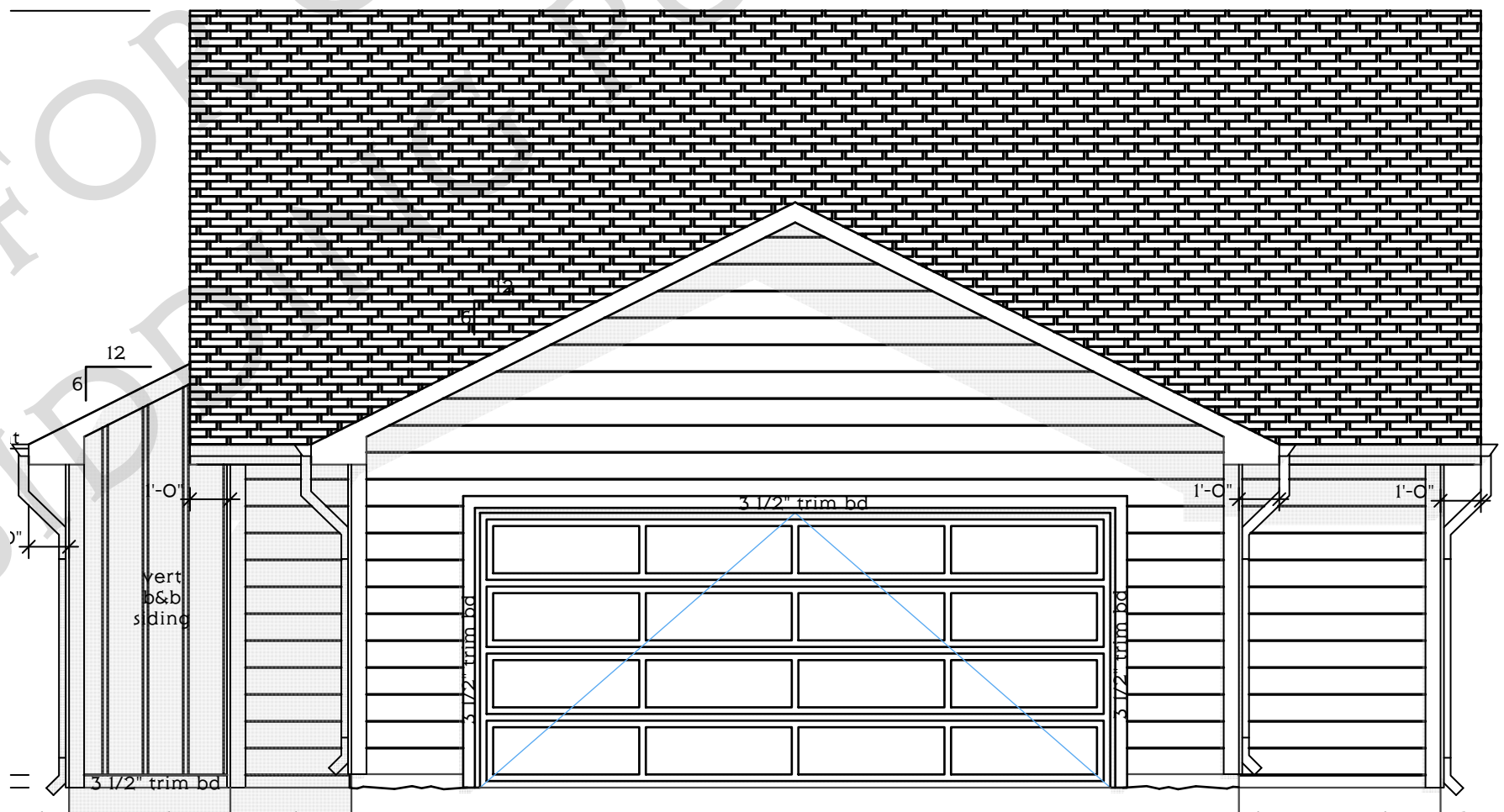
**Relationship to Goals:** Goal #2 St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

**Budget Impacts:** This item will be primarily funded by the Neighborhood Stabilization Program (NSP) from MN Housing. MN Housing awarded the HRA an additional \$225,000 to build this house. The HRA has approximately \$55,000 in program income and remaining administrative fee income, for a grand total of \$280,000 of construction costs which will be paid with NSP funds. The difference of approximately \$85,000 will be funded through a loan from the HRA's Community Housing Fund.



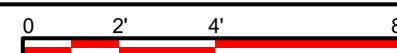
West Elevation

SCALE: 1/4" = 1'-0"



East Elevation

SCALE: 1/4" = 1'-0"



DISCLAIMER:

The plans furnished by ADS Designs were prepared by a draftsman/designer who is not a registered architect or professional engineer and are for informational purposes only. ADS Designs makes no warranties what so ever either expressed or implied as a merchantability or fitness for a particular purpose and places any user(s). The selection of correct structural materials and the application of architectural principals is a precise art. The responsibility for which rests solely on the builder, the owner or the user of these plans.

MEMBERS OF:



New Home Designs for:

built for:  
418 Wilson Ave  
St Cloud, MN

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PROJECT NO:  
SQ FT:  
DRAWN BY: ADS  
CHK'D BY: ADS  
COPYRIGHT

PLAN DATE: 10-08-21

SHEET TITLE:  
EAST/WEST ELEVATION

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**MEMBERS OF:**



New Home Designs for:  
built for:  
418 Wilson Ave  
St Cloud, MN

| REV | DATE | DESCRIPTION |
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PROJECT NO:

SQ FT:

DRAWN BY: ADS

CHK'D BY: ADS

COPYRIGHT

PLAN DATE: 10-08-21

SHEET TITLE:

NORTH/SOUTH ELEVATION

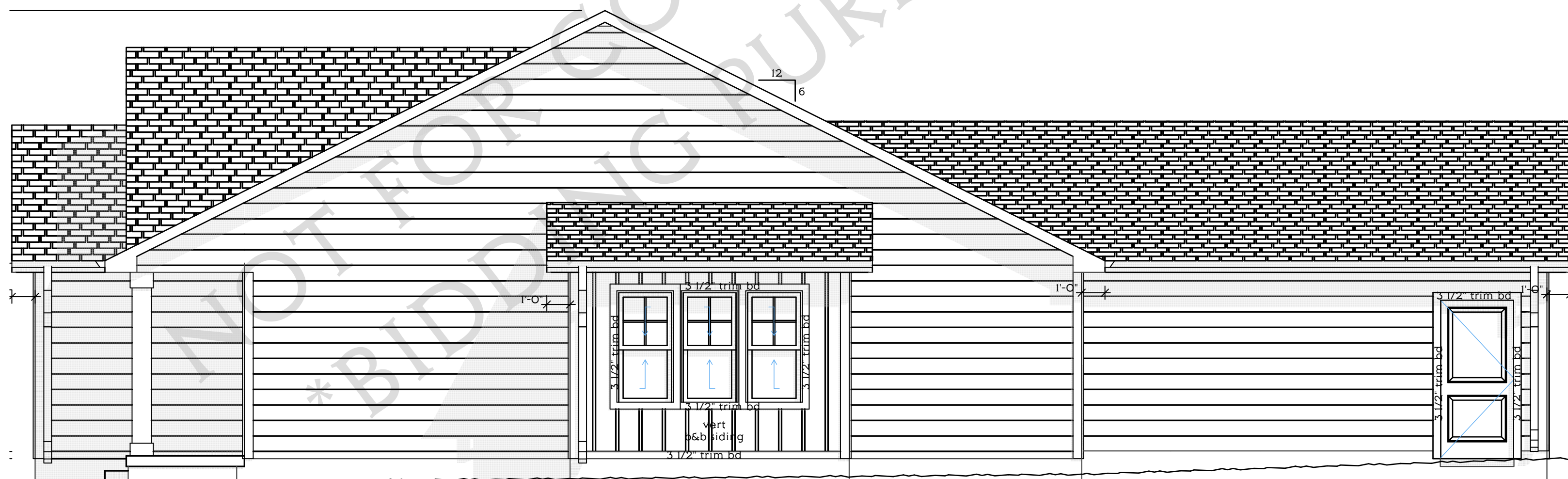
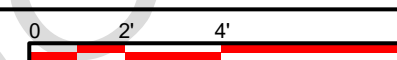
**A-202**

SHEET 7 OF 6



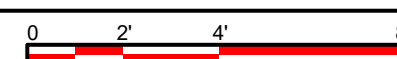
North Elevation

SCALE: 1/4" = 1'-0"



South Elevation

SCALE: 1/4" = 1'-0"





built for:  
418 Wilson Ave  
St Cloud, MN

[illegible]

PROJECT NO:

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DRAWN BY: ADS

CHK'D BY: ADS

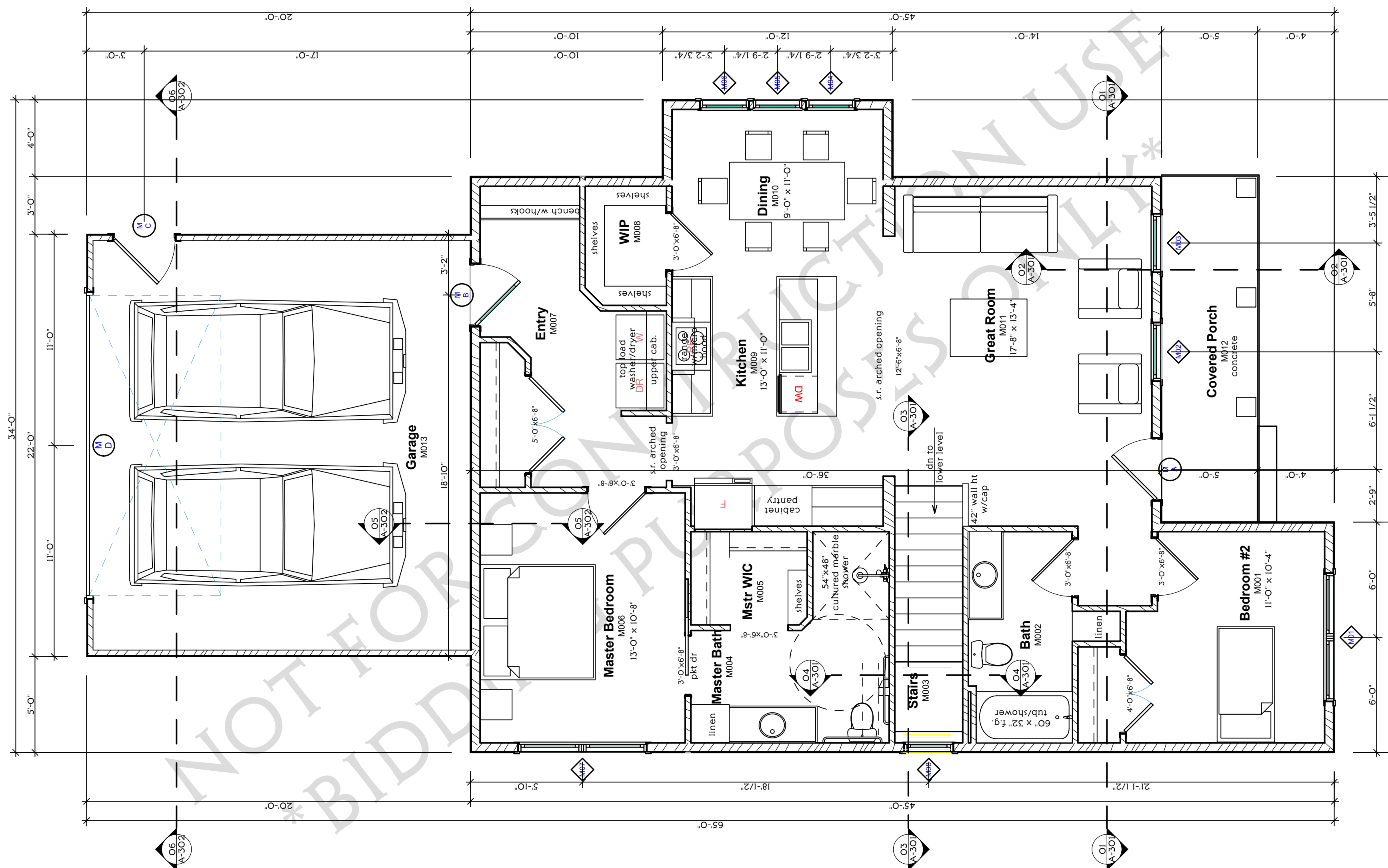
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PLAN DATE: 10-08-21

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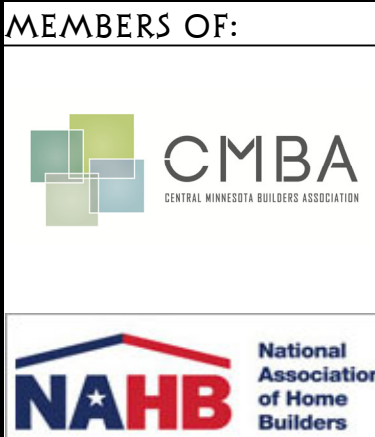
### MAIN LEVEL PLAN

A-103



**DISCLAIMER:**

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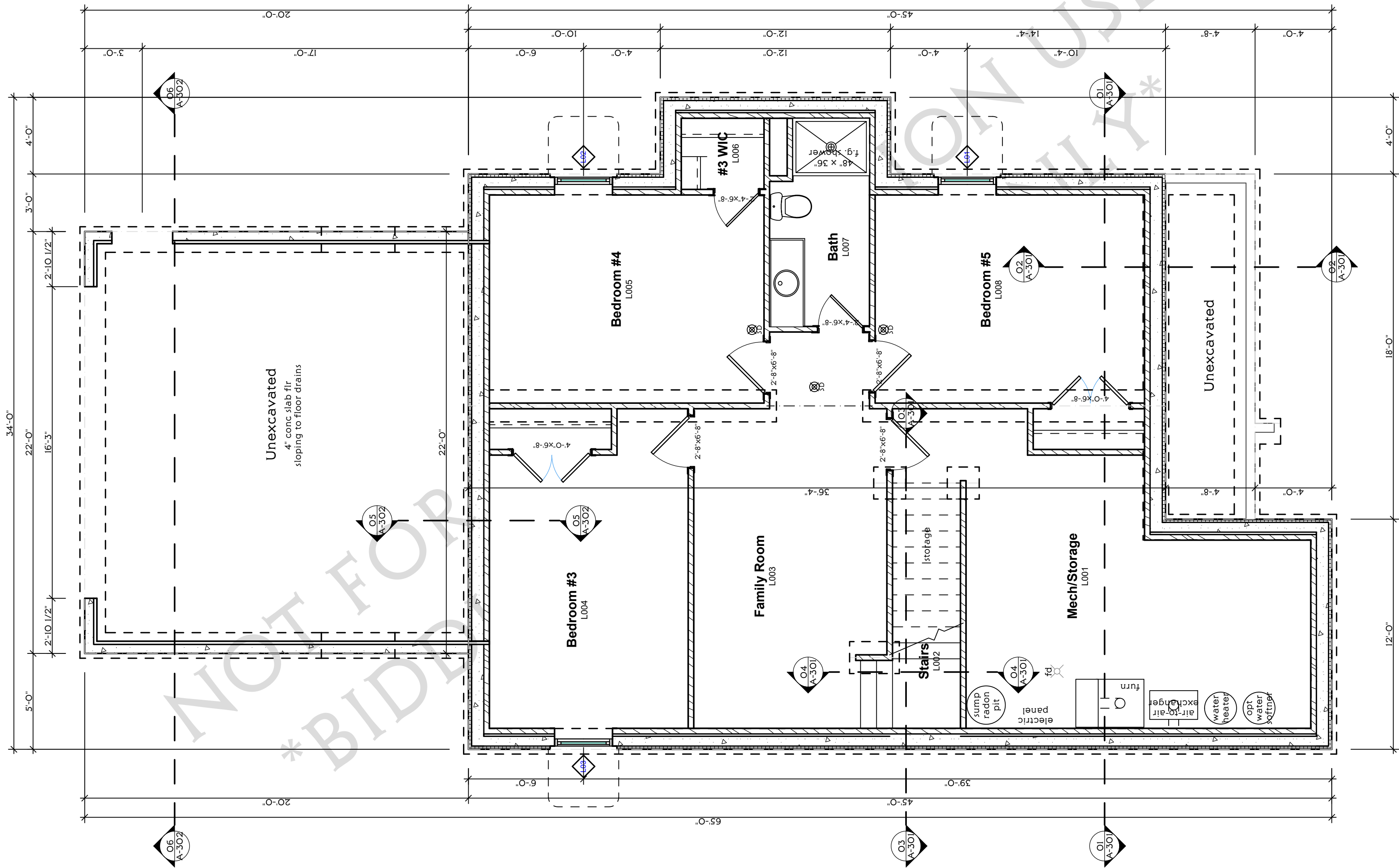


New Home Designs for:  
built for:  
418 Wilson Ave  
St Cloud, MN

| REV | DATE | DESCRIPTION |
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PROJECT NO:  
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DRAWN BY: ADS  
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PLAN DATE: 10-08-21

SHEET TITLE:  
LOWER LEVEL PLAN



TO: St. Cloud HRA Board of Commissioners  
FROM: Paul Soenneker, Project Manager  
DATE: February 14, 2022  
SUBJECT: PY 2022 CDBG Presentation

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**Requested Action:** Information for discussion only.

**Background:** The St. Cloud HRA applies every year for Community Development Block Grant (CDBG) monies for the Single Family Rehab Program that we administer. Staff will share the PowerPoint that was presented to the Planning Commission.

**Frequency of Request:** One time.

**Related Actions:** None.

**Future Action:** To be determined.

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

**Budget Impact:** n/a



# CDBG SINGLE FAMILY HOUSING REHABILITATION LOAN PROGRAM

St. Cloud Housing and Redevelopment Authority

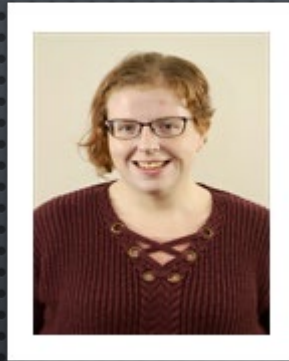
TO ENHANCE THE COMMUNITIES WE SERVE BY PROVIDING HOUSING  
OPPORTUNITIES, FOSTERING STABILITY, AND PROMOTING NEIGHBORHOOD  
REVITALIZATION



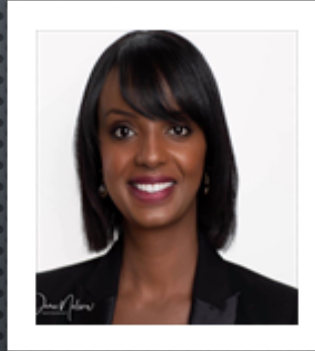
# BOARD OF COMMISSIONERS



Mike Conway



Seal Dwyer



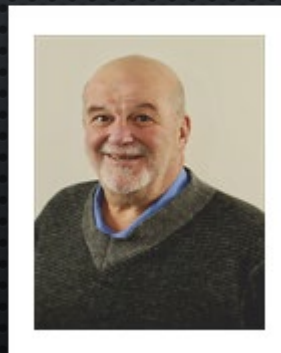
Hani Jacobson



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Chair



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Vice Chair



George Hontos  
Secretary



# CDBG SINGLE FAMILY HOUSING REHABILITATION LOAN PROGRAM

- PRIMARY OBJECTIVE IS FOR HEALTH, SAFETY AND WEATHERIZATION ISSUES FOR HOMES IN THE CITY OF ST. CLOUD
- \$25,000 MAXIMUM LOAN AMOUNT
- 30 YEAR DEFERRED LOAN; 0% INTEREST, REPAYABLE AT THE TIME OF SALE, REFINANCE, CEASING TO BE OWNER'S PRIMARY RESIDENCE OR AT THE END OF 30 YEARS



# 2020 AND 2021 PROGRAM COSTS

|   | 2020 |                | 2021 |                |
|---|------|----------------|------|----------------|
| Salaries, benefits, and mileage for program staff | \$   | 14,807 4.0%    | \$   | 17,057 6.9%    |
| Legal   |      | 843 0.2%       |      | - 0.0%         |
| Audit   |      | 1,096 0.3%     |      | 1,129 0.5%     |
| Spec-writing and mapping software license fees    |      | 850 0.2%       |      | 1,348 0.5%     |
| Title and recording fees                          |      | 1,723 0.5%     |      | 1,450 0.6%     |
| Lead-based paint fees                             |      | 6,060 1.6%     |      | 4,570 1.8%     |
| Payments to contractors for rehabs                |      | 348,098 93.2%  |      | 221,671 89.7%  |
|   | \$   | <u>373,477</u> | \$   | <u>247,225</u> |

The HRA does not charge this program for any of the time spent by the Finance Department or Executive Director on the program. The HRA also does not charge any overhead for program staff.



# LOAN ELIGIBILITY

- MUST BE AT OR BELOW 80% AREA MEDIAN INCOME
- MUST HAVE \$50,000 OR LESS IN LIQUID ASSETS
- MUST BE UP TO DATE ON ALL MORTGAGE AND PROPERTY TAXES
- LOAN TO VALUE MUST BE 110% OR LESS
- PROPERTY REQUIRES A LEAD BASED PAINT TEST AND ALL LEAD HAZARDS REMEDIATED AS PART OF THE LOAN



# 2021 INCOME GUIDELINES

2022 INCOME LIMITS DUE IN APRIL

| Family Size | 80% Area wide Median Income |
|-------------|-----------------------------|
| 1           | \$44,250                    |
| 2           | \$50,600                    |
| 3           | \$56,900                    |
| 4           | \$63,200                    |
| 5           | \$68,300                    |

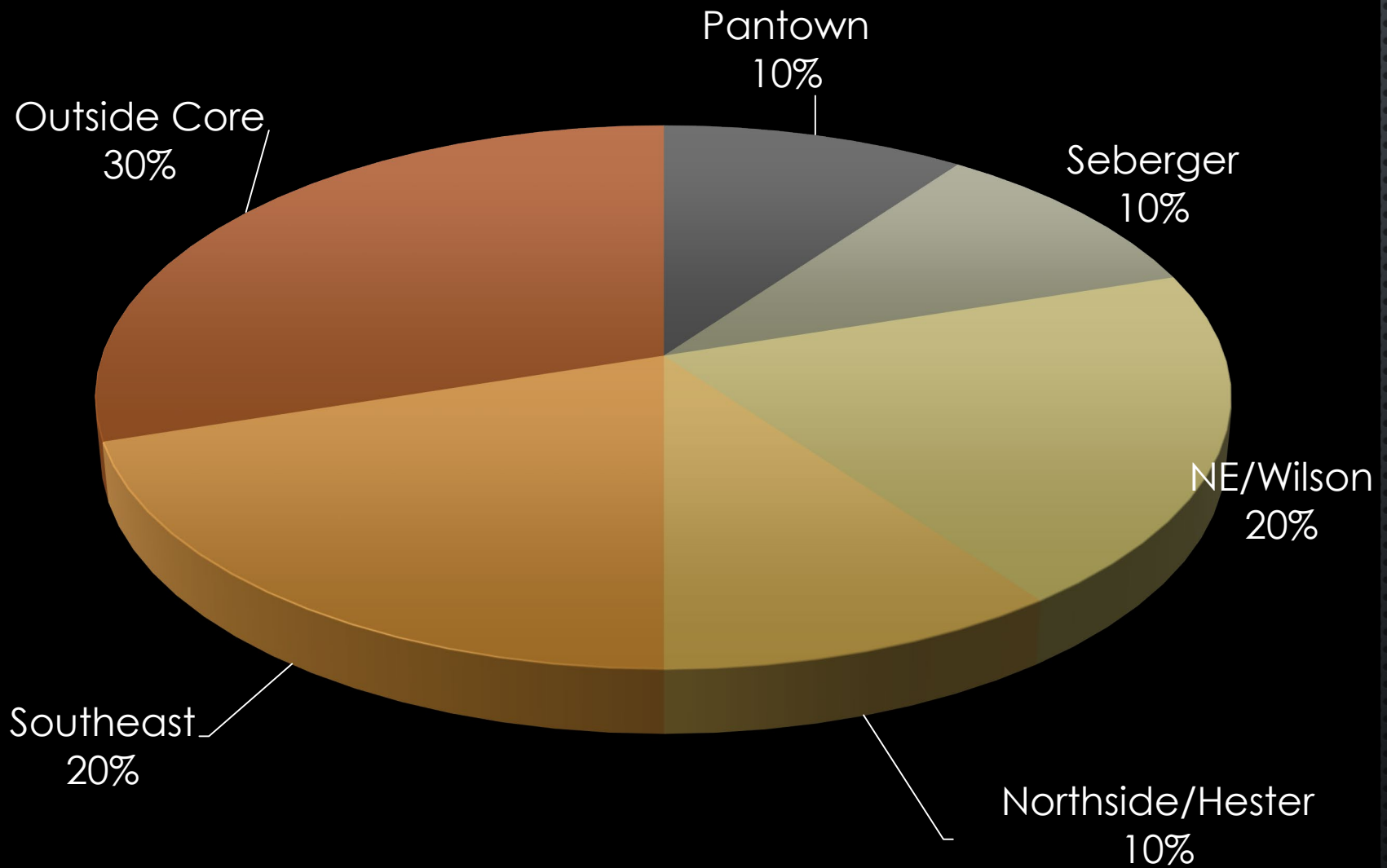


# CDBG IMPACT

- MITIGATED LEAD HAZARDS IN MANY ST. CLOUD HOMES
  - APPROXIMATELY 75% OF HOMES ASSISTED SINCE 2000 HAVE HAD HAZARDOUS LEVELS OF LEAD
- PROVIDES CONSTRUCTION PROJECTS TO LOCAL CONTRACTORS AND MATERIALS SUPPLIERS
- WORKED ON 17 LOANS IN 2021
  - 10 LOANS WERE COMPLETED IN THE CALENDAR YEAR
  - 7 LOANS CURRENTLY IN PROGRESS

THE COVID-19 PANDEMIC HAS HAD A LARGE IMPACT ON COMPLETING HOME REHAB LOANS. BUILDING SUPPLY ISSUES, ILLNESS AND THE HOMEOWNERS UNCOMFORTABLE WITH PEOPLE IN THEIR HOMES HAVE ALL PLAYED A LARGE ROLE IN THE ABILITY TO COMPLETE THE WORK.

## 2021 Neighborhoods Assisted





# MAKING A DIFFERENCE

- Approximately \$222,000 was spent on CDBG Rehab Loans in 2021
- A comprehensive scope of work is prepared by the St. Cloud HRA Project manager after inspection.

## Most common Repairs:

- Windows – including lead hazards
- Doors
- Roof
- Electrical Updates
- Siding



## DEMOGRAPHIC INFORMATION FOR HOMES ASSISTED IN 2021

- Average age of home was 71 years
- Average annual income of Homeowners was \$31,304
- Average Loan amount was \$21,399
- 50% of homes were households 55+
- Average value of home pre-rehab \$120,310
- Average minority households served is 11% over the past 5 years



# TESTIMONIALS

*In April of 2021 I applied for the Home Rehabilitation Loan with HRA of St. Cloud, MN. Once my name was first and the process started, I was very pleased with the schedule they setup for me. They had their representative walk through my house with me marking down all the items I wanted worked on. The list was sent back in a timely manner for my approval. Three companies were scheduled to come to my house and review the items and come up with a bid. I was able to choose the company I wanted and sign a contract. Due to reason beyond anyone's control the work started late but was finished before Christmas 2021. I was very happy with the work done and I gave my approval for payment. I would recommend HRA to anyone that wanted to take advantage of this program. Everyone I worked with at HRA was very knowledgeable and pleasant to work with.*

*- Northside Homeowner*

*Being on a fixed income, every little bit helps. HRA has helped us when we needed it most. Our furnace broke down as winter was coming, HRA got us a new one in a matter of days! The staff has been great to work with. It's so helpful knowing there is a place like HRA to call in a time of need.*

*-Southeast side Homeowner*



# BEFORE AND AFTER PHOTOS



Before



After



# BEFORE AND AFTER PHOTOS



Before



After



# BEFORE AND AFTER PHOTOS



Before



After



# BEFORE AND AFTER PHOTOS

Before



Accessibility

After





# BEFORE AND AFTER PHOTOS



Before



After



THANK YOU

PAUL SOENNEKER

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TO: HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: February 16, 2022

SUBJECT: Report on Activities

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**Subsidized Housing in St. Cloud:** At an earlier board meeting, the question was asked about other subsidized housing units in St. Cloud. Here are the properties that have a rental assistance contract with the Department of HUD; La Paz Community, Parkview Terrace, Quarry Heights, Wimbledon Green, Woodland Park, Benet Place, Benet Place South and Cedar Terrace.

**Emergency Housing Vouchers:** In July of 2021, we received 48 Emergency Housing Vouchers. As of January 31, 2022, there are 26 under lease. The remaining vouchers have been issued and voucher holders are searching for housing.

**Housing Choice Voucher Program:** During the month of January 2022, there were two housing choice vouchers released. One of the vouchers were voluntary released, and one for Zero HAP. None of the voucher holders were over the age of 62.

As of January 31, 2022 – 109 Port In vouchers and 41 Port Out vouchers.

**CDBG Update:**

For the homeowner rehab program:

- 5 in construction
- 1 in lead testing
- 1 in file review
- 5 on waiting list

## Housing Department Vacancy Report – For the Month Ending January 31, 2022

| <b>Fund: Public Housing – 291 Units</b> |                   |                     |                                       |
|---|-------------------|---------------------|---------------------------------------|
|   |                   | Yearly              | Vacant                                |
| <u>Complex</u>                          | <u># of units</u> | <u>Vacancy Rate</u> | <u>01/31/22</u>                       |
| Empire                                  | 89                | 10.8%               | 9 * fire repairs, starting to re-rent |
| Wilson                                  | 126               | 1.10%               | 1                                     |
| Scattered Sites                         | 76                | 0.00%               | 0                                     |

| <b>Fund: Section 8 New Construction – 162 Units</b> |                   |                     |                 |
|---|-------------------|---------------------|-----------------|
|   |                   | Yearly              | Vacant          |
| <u>Complex</u>                                      | <u># of units</u> | <u>Vacancy Rate</u> | <u>01/31/22</u> |
| Germain   | 60                | 0.00%               | 0               |
| Grace/NWB   | 102               | 1.96%               | 2               |

| <b>Fund: Tax Credit – 249 Units</b> |                   |                     |                             |
|-------------------------------------|-------------------|---------------------|-----------------------------|
|                                     |                   | Yearly              | Vacant                      |
| <u>Complex</u>                      | <u># of units</u> | <u>Vacancy Rate</u> | <u>01/31/22</u>             |
| Creeks                              | 24                | 0.00%               | 0                           |
| Brownstones                         | 12                | 8.33%               | 1                           |
| Swisshelm One                       | 32                | 0.00%               | 0                           |
| Westwood One                        | 32                | 3.13%               | 1                           |
| Swisshelm Two                       | 32                | 0.00%               | 0                           |
| Westwood Two                        | 32                | 8.33%               | 1                           |
| Riverside                           | 85                | 4.25%               | 3 – one rented February 1st |

| <b>Fund: Affordable Housing – 79 Units</b> |                   |                     |                             |
|--|-------------------|---------------------|-----------------------------|
|  |                   | Yearly              | Vacant                      |
| <u>Complex</u>                             | <u># of units</u> | <u>Vacancy Rate</u> | <u>01/31/22</u>             |
| Eastwood                                   | 18                | 5.56%               | 1                           |
| Loehr                                      | 61                | 4.28%               | 2 – one rented February 1st |