

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: March 15, 2022

SUBJECT: Discussion on Housing Trust Fund

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**Requested Action:** Discussion on Housing Trust Fund

**Background:** In October of 2018, the HRA Board of Commissioners were presented with information on Housing Trust Funds. The establishment of Housing Trust Funds was put on hold. During the 2021 legislative session funding was passed to match locally raised dollars used to establish local housing trust funds. For new commissioners, Housing Trust Funds (HTFs) are created when ongoing, dedicated sources of public funds are committed by ordinance or legislation to support the production and preservation of affordable housing for lower income households. HTFs are established by elected government bodies. They dedicate revenues to a distinct fund that is used to address housing needs.

We have been approached by the Stearns County HRA on a possible partnership with the St. Cloud HRA for a Housing Trust Fund that would cover Stearns County to include the City of St. Cloud. I have attached a portion of the PowerPoint that was shared with the Stearns County Commissioners on what is a housing trust fund and how it works.

The Stearns County HRA Executive Director will be joining us at the study session to share thoughts on how we can partner to create and sustain a housing trust fund.

**Frequency of Request:** One time.

**Related Actions:** None

**Future Action:** None at this time.

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

**Budget Impact:** Unknown at this time.

# What is a Local Housing Trust Fund?

Housing Trust Funds (HTFs) are **established by elected government bodies** at the city, county, or state level

They **dedicate public revenues** to a **distinct fund** that is used to **address housing needs**



# Minn Stat Section 462C.16

## 462C.16 HOUSING TRUST FUNDS FOR LOCAL HOUSING DEVELOPMENT.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given to them.

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Subd. 2. **Creation and administration.** (a) A local government may establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund.

(b) A local or regional housing trust fund may be, but is not required to be, administered through a nonprofit organization. If administered through a nonprofit organization, that organization shall encourage private charitable donations to the fund.

Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may be used only to:

(1) pay for administrative expenses, but not more than ten percent of the balance of the fund may be spent on administration;

(2) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;

(3) match other funds from federal, state, or private resources for housing projects; or

(4) provide down payment assistance, rental assistance, and home buyer counseling services.

Subd. 4. **Funding.** (a) A local government may finance its local or regional housing trust fund with any money available to the local government, unless expressly prohibited by state law. Sources of these funds include, but are not limited to:

(1) donations;

(2) bond proceeds;

(3) grants and loans from a state, federal, or private source;

(4) appropriations by a local government to the fund;

(5) investment earnings of the fund; and

(6) housing and redevelopment authority levies.

(b) The local government may alter a source of funding for the local or regional housing trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts or expenditures authorized by the fund in its budget.

Subd. 5. **Reports.** A local or regional housing trust fund established under this section must report annually to the local government that created the fund. The local government or governments must post this report on its public website.

Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A local or regional housing trust fund existing on July 1, 2017, is not required to alter the existing terms of its governing documents or take any additional authorizing actions required by subdivision 2.



# Why a Local Housing Trust Fund?

- Housing shortages
- Cost-burdened households
- Substandard housing units

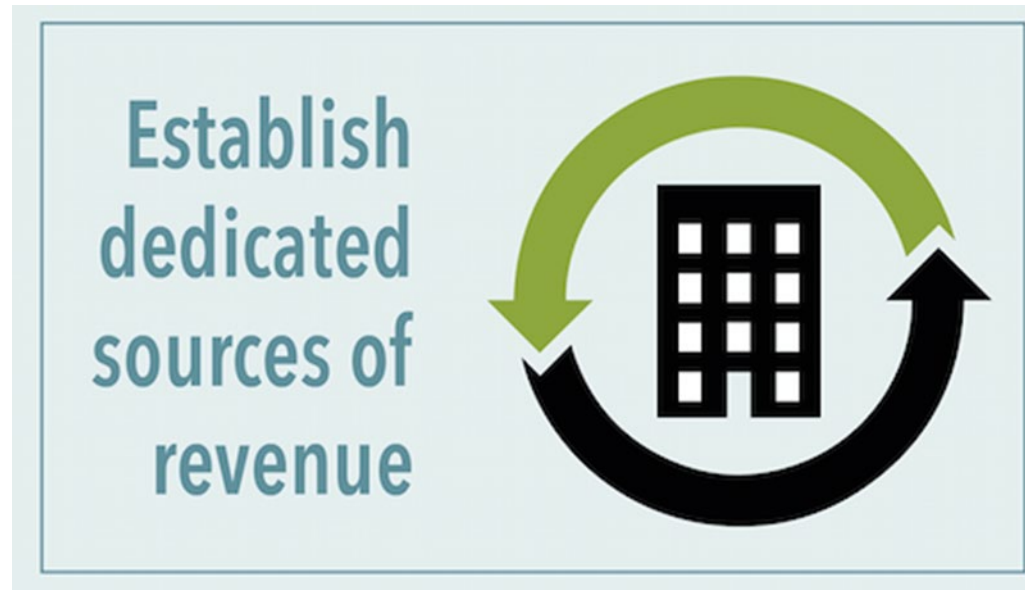


# Benefits

1. Dedicated
2. Predictable
3. Leverages
4. Flexible
5. Promotes

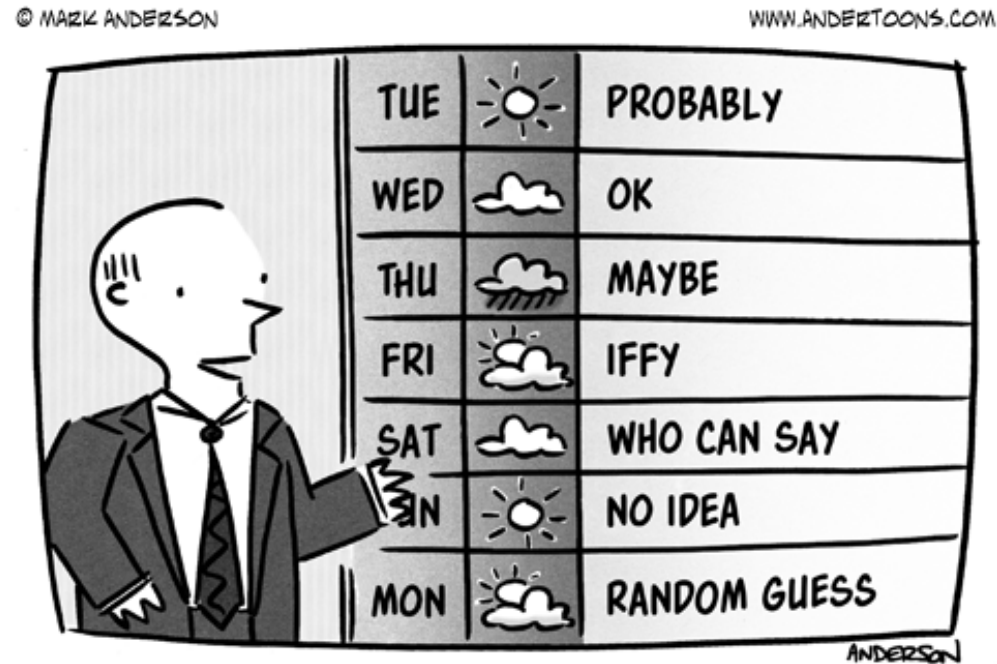
# Benefits - Dedicated

- Best practice recommendation: Recurring funding source, not subject to annual appropriation or budgeting process



# Benefits - Predictable

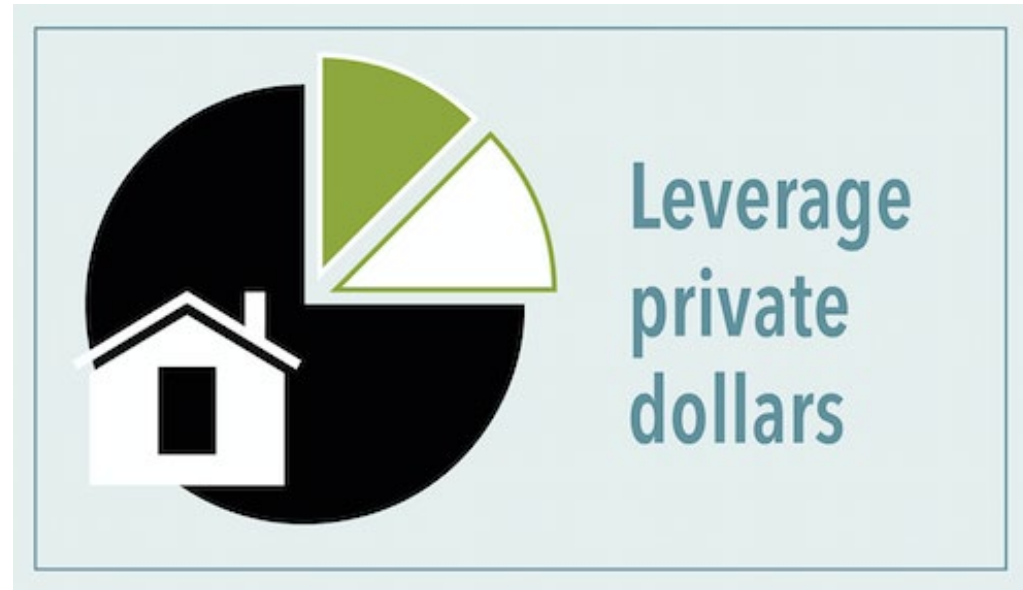
- Allows for long-term planning for municipalities and developers



"And now the 7-day forecast..."

# Benefits - Leverage

On average, **every \$1** a city trust fund invests in housing **leverages \$6** in additional public and private funds.



# Benefits - Flexible

- Can encourage a variety of activities
- Can address changing needs over time
- Can fill gaps not served by other programs



# Benefits - Promotes

- Elevates housing as a local priority

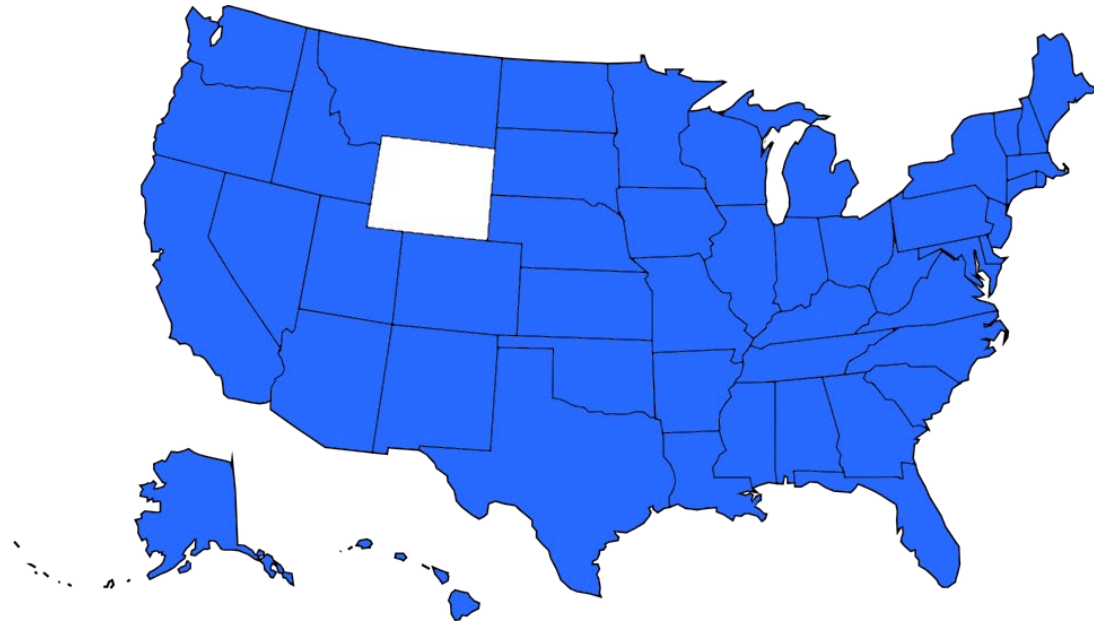


# Proven Nationwide

**49** states

**800** HTFs in cities,  
counties and states

**\$2.5 billion** a  
year generated



# Local Housing Trust Fund State Match

\$1 million state match fund (approved and available 2022)

- 1:1 match for “new public revenue” up to \$150,000
- If funds available, 50% of “new public revenue” over \$150,000, capped at \$300,000
- Minnesota Housing anticipated to announce application process in Spring 2022



What's inside...

# LOCAL HOUSING TRUST FUND MANUAL FOR MINNESOTA



# What's inside? LHTF Manual

- Identify Funding sources
- Select an Administrator
- Operating a LHTF
- Demographic/Geographic Targeting
- Samples, examples, citations to Minnesota resources

# LHTF's in Minnesota

## **Adopted LHTF's:**

Alexandria

Bloomington

Duluth

Goodhue County

Hennepin County

Minneapolis

Red Wing

Rochester

St. Louis Park

St. Paul

## On the way to adoption:

- Northfield
- Lanesboro
- Golden Valley
- Ramsey County
- Scott County



# Fund Sources: Minnesota LHTF's

- HRA levy
- TIF pooling
- One-time sources
- Repurposed funds (grants, federal funds)
- Parking funds
- Housing-related fees
- Contributions



# Common Uses: Minnesota LHTF's

- Homebuyer assistance
- Gap Financing
- Rehab Programs
- Deepening affordability
- Housing stability



# Additional Resources

- **MN Statute 462C.16** – Housing Trust Funds for Local Housing Development

<https://www.revisor.mn.gov/statutes/cite/462C.16>

- **Community Change** – Housing Trust Fund Project

[housingtrustfundproject.org](https://housingtrustfundproject.org)

- **MHP** – Local Housing Trust Fund Manual

[www.mhponline.org/community-development/lhtfmanual-minnesota](http://www.mhponline.org/community-development/lhtfmanual-minnesota)



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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room  
Wednesday, March 23, 2022**

*Immediately following 5:00 p.m. Study Session*

<b>STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Discussion on Housing Trust Fund</b>
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**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 Study Session Minutes, February 23, 2022. REQUESTED ACTION: Approve.
4. Approval of Regular Minutes, February 23, 2022. REQUESTED ACTION: Approve.
5. Approval of Contract for Electronic Door Access System Replacement at Riverside Apartments. REQUESTED ACTION: Approve.
6. Approval of Contracts for Fire Protection System Repairs at Various Properties. 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. A. Public Hearing for the Proposed Modification and Reissuance of Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project)  
  
B. Approval of Resolution 2022-02 – Resolution Relating to the Proposed Modification and Reissuance of the Issuer’s Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016

8. Approval of Payment Standards for the Emergency Housing Voucher Program.
9. Approval of Contract for Exterior Brick Maintenance at Grace McDowall Apartments.
10. Report on Activities.

**ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY  
STUDY SESSION**

**Wednesday, February 23, 2022**

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 23, 2022 at the St. Cloud HRA main office, 1225 West St. Germain Street, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 5:00pm. Commissioners present: John Dvorak, Seal Dwyer, Jeff Goerger, Nancy Gohman, George Hontos, and Hani Jacobson. Absent: Mike Conway

Executive Director, Louise Reis, began the session by directing the Commissioners to the Wilson Apartments lease included in the board materials, noting while there are many different leases for the different properties the included lease provided many examples of items that are found in all the leases. Ms. Reis discussed the rules in the lease, noting the HRA allows overnight guests for a certain number of nights each year, but the rents are based on the person's income listed on the lease, so if someone else moves into the unit with income, their income needs to be accounted for the rent owed.

Ms. Reis continued with a section on maintenance provided by the HRA and what the residents are required to do to provide general upkeep to the unit. Commissioner Hontos asked if pets are allowed at the HRA properties and Ms. Reis answered yes, pets are allowed at all the HRA properties and the resident is responsible for the pet's behavior. Commissioner Hontos then asked if the lease was reviewed by the HRA's local attorneys. Ms. Reis confirmed the lease has been reviewed by legal counsel and HUD. She noted the lease for Grace McDowall and Germain Towers are provided by HUD and the HRA is not allowed to make changes.

Commissioner Goerger asked Officer D'Andre Clark if he would make any changes to the lease. Officer Clark responded that he feels the lease covers all information and can be easily enforced to terminate residents, if needed. Ms. Reis commented on the need to provide safe and healthy housing for the populations they serve. Commissioner Goerger asked about the number of evictions at the properties. Ms. Reis commented it has been minimal, with the number of times needing to go to court during a normal year being five or six. Officer Clark noted the documentation the property managers keep on the residents provides sufficient documentation for terminations, when necessary. Ms. Reis noted the HRA tries to get support services involved first and help the resident work through issues instead of being terminated.

Commissioner Hontos asked why applicants may get rejected. Ms. Reis shared the process of individuals being on a waitlist and once they get to the top of the list, the property manager reaches out and asks for references and additional information. A credit report is completed, not for credit score, but for previous addresses and debts. The HRA wants to confirm they have not committed fraud and that they are not a fugitive in another state. Commissioner Dvorak asked if the applicant has time to clear up or resolve issues that would prevent them from getting housing. Ms. Reis responded that if it is a warrant issue that cannot be resolved overnight, the file remains open for 30 days and if it gets resolved the property manager can finish the file.

In addition to the lease agreement, Ms. Reis discussed two lease addendums required by HUD: Over-Income Resident or Family and Violence Against Women and Justice Department Reauthorization Act of 2005, and two additional lease addendums: Smoke Free Policy and Integrated Pest Management Policy and Treatment. Ms. Reis mentioned in addition to the lease agreement, lease addendums, and resident

handbook, the new resident receives a move-in packet and watches a cleaning video. The video is in four languages: English, Somali, Hmong, and Spanish.

There being no questions, the study session meeting adjourned at 5:50pm.

ATTEST:

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Chair, Nancy Gohman

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Secretary, George Hontos

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

**Wednesday, February 23, 2022**

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 23, 2022, St. Cloud HRA, 1225 West St. Germain Street, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 5:53 p.m.

**Consent Agenda:**

1. Roll call was taken and the pledge of allegiance spoken. Commissioners present: John Dvorak, Seal Dwyer, Nancy Gohman, Jeff Goerger, George Hontos, and Hani Jacobson. Absent: Mike Conway
2. Approval of Agenda – Commissioner Dwyer moved for approval; Commissioner Dvorak seconded the motion. Commissioner Goerger abstained from items 3 and 4. All other present board members voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, January 26, 2022 – approved as presented.
4. Approval of Regular Minutes, January 26, 2022 – approved as presented.

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

Old Business: none.

**New Business:**

5. Approval of Contract to Build a New Home at 418 Wilson Ave SE in St. Cloud – Project Manager Paul Soenneker noted that in 2019 the HRA had purchased a blighted property. The HRA is proposing to build a new five-bedroom rambler with basement. The home will have main floor laundry, three bathrooms, and an attached two-car garage. The main level of the home will be ADA accessible. Commissioner Gohman confirmed with Mr. Soenneker that there will be no steps between the garage and the house. Commissioner Hontos asked about funds for the project and Mr. Soenneker stated it will primarily be funded by the Neighborhood Stabilization Program from MN Housing. Finance Director Karen Rizer added the remaining funding will be handled through a loan from the HRA's Community Housing Fund. The HRA solicited bids from 13 contractors and proposed going with Brand Built Homes, Inc. for the bid of \$364,450.00. Commissioner Hontos moved for approval; Commissioner Dwyer seconded. All commissioners present voted in favor; the motion carried.
6. PY 2022 CDBG Presentation – Mr. Soenneker provided an update on the HRA's application for the Community Development Block Grant (CDBG). The St. Cloud Planning Commission met on February 8 for a public hearing, and a second public hearing will be held March 8 for continued discussion. The HRA requested a grant of \$250,000 and the city proposed \$216,000. The City Council will discuss approval of awards at a future meeting. No action required on the agenda item.

7. Report on Activities – Ms. Reis discussed the subsidized housing available in the St. Cloud area that have a rental assistance contract with HUD. Ms. Reis also noted that as of January 31, 2022, 26 of the Emergency Housing Vouchers are under lease and the remaining voucher holders are searching for housing.

There being no further business, the meeting adjourned at 6:40 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: March 15, 2022

SUBJECT: Approval of Contract for Electronic Door Access System Replacement at Riverside Apartments

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**Requested Action:** Approve the contract with Safeguard Security in the amount of \$41,273.00 to provide a Salto Electronic Door Access System at Riverside Apartments.

**Background:** The St. Cloud HRA owns & manages Riverside Apartments in St. Cloud. The current door access system is old and needs to be replaced. The doors to each apartment unit are currently keyed and any time a tenant moves; the door lock needs to be re-keyed or replaced. The HRA researched several different lock systems and determined that the Salto lock system would be the best fit for our properties. The Salto lock is an electronic locking system that utilizes fobs instead of keys. It doesn't require a network and there are no monthly service charges.

The HRA solicited proposals from three companies. We received proposals from two companies as outlined below by the due date.

#### **Proposals**

J. Becher and Associates 20610 Commerce Blvd. Rogers, MN 55374	\$46,773.00
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Safeguard Security 140 10 <sup>th</sup> St. NE. Cold Spring, MN 56320	\$41,273.00
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I believe the low proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Safeguard Security in the amount of \$41,273.00

**Frequency of Request:** Once

**Related Actions:** 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 Impacts:** This item will be funded through Riverside Apartments Replacement Reserve Fund.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: March 17, 2022

SUBJECT: Approval of Contracts for Fire Protection System Repairs at Various Properties

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**Requested Action:** Approve the separate contracts with Brothers Fire Protection for various properties totaling \$36,045.00 to provide fire protection system repairs at Empire Apartments, Swisshelm II, Wilson Apartments, HRA Office, Al Loehr Apartments, Grace McDowall Apartments and Germain Towers Apartments.

**Background:** The St. Cloud HRA recently completed the required annual fire protection system inspections and the required 5-year internal pipe inspections at all properties that currently have fire protection. Deficiencies were noted and pricing was secured. We also received pricing for the required 3-year full trip test on the dry system; which is included in the pricing below.

The HRA solicited proposals from two companies. We received proposals from two companies as outlined below by the due date.

#### **Proposals**

Brothers Fire & Security 9950 East Highway 10 Elk River, MN 55330	\$36,045.00
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Summit Fire Protection 418 Great Oak Dr. Waite Park, MN 56387	\$43,195.00
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I recommend awarding the work to Brothers Fire & Security.

**Frequency of Request:** Once

**Related Actions:** 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 Impacts:** This item will be funded through each building's operating fund.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA Finance Director

DATE: March 16, 2022

SUBJECT: Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project),  
Series 2016

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**Requested Action:** Approve resolution 2022-02 for the modification and reissuance of the Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016

**Background:** The Sanctuary at St. Cloud, LP, a Minnesota limited partnership (the “Borrower”) requested the HRA to issue its Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016, to finance the 141-unit Sanctuary at St. Cloud assisted living project. (2410 20th Ave SE) The Bonds were issued and are special limited obligations of the HRA, payable solely from revenues pledged to the payment thereof, including amounts payable by the Borrower, certain bond proceeds and certain reserves. The Bonds are referred to as conduit debt and are not an indebtedness, liability, or general or moral obligation of the HRA.

The Borrower is currently in default and is requesting modification to the terms. I anticipate receiving a letter or memo from them with further explanation, and will pass that along to the Board when I receive it.

**Options:** Approve, deny, or table.

**Frequency of Request:** Once.

**Related Actions:** None.

**Future Action:** None.

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

CERTIFICATION OF MINUTES RELATING TO  
MULTIFAMILY HOUSING REVENUE BONDS (SANCTUARY AT ST. CLOUD  
PROJECT), SERIES 2016

Issuer: Housing and Redevelopment Authority of St. Cloud, Minnesota

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held March 23, 2022, at  
6 o'clock P.M. at the Issuer's offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2022-02

RESOLUTION RELATING TO THE PROPOSED MODIFICATION AND REISSUANCE OF  
THE ISSUER'S MULTIFAMILY HOUSING REVENUE BONDS (SANCTUARY AT ST.  
CLOUD PROJECT), SERIES 2016

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary

The Chair stated that this was the time and place fixed for a public hearing to be held on the proposal that the Issuer modify and reissue its Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016A, outstanding in the aggregate principal amount of \$17,465,000 (the “Series 2016A Bonds”), all pursuant to Minnesota Statutes, Chapters 462A and 462C, as amended (the “Act”), and at the request of The Sanctuary at St. Cloud LP (the “Borrower”). The Secretary presented an affidavit showing publication of the notice of public hearing at least once not fewer than seven (7) days prior to the date fixed for the public hearing, in the St. Cloud Times, being the official newspaper of the Issuer and a newspaper of general circulation in the jurisdiction of the Issuer. The affidavit was examined, found to be satisfactory and ordered placed on file with the Secretary.

The Chair then opened the meeting for the public hearing on the proposal to modify the Series 2016A Bonds and loan provisions related thereto on behalf of the Borrower. The purpose of the hearing was explained, and all persons present who desired to do so were afforded an opportunity to express their views with respect to the proposal, in response to which the following persons either appeared, were recognized and made statements, or filed written comments with the Secretary before the date set for the hearing, summaries of which appear opposite their respective names:

Name of Speaker

Summary of Views

The Secretary [reported that no written comments had been] [read a summary of the written comments]\* filed in [her/his] office before the date of the hearing.

After all persons who wished to do so had stated or filed their views on the proposal, the Chair declared the public hearing to be closed.

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\*Strike inappropriate language

RESOLUTION NO. 2022-02

RESOLUTION APPROVING THE MODIFICATION AND REISSUANCE OF THE ISSUER'S MULTIFAMILY HOUSING REVENUE BONDS (SANCTUARY AT ST. CLOUD PROJECT), SERIES 2016

WHEREAS, the Housing and Redevelopment Authority of St. Cloud, Minnesota (the "Issuer") and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as trustee (the "Trustee"), have heretofore entered into that certain Trust Indenture dated as of August 1, 2016 (the "Original Indenture"), relating to the Issuer's \$17,485,000 Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016A (the "Series 2016A Bonds") and \$4,865,000 Taxable Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016B (the "Series 2016B Bonds," and together with the Series 2016A Bonds, the "Bonds").

WHEREAS, pursuant to the terms of that certain Loan Agreement dated as of August 1, 2016 (the "Original Loan Agreement"), the Issuer loaned the proceeds of the Bonds to The Sanctuary at St. Cloud, LP, a Minnesota limited partnership (the "Borrower"), to finance (i) the acquisition and construction of the facility (as defined herein) and (ii) costs of issuance of the Bonds (the "Project").

WHEREAS, certain defaults and events of default have occurred under the Original Indenture and the Original Loan Agreement including, without limitation, the Borrower's failure to make payments due under the Original Loan Agreement and default in the due and punctual payment of principal and interest on the Bonds.

WHEREAS, the Board of Commissioners (the "Board") of the Issuer has received a proposal from the Borrower pursuant to which the Borrower has requested that the Issuer modify the terms of the Original Indenture and Original Loan Agreement, pursuant to the terms of a First Supplemental Trust Indenture between the Issuer and the Trustee and a First Amendment to Loan Agreement between the Issuer and the Borrower, respectively (the "Amendments"; the Original Indenture as so amended, the "Indenture" and the Original Loan Agreement as so amended, the "Loan Agreement").

WHEREAS, at a public hearing, duly noticed and held on the date hereof, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), on the proposal to modify the terms of the Series 2016A Bonds, all parties who appeared at the hearing were given an opportunity to express their views with respect to the proposal to reissue the Series 2016A Bonds, and interested persons were given the opportunity to submit written comments to the Issuer before the time of the hearing.

WHEREAS, pursuant to the Amendments, the Borrower will agree, in consideration for the loan made under Original Loan Agreement, as modified, to, among other things, make payments to the Trustee, as assignee of the Issuer, in such amounts and at such times as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

WHEREAS, the Bonds are special, limited obligations of the Issuer payable solely from amounts payable by the Borrower, other than to the extent payable from amounts held by the Trustee pursuant to the Indenture. The Bonds shall not be payable from or charged upon any funds other than the revenue pledged to the payment thereof, nor shall the Issuer or the City of St. Cloud, Minnesota (the "City"), be subject to any liability thereon. No holder or holders of any Bond shall ever have the right to compel any exercise of the taxing power of the Issuer or the City to pay any such Bond or the interest thereon, nor to enforce payment thereof against any property of the Issuer or the City. The Bonds shall not constitute a debt of the Issuer or the City within the meaning of any charter, constitutional or statutory limitation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Issuer, as follows:

1. The Issuer hereby approves the restructuring represented by the Amendments and authorizes the reissuance of the Bonds. The Chair and the Executive Director are hereby authorized to approve (i) the maturity schedule of the Bonds, provided that the Bonds shall mature at any time or times in such amount or amounts not exceeding twenty (20) years from the date hereof; (ii) the provisions for prepayment and redemption of the Bonds prior to their stated maturity; and (iii) the interest rates for any series of Bonds, provided that the interest rate on any series of the Bonds shall not exceed 4.50% per annum. Such approval shall be conclusively evidenced by the execution of the Amendments as provided herein.

2. Each Bond shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Chair and the Executive Director. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act. If any of the officers who shall have signed any of the Bonds shall cease to be such officers of the Issuer before the Bonds so signed shall have been actually authenticated by the Trustee or delivered by the Issuer, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed such Bonds had not ceased to be such officer or officers of the Issuer.

3. The Amendments, drafts of which have been presented to the Board at this meeting and which have been reviewed to the extent deemed necessary, are hereby made a part of this resolution as though set forth in full herein and are hereby approved in substantially the form submitted to this meeting, and the Chair and the Executive Director are hereby authorized and directed to execute, acknowledge and deliver the same on behalf of the Issuer (within the limitations set forth herein) with only such changes, insertions and omissions as may be approved by the Chair and the Executive Director, such approval to be evidenced conclusively by their execution of such documents.

4. The Chair and the Executive Director and all other officers of the Issuer are hereby authorized and directed to execute and deliver all other documents, instruments and certificates which may be required under the terms of the Indenture, the Loan Agreement, and any other

agreement entered into in conjunction with the Amendments, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof.

5. In the absence or disability of the Chair and the Executive Director or any other officer of the Issuer named in any instrument to be executed on behalf of the Issuer in connection with the issuance of the Bonds, the acting Chair, the Vice-Chair or other officer may execute such instrument. The execution of any instrument by an officer of the Issuer shall be conclusive evidence of its approval.

6. The Executive Director is hereby designated for all purposes of the Loan Agreement and the Indenture as the Issuer official authorized to execute on behalf of the Issuer any certificates, requests or consents to be provided pursuant to such documents.

7. This resolution shall be effective upon its passage.

Upon a vote being taken on the foregoing Resolution, the following Commissioners

voted in favor thereof:

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

TO: St. Cloud HRA Board of Commissioners

FROM: Lori Lygre, Voucher Programs Manager

DATE: March 14, 2022

SUBJECT: Payment Standards for the Emergency Housing Voucher Program

**Requested Action:** Approval of Payment Standards for the Emergency Housing Voucher Program to reflect the changes in the Fair Market Rents.

**Background:** The Department of Housing and Urban Development (HUD) had published the new Fair Market Rents in October 2021. The payment standard for the Emergency Housing Program cannot be lower than the regular Housing Choice Voucher Program.

Listed below are the current and proposed payment standards. The proposed payment standards would take effect on April 1, 2022.

City of St. Cloud/Benton County	Current	Proposed
0 bedroom	\$720	no changes
1 bedroom	\$805	no changes
2 bedroom	\$985	no changes
3 bedroom	\$1,392	no changes
4 bedroom	\$1,628	no changes
5 bedroom	\$1,800	no changes
6 bedroom	\$2,000	no changes
7 bedroom	\$2,100	no changes

Sherburne and Wright Counties	Current	Proposed
0 bedroom	\$809	\$848
1 bedroom	\$949	\$981
2 bedroom	\$1,178	\$1,215
3 bedroom	\$1,655	\$1,705
4 bedroom	\$1,941	\$1,980
5 bedroom	\$2,232	\$2,260
6 bedroom	\$2,523	\$2,545
7 bedroom	\$2,814	\$2,840

**Frequency of Request:** Fair Market Rents are updated annually by HUD.

**Related Actions:** The new payment standards will be reflected in the PHA Plan for 2022.

**Future Action:** None anticipated.

**Relationship to Goals:** #2 – St. Cloud HRA will promote fair housing and assure high performance in HRA properties and housing subsidy program.

**Budget Impacts:** The Emergency Housing Voucher budget would need to absorb any increases in cost.

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: March 17, 2022

SUBJECT: Approval of Contract for Exterior Brick Maintenance at Grace McDowall Apartments

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**Requested Action:** Approve the contract with Pogatchnik Building Restoration, Inc. in the amount of \$61,625.00 to provide exterior brick maintenance at Grace McDowall Apartments.

**Background:** Grace McDowell Apartments are owned and managed by the St. Cloud HRA. The brick exterior of the building in need of repair. The repairs are to include removing and replacing caulking at all windows, doors and AC units, removing and replacing approximately 250 deteriorated brick, spot tuckpoint areas where necessary, cut expansion joints at corners of building and install horizontal reinforcement at new corner expansion joints, install new flashings at entrance overhangs and chemically clean black stained brick areas on building. Water repellant will also be spot applied to areas where efflorescence and staining is present on building.

The HRA solicited proposals from three companies. We received proposals from two companies as outlined below by the due date.

#### Proposals

Kostreba Tuckpointing & Roofing 3701 118 <sup>th</sup> St. NW Rice, MN 56367	\$139,875.00
Pogatchnik Building Restoration, Inc. 42175 79 <sup>th</sup> Ave. Rice, MN 56367	\$61,625.00

I met with both contractors that submitted proposals onsite and each of them understood the scope of work. I recommend awarding the work to Pogatchnik Building Restoration.

**Frequency of Request:** Once

**Related Actions:** 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 Impacts:** This item will be funded through Grace McDowall Apartments operating fund.

TO: HRA Board of Commissioners  
FROM: Louise Reis, Executive Director  
DATE: March 16, 2022  
SUBJECT: Report on Activities

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**Housing Choice Voucher Wait List:** We are working to finalize dates for the opening of the Housing Choice Voucher waiting list. Once the dates are finalized, our office will notify you by emails with the information. We will also be publishing the information on our website, St. Cloud Times along with notification to area agencies.

**Habitat for Humanity:** On Tuesday, March 15, 2022, Habitat for Humanity held a dedication for the home built on 110 15<sup>th</sup> Avenue North. This was a blighted property that was purchased by the HRA and the cleared lot was donated to Habitat. Paul Soenneker attended the dedication and provided the attached before and after picture.

**Annual Audit:** The HRA's annual audit started on March 14<sup>th</sup> and is expected to be wrapped up by the 25<sup>th</sup>.

**Housing Choice Voucher Program:** During the month of February 2022, there were fourteen housing choice vouchers released. Five of the vouchers were voluntary released, six were for program violations, two were due to death and one voucher expired. Two of the voucher holders were over the age of 62.

As of February 28, 2022 – 116 Port In vouchers and 40 Port Out vouchers.

**CDBG Update:**

For the homeowner rehab program:

- 5 in construction
- 1 in pre-bid
- 2 in file review
- 5 on waiting list

## Housing Department Vacancy Report – For the Month Ending February 28, 2022

<b>Fund: Public Housing – 291 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/22</u>
Empire	89	10.4%	9 * fire repairs-4 rented in March
Wilson	126	1.87%	2
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>02/28/22</u>
Germain	60	1.34%	2
Grace/NWB	102	2.47%	4 * 3 rented in March

<b>Fund: Tax Credit – 249 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/22</u>
Creeks	24	0.00%	0
Brownstones	12	8.33%	1
Swisshelm One	32	1.56%	1
Westwood One	32	3.13%	1
Swisshelm Two	32	1.34%	1
Westwood Two	32	3.57%	1
Riverside	85	3.74%	3 * 2 rented in March

<b>Fund: Affordable Housing – 79 Units</b>			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/22</u>
Eastwood	18	5.56%	1
Loehr	61	3.10%	1

