

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, July 27, 2022
*Immediately following 5:00 p.m. Study Session***

STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Discussion of 2023 COCC Budget and Pay 2023 Tax Levy

**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, June 22, 2022. REQUESTED ACTION: Approve.
4. Approval of Regular Minutes, June 22, 2022. REQUESTED ACTION: Approve.
5. Review of 2022 Financial Reports. REQUESTED ACTION: None.
6. Review of Waiting List Information – Authorization to Close Waiting Lists. REQUESTED ACTION: Approve.
7. Review of Progress on 2020-2025 Goals. REQUESTED ACTION: None.
8. Approval of Contract for Scattered Sites Furnace, Water Heater Replacement, and Air Conditioner Installation 2022. REQUESTED ACTION: Approve.
9. Approval of Contract for Roof Repair at the Brownstones Family Townhomes. 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:

10. Approval of Resolution 2022-02 – Resolution Approving the Modification and Reissuance of the Issuer’s Multifamily Housing Revenue Bonds (Sanctuary at St. Cloud Project), Series 2016.

New Business:

11. Approval of Resolution 2022-06 – Adopting the Special Tax Levy for Payment in the Year of 2023.

12. Report on Activities.

Open Discussion:

Adjourn.

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

Wednesday, June 22, 2022

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, June 22, 2022. Chair Nancy Gohman called the meeting to order at 5:00 p.m. Commissioners present: John Dvorak, Seal Dwyer, Jeff Goerger, Nancy Gohman, and Hani Jacobson. Absent: Mike Conway and George Hontos.

Executive Director, Louise Reis, began the meeting by noting the included rough draft of the Local Housing Trust Fund ordinance that would cover Stearns County to include the City of St. Cloud. Ms. Reis also noted Finance Director, Karen Rizer, had included a copy of the Calculation of Tax Levy. Ms. Reis asked the board to review the ordinance and tax levy document to provide feedback on the verbiage and the proposed amounts. Ms. Reis moved on to discuss the purpose of the ordinance: a permanent source of funding and a continually renewable source of revenue to meet, in part, the housing needs of moderate, low income, and very low income households of the county. Commissioner Dvorak asked if the fund has to serve low-income and moderate, noting the fund could be helpful for families that have a slightly higher than moderate income. Ms. Reis pointed to the definitions section of the ordinance to confirm what incomes are eligible. Commissioner Gohman asked if the rates are similar to the CDBG levels and Ms. Reis confirmed yes, it would be similar to the CDBG rates.

Commissioner Dvorak mentioned he would like to see the name changed to reflect Stearns County and the areas of St. Cloud it would support. Commissioner Goerger added that it would be nice to see the City of St. Cloud mentioned more throughout the ordinance. Commissioner Gohman asked about who would be administering the funds; Ms. Reis responded the Stearns County HRA could administer the funds, but both parties would be involved in approving and overseeing spending. Commissioner Dwyer asked about the possibility of including other counties in the St. Cloud city area and then including Tri-County or Central Minnesota in the title. Ms. Reis said the Stearns County Attorney and City of St. Cloud Attorney will work out which areas can be included. The Commissioners unanimously agreed more discussion would need to be had about which areas of St. Cloud would be included.

Commissioner Gohman asked about the currently proposed \$50,000 loan threshold. Ms. Reis also questioned why anything under \$50,000 would be approved and Commissioner Goerger agreed the loan amount should be higher than \$50,000 so the money is used on substantial projects. Commissioner Dwyer added that the HRA already has loan options for smaller home projects and she would be interested in seeing this fund be used for larger projects to provide additional affordable housing in the area.

Ms. Reis then moved the discussion to the initial amount and annual amount to contribute to the fund. Commissioner Dwyer said if Stearns County is planning to contribute \$200,000 annually, the St. Cloud HRA should try to match and contribute the same amount. Commissioner Goerger mentioned running the numbers at \$200,000, \$150,000, and \$100,000 to see the impact. Commissioner Dwyer also suggested an initial contribution amount of \$200,000. Ms. Reis said Ms. Rizer would run the numbers with those amounts and the discussion could continue at the July meeting.

Ms. Reis emphasized the ordinance is a working document and she appreciated the Board's feedback and questions that she can take to the HRA's attorney for further development of the ordinance.

There being no further discussion, the study session ended at 6:05 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos

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

Wednesday, June 22, 2022

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, June 22, 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 6:06 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, and Hani Jacobson. Absent: Mike Conway and George Hontos.
2. Approval of Agenda – Commissioner Goerger moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Minutes, May 25, 2022 – approved as presented.
4. Approval of Regular Minutes, May 25, 2022 – approved as presented.
5. Review of 2022 Financial Reports – no action required.
6. Approval of Interfund Transfers – approved as presented.
7. Approval to Set Date for Public Hearing for PHA (Public Housing Agency) Plan – date set for Wednesday, August 24, 2022.
8. Approval of Wilson Apartment Electronic Door Access System Contract – contract approved with Safeguard Security in the amount of \$100,956.00.

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:

9. Update on 19th Avenue Lots. Project Manager Paul Soenneker said the HRA has been working with Braun Intertec to complete investigation and testing at the three vacant lots located on 19th Ave N and they did not see any notable contamination in the soil or groundwater. The southern most parcel did have one elevated soil vapor result, and more testing on the parcel boundaries is needed to define the vapor area of concern. The additional sampling will be completed in July/August 2022 and the second seasonal sampling will be conducted in November 2022. Mr. Soenneker mentioned that any future building on that parcel would need to have an active vapor mitigation system installed.

Ms. Reis followed up by saying there has been interest from Youth for Christ to purchase a couple of the lots for green space for their organization. Commissioner Gohman and Commissioner Goerger noted that the organization has been incredible for the community, and they are interested in continuing the conversation with Youth for Christ. Ms. Reis also mentioned the St. Cloud Technical Community College is interested in using a lot for their program to build a home. Commissioner Goerger asked if the Board could receive additional information for what Youth for Christ's intention is for the space. Ms. Reis said she would follow-up with the organization for more details about what the lots will be used for. Commissioner Dwyer then requested a list of parcels the St. Cloud HRA owns for future development discussions.

New Business:

10. Allocating \$300,000 to Fix Up Loan Program. Ms. Reis asked for the approval of allocating \$300,000 of Core Neighborhood Fund reserves for the Fix Up Loan Program. She noted these funds will be used to supplement CDBG loans when the amount of required work is significant due to lead paint or other issues to cover the increase in construction costs. Commissioner Goerger moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the motion carried.

11. Report on Activities – Ms. Reis stated that Minnesota Housing conducted a Management and Occupancy Review at Germain Towers on May 5, 2022. The property received a score of 80 – above average for the property. Commissioner Gohman asked about the history of numbers and Ms. Reis said historically it has been between 78-80. The commissioners applauded the staff for their good work. Mr. Soenneker provided a CDBG update, noting that 5 are in construction, 4 are in lead testing, 4 are in bidding, and 14 are in the application stage.

There being no further business, the meeting adjourned at 6:32 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: July 20, 2022
SUBJECT: 2022 Financial Reports

Requested Action: None.

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

The planned reporting schedule is as follows:

June – Central Office Cost Center (COCC) Fund, Community Housing Fund, Community Development Block Grant (CDBG) Housing Rehab Fund, Housing Development & Rehab Fund, Housing Choice Vouchers Fund, Public Housing Fund – Empire Apartments, Scattered Sites, and Wilson Apartments, Germain Towers Fund, Northway Projects A&B Fund, Eastwood Apartments Fund, Al Loehr Apartments Fund, and the seven tax credit limited partnership funds.

July and October – Central Office Cost Center (COCC) Fund, Community Housing Fund, Community Development Block Grant (CDBG) Housing Rehab Fund, Housing Development & Rehab Fund, and Housing Choice Vouchers Fund.

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

September and December – Public Housing Fund – Empire Apartments, Scattered Sites, and Wilson Apartments, Germain Towers Fund, Northway Projects A&B Fund, and Eastwood Apartments Fund.

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

**St. Cloud HRA
Central Office Cost Center - Fund 440
Income Statement - Budget to Actual
January 1, 2022 Through May 31, 2022**

The Central Office Cost Center fund is used to track and allocate the indirect expenses and asset management of the Central Office.

	<u>Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Over (Under) YTD Budget</u>
Revenues				
Property Taxes	\$ 502,000	\$ 209,167	\$ 208,885	\$ (282)
Charges for Services	1,250,000	520,833	576,017	55,184 (1)
Interest	20,000	8,333	(12,390)	(20,723) (2)
Miscellaneous Income	2,000	833	177	(656)
Total Revenues	<u>\$ 1,774,000</u>	<u>\$ 739,167</u>	<u>\$ 772,689</u>	<u>\$ 33,522</u>
Expenses				
Salaries and Benefits	\$ 1,385,000	\$ 577,083	\$ 627,919	\$ 50,836 (1)
Audit and Accounting Fees	8,000	4,000	3,626	(374)
Legal	12,000	5,000	124	(4,876)
Professional Services	35,000	14,583	14,114	(469)
Membership Dues, Fees, and Advertising	14,000	5,833	9,961	4,128
Travel and Training	30,000	12,500	11,248	(1,252)
Other Administrative Costs	40,000	16,667	7,379	(9,288)
Telephone and Utilities	22,000	9,167	10,629	1,462
Office Maintenance Supplies and Services	70,000	29,167	7,605	(21,562)
Property and Liability Insurance	18,000	18,000	18,380	380
Transfers Out	175,000	-	-	-
Total Expenses	<u>\$ 1,809,000</u>	<u>\$ 692,000</u>	<u>\$ 710,985</u>	<u>\$ 18,985</u>
Change in Net Position	<u>\$ (35,000)</u>	<u>\$ 47,167</u>	<u>\$ 61,704</u>	<u>\$ 14,537</u>

(1) When budget was adopted, one position was allocated between the funds. This position was changed to be fee for service. That is why both charges for services revenue and salaries and benefits are so much over budget.

(2) - Market value loss on investments. Market value fluctuations are never realized since investments are held to maturity.

**St. Cloud HRA
Fund 301 - Community Housing Fund
Operating Statement
January 1, 2022 Through May 31, 2022**

The purpose of the Community Housing Fund is to stimulate the growth of housing for people with low and moderate incomes. The principal balance is frozen at \$2 million.

Loans should be with interest when possible and the project must be economically feasible to ensure payback. The Board may approve grants from the fund earnings. The priority of the fund is first to HRA projects and second to sponsors of projects benefitting housing for people with low to moderate income.

Revenues

Interest on Investments	\$ (53,185) (1)
Interest on Loans	50,259
Asset Management Fee	-
Transfer In from COCC	-
Total Revenues	<u>\$ (2,926)</u>

Expenses

Audit Fees	\$ 558
Total Expenses	<u>\$ 558</u>

Change in Net Position	<u>\$ (3,484)</u>
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(1) - Market value loss on investments. Market value fluctuations are never realized since investments are held to maturity.

**St. Cloud HRA
Fund 210 - CDBG Housing Rehab Program
Operating Statement
January 1, 2022 Through May 31, 2022**

CDBG housing rehab program is used for funding 30-year, zero interest
deferred homeowner rehab loans.

Revenues

HUD Revenue	\$ 46,355
Loan Repayments	<u>88,585</u>
Total Revenue	<u>\$ 134,940</u>

Expenses

Salaries & Benefits	\$ 9,881
Professional Fees	1,645
Other Administrative Costs	2,716
Lead Assessment Fees	1,155
Homeowner Loan Outlay	<u>119,543</u>
Total Expenses	<u>\$ 134,940</u>

Change in Net Position	<u>\$ -</u>
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St. Cloud HRA
Fund 480 - Housing Development & Rehab
Operating Statement
January 1, 2022 Through May 31, 2022

The Housing Development Fund accounts for the creation and funding
of current and future housing developments and rehab programs.

Revenues

Intergovernmental	\$ -
Charges for Services	14,150
Homeowner Loan Repayments	-
Interest On Investments	(9,211)
Miscellaneous	2
Total Revenues	<u>\$ 4,941</u>

Expenses

Salaries & Benefits	\$ 14,916
Professional Fees	7,232
Other Administrative Costs	1,704
Utilities	2,562
Maintenance	3,056
Grant Rehab Outlay	200
Operating Transfer Out	-
Total Expenses	<u>\$ 29,670</u>

Change in Net Position	<u>\$ (24,729)</u>
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St. Cloud HRA
Housing Choice Voucher Program
Income Statement
January 1, 2022 Through May 31, 2022

The Housing Choice Voucher Program accounts for the operations of the program. The Housing Choice Voucher program is a Federal rental assistance program that helps low and moderate income families rent housing in the private market by paying a share of the participant's rent each month directly to property owners. Current program voucher counts are 838 regular, 37 tenant protection, 75 VASH (veterans), and 1 foster youth, for a grand total of 951 HCV vouchers. It also includes port-in vouchers, which has a YTD average of 122.

	<u>Annual Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Over (Under) YTD Budget</u>
Revenues				
Admin Fees from HUD and Other Housing Authorities	\$ 1,100,000	\$ 458,333	\$ 386,121	\$ (72,212) (1)
Interest	1,000	417	(3,411)	(3,828) (2)
Miscellaneous	30,000	12,500	13,080	580
Operating Transfers In	5,000	-	-	-
Total Revenues	\$ 1,136,000	\$ 471,250	\$ 395,790	\$ (75,460)
Expenses				
Salaries & Benefits	\$ 661,000	\$ 275,417	\$ 270,941	\$ (4,476)
Management Fees	270,000	112,500	116,236	3,736
Accounting & Auditing Fees	8,000	8,000	7,842	(158)
Legal	12,000	5,000	3,808	(1,192)
Professional Services	70,000	29,167	13,222	(15,945)
Training & Travel	18,000	7,500	1,010	(6,490)
Unit Inspection Fees	87,000	36,250	44,995	8,745
Other Administrative Costs	50,000	20,833	20,992	159
Utilities & Telephone	10,000	4,167	5,703	1,536
Maintenance Repair Supplies & Services	20,000	8,333	8,844	511
Property & Liability Insurance	5,000	5,000	6,391	1,391
Collection Losses	5,000	2,083	2,878	795
Total Expenses	\$ 1,216,000	\$ 514,250	\$ 502,862	\$ (11,388)
Net Change from Operations	\$ (80,000)	\$ (43,000)	\$ (107,072)	\$ (64,072)
Housing Assistance Payments (HAP)				
HUD and Other HAP Revenue	\$ 6,200,000	\$ 2,583,333	\$ 2,872,280	\$ 288,947
HAP to Landlords	(6,200,000)	(2,583,333)	(2,771,313)	(187,980)
HAP Revenue from Other Housing Authorities - Port-Ins	1,600,000	666,667	581,250	(85,417)
HAP to Landlords - Port-Ins	(1,600,000)	(666,667)	(582,288)	84,379
Net Change from Housing Assistance	\$ -	\$ -	\$ 99,929	\$ 99,929
Change in Net Position	\$ (80,000)	\$ (43,000)	\$ (7,143)	\$ 35,857

(1) Budget was set with the assumption that HUD would grant the increased administrative fee. The application was submitted July 12 and we won't know if it's approved until sometime between September and November.

(2) - Market value loss on investments. Market value fluctuations are never realized since investments are held to maturity.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: July 20, 2022

SUBJECT: Authorization to Close Waiting Lists

Requested Action: Authorization to close waiting lists for housing for those projects where the household numbers are on the waiting list reaches an estimated 36 months of waiting time.

Background: The St. Cloud HRA has waiting lists for all of our housing complexes. Attached is a breakdown of household numbers on each waiting list by apartment building as of July 1, 2022. The one-bedroom units may have duplicate households as an applicant can apply for more than one of the one-bedroom lists. Our office would announce the close and opening of waiting lists by public announcement on the website, local newspaper, and notify social service agencies at least two weeks before the waiting list is opened or closed.

Frequency of Request: As needed.

Related Actions:

Future Action: None.

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

Budget Impact: None.

WAITING LIST APPLICANTS

JULY 2022

PROJECT/PROGRAM	1 BR	2 BR	3 BR	4 BR	5 BR	62+*
PUBLIC HOUSING APPLICANTS						
EMPIRE (89)	2042					40
WILSON (126)	2321					54
FAMILY HOUSING		1121	1649	377	95	12-2BR/8 -3BR/2-5BR
SECTION 8 NEW CONSTRUCTION						
GERMAIN TOWERS (60)	3241					98
GRACE MCDOWALL (90)	3777					149
NORTHWAY TH (12)		1321	2004			12-2BR/8 3BR
AFFORDABLE HOUSING						
Al Loehr (60)	124					11
EASTWOOD (18)	1618	215				130-1BR/4 2BR
TAX CREDITS						
BROWNSTONES (12)		2131	1216			43-2BR/10-3BR
CREEKS (24)		2167	760			33-2BR/8 3BR
RIVERSIDE	73	8				28-1BR/5 2BR
SWISSHELM ONE/TWO		273	535			3-2BR/6 3BR
WESTWOOD ONE/TWO (32 each bldg.)		369	331			4-2BR/1 3BR
* 62+ included in total numbers						
The one bedroom waiting lists may have duplicate applicants as an individual can apply to more than one list.						
ADDITIONAL						
Hsg Choice Voucher	201 – 2018 Lottery, 723 – 2022 Lottery					76

St. Cloud Housing and Redevelopment Authority 2020 to 2025 Goals

GOAL #1

The St. Cloud HRA will be an active partner in neighborhood/community concerns regarding housing and neighborhoods.

Action Steps

1. Maintain presence at St. Cloud Neighborhood Coalition meetings.
 - Committed dollars (\$500) to community event – Spring 2020
 - Continue to serve, helped them with their business plan.
2. Work with other Core Neighborhood Associations when requested.
 - HRA membership requested on Heritage Preservation Commission – January 2020
3. Serve on Neighborhood Best Practices Task Force.
4. Continue to explore funding partnerships/options for blighted city properties.
 - Purchased 418 Wilson Ave SE – January 2020
 - Anna Marie's construction of shelter – Hope Park – April 2020
 - Approved transfer of 110 15th Ave N to Habitat for Humanity – June 2020
 - Update to Board – 19th Ave N – July 2020; August 2020; October 2020
 - Funding Awarded for 418 Wilson Ave SE – August 2020
 - Grant Applications to DEED – 19th Ave Lots – April 2021
 - Construction Contract Approved for 418 Lot – February 2022
5. Continue to explore other opportunities for Fix Up Loan Program.
 - * Funding for Fix-Up Loan Program – June 2022
6. Continue to market all rehab programs.
 - CDBG Single Family Rehab – February 2020; March 2021
 - Monthly updates to Board on CDBG Rehab Program.
 - Increase Homestead Incentive Loan amount – August 2021
 - Homestead Incentive Loan to entire city – August 2021

GOAL #2

The St. Cloud HRA will promote fair housing and strive for high performance in HRA properties and housing subsidy programs.

Action Steps

1. Provide annual fair housing training for all staff.
 - Family Housing Videos – April 2020
 - Fair Housing Training – March 2021; April 2021, April 2022
 - Customer Service Training – April 2021
2. Provide monthly/quarterly updates to Board on any compliance or management review.
 - Annual Report 2019 – January 2020; Annual Report 2020 - January 2021, Annual Report 2021 – January 2022
 - SEMAP 2019 – January 2020; SEMAP 2020 - January 2021, SEMAP 2021 – January 2022
 - Scattered Sites REAC Inspections – February 2020
 - Public Housing score high performer - 2019 – 2020
 - PHA Plan for 2021 approved – August 2020
 - PHA Plan for 2022 approved – August 2021
 - Germain Towers 20-year HAP contract renewed – September 2020
 - Compliance Review Al Loehr Apartments – October 2020
 - HUD Compliance Review on Agency – December 2020
 - Creeks Compliance Review – December 2020
 - Westwood One Compliance Review – July 2021
 - 202 Calls for Service – SCPD – September 2021
 - Germain Towers REAC Inspection – December 2021
 - Germain Towers Management Occupancy Review – June 2022
3. Inspection of all HRA units and units contracted under the Housing Choice Voucher programs.
 - Restarted inspections under COVID – June 2020
 - Created Landlord Incentive Program – August 2020
 - HCV COVID-19 landlord incentive retention payments – December 2021
4. Monitor waiting lists for any significant changes in demographics of households applying.
 - Current wait list information – January 2020, January 2021, July 2021, January 2022, July 2022
5. Continue to apply for Bridges grant(s).
 - Applications for 2021–2023 Grant Period – March 2021
 - Bridges Renewed for 2021-2033 – May 2021
 - Approval of Bridges 7E Administrator – May 2021

GOAL #3

The St. Cloud HRA will encourage collaboration with other community organizations and continue to seek funding sources for all programs.

Action Steps

1. Continue collaboration with the Central MN Continuum of Care.
 - Attended monthly meetings
 - Presentation of St. Cloud HRA Program – February 2021
2. Continue to monitor Minnesota Housing Single Family Loan products.
3. Research funding sources for rental assistance and housing options to serve all households with an emphasis on homeless populations.
 - Board approved St. Cloud HRA to administer HCV for Delano HRA – February 2020
 - St. Cloud School District 744 LSS – Homework Starts at Home – March 2020
 - HUD COC Rental Assistance Grants – April 2020; April 2021, April 2022
 - Additional Mainstream Vouchers awarded – June 2020
 - Foster Youth Initiative vouchers approved by HUD – September 2020
 - Beyond Backgrounds Program with Housing Link – November 2020
 - Emergency Housing Vouchers – May 2021
 - Housing Search Services with Stearns County – May 2021
 - Approval for Domestic Violence Rapid Re-Housing Grant – September 2021
 - Awarded Domestic Violence Rapid Re-Housing Grant – April 2022

GOAL #4

The St. Cloud HRA will make efficient use of funding, technology and personnel resources.

Action Steps

1. Work with landlords to reduce the number of first-time inspections fails (HCV).
 - Hired full-time Housing Quality Standards Inspector – January 2022
 - Staff attended Landlord Engagement Meeting – June 2022
2. Implement plan to go paperless with regard to files, inspections, etc.
 - Signature pads for staff, digital signage – January 2020
 - Laptops for staff to work from home – March 2020
 - Emergency Sick Leave Policy and addition to Paid Leave Policy due to COVID – August 2020; December 2020
 - Families First Coronavirus Response Act Policy – April 2021
3. Continued fiscal responsibility for all programs.
 - 2019 Audit Approval – June 2020
 - COVID-19 telework plan – March 2020
 - Approval of HUD Waivers under COVID-19 – April 2020
 - 2020 Audit Approval – May 2021

- 2021 Audit Approval – May 2022
 - Cyber security awareness training monthly – started September 2021
 - Implemented Rent Payment for rental sites – October 2021
4. Implement sustainable energy efficiencies to reduce carbon footprint.
- Continued subscriptions with solar gardens – January 2020
 - Lighting replaced with LED in HRA office – June 2020
 - Approval of window replacement – Scattered Sites (2) – September 2020
 - LED lighting completed at Flintwood – September 2020
 - LED lighting in process at Germain – September 2020
 - LED lighting in process at Empire and exterior of Eastwood – December 2020

[updated July 2022]

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: July 18, 2022

SUBJECT: Approval of Contract for Scattered Sites Furnace, Water Heater Replacement, and Air Conditioner Installation 2022

Requested Action: Approval of the contract with August Plumbing & Heating in the amount of \$87,639.00 to replace furnaces and water heaters and install central air conditioners in 8 scattered site homes.

Background: The HRA owns & manages various scattered site single family houses in St. Cloud. We have identified 8 homes that need furnaces and water heaters replaced. The HRA has also decided to install central air conditioning units in these homes. We solicited proposals from 10 companies. We received proposals from two companies as outlined below.

The proposals are:

Proposal

Augusta Plumbing & Heating 2805 Clearwater Rd. St. Cloud, MN 56301	\$87,639.00
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H & S Heating & AC 3995 County Rd. 74 St. Cloud, MN 56301	\$117,736.00
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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 Augusta Plumbing & Heating for the sum of \$87,639.00.

Frequency of Requests: Once.

Related Action: None.

Future Action: None.

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

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

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: July 21, 2022

SUBJECT: Approval of Contract for Roof Repair at the Brownstones Family Townhomes

Requested Action: Approve the contract with Project One Construction, Inc in the amount of \$59,400.00 to remove and rebuild parapets on units three and five, replace the entire roof on unit 5 and patch roof on unit three at the Brownstones Family Townhomes.

Background: The existing roof and parapets on building 402 9th Ave. N units three and five have leaked over many years and have caused some water damage to the interior of those units which has since been repaired. The St. Cloud HRA hired GLTArchitects to evaluate the roof and parapets and determine a way to fix the problem. The roof membrane was opened up at both parapets and the following was determined:

- The membrane roof and flashing are 21 years old and is beyond its expected life. Seams and joints are failing and the membrane is shrinking.
- The flat top of the parapets and poor sealing of the membrane has allowed infiltration through the metal cap and membrane seams and over time the water has deteriorated the wood cap, wood studs and sheathing.
- The void in the wood stud space allows moisture and water vapor to circulate in the space and condensate on the surfaces causing decay

GLTArchitects wrote the project specifications to possibly have the work done in phases because of budget concerns. Because the parapets on units three and five are in the worse shape; it was advised that we address those two units first.

Base Bid: Remove the parapets on unit three and five and rebuild. The roof membrane on unit five would be completely replaced and the roof membrane on unit three would be patched.

Alternate #1: Remove the parapet on unit four and replace the entire roof membrane on units three and four.

Unit Pricing: Remove parapet and replace with new, patch roof and replace the roof membrane on unit (This would be for units 1, 2 and 6)

GLTArchitects, the architect hired by the St. Cloud HRA, solicited bids from contractors. The invitation for bids was placed on the HRA website, MN Builders Exchange, St. Cloud Builders Exchange, QuestCDN website and advertised in the St. Cloud Times. Two contractors submitted bids by the due date and time.

	<u>Base Bid</u>	<u>Alternate #1</u>	<u>Unit Pricing</u>
Eagle Construction Company, Inc. 515 9 th Ave. NW Little Falls, MN 56345	\$366,300.00	\$175,000.00	\$150,000.00
Project One Construction, Inc. 10375 County Rd. 8 Kimball, MN 55353	\$59,400.00	\$48,500.00	\$38,000.00

HRA staff recommends awarding the work to Project One Construction, Inc. and only having the work that was included in the base bid completed.

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 the Brownstones Family Townhomes operating fund.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA Finance Director

DATE: July 20, 2022

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

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. A representative from the Borrower will be at the meeting to provide further details and answer questions.

Options: Approve, deny, or table.

Frequency of Request: Once.

Related Actions: A Public Hearing was held for this item at the April 27, 2022 regular meeting. No one spoke at the Public Hearing.

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 July 27, 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

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 April 27, 2022, 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 4.60% 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: Louise Reis, Executive Director and Karen Rizer, Finance Director

DATE: July 20, 2022

SUBJECT: Pay 2023 Tax Levy

Requested Action: Approve the pay 2023 tax levy.

Background: The pay 2023 tax levy request and 2023 draft Central Office Cost Center budget will be discussed at the July 27 study session.

Options: Approve the pay 2023 tax levy.

Frequency of Request: Annually.

Related Actions: The tax levy request will be discussed by the City Council at an August budget meeting. It will then be presented for approval at a September City Council meeting.

Future Action: Approval of the 2022 budgets in November or December, with discussions beginning in October. Levy may be amended (downward only) if needed, prior to final certification in December.

Relationship to Goals: Will enable us to continue striving towards achieving our goals.

Budget Impact: 2023 tax levy revenue.

RESOLUTION 2022-06

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA

**ADOPTING THE SPECIAL LEVY FOR PAYMENT
IN THE YEAR OF 2023**

WHEREAS, pursuant to Minnesota Statutes, Section 469.033, Subdivision 6, the Housing and Redevelopment Authority of St. Cloud, Minnesota (the “HRA”), upon approval of the City Council of St. Cloud, is authorized to levy a special tax upon all property, both real and personal, within the City of St. Cloud to be expended and applied for purposes of Minnesota Statutes 469.001 to 469.047; and

WHEREAS, the amount of the levy shall not exceed 0.0185 percent of taxable market value; and

WHEREAS, the Board of Commissioners of the HRA has reviewed the Central Office Cost Center budget and finds the expenditures to be in keeping with the stated sections of Minnesota Statutes and prudent use of public funds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA:

1. The special tax, in the amount of _____, for payment in the calendar year 2023; and that the Finance Director of the HRA is hereby authorized and directed to forward this Resolution to the City Council of St. Cloud, Minnesota, for its consideration; and
2. The Finance Director of the HRA, subsequent to City Council approval, is hereby authorized and directed to certify such tax to the Auditors of Benton, Sherburne, and Stearns Counties.

Adopted this 27th day of July, 2022.

ATTEST:

Nancy Gohman, Chair

George Hontos, Secretary

TO: HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: July 19, 2022

SUBJECT: Report on Activities

Northway A & B: Minnesota Housing conducted a Management and Occupancy Review on June 13, 2022. We received a score of 81 – Above Average for the property.

National Night Out: On Tuesday, August 2, 2022, St. Cloud HRA will participate in National Night Out. National Night Out provides an opportunity to bring law enforcement and neighbors together under positive circumstances. We will have activities at the following properties: Empire 4 to 6 pm, Grace McDowall 4 to 6 pm, Germain 3 to 4 pm, Swisshelm's 4:30 to 6:40 pm, Westwood's 4 to 6:30 pm, and Wilson 1 to 3 pm.

Housing Choice Voucher Program: During the month of June 2022, there were nine housing choice vouchers released. One of the vouchers was for program violations, and six were due to voluntary releases, one for zero HAP, and one voucher expired. One of the voucher holders were over the age of 62.

As of June 30, 2022 – 128 Port In vouchers and 42 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 6 in construction
- 2 in lead testing
- 7 in bidding
- 18 in application stage (all on waiting list have been sent an application package)

Housing Department Vacancy Report – For the Month Ending June 30, 2022

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>06/30/22</u>
Empire	89	6.69%	2
Wilson	126	1.97%	1
Scattered Sites	76	0.86%	2

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>06/30/22</u>
Germain	60	1.71%	1
Grace/NWB	102	1.41%	1

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>06/30/22</u>
Creeks	24	0.00%	0
Brownstones	12	2.77%	0
Swisshelm One	32	2.57%	0
Westwood One	32	2.93%	1
Swisshelm Two	32	3.70%	0
Westwood Two	32	1.19%	0
Riverside	85	2.53%	0

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>06/30/22</u>
Eastwood	18	5.83%	1
Loehr	61	3.75%	3