

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: April 16, 2024
SUBJECT: Presentation on the 2023 Calls for Service

Requested Action: For discussion only.

Background: The St. Cloud HRA has a Memorandum of Understanding with the St. Cloud Police Department to provide proactive law enforcement services to the HRA owned and managed properties. The goal of the memorandum is to reduce crime and criminal activities in and around HRA properties by engaging the police officer in an active role on the property.

Officer D'Andre Clark will attend this meeting to present the attached information and answer any questions from board members.

Future Action: None at this time.

2023 St. Cloud HRA Calls for Service Report Summary

Calls For Service	2023 Totals
Welfare Checks	106
Medicals	438
Suspicious Activity	50
Behavioral Health/Suicidal	85
Alarm	32
Verbal/Threats/Harassment	72
Unwanted/Trespass	47
Disorderly Conduct	10
Loud Music/Noise	32

Call Types	2023 Totals
Burglary	3
Stolen Vehicle	1
Theft	20

Total HRA CAD Calls for Service

2023 = 1421
2022 = 1527
2021 = 1829
2020 = 1329

Properties	Units	Total Calls
Al Loehr Apts	61	122
BrownStone Townhomes	12	34
Cedar Townhomes	12	8
The Creeks Townhomes	24	48
Eastwood Apartments	18	37
Empire Apartments	89	111
Flintwood Apartments	12	0
Germain Towers Apts	60	103
Grace Mcdowall Apts	90	89
Northway Townhomes	12	12
Quarry Ridge Townhomes	12	14
Riverside Apartments	85	139
Scattered sites (Homes)	41	82
Swisshelm I Apartments	32	83
Swisshelm II Apartments	32	125
Westwood I Apartments	32	73
Westwood II Apartments	32	43
Wilson Apartments	126	298

Call Types	2023 Totals
Assault	5
Robbery	1
Gun/person with	0
Gunshots fired/heard	2

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, April 24, 2024
Immediately following 5:00 p.m. Study Session**

STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: 2023 Calls for Service and HCV Update
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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 Meeting Minutes, March 27, 2024. REQUESTED ACTION: Approve.
4. Approval of Regular Meeting Minutes, March 27, 2024. REQUESTED ACTION: Approve.
5. Approval of Contract for Refuse and Recycling Services. REQUESTED ACTION: Approve.
6. Approval to Write-Off Resident Accounts Receivable. REQUESTED ACTION: Approve.
7. Approval to Ratify the Hot Water Boiler Replacement Contract for Wilson Apartments. 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:

8.
 - A. Public Hearing of Property Donation Located at 1618 Pine Cone Rd.
 - B. Approval of Resolution 2024-06 – Authorizing to Accept Broker Opinion of Value of Land.
 - C. Approval of Letter of Support and Exclusive Letter of Intent.
9. Approval of Resolution 2024-07 – Acceptance and Authorization for Executive Director to Sign for Benton County American Rescue Plan Act (ARPA) Funds.

10. Report on Activities.

Open Discussion:

Adjourn.

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

Wednesday, March 27, 2024

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, March 27, 2024. Chair Nancy Gohman called the meeting to order at 5:00 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, George Hontos, Hani Jacobson, and Carol Lewis.

Executive Director, Louise Reis, said the current Personnel Manual for the employees of the St. Cloud HRA was developed and approved in 1999, and while there have been updates to current policies and new policies added, this is the first time that a complete review of all policies has been completed. Ms. Reis said the majority of changes included updating verbiage and revising policies set by the State of Minnesota for 2024. The Personnel Committee reviewed the manual and recommended sending to the full board for approval.

Commissioner Hontos asked how involved the legal team was. Ms. Reis said the HRA staff had gone through the manual and made updates and notes for policies that required revision, and legal counsel reviewed and provided changes and suggestions. Mr. Conway asked from a legal perspective if the manual was approved and Ms. Reis confirmed yes, the HRA's legal counsel says the agency is covered as an employer with the updated manual.

Commissioner Lewis asked about skilled versus unskilled employees in policy 02.12. Finance Director Karen Rizer said most HRA jobs are classified as skilled. Commissioner Lewis said it seems that skilled jobs require a longer training period than the six-month probationary period mentioned in the manual. Commissioner Conway said he believes the policy is less about skilled versus unskilled, but are they a quality employee for the agency and that is to be determined in the probationary period. Commissioner Dwyer asked how the probationary period was determined. Ms. Reis responded it has been a part of the manual since the inception. Commissioner Gohman asked if the agency has to wait six months before terminating an employee and Ms. Reis responded no, there are several opportunities for coaching and reviews or written warnings prior to the end of the six-month probationary period.

Ms. Reis said several of the benefits policies were condensed into one policy, versus having one for dental, health, short-term disability, and long-term disability. Commissioner Lewis asked about policy 05.01 and the requirement to work 30 or more hours per week to be eligible for benefits and whether or not it would be optimal to update that to 20 hours per week. Ms. Rizer responded that if updated to 20 hours per week, it could get complex with caretaker hours because during winter months they can have upwards of 20 hours a week. Commissioner Lewis asked if providing insurance to the caretakers has been considered. Ms. Rizer said there is significant turnover with the caretaker position and providing additional benefits, on top of reimbursing rent, could create a burden for the agency.

On page 90, Ms. Reis addressed the addition of the Earned Sick and Safe Time (ESST) Policy. Part-time employees (including caretakers) are eligible to accrue ESST at the rate of two minutes for every one hour they worked and can be used in 15-minute increments. Ms. Reis also noted highlights shared with the Personnel Committee included updating pronouns; paid-time off taken in 15-minute increments versus 30-minute increments, optional summer hours, as well as an updated telework policy. Commissioner Conway asked if the assumption is employees come in and work at the office unless they cannot make it in. Ms. Rizer said there are still positions that cannot work from home due to software constraints, but the agency is hopeful with the transition to new software this summer more positions will have the flexibility to work remotely.

Commissioner Lewis moved to policy 06.08 and asked if “vaping” should be included because e-cigarette and other electronic smoke devices may not be specific enough. Ms. Reis confirmed vaping would be included in the manual that is presented to staff.

There being no further discussion, the Study Session adjourned at 5:37 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
Wednesday, March 27, 2024

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, March 27, 2024 at 1225 West St. Germain Street. Chair Nancy Gohman called the meeting to order at 5:38 p.m. Commissioners present: Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, George Hontos, Hani Jacobson, and Carol Lewis.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken.
2. Approval of Agenda – Commissioner Dwyer moved for approval; Commissioner Conway seconded the motion. All Commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Study Session Meeting Minutes, February 28, 2024 – approved as presented.
4. Approval of Regular Meeting Minutes, February 28, 2024 – approved as presented.
5. Approval of Contracts for Lawn Services – contracts approved for various St. Cloud HRA properties with Gapinski Property Services (Quarry Ridge, Westwood 1, Westwood 2, 152 19th Ave. N, 814 Savanna Ave, 310 Laundenbach Ct, 1618 Pine Cone Rd, and Meadows Edge Parcels), Ideal Lawn (Al Loehr, Creeks, Flintwood, Grace McDowall, Northway B, and Swisshelm 1), and LB’s Luxury Lawns (Brownstones, Cedar Ridge, Eastwood, Empire, HRA Office, Riverside, Swisshelm 2, and Wilson) for a total approximate amount of \$42,000.00.
6. Approval of Personnel Manual – approved as presented.
7. Approval of Interfund Transfers – 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 was an individual that had reached out to HRA staff and the board members about a port-out issue. Voucher Programs Manager, Lori Lygre, added it was a portability policy with the agency the voucher holder is trying to port to and the situation has been addressed with the voucher holder.

Old Business: none.

New Business:

8. Approval of Resolution 2024-05 – Authorization of Housing Tax Credit Suballocator Joint Powers Agreement. Ms. Reis noted this is an annual tax credit allocation and St. Cloud has a tax credit estimate of \$161,155.00. Commissioner Conway asked if the allocation can be specified to a certain project. Ms. Reis said the HRA is unable to dictate what project it goes to. Commissioner Conway moved for approval; Commissioner Dwyer seconded the motion. All commissioners voted in favor; the motion carried.
9. Report on Activities – Ms. Reis shared the annual audit started and the preparation for converting to the new software, Yardi, is underway. Ms. Reis said the board should discuss the CDBG allocations, and Ms. Rizer added she was speaking with the City of St. Cloud about the CDBG allocation. Commissioner Hontos responded that it was intended for the HRA to make the decision about what project would be funded with the awarded amount. Commissioner Conway agreed, he understood the amount awarded to the HRA could be used in any way the HRA wanted the funds to be spent. Commissioner Lewis confirmed she heard the \$190,000.00 amount was awarded to the HRA and the HRA had flexibility with how the money would be spent. Commissioner Hontos asked how much of the

CDBG allocation would be used for the Brownstones and Ms. Reis and Ms. Rizer confirmed they would like to see all of it go towards the Brownstones project because there are still funds to continue with the CDBG waiting list and the loan paybacks continue to be strong.

There being no further business, the meeting adjourned at 5:47 p.m.

ATTEST:

Secretary, Hani Jacobson

Chair, Nancy Gohman

TO: St. Cloud HRA Board of Commissioners
FROM: Paul Soenneker, Project Manager
DATE: April 17, 2024
SUBJECT: Contract for Refuse and Recycling Services

Requested Action: Approval of the Refuse and Recycling service contract with Republic Services Inc. for monthly refuse and recycling services for the next two years with a renewal option for another two years.

Background: The HRA solicited bids from 2 companies to provide refuse removal and recycling services for all of the HRA owned apartments, townhomes and office. It was advertised in the St. Cloud Times and was also placed on the HRA web site. We received one bid as outlined below by the due date. These numbers represent monthly charges for all properties combined.

Republic
Services Inc.

Total \$6,711.16

HRA staff is recommending awarding the contract to Republic Services, Inc.

Frequency of Requests: Every two to four years.

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 item will be funded through each building's budget.

TO: St. Cloud HRA Board of Commissioners
 FROM: Louise Reis, Executive Director
 DATE: April 15, 2024
 SUBJECT: Write-Off Resident Accounts Receivable

Requested Action: Authorization from the Board to write-off accounts receivable on former residents and program participants in the following amounts:

Public Housing	\$ 16,799.75
Germain Towers	1,231.46
Northway A & B	3,620.19
Eastwood	4,068.33
Al Loehr	1,663.49
Creeks	973.72
Swisshelm One	4,615.91
Swisshelm Two	4,887.22
Westwood One	1,376.01
Westwood Two	4,075.28
Riverside	3,670.45

Background: Periodically, we are required to review the vacated resident accounts receivable and determine which accounts are not collectible.

The receivables for the HRA properties include actual rent and all damages not paid by a resident prior to vacating the unit. The receivables greater than 60 days old, as of December 31, 2023 are determined not to be collectible.

The receivables that are greater than 60 days old are forwarded to Minnesota Department of Revenue under the Revenue Recapture Program. During the last six months of 2023, the HRA has recovered the following amounts:

Public Housing	\$ 3,872.66
Northway A & B	1,736.00
Eastwood	1,341.00
Al Loehr	2,874.00
Creeks	3,088.15
Swisshelm Two	85.00
Westwood One	330.00
Westwood Two	1,438.30
Riverside	184.63

Frequency of Request: Bi-annually

Related Actions: None

Future Action: None

Relationship to Goals: None

Budget Impact: Collection losses are budgeted for each property.

**St Cloud HRA
Analysis of Tenant Accounts Receivable Written-Off
Year Ending December 31, 2023**

	Dwelling Rental Income	A/R W/O 6/30/2023	A/R W/O 12/31/2023	Total A/R W/O 2023	Total W/O as % of Income	Total 2023 Recoveries	Net W/O as % of Income
Empire Apts	301,087.00	19,806.65	4,779.11	24,585.76	8.17%	\$ 3,357.61	7.05%
Scattered Sites	335,983.00	14,662.77	9,203.63	23,866.40	7.10%	5,572.10	5.45%
Wilson Apts	428,930.49	13,575.45	2,817.01	16,392.46	3.82%	1,380.22	3.50%
Total Public Housing	1,066,000.49	48,044.87	16,799.75	64,844.62		10,309.93	
Germain Towers	211,431.00	2,568.79	1,231.46	3,800.25	1.80%	1,773.68	0.96%
Northway A & B	351,078.35	4,870.01	3,620.19	8,490.20	2.42%	2,671.87	1.66%
Eastwood	97,660.00	1,061.97	4,068.33	5,130.30	5.25%	1,341.00	3.88%
Al Loehr	301,146.00	8,590.88	1,663.49	10,254.37	3.41%	2,915.00	2.44%
Creeks	163,484.00	513.50	973.72	1,487.22	0.91%	6,548.06	-3.10%
Brownstones	83,340.00	0.00	0.00	0.00	0.00%	0.00	0.00%
Swisshelm One	227,573.00	627.82	4,615.91	5,243.73	2.30%	4,836.94	0.18%
Swisshelm Two	204,799.00	8,590.25	4,887.22	13,477.47	6.58%	2,622.16	5.30%
Westwood One	209,352.00	4,209.68	1,376.01	5,585.69	2.67%	6,538.70	-0.46%
Westwood Two	247,532.00	130.65	4,075.28	4,205.93	1.70%	3,940.13	0.11%
Riverside	525,170.00	4,005.14	3,670.45	7,675.59	1.46%	454.63	1.37%
	3,688,565.84	83,213.56	46,981.81	130,195.37	3.53%	43,952.10	2.34%

	A/R Balance Prior to W/O	A/R W/O @ 12/31/2023 % total A/R	A/R Balance After W/O	Rents	Maintenance/Damages/Move-out Charges	Total Write-offs
Balance as of December 31, 2023	9,869.25	48.42%	5,090.14	\$ 13,120.03		
Empire Apts	21,939.63	41.95%	12,736.00	33,861.78		
Scattered Sites	11,493.37	24.51%	8,676.36			
Wilson Apts	43,302.25	38.80%	26,502.50			
Total Public Housing						
Germain Towers	8,801.73	13.99%	7,570.27			
Northway A & B	9,179.26	39.44%	5,559.07			
Eastwood	11,225.26	36.24%	7,156.93			
Al Loehr	6,959.91	23.90%	5,296.42			
Creeks	5,097.67	19.10%	4,123.95			
Brownstones	3,352.32	0.00%	3,352.32			
Swisshelm One	8,644.57	53.40%	4,028.66			
Swisshelm Two	13,090.68	37.33%	8,203.46			
Westwood One	8,316.80	16.54%	6,940.79			
Westwood Two	10,925.91	37.30%	6,850.63			
Riverside	5,959.20	61.59%	2,288.75			
	134,855.56		87,873.75			

St. Cloud HRA
Tenant Write-Off History by Property

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>PUBLIC HOUSING</u>				
Total Write-offs	64,844.62	29,626.94	30,801.77	15,396.63
Total Recoveries	10,309.93	6,582.51	4,745.75	10,155.77
Net Write-Offs	54,534.69	23,044.43	26,056.02	5,240.86
Net Write-Offs as a % of Rental Revenue	5.12%	2.39%	2.70%	0.55%
<u>GERMAIN TOWERS</u>				
Total Write-offs	3,800.25	3,965.04	867.08	2,769.04
Total Recoveries	1,773.68	693.97	701.44	1,283.91
Net Write-Offs	2,026.57	3,271.07	165.64	1,485.13
Net Write-Offs as a % of Rental Revenue	0.96%	1.69%	0.08%	0.75%
<u>NORTHWAY A & B</u>				
Total Write-offs	8,490.20	5,182.17	333.43	1,396.61
Total Recoveries	2,671.87	346.43	213.00	622.07
Net Write-Offs (Recoveries)	5,818.33	4,835.74	120.43	774.54
Net Write-Offs as a % of Rental Revenue	1.66%	1.48%	0.04%	0.25%
<u>EASTWOOD</u>				
Total Write-offs	5,130.30	3,598.65	15,259.57	1,136.36
Total Recoveries	1,341.00	1,577.33	682.62	76.20
Net Write-Offs (Recoveries)	3,789.30	2,021.32	14,576.95	1,060.16
Net Write-Offs as a % of Rental Revenue	3.88%	2.11%	17.48%	1.18%
<u>AL LOEHR</u>				
Total Write-offs	10,254.37	5,813.21	962.99	1,396.67
Total Recoveries	2,915.00	45.08	0.00	1,002.95
Net Write-Offs (Recoveries)	7,339.37	5,768.13	962.99	393.72
Net Write-Offs as a % of Rental Revenue	2.44%	2.02%	0.34%	0.15%
<u>CREEKS</u>				
Total Write-offs	1,487.22	13,335.81	7,964.48	4,461.86
Total Recoveries	6,548.06	2,803.00	0.00	616.61
Net Write-Offs (Recoveries)	(5,060.84)	10,532.81	7,964.48	3,845.25
Net Write-Offs as a % of Rental Revenue	-3.10%	6.44%	4.85%	2.38%

St. Cloud HRA
Tenant Write-Off History by Property

	2023	2022	2021	2020
BROWNSTONES				
Total Write-offs	0.00	0.00	0.00	62.59
Total Recoveries	0.00	0.00	62.59	0.00
Net Write-Offs (Recoveries)	0.00	0.00	(62.59)	62.59
Net Write-Offs as a % of Rental Revenue	0.00%	0.00%	-0.09%	0.09%
SWISSHELM ONE				
Total Write-offs	5,243.73	20,576.17	6,225.28	0.00
Total Recoveries	4,836.94	585.00	0.00	3,659.22
Net Write-Offs (Recoveries)	406.79	19,991.17	6,225.28	(3,659.22)
Net Write-Offs as a % of Rental Revenue	0.18%	9.43%	3.08%	-1.89%
SWISSHELM TWO				
Total Write-offs	13,477.47	5,473.44	5,133.94	6,671.12
Total Recoveries	2,622.16	1,371.41	560.08	1,057.55
Net Write-Offs (Recoveries)	10,855.31	4,102.03	4,573.86	5,613.57
Net Write-Offs as a % of Rental Revenue	5.30%	2.07%	2.33%	3.00%
WESTWOOD ONE				
Total Write-offs	5,585.69	10,792.99	12,318.13	5,244.62
Total Recoveries	6,538.70	6,571.68	643.14	1,954.83
Net Write-Offs (Recoveries)	(953.01)	4,221.31	11,674.99	3,289.79
Net Write-Offs as a % of Rental Revenue	-0.46%	2.10%	6.26%	1.98%
WESTWOOD TWO				
Total Write-offs	4,205.93	7,385.96	2,610.65	4,349.22
Total Recoveries	3,940.13	2,248.87	1,847.36	1,007.77
Net Write-Offs (Recoveries)	265.80	5,137.09	763.29	3,341.45
Net Write-Offs as a % of Rental Revenue	0.11%	2.09%	0.31%	1.44%
RIVERSIDE				
Total Write-offs	7,675.59	13,853.57	4,021.98	1,249.24
Total Recoveries	454.63	1,662.45	0.00	327.22
Net Write-Offs (Recoveries)	7,220.96	12,191.12	4,021.98	922.02
Net Write-Offs as a % of Rental Revenue	1.37%	2.34%	0.81%	0.19%

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: April 18, 2024
SUBJECT: Ratify the Hot Water Boiler Replacement Contract for Wilson Apartments

Requested Action: Ratify the Hot Water Boiler Replacement Contract for Wilson Apartments in the amount of \$32,203.00 from Climate Air.

Background: During the week of April 8th, the hot water boiler at Wilson Apartments continued to shut down intermittently and no hot water was available for residents of the building. While we were able to get the hot water boiler to run again, we are being told that the boiler needs to be replaced. On April 16 the boiler completely shut down and was unable to be restarted. Climate Air is able to replace the hot water boiler on April 18, 2024. Due to Minnesota State Landlord Laws, the lack of hot water is considered an emergency repair item. Therefore, I signed the proposal to replace the hot water boiler in the amount of \$32,203.

Frequency of Request: One time.

Related Actions: None.

Future Action: None.

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

Budget Impacts: This item is purchased out of the operating funds for Wilson Apartments.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: April 18, 2024

SUBJECT: Public Hearing and Approval of Resolution 2024-06 on Brokers Opinion and Sale and Donation of Property Located at 1618 Pine Cone Road

Requested Action: Hold a public hearing, approve Resolution 2024-06 on Brokers Opinion, approve sale and donation of property located at 1618 Pinecone Road along with authorization for Executive Director to sign closing documents.

Background: At the November 2023 Study Session, the Board discussed the Pine Cone Road property. The parcel of land was purchased in December 2003 by the St. Cloud HRA Holdings, LLC. St. Cloud HRA Holdings, LLC then sold a portion of the property to the City of St. Cloud. St. Cloud HRA Holdings, LLC owns 2.68 acres and the city owns the adjoining 1 acre. The 2.68 acres of land owned by St. Cloud Holdings, LLC had a carrying value listed at \$219,639.00 on the audit for 2022.

The documents that you are approving were reviewed by legal counsel and a Letter of Conveyance is provided.

Central Minnesota Housing Partnership has an interest in developing an affordable housing for seniors on the parcel of land. The request was for St. Cloud HRA Holdings, LLC to sell the parcel for \$1.00 with the balance as a donation in order to show local support for an affordable housing project for funding application. We are requesting the St. Cloud HRA Board of Commissioners to: 1) approve Resolution 2024-06 - Brokers Opinion on the value of the land, 2) approve Letter of Support, 3) approve the sale and donation of the land as outlined in the Exclusive Letter of Intent, and 4) authorize the Executive Director to sign closing documents. Also attached are the Draft Architect Drawings for the project.

Frequency of Request: Once.

Related Actions: None.

Future Action: None.

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

Budget Impact: The HRA is foregoing the option to sell at market value and recover costs in order to further the construction of affordable housing in St. Cloud. The HRA will likely issue housing bonds for this project which would result in future revenue for housing needs.

April 17, 2024

Direct Dial: 320-656-3508
Jvonkorff@RinkeNoonan.com

Board of Commissioners
Housing and Redevelopment Authority of St. Cloud
1225 West St. Germain Street
St. Cloud, MN 56301

Re: Letters of Intent
Our File No. 06385-0138

Dear Board of Commissioners:

Executive Director Reis asked me to review the Exclusive Letter of Intent regarding the vacant real property located at 1618 Pine Cone Road, St. Cloud, MN (the “Project”). The Letter of Intent expresses the HRA’s intention to work in good faith with Central Minnesota Housing Partnership, to develop property owned by the HRA for senior housing that fulfills a public purpose. Because the project would serve a public purpose within the HRA’s statutory mission, HRA leadership propose to transfer the property without payment, provided that the project receives appropriate approvals, and it is then used to fulfill the proposed purpose. Although the Letter of Intent is largely non-binding, it does require the HRA to agree not to sell or transfer the property to someone else during the designated period.

Central Minnesota Housing Partnership is represented by Scott Hamak of Rinke Noonan. Previously, the HRA agreed that Mr. Hamak could work on this project for the Partnership. More recently, Central Minnesota Housing Partnership proposed the Letter of Intent to the HRA. HRA staff concluded that, in view of the largely non-binding nature of the letter, it would be in the agency’s best interest to have existing counsel review the letter, rather than seek counsel unfamiliar with the HRA. To this end, we suggested several improvements in the document. In the event that the project receives state approval, there will be a period of negotiation and review to determine the binding terms, and possibly to seek bond financing. When that occurs, the HRA will use separate counsel.

Sincerely,

/s/ Gerald W. Von Korff

Gerald W. Von Korff
JVK/IPH/asd

EXCLUSIVE LETTER OF INTENT

The **Housing and Redevelopment Authority in and for the City of St. Cloud, Minnesota**, a public body corporate and politic of the State of Minnesota, and **St. Cloud HRA Holdings, LLC**, a Minnesota limited liability company (collectively, the “**HRA**”) and **Central Minnesota Housing Partnership, Inc.**, a Minnesota nonprofit corporation, or its assigns (“**CMHP**”), enter into this Exclusive Letter of Intent (this “**LOI**”) effective as of April ___, 2024 (the “**Effective Date**”).

RECITALS

- A. The HRA owns vacant real property located at 1618 Pine Cone Road in the City of St. Cloud, Minnesota (the “**City**”), Parcel ID# 82.50095.0836 consisting of approximately 2.68 acres (the “**Property**”) as generally shown on the site drawing attached as **Exhibit A** (the “**Site Drawing**”).
- B. The City owns vacant real property located at 1530 Pine Cone Road in the City, PID# 82.50095.0837 adjacent to the Property (the “**City Parcel**”) as generally shown on the Site Drawing.
- C. CMHP intends on submitting an application to the Minnesota Housing Finance Agency (“**MHFA**”) for low-income housing tax credits (“**LIHTC**”) and/or housing infrastructure bonds (“**HIB**”) to develop an approximately 58-unit affordable multi-family housing project (the “**Project**”) on the Property and approximately .80 acres of the City Parcel as shown on the Site Drawing (the “**City Property**”).
- D. The actual development of the Project is dependent upon a variety of factors, variables and circumstances which are not now resolved nor known with sufficient clarity as to permit the parties to enter into a purchase agreement regarding the Property.
- E. The parties desire to summarize some of the key transaction terms the parties are proposing regarding the sale and acquisition of the Property to be included in a definitive agreement between the parties (the “**Purchase Agreement**”).

The purpose of this LOI is to summarize some of the significant terms and conditions of the Project and the Purchase Agreement between the HRA and CMHP for the proposed development of the Project. This LOI is not intended to limit the scope or provisions of the Purchase Agreement and, thus, terms and conditions other than those set forth herein may be agreed upon in the final Purchase Agreement.

1. **Inspections.** CMHP, its agents, representatives and contractors, shall have full and continuing physical access to the Property through the Closing Date without charge but at CMHP’s cost for CMHP’s review, inspection, investigation and testing of the Property (the “**Inspections**”).

2. **Property Information.** Within 10 business days following CMHP’s request, the HRA will deliver to CMHP complete and correct copies of surveys, plats, real estate tax

statements, covenants, restrictions, easements, environmental, engineering, geotechnical and soils reports and studies, wetland delineations or reports, zoning information, title insurance policies, governmental approvals, pending and levied assessments, notices or information pertaining to the condition or status of the Property, and all other documents which CMHP may reasonably request which are in the HRA's possession or control (the "**Property Information**").

3. **Title Commitment.** Within 10 business days following CMHP's request, the HRA will provide a commitment for an ALTA Owner's Title Insurance Policy issued by First American Title Insurance Company d/b/a Tri-County Abstract and Title Guaranty (the "**Title Company**") in a form and amount reasonably required by CMHP ("**Title Commitment**"). CMHP shall be responsible to obtain and pay for any owner's and lender's title insurance policies on the Property which CMHP desires to obtain.

4. **Sale of Property.** The HRA will sell and transfer the Property to CMHP, or its assigns, at the Closing for a purchase price of \$1.00 (the "**Purchase Price**"). The HRA acknowledges that the Property's fair market value ("**Market Value**") exceeds \$1.00 and that the HRA will donate to CMHP and the Project that portion of the Market Value that exceeds the Purchase Price (the "**Donation**"), in return for assurances that the project will be developed and used in the public interest described in the agreed documents.

5. **Project Financing.** CMHP anticipates that the Project will be financed with a combination of LIHTC, HIB, capital contributions, loans and other funding applied for by CMHP to develop the Project.

6. **Contingencies.** CMHP's obligation to proceed with the Purchase Agreement and the acquisition of the Property will be contingent upon, among other things, all of the following:

- a. CMHP shall be satisfied with title to the Property;
- b. CMHP shall be satisfied in its sole discretion with its Inspections of the Property (including a survey, Phase 1 environmental report, geotechnical, engineering and building reports) and review of the Property Information;
- c. The City shall have replatted the Property and the City Property;
- d. CMHP shall have obtained all final City, governmental and third-party approvals, permits and agreements required for the Project which CMHP believes are necessary in its sole discretion;
- e. CMHP shall have received a preliminary funding award of LIHTC, HIB and/or other required approvals from MHFA on terms satisfactory to CMHP in its sole discretion for the Project (the "**MHFA Approvals**");
- f. CMHP shall have received a loan or loans for the Project in amounts and on terms acceptable to CMHP in its sole discretion;

- g. CMHP shall have entered into a limited partnership agreement with a LIHTC investor for the Project with terms acceptable to CMHP in its sole discretion, if applicable; and
- h. CMHP shall have entered into a letter of intent and purchase agreement with the City regarding the acquisition of the City Property, and CMHP shall have simultaneously closed on the acquisition of the Property and the City Property.

7. **Closing Date.** Closing will occur within 10 days following CMHP's written notice to the HRA but no later than December 31, 2025, or such other date the parties agree upon (the "**Closing Date**"). The Closing shall take place at the Title Company's office, or another mutually agreed upon location, or in accordance with escrow instructions provided by the parties, at a time the parties agree upon (the "**Closing**").

8. **Closing Expenses.** CMHP shall pay all state deed tax, the cost of the Title Commitment, the cost to record the deed, any title insurance policy premiums, any mortgage registration taxes, and the Title Company's closing fees and costs. The parties will each pay their own legal and accounting costs.

9. **Ownership Structure.** CMHP will form a wholly-owned limited liability company, a limited partnership or other entity (the "**Entity**") to enter into the Purchase Agreement, purchase the Property and develop the Project. CMHP shall have primary responsibility for the management of the Partnership and the Project. Upon formation of the Entity, CMHP will assign this LOI and any Purchase Agreement to the Partnership.

10. **Transaction Costs.** The parties will each be responsible for all of their own costs and expenses incurred at any time in connection with pursuing or consummating this LOI, the Purchase Agreement and any other documents or any other transaction this LOI contemplates. The parties agree that neither party can be liable for expenses incurred or opportunities lost by the other in reliance on this LOI.

11. **Exclusive Negotiations.** The HRA understands that CMHP will be spending considerable time, effort and expense in preparing and submitting an application to MHFA for the MHFA Approvals and that receiving MHFA Approvals is necessary for CMHP to proceed with the Project and the Purchase Agreement. If CMHP receives MHFA Approvals before December 31, 2024, the HRA and CMHP will proceed diligently and in good faith to negotiate a mutually acceptable Purchase Agreement for the Project on or before August 31, 2025. If CMHP has not received MHFA Approvals by December 31, 2024, this LOI will automatically terminate, unless the parties agree to extend it. Prior to termination of this LOI and the execution of a mutually acceptable Purchase Agreement, the HRA shall not negotiate with or enter into any agreement with any third party regarding the lease, purchase or development of the Project or any portion of the Property.

12. **Disclaimer.** This LOI is only an outline of the basic business terms for the Project and the Purchase Agreement, and except for Sections 10 and 11, is not a legally binding

or enforceable agreement. Neither party will have any legal obligations with respect to the Project unless and until the parties execute a definitive, mutually acceptable Purchase Agreement.

13. **Counterparts; Signatures.** This LOI may be signed in counterparts, each of which shall be deemed an original, and electronic and emailed pdf signatures shall be sufficient for all purposes.

The HRA and CMHP have executed this Exclusive Letter of Intent as of the Effective Date.

HRA:

**THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
ST. CLOUD, MINNESOTA**

By _____
Its _____

St. Cloud HRA Holdings, LLC

By _____
Its _____

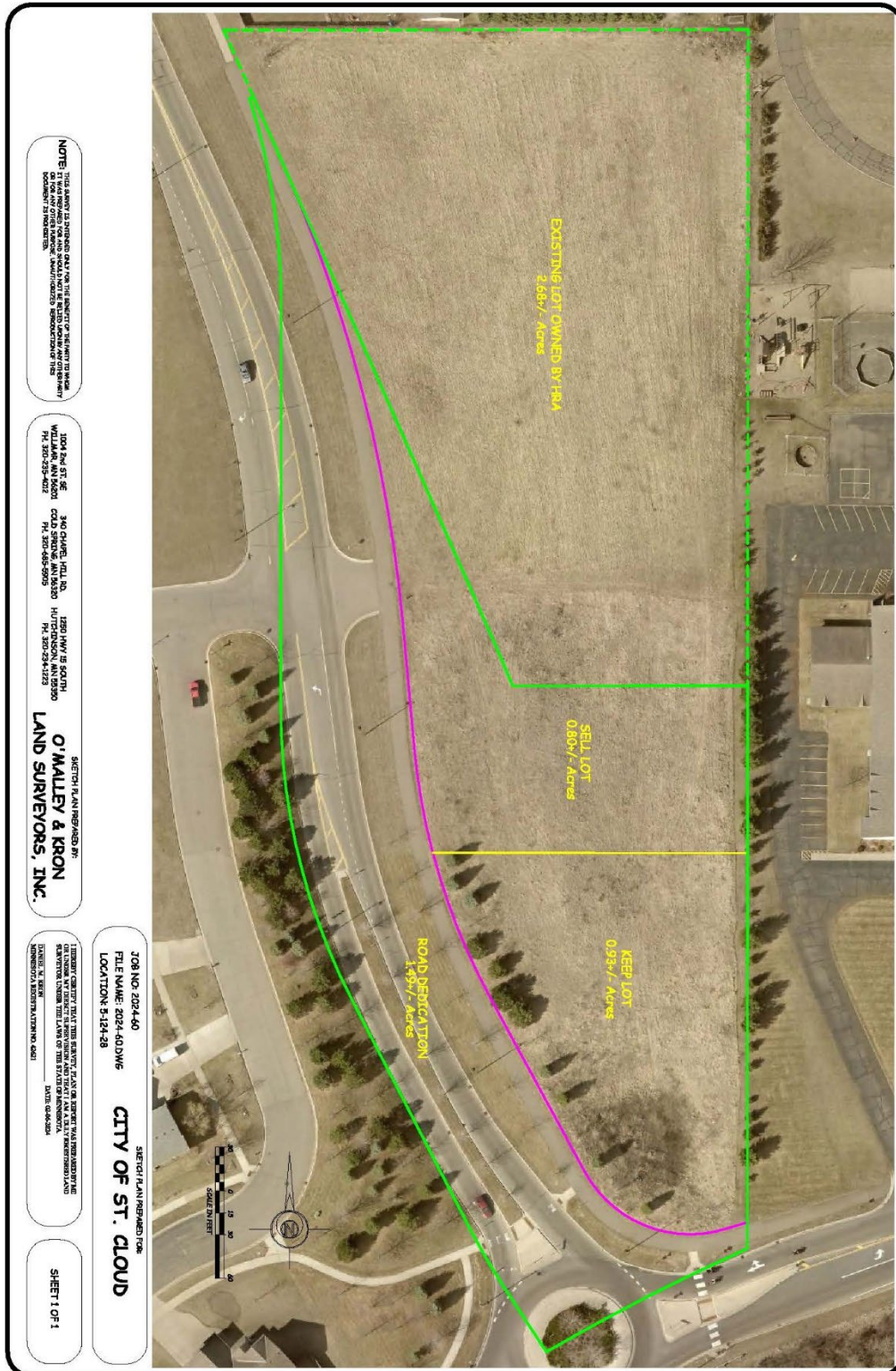
CMHP:

**Central Minnesota Housing Partnership,
Inc.**

By _____
Deanna Hemmesch, Executive Director

EXHIBIT A

Site Drawing





March 28, 2024

St Cloud Housing and Redevelopment Agency
1225 West St Germain Street
St. Cloud, MN 56301

RE: Broker's Opinion of Value of **2.68 acres, Parcel 82.50095.0836** as depicted on the attached **Exhibit A**. The following research supports my opinion that the current market value of this property is approximately \$2.80 per square foot, or **\$326,875** as a high-density multi-family project site (18-21 units per acre).

Dear Sir/Madam,

There are generally three approaches to value utilized in the real estate appraisal industry, defined as follows:

THE REPLACEMENT COST APPROACH TO VALUE. This is most aptly used when the property is improved with structures. This method would value the land and the cost to replace the structure, and depending on the age of the structure it would be depreciated by some measure.

THE INCOME APPROACH TO VALUE. This is most useful in the case of investment property. In short, an income stream is capitalized based on market conditions.

THE COMPARABLE SALES APPROACH TO VALUE. This method compares similar type properties that have sold recently.

For the purpose of valuing this land, the **COMPARABLE SALES APPROACH TO VALUE** is the most appropriate and because there are no structures on the property and there's no income stream, the other two approaches are not appropriate.

Central Minnesota multifamily land sales were robust in the years prior to 2023, but have slowed significantly due to the interest rates nearly doubling in the last 18 months. However, I was able to find three multifamily land sales in the St. Cloud market that are currently under construction or are slated for construction in the future. The sales summaries are attached as Exhibits B, C and D. Descriptions of the sales are as follows:

Exhibit B: This sale closed December 20, 2023. The seller was KwikTrip, Inc. and the buyer was Torborg Builders. Torborg owns other real estate in the neighborhood and this was surplus property that KwikTrip purchased when they developed their store located at County Road 120 and County Road 4 in Northwest St. Cloud. The site is just over 3 acres and Torborg paid \$400,000, or three dollars (\$3) per square foot. Torborg's plan is to build high-density apartments in the future. I would note that the site was improved with a concrete drive and the required on-site ponding is finished. I would make an adjustment of \$0.50 per square foot for these improvements, for a net sale price of \$2.50 per square foot.

Exhibit C. This sale closed December 9, 2022 and consisted of a second phase of construction by Kuepers Inc. The purchase was 20 acres but only 12 were buildable, the remainder being wetland. In addition to the \$1.2 million price paid, Kuepers Inc. installed approximately 600 feet of city street at a cost of

SVN GC Real Estate | 3900 Roosevelt Rd STE 125, St. Cloud, MN 56301
Office: 320.253.0003 | Fax: 320.253.0006 | WWW.SVNGCRE.COM
An SVN® Affiliated Company. All SVN® offices are independently owned and operated.

approximately \$300,000. So, the true cost was \$1.5 million which calculates to \$2.86 per buildable square foot.

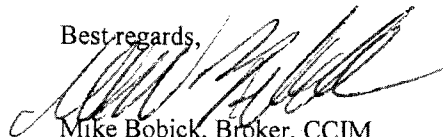
Exhibit D. The third comparable sale closed September 15, 2021 and consisted of 19.7 acres along Highway 15 in South St. Cloud. This is a high profile site and I believe the buyer paid somewhat of a premium because it was the replacement property in a 1031 exchange. Buyers are typically willing to pay premium to defer capital gains tax. The \$2,866,000 price equates to \$3.34 per square foot. For the superior location to the subject and the premium paid I would adjust this comparable to three dollars (\$3.00) per square foot.

Thus, in summary I did make a location adjustment for the third comparable sale, but I feel the other two are relatively similar in terms of location. In addition, the sales are all located within the City of St. Cloud, (as is the subject property), so they all would have the same development soft costs for multifamily construction. Finally, I did not adjust sales C and D for the age of the sales because I believe any increase would be offset by the recent escalation of sewer access (SAC) and water access (WAC) charges in the city of St. Cloud. These costs are significantly increasing in 2024 and 2025.

The sales average \$2.78 per square foot which I've rounded to \$2.80, or \$326,875 for the subject parcel.

Please feel free to call to discuss.

Best regards,



Mike Bobick, Broker, CCIM
direct 320-257-3722
cell 320-333-2692

Exhibit A



SKETCH PLAN PREPARED FOR
CITY OF ST. CLOUD
 JOB NO: 2024-40
 FILE NAME: 2024-40.DWG
 LOCATION: 5-124-28

SHEET 1 OF 1

I HEREBY CERTIFY THAT THIS SURVEY, PLANNING, ENGINEERING OR ARCHITECTURAL WORK WAS PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND THAT I AM A LICENSED PROFESSIONAL SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.
 EXPIRES: 12/31/2025 11/15/2024

SKETCH PLAN PREPARED BY:
O'MALLEY & KRON
LAND SURVEYORS, INC.
 1008 1/2 S. 45th ST. 1008 1/2 S. 45th ST.
 WILMAR, MN 55390 WILMAR, MN 55390
 PH: 330-274-1121 PH: 330-274-1121

NOTE: THIS SURVEY IS INTENDED ONLY FOR THE PURPOSES OF RECORDING TO RECORD IN THE PUBLIC RECORDS. IT DOES NOT CONSTITUTE A GUARANTEE OF ACCURACY OR A WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE.

Exhibit B

Commercial Land Sales



Assessors Office 320-255-7204



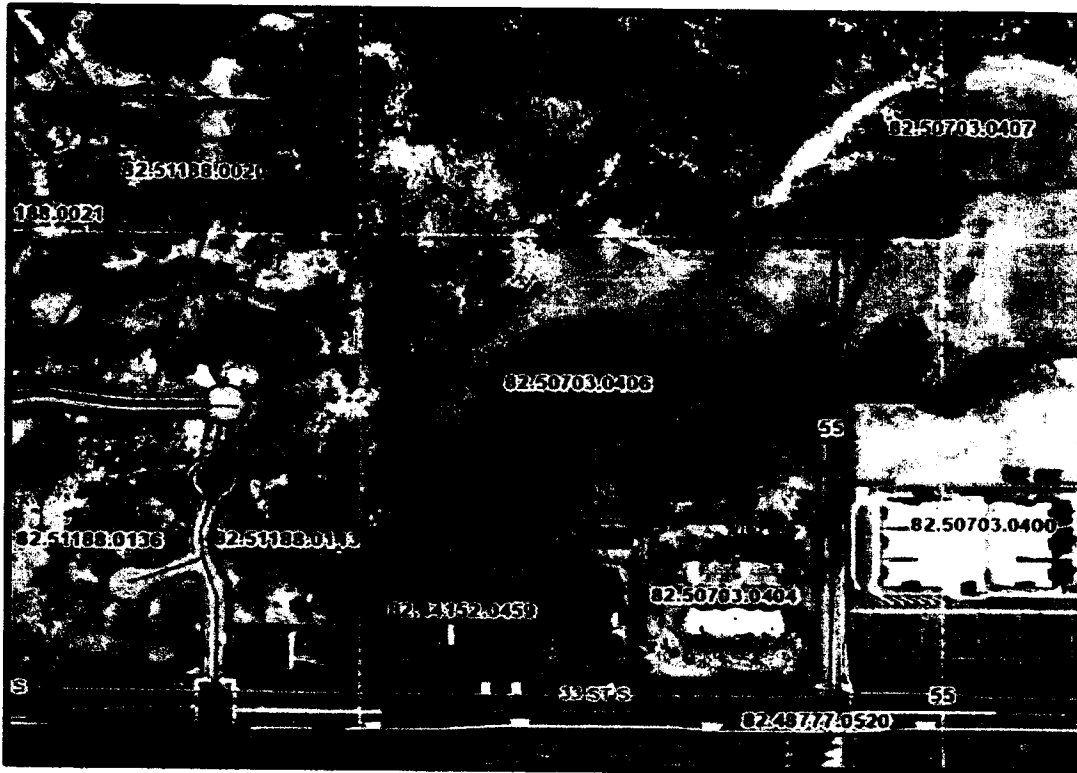
eCRV #		1610759	
Sale #:	2023.CL.12	Parcel #:	82.47762.0021
Location:		1130 County Road 4	
Buyer:		Torborg Builders	
Seller:		Kwik Trip, Inc.	
Sale Date:	12/20/2023	Sale Price:	\$400,000
Terms:		WARRANTY DEED	
Zoning:	PUD103	Size SqFt:	133,184
Price SqFt:	3.003364	Shape:	RECTANGLE
Frontage:	426	Utilities:	PUBLIC
Notes:			
Verified:			
Phone:			

Exhibit C

Commercial Land Sales



Assessors Office 320-255-7204



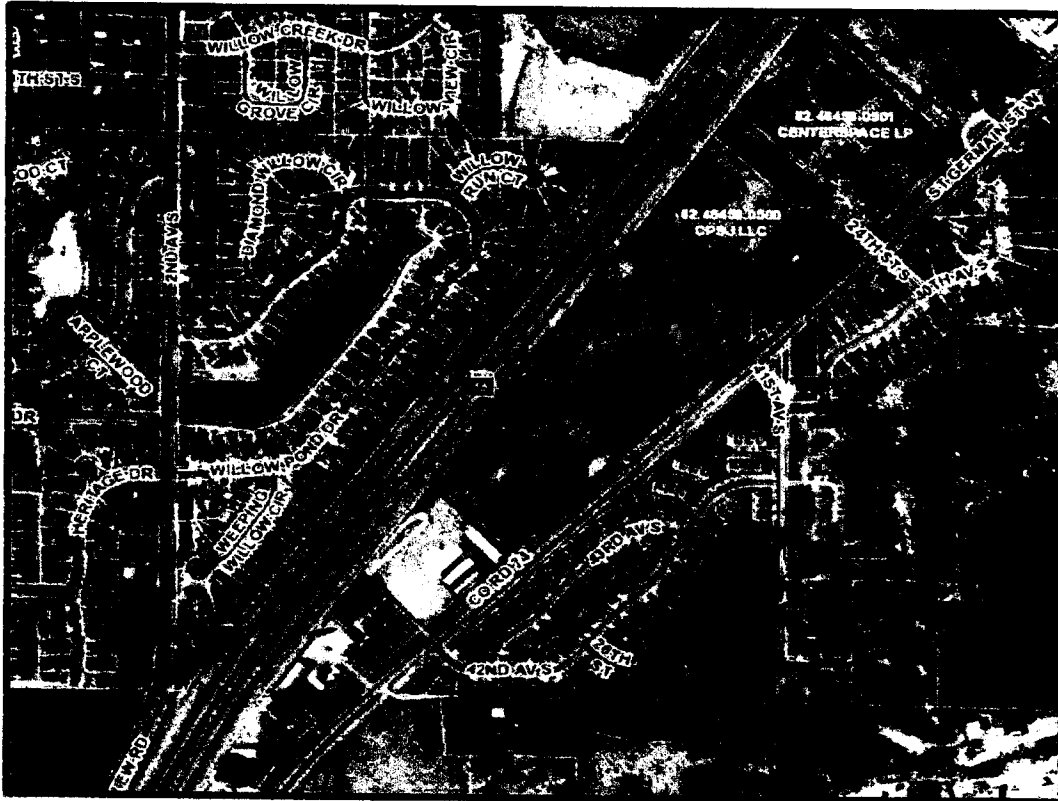
eCRV #	1497360		
Sale #:	2022.CL.13	Parcel #:	82.50703.0406
Location:	3085 40TH AVE S		
Buyer:	THE PINES ON 33RD OF ST CLOUD TWO LLC		
Seller:	SCHWINGHAMMER FAMILY LIMITED PARTNERSHIP		
Sale Date:	12/9/2022	Sale Price:	\$1,200,000
Terms:	WARRANTY DEED		
Zoning:	PUD110	Size SqFt:	865,611
Price SqFt:		Price SqFt:	1.38630401
Frontage:		Shape:	RECTANGLE
		Utilities:	PUBLIC
Notes:			
Verified:	Phone:		

Exhibit D

Commercial Land Sales



Assessors Office 320-255-7203



eCRV #	1316551		
Sale #:	2021.CL.06	Parcel #:	82.44035.0085
Location:	2421 County Road 74		
Buyer:	County Road 74 Holdings LLC		
Seller:	CC II Partners LLP		
Sale Date:	9/15/2021	Sale Price:	\$2,866,000
Terms:	Warranty Deed		
Zoning:	I1	Size SqFt:	858,632
Frontage:		Shape:	Irregular
		Price SqFt:	3.33786768
		Utilities:	Public
Notes:	Also includes A Billboard		
Verified:	Phone:		

Central Minnesota Housing Partnership, Inc.
Deanna Hemmesch, Executive Director
24707 County Rd. 75
St. Augusta, MN 56301

RE: St. Cloud Senior Apartments
Commitment of Financial Support

Dear Ms. Hemmesch,

On behalf of the St. Cloud Housing and Redevelopment Authority (“HRA”) and the HRA Board of Commissioners, I am writing this letter of support for the Central Minnesota Housing Partnership’s proposal to create affordable rental housing for seniors in our community.

At its meeting on April 24, 2024, the HRA Board of Commissioners reviewed and endorsed the St. Cloud Senior Apartments housing development proposal that proposes 58 units of affordable housing for senior households, with the 58 units being a mix of one- and two-bedroom units. This endorsement is based upon the findings that the project will meet a locally identified housing need and is confirmed by the Preliminary Analysis for senior apartments which was prepared by Market Analyst Professionals.

As part of its endorsement of the project, the HRA also confirms the receipt and acceptance of the Broker Opinion of Value provided by SVN GC Real Estate on March 28, 2024. The Broker Opinion of Value states the current market value of the current HRA owned parcel 82.50095.0836 as \$326,875. The HRA is approving a sale price of \$1.00. The reduced sales price reflects a donation to the project of \$326,874.

The HRA endorsement is evidenced by the HRA Board of Commissioners approval of Resolution 2024-06, a copy of which is included with this letter.

Sincerely,

Louise Reis
Executive Director

RESOLUTION 2024-06

**A RESOLUTION AUTHORIZING TO ACCEPT A BROKER OPINION OF VALUE TO
CALCULATE A CONTRIBUTION AMOUNT TO SUPPORT THE ST. CLOUD APARTMENTS
SENIOR HOUSING PROJECT**

WHEREAS, Central Minnesota Housing Partnership (CMHP) is working on a proposal to be submitted to Minnesota Housing for senior housing in the city of St. Cloud, and

WHEREAS, CMHP plans to construct a 58-unit apartment building, and

WHEREAS, there is a need for senior housing in St. Cloud;

AND WHEREAS, the project will be successful in filling the needs of senior housing, which is supported by the Preliminary Analysis for senior apartments which was prepared by Market Analyst Professionals.

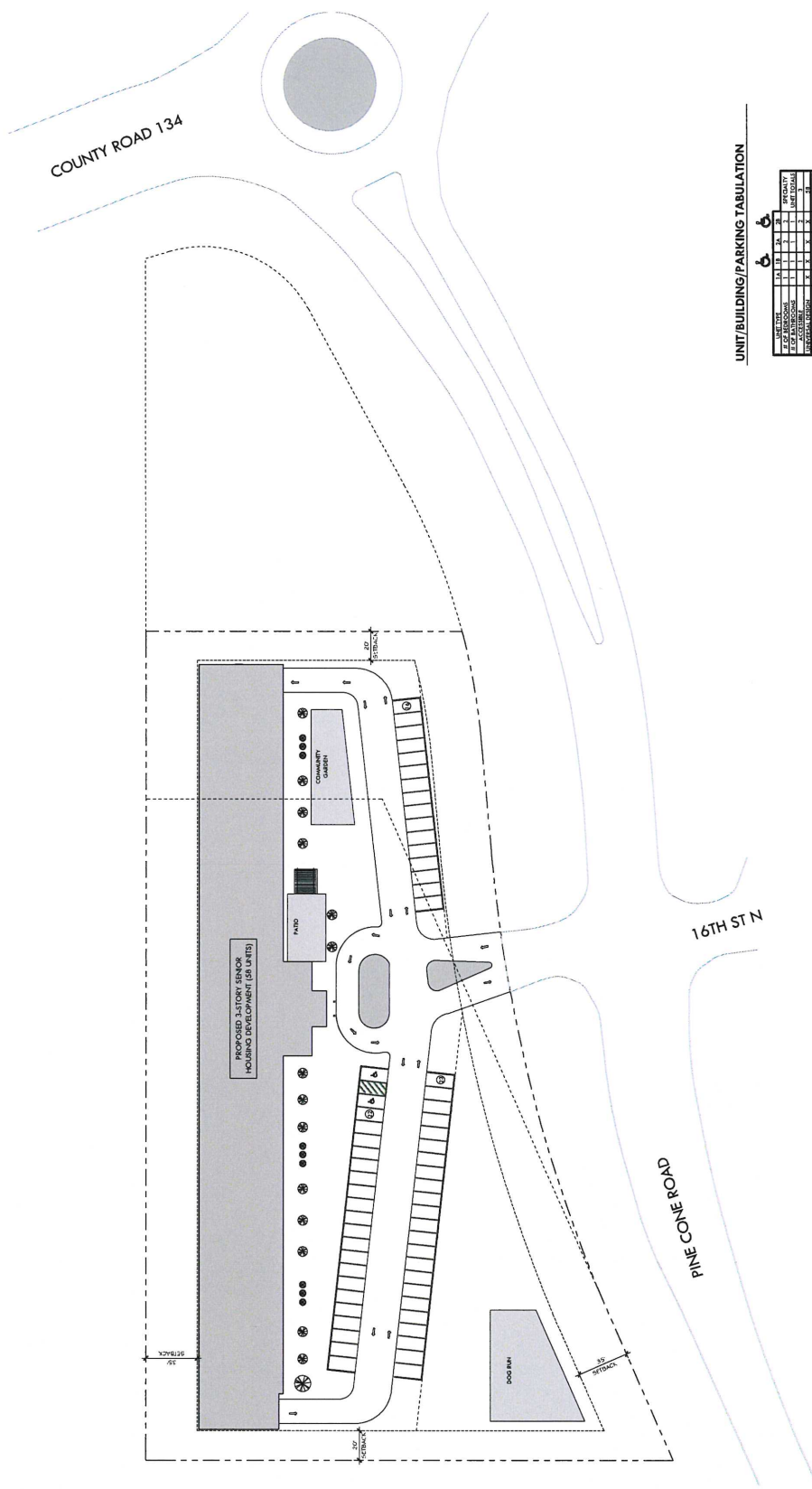
NOW THEREFORE BE IT FURTHER RESOLVES, the HRA Board of Commissioners accepts the Broker Opinion of Value provided by SVN GC Real Estate on March 28, 2024, which states the current market value of the current HRA owned parcel 82.50095.0836 as \$326,875. The HRA is approving a sale price of \$1.00. The reduced sales price reflects a donation to the project of \$326,874.

Adopted this 24th day of April, 2024.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson



UNIT/BUILDING/PARKING TABULATION

TYPE OF BUILDING	SECURITY		
	1	2	3
# OF BUILDINGS	1	1	1
# OF UNITS	1	1	1
# OF PARKING SPACES	1	1	1
# OF ACCESSIBLE UNITS	1	1	1
# OF ACCESSIBLE PARKING SPACES	1	1	1
# OF ACCESSIBLE COMMUNITY	1	1	1
# OF ACCESSIBLE TOTAL	1	1	1
# OF TOTAL UNITS	1	1	1
# OF TOTAL PARKING SPACES	1	1	1
# OF TOTAL COMMUNITY	1	1	1
# OF TOTAL TOTAL	1	1	1

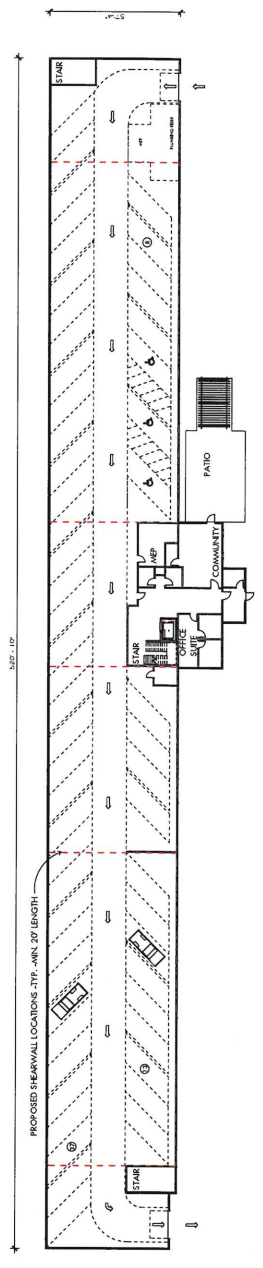
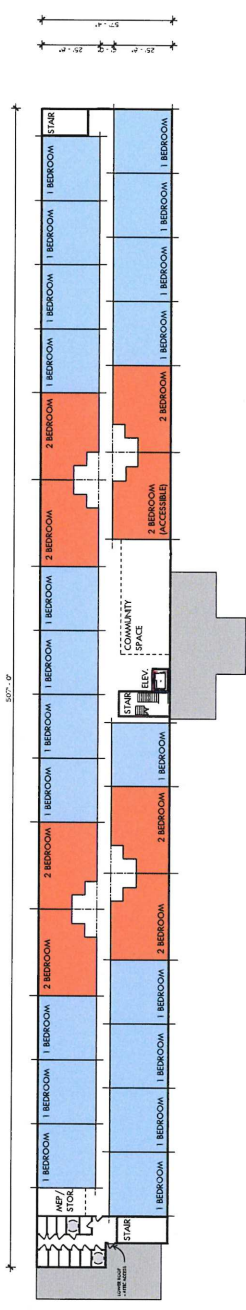
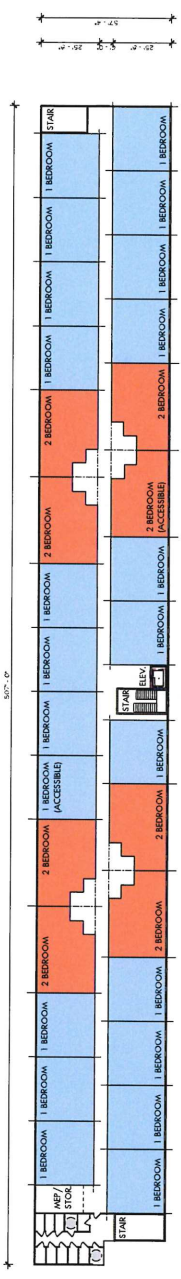
REQUIREMENT OF SUBJECT TO CHANGE			
# OF BUILDINGS	1	1	1
# OF UNITS	1	1	1
# OF PARKING SPACES	1	1	1
# OF ACCESSIBLE UNITS	1	1	1
# OF ACCESSIBLE PARKING SPACES	1	1	1
# OF ACCESSIBLE COMMUNITY	1	1	1
# OF ACCESSIBLE TOTAL	1	1	1
# OF TOTAL UNITS	1	1	1
# OF TOTAL PARKING SPACES	1	1	1
# OF TOTAL COMMUNITY	1	1	1
# OF TOTAL TOTAL	1	1	1

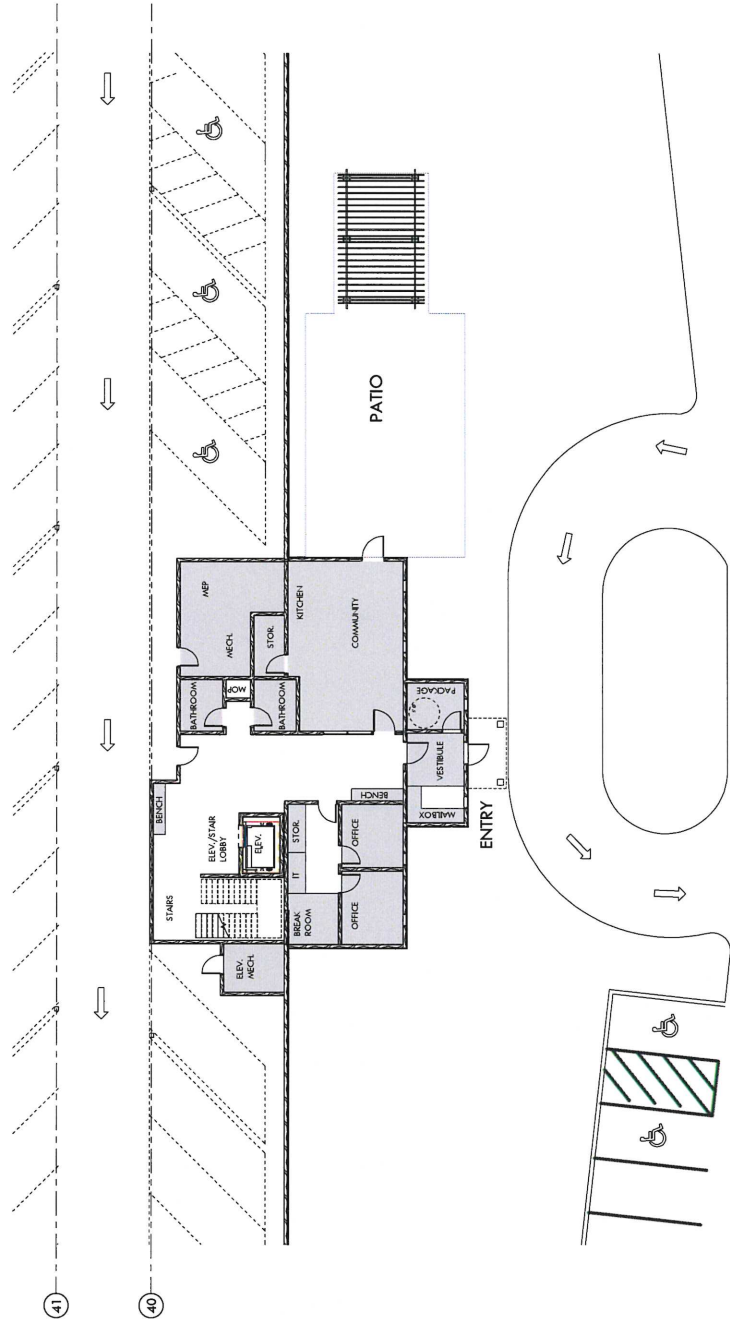
BUILDING TYPE	STANDARD DENSITY	ACCESSIBLE DENSITY	TOTAL DENSITY	
			UNITS	PARKING
STANDARD	1.0	0.0	1	1
ACCESSIBLE	0.0	1.0	1	1
TOTAL	1.0	1.0	2	2

① **SITE PLAN**
1" = 30' ± *SITE PLAN IS CONCEPTUALLY BASED ON PRELIMINARY DRAWINGS/IMAGES. OFFICIAL SURVEY REQUIRED*

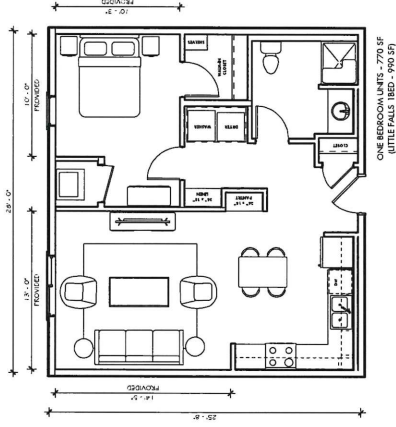
ISSUES / REVISIONS

EXISTING CONDITIONS
 VERIFY ALL EXISTING CONDITIONS BEFORE CONSTRUCTION. IF ANY DISCREPANCIES ARE FOUND, NOTIFY THE ARCHITECT IMMEDIATELY. DISCREPANCIES WILL BE THE RESPONSIBILITY OF THE CONTRACTOR AT RISK.

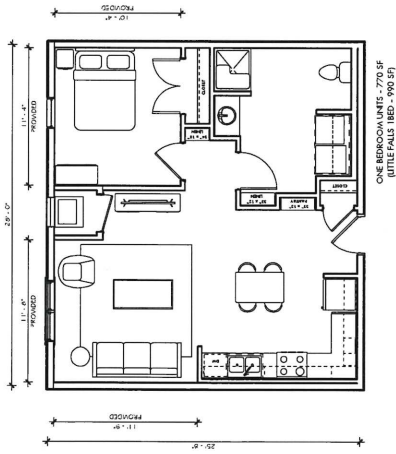




① FIRST FLOOR - ENLARGED ENTRY/COMMUNITY
 1/8" = 1'-0"

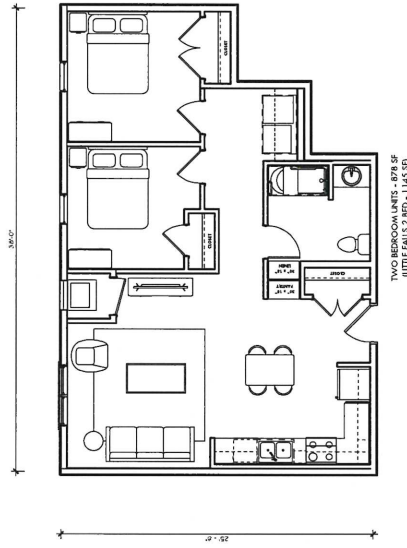


ONE BEDROOM - B



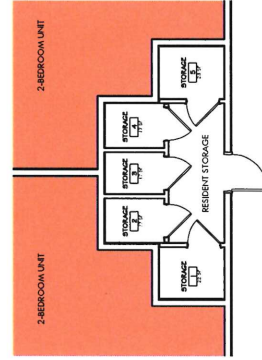
ONE BEDROOM - A

2 UNIT PLANS - ONE BEDROOM
 1/4" = 1'-0"



TWO BEDROOM

1 UNIT PLANS - TWO BEDROOM
 1/4" = 1'-0"



TWO BED - RESIDENT STORAGE

NOT FOR CONSTRUCTION
 DOWNSIZING
 SUPPLEMENTARY

▲ ISSUES / REVISIONS	
ELECTRIC CONNECTIONS	
VERIFY ALL FINISHING CONSTRUCTION CONDITIONS BEFORE CONSTRUCTION. VERIFY ALL FINISHING CONSTRUCTION CONDITIONS BEFORE CONSTRUCTION. VERIFY ALL FINISHING CONSTRUCTION CONDITIONS BEFORE CONSTRUCTION. VERIFY ALL FINISHING CONSTRUCTION CONDITIONS BEFORE CONSTRUCTION.	
1619 PINE CONE RD.	
ST. CLOUD, MN 56303	
R.A. Project Number: 622-16	
UNIT PLANS	

A3.1

A ISSUE / REVISIONS

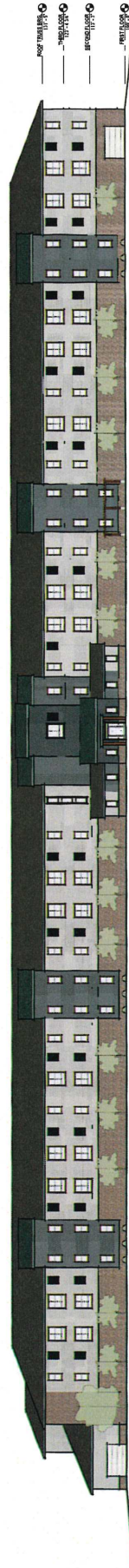
EXISTING CONDITIONS
 NEW ALL FRAME CONSTRUCTION
 CONDITIONS BEFORE PERMITS AND
 CONDITIONS WITH PERMITS AND
 CONDITIONS WITH PERMITS AND
 REFORM.

1418 PINE CONE RD.

ST. CLOUD, WI 56303

6/24/24
 BUILDING ELEVATIONS

A4.1



1 BUILDING ELEVATION - SOUTH - SKETCH
 1/16" = 1'-0"

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: April 17, 2024

SUBJECT: Approval of Resolution 2024-07 Acceptance and Authorization for Executive Director to Sign for Benton County American Rescue Plan Act (ARPA) Funds

Requested Action: Approval of Resolution 2024-07 Acceptance and Authorization for Executive Director to Sign for Benton County American Rescue Plan Act (ARPA) Funds.

Background: The Benton Economic Partnership invited the St. Cloud HRA to a meeting regarding possible uses for ARPA funds within the City of St. Cloud. Our office requested funds for Eastwood Apartments and Riverside Apartments. On March 5, 2024, the Benton County Board of Commissioners approved \$100,000 that was committed to the St. Cloud HRA for low income apartment rehabilitation. Once we receive documents from Benton County on the funds, we will start the process of accessing the needs of Eastwood Apartments and bring contracts forward for approval. Our first priority is the boilers at Eastwood Apartments.

Frequency of Request: One time.

Related Actions: None at this time.

Future Action: As needed, contracts would be coming to the board for approval.

Relationship to Goals: Goal #3 – St. Cloud HRA will encourage collaboration with other community organizations and continue to seek funding sources for all programs.

Budget Impact: The funds will help sustain affordable housing at Eastwood and Riverside.

RESOLUTION 2024-07

**HOUSING AND REDEVELOPMENT AUTHORITY OF
ST. CLOUD, MINNESOTA**

ACCEPTANCE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

WHEREAS, the Housing and Redevelopment Authority of St. Cloud, Minnesota (the “HRA”), is authorized to own and manage low to moderate rental housing, and

WHEREAS, the Benton County Board of Commissioners has committed ARPA funds to the apartment buildings located in Benton County and requests Board approval for the Executive Director of the HRA to accept the funds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA HAS AUTHORIZED THE EXECUTIVE DIRECTOR TO ACCEPT THE ARPA FUNDS: \$100,000.

Adopted this 24th day of April, 2024.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: April 17, 2024
SUBJECT: Report on Activities

Landlord Engagement Meeting: On Wednesday, April 17, 2024 the St. Cloud HRA staff will be providing a presentation and overview of the Housing Choice Voucher Program and the inspection process. The Landlord Engagement Meetings are held at the St. Cloud Police Department.

Housing Summit: On March 22, 2024, CentraCare and the Greater St. Cloud Development Corporation sponsored a Housing Summit that was held at the CentraCare South Point building. They had invited speakers from the Greater MN Housing Fund, Minnesota Housing, and the Coalition for Rochester Area. The purpose of the summit was to explore how businesses and local agencies can impact the availability of affordable workforce housing. Next steps are for the invited participants to express their interest in continuing participation by joining cohorts to work on affordable workforce housing.

Housing Choice Voucher Program: During the month of March 2024, there were seven housing choice vouchers released. One was for program violations, five were voluntary releases, and one was at Zero HAP. Two were over the age of 62.

As of March 31, 2024 – 72 Port In vouchers and 46 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 5 in construction
- 3 in bidding
- 2 in application stage
- 15 on waiting list

Housing Department Vacancy Report – For the Month Ending March 31, 2024

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>3/31/24</u>
Empire	89	1.16%	0
Wilson	126	2.54%	0
Scattered Sites	76	0.78%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>3/31/24</u>
Germain	60	3.21%	2*
Grace/NWB	102	1.60%	1

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>3/31/24</u>
Creeks	24	0.00%	0
Brownstones	12	0.00%	0
Swisshelm One	32	0.00%	0
Westwood One	32	4.10%	1
Swisshelm Two	32	6.23%	1
Westwood Two	32	2.89%	1
Riverside	85	0.50%	2

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>3/31/24</u>
Eastwood	18	9.38%	1
Loehr	61	1.77%	1
418House	1	0.00%	0

*1 unit rented for May 1