

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: March 19, 2024
SUBJECT: Discussion of Personnel Manual

Background: The current Personnel Manual for the employees of the St. Cloud HRA was developed and approved in 1999. Over the years, there have been updates to current policies and new policies added. However, this is the first time that a complete review of all policies has been completed, along with adding required policies set by the State of Minnesota for 2024. The Personnel Committee reviewed the manual and has recommended sending to the full board for approval.

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, March 27, 2024
*Immediately following 5:00 p.m. Study Session***

STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Review of Personnel Manual

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, February 28, 2024. REQUESTED ACTION: Approve.
4. Approval of Regular Meeting Minutes, February 28, 2024. REQUESTED ACTION: Approve.
5. Approval of Contracts for Lawn Services. REQUESTED ACTION: Approve.
6. Approval of Personnel Manual. REQUESTED ACTION: Approve.
7. Approval of Interfund Transfers. 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. Approval of Resolution 2024-05 – Authorization of Housing Tax Credit Suballocator Joint Powers Agreement.
9. Report on Activities.

Open Discussion:

Adjourn.

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

Wednesday, February 28, 2024

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 28, 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, introduced Paul Soenneker, Project Manager for the St. Cloud HRA, to present to the Board the Presentation of Community Development Block Grant (CDBG) Requests. Mr. Soenneker directed the Board to printed copies of the presentations as well as before and after photos in the board packet.

Commissioner Hontos asked what amount the HRA requested. Mr. Soenneker responded the HRA requested \$250,000 for the CDBG Single Family Rehab Program and \$100,000 for the Brownstones project. City Staff recommended \$210,000 for the rehab program and had no recommendation for the Brownstones project. At the time of the meeting, the Planning Commission had not yet made their recommendation. Commissioner Conway asked what the HRA staff and other board members deemed more important: funding for the rehab program or the Brownstones project. Commissioner Gohman recommended requesting two separate amounts so the Brownstones would still be funded and a smaller amount would be contributed to the rehab program. Commissioner Dwyer agreed, noting the concern of not requesting funds for the rehab program would set a bad precedent for future requests.

Commissioner Lewis asked if it would be more advantageous for HRA staff to receive a higher amount of funds for the Brownstones project. Ms. Reis responded the HRA will have to seek additional funding regardless, and HRA staff feels the amount originally requested is appropriate. Commissioner Hontos agreed that splitting the proposed amount with \$100,000 for the Brownstones project and \$110,000 for CDBG made sense for the agency. Commissioner Conway asked if the facades of the Brownstones are being reconstructed to avoid the current architectural issues. Mr. Soenneker responded pitches are being included in the roof redesign so water is able to runoff instead of pooling on the currently flat roofs.

There being no further discussion, the Study Session adjourned at 5:24 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

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

Wednesday, February 28, 2024

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 28, 2024 at 1225 West St. Germain Street. Chair Nancy Gohman called the meeting to order at 5:24 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 Conway moved for approval; Commissioner Dwyer seconded the motion. All Commissioners voted in favor; the agenda and consent agenda moved as presented.
3. Approval of Annual Meeting Minutes, January 24, 2024 – approved as presented.
4. Approval of Regular Meeting Minutes, January 24, 2024 – approved as presented.
5. Approval of Contract for Exterior Stucco Repair and Painting at Germain Towers – contract approved with Kostreba Tuckpointing and Roofing in the amount of \$39,875.00.

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: none.

New Business:

6. Approval of Resolution 2024-04 – Acceptance of Department of Housing and Development (HUD) Continuum of Care (CoC) Rental Assistance Grants. Executive Director, Louise Reis, discussed these grants are regularly applied for, but this year HUD increased the awarded amount dollars to account for rising rents. Commissioner Dwyer moved for approval; Commissioner Jacobson seconded the motion. All commissioners voted in favor; the motion carried.
7. Report on Activities – Ms. Reis requested to move the previously scheduled Board meeting from May 22 to May 27 because HRA staff will be attending a conference for Minnesota Housing. Ms. Reis also shared the HRA owns two single-family properties that have been used by Catholic Charities for transitional housing. Catholic Charities notified the HRA they are experiencing difficulties with staffing and they have turned the two homes back over to the HRA. HRA staff is having conversations with organizations in the St. Cloud area that also utilize transitional housing. Commissioner Lewis asked if HRA staff had reached out to CentraCare or the prison, and Ms. Reis said she would follow-up to see if they could utilize the homes, because the goal is to keep them as transitional housing to avoid having to pay back original grant funds to Minnesota Housing. Commissioner Dwyer recommended reaching out to the Dream Center. Commissioner Gohman asked if the residents were relocated and Ms. Reis said all residents were relocated and the keys will be turned in to the HRA for a scheduled walkthrough of the properties. Commissioner Dvorak asked if there is a deadline and Ms. Reis said the agency is moving on the transition of the properties as quickly as possible.

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: March 18, 2024

SUBJECT: Contracts for Lawn Services

Requested Action: Approval of the contracts for lawn service for the St. Cloud HRA owned properties to Gapinski Property Services, Ideal Lawn and LB's Luxury Lawns.

Background: On February 1, 2024 the HRA advertised on our web site and sent out Request for Proposals to 13 lawn service companies for the mowing and spring/fall clean-up of the vacant lots and properties that the HRA owns and maintains. Three companies submitted proposals for these services.

The contract will include the clean-up of the properties in the spring, all summer mowing (usually weekly); monthly herbicide application and the fall clean up. The contractors gave prices for each property and were selected by the lowest lump sum price for each property and the amount of experience they had doing lawn maintenance on similar sized projects.

Gapinski Property Services will be awarded the following:

Quarry Ridge, Westwood 1, Westwood 2, 152 19th Ave. N., 814 Savanna Ave,
310 Laudensch Ct, 1618 Pine Cone Rd and Meadows Edge Parcels

Ideal Lawn will be awarded the following:

Al Loehr, Creeks, Flintwood, Grace McDowall, Northway B and Swisshelm 1

LB's Luxury Lawns will be awarded the following:

Brownstones, Cedar Ridge, Eastwood, Empire, HRA Office, Riverside, Swisshelm 2 and
Wilson

Total cost for all work will be approximately \$42,000. The companies have been checked on the federal System for Award Management (SAM) website.

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: March 19, 2024
SUBJECT: Approval of Personnel Manual

Requested Action: Approval of Personnel Manual

Background: The current Personnel Manual for the St. Cloud HRA employees was created and approved in 1999. Over the past several months, staff and our legal counsel have been working to review and update the manual. Legal counsel also reviewed for compliance with employment laws and required policies. The Personnel Committee of the St. Cloud HRA Board of Commissioners recommended the manual be sent to the full board for approval.

Frequency of Request: N/A

Related Actions: None.

Future Action: None.

Relationship to Goals: Goal #4 – The St. Cloud will make efficient use of funding, technology and personnel resources.

Budget Impact: None.

TO: HRA Board of Commissioners

FROM: Karen Rizer, CPA
Finance Director

DATE: March 18, 2024

SUBJECT: Interfund Transfers

Requested Action: Approve the following transfers from the Community Housing Fund as of December 31, 2023:

- To Public Housing AMP 1 (Empire Apartments) \$50,000
- To Public Housing AMP 3 (Wilson Apartments) \$60,624

Background: For the 2012 Public Housing Operating Subsidy, HUD offset the amount that the HRA was entitled to based on what they termed excess reserves. This meant that the HRA received \$110,624 less than it would have otherwise been entitled to.

In 2017, a lawsuit was filed by many of the affected housing authorities because the operating reserve offset was a breach of the Annual Contributions Contract between HUD and Public Housing Agencies.

These funds were paid to the HRA in 2022. Since these funds were from a judicial settlement fund and not from HUD, they were not required to be put directly back in to Public Housing. We made the determination to hold them in the Community Housing Fund until they were needed by Public Housing, so as not to potentially create excess reserves again. With the high maintenance costs that have continued, these funds have been transferred in to Empire and Wilson, which will improve their REAC score slightly.

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: None.

Future Action: None at this time.

Relationship to Goals: N/A

Budget Impact: No net impact to the HRA as a whole.

TO: St. Cloud HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: March 19, 2024

SUBJECT: Resolution 2024-05 Authorization of Housing Tax Credit Suballocator Joint Powers Agreement

Requested Action: Resolution 2024-05 Authorization for Executive Director to sign the Housing Tax Credit Suballocator Joint Powers Agreement between the St. Cloud Housing and Redevelopment Authority and Minnesota Housing Finance Agency

Background: The St. Cloud Housing and Redevelopment Authority of St. Cloud, Minnesota (HRA) is authorized to allocate low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended and Minnesota Statutes Sections 462A.221 through 462A.225. The St. Cloud HRA is under Minnesota Housing as a suballocator of these housing tax credits. There are seven suballocators in Minnesota. St. Cloud has a tax credit estimate of \$161,155.

In 2002, Minnesota Housing and the St. Cloud HRA entered into a Joint Powers Agreement whereby Minnesota Housing will perform all of the housing tax credit allocation and compliance monitoring functions on behalf of the St. Cloud HRA. There are no significant changes to the agreement with Minnesota Housing.

If the Board chooses not to authorize the Joint Powers Agreement, the St. Cloud HRA would then become responsible to develop a Qualified Allocation Plan, Procedural Plan, and selection process.

Frequency of Request: This is done on an annual basis.

Related Actions: None

Future Action: None

Options: The Board could choose not to authorize the amendment.

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

Budget Impact: There is no impact on our budgets if the amendment is authorized.

**MINNESOTA HOUSING FINANCE AGENCY
HOUSING TAX CREDIT ADMINISTRATION
JOINT POWERS AGREEMENT**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended, (Section 42) provides for low-income housing tax credits (HTCs) to be allocated by Housing Credit Agencies as that term is defined in Section 42(h)(8)(A), pursuant to a Qualified Allocation Plan (QAP) as that term is defined in Section 42(m)(1); and

WHEREAS, under Minnesota law, the Minnesota Housing Finance Agency (Minnesota Housing) and certain counties and cities are authorized to allocate HTCs and the State Housing Credit Ceiling, as that term is defined in 26 CFR § 1.42-14, is divided by statutory formula and reserved for allocation by the respective entities; and

WHEREAS, the City of Saint Cloud is a city which is eligible to receive a reservation of HTCs under Minn. Stat. § 462A.222, subd. 1; and

WHEREAS, Minnesota Housing and the City of Saint Cloud wish to enter into a joint powers agreement (the “Agreement”) under Minn. Stat. § 471.59, pursuant to which, except for certain functions expressly set forth in this Agreement, Minnesota Housing will perform all of the HTC allocation, award and compliance monitoring functions on behalf of the City of Saint Cloud with respect to HTCs allocated for the calendar year 2024 State Housing Credit Ceiling or awarded in calendar year 2024 to developments financed with volume limited tax exempt bonds; and

WHEREAS, pursuant to Section 42, Minnesota Housing adopts QAPs which include both procedures for the allocation and award of HTCs and compliance monitoring procedures and also contemplate a joint powers agreement as set forth herein; and

WHEREAS, the Minnesota Housing 2024-2025 Housing Tax Credit Qualified Allocation Plan (2024-2025 QAP), and any revisions and amendments thereto, are hereby incorporated in its entirety into this Agreement by reference.

NOW, THEREFORE, IT IS AGREED:

1. Allocation and Award.

- a. City of Saint Cloud agrees to transfer its entire 2024 HTC annual tax credit distribution to Minnesota Housing using the form attached hereto. Said credits become part of the portion of the 2024 State Housing Credit Ceiling to be allocated by Minnesota Housing pursuant to Minnesota Statutes Section 462A.223.
- b. With respect to the City of Saint Cloud HTCs, the parties agree that the 2024-2025 QAP will apply to all projects and that Minnesota Housing

shall perform all of the allocation duties on behalf of the City of Saint Cloud using the 2024-2025 QAP. All applicants shall use the application forms included in the 2024-2025 QAP.

- c. With respect to projects financed with tax-exempt bonds located in City of Saint Cloud that apply for an award of HTCs, the project must comply with the Minnesota Housing QAP in effect for the year that sufficient bonds are issued. The parties agree that Minnesota Housing shall conduct all applicable reviews under Section 42(m) and the issuer must provide documentation of its review pursuant to Section 42(m)(2)(d).
 - d. Under Rounds 1 and 2 of the 2024-2025 QAP, Minnesota Housing shall make selections according to the selection processes established by the 2024-2025 QAP and shall allocate HTCs in Round 1 and, if applicable, Round 2, pursuant to the requirements and limitations contained in the 2024-2025 QAP.
2. **Compliance Monitoring.** For all projects receiving their initial allocation of HTCs from Minnesota Housing, all compliance monitoring functions throughout the Compliance Period and Extended Use Period for each project, as those terms are defined in Section 42(i)(l)(i) and Section 42(h)(6)(D), shall be performed by Minnesota Housing. Minnesota Housing shall perform the compliance monitoring responsibilities for the projects pursuant to the compliance monitoring provisions of the 2024-2025 QAP, the Minnesota Housing Tax Credit Program Compliance Guide (Compliance Guide) and 26 CFR §1.42-5, all as may be amended from time to time.
3. **Compensation.** Only Minnesota Housing shall charge and receive compensation for the allocation and compliance duties and shall do so in accordance with the 2024-2025 QAP and the Compliance Guide. The compensation shall be paid to Minnesota Housing directly by the HTC applicant/owner at the times and in the amounts set forth therein.
4. **Term of Contract.** Subject to execution by all of the parties' herein below, this Agreement shall be effective on June 1, 2024. With respect to the allocation responsibilities herein, this Agreement shall not terminate until all allocation responsibilities under this Agreement have been completed. With respect to awards of HTCs to developments financed with tax exempt bonds, this Agreement shall not terminate until all award responsibilities have been completed. With respect to the compliance monitoring responsibilities herein, said responsibilities shall continue from the beginning of the Compliance Period through the end of the Extended Use Period, as those terms are defined under IRC Section 42.

5. **Addresses for Notices.** All notices to be given by either party to the other hereunder shall be in writing addressed as follows:

(a) To the City of Saint Cloud at:

Saint Cloud HRA
1225 West Saint Germain
Saint Cloud, MN 56301

(b) To Minnesota Housing at:

Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

or addressed to any such party at such other address as such party shall hereafter furnish by notice to the other party.

6. **Records.** Both Minnesota Housing and the City of Saint Cloud agree that it will make available all pertinent information, data and records under their respective control for each other's use in the performance of this Agreement, and will assist the other, whenever possible, to obtain such records, data and information.

7. **Liability.** Each party shall be responsible for its own acts and omissions, the acts and omissions of its employees, and results thereof to the extent authorized by law. The parties shall not be responsible for the acts of any others and the results thereof.

8. **Assignment.** Neither party shall assign any interest in this Agreement without prior written consent of the parties and subject to such conditions and provisions as are deemed necessary.

9. **Independent Contractors.** The parties agree that the employees of Minnesota Housing shall always be considered employees of Minnesota Housing for all purposes including workers' compensation and the employees of the City of Saint Cloud shall always be considered employees of the City of Saint Cloud for all purposes including workers' compensation. No employee of either party shall be entitled to any claim or benefit from the other party from any event or occurrence arising out of the performance of this Agreement. This Agreement is not intended and should not be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto. Neither party under any circumstances shall be liable for any employee benefits of the other party's employees. This Agreement shall be construed in such a manner as

to not interfere with the contractual obligations of either party with its employees under any valid collective bargaining agreement.

- 10. **Amendments.** This Agreement may be amended only in writing signed by the parties.
- 11. **Authority to Enter into Agreement.** Each Party represents that the individual executing this Agreement has been authorized to do so by its governing body.

City of Saint Cloud of Saint Cloud HRA

By: _____

Its: _____

Date: _____

MINNESOTA HOUSING FINANCE AGENCY

By: _____

Its: _____

Date: _____

City Clerk

By: _____

Its: _____

Date: _____

Resolution 2024-05

**TRANSFER OF HOUSING TAX CREDITS
TO MINNESOTA HOUSING FINANCE
AGENCY**

Pursuant to Minn. Stat. § 462A.222, the City of Saint Cloud is expected to receive approximately \$161,155 in 2024 Low Income Housing Tax Credits (HTCs).

The City of Saint Cloud has entered into a Joint Powers Agreement with the Minnesota Housing Finance Agency (Minnesota Housing) dated March 27, 2024.

Pursuant to the above-described Joint Powers Agreement, the City of Saint Cloud agrees to voluntarily and irrevocably transfer its entire 2024 HTC annual tax credit distribution to Minnesota Housing.

The City of Saint Cloud understands that by transferring the HTCs to Minnesota Housing, the HTCs become part of the Minnesota Housing 2024 Housing Credit Ceiling under Minn. Stat. § 462A.222 and *the* City of Saint Cloud relinquishes all of its rights and entitlements with respect to those HTCs.

The transfer of the HTCs is effective immediately.

City of Saint Cloud HRA

By: _____

Its: Board Chair

Date: March 27, 2024

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: March 20, 2024
SUBJECT: Report on Activities

Annual Audit: The annual audit started this week (tenant and participant file testing was completed in January) and is anticipated to be wrapped up by the end of next week.

Software Update: The preparation for converting to Yardi is underway. Staff started working on set-up about three weeks ago. Several training weeks have been scheduled for June and July. The planned go-live date is August 1.

Waiting List Updates: In getting ready for the new housing software, we are processing a waiting list update to the apartment waiting lists with numbers of over 900 households.

Housing Choice Voucher Program: During the month of February 2024, there were eight housing choice vouchers released. Two were program violations, two were deaths, three vouchers expired, and one was a voluntary release. One was over the age of 62.

As of February 29, 2024 – 71 Port In vouchers and 47 Port Out vouchers.

CDBG Update:

For the homeowner rehab program:

- 6 in construction
- 3 in bidding
- 2 in application stage
- 19 on waiting list

Housing Department Vacancy Report – For the Month Ending February 29, 2024

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>2/29/24</u>
Empire	89	1.36%	0
Wilson	126	3.33%	1
Scattered Sites	76	0.00%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>2/29/24</u>
Germain	60	3.50%	2*
Grace/NWB	102	1.91%	2*

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>2/29/24</u>
Creeks	24	0.00%	0
Brownstones	12	0.00%	0
Swisshelm One	32	2.97%	1
Westwood One	32	0.00%	0
Swisshelm Two	32	6.42%	3*
Westwood Two	32	2.78%	1
Riverside	85	0.00%	0

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>2/29/24</u>
Eastwood	18	11.3%	2*
Loehr	61	1.84%	1
418 House	1	0.00%	0

- Each property had a unit rented 3/1/24