

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: March 19, 2025
SUBJECT: Discussion on the 2024 Calls for Service

Requested Action: For discussion only.

Background: At the March Board Meeting, the 2024 Calls for Service will be shared with the Board. Officer D'Andre Clark will attend this meeting to answer questions from Board Members.

Future Action: None at this time.

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

**St. Cloud HRA, 1225 West St. Germain Street, Board Room
Wednesday, March 26, 2025
Immediately following 5:00 p.m. Study Session**

STUDY SESSION -- 5:00 P.M., St. Cloud HRA, Board Room AGENDA: Calls for Service with Officer D'Andre Clark

Mission Statement: To enhance the communities we serve by providing housing opportunities, fostering stability, and promoting neighborhood revitalization.

Regular Meeting Agenda:

1. Roll Call and Pledge of Allegiance.

Consent Agenda:

2. Approval of Agenda. REQUESTED ACTION: Approve.
3. Approval of Study Session Minutes, February 26, 2025. REQUESTED ACTION: Approve.
4. Approval of Regular Meeting Minutes, February 26, 2025. REQUESTED ACTION: Approve.
5. Approval of Interfund Loans and Transfers. REQUESTED ACTION: Approve.
6. Approval of Contract for Design / Engineering Services for Wilson Apartments Electrical Panel Replacements. REQUESTED ACTION: Approve.

Open Forum: At this time members of the public may address the Board with questions, concerns, or comments (regarding an item NOT on the agenda). Citizens are asked to sign up to speak prior to the Open Forum portion of the meeting. Speakers will be limited to the first five citizens who sign up. The Board members will not ask questions of the speakers, but rather refer the matter to the Administration with a request for a follow-up report. A citizen may speak at the Open Forum only twice during the year. Open Forum is limited to a total of 10 minutes. TIME LIMIT IS 2 MINUTES PER PERSON.

Old Business: none.

New Business:

7. Approval of Resolution 2025-03 – Approval of Application to Minnesota Housing’s Publicly Owned Housing Program (POHP) for Empire Apartments.
8. Approval of Resolution 2025-04 – Approval of Application to Minnesota Housing for Bring It Home Program.
9. Report on Activities.

Open Discussion:

Adjourn.

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

Wednesday, February 26, 2025

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 26, 2025 at 1225 West St. Germain Street, St. Cloud, MN 56301. Chair Nancy Gohman called the Study Session to order at 5:00 p.m. Commissioners present: Scott Brodeen, Tami Calhoun (arrived at 5:10 p.m.), John Dvorak, Nancy Gohman, Hudda Ibrahim, Seal Dryer, and Hani Jacobson.

Executive Director, Louise Reis, shared that HRA staff presented information on the Community Development Block Grant (CDBG) Single Family Rehab Program to the Planning Commission and in light of the upcoming City Council Public Hearing, staff wanted to provide the Board with the presentation and discuss any questions. Ms. Reis introduced Shannon Adamski, Neighborhood Programs Specialist, to continue with the presentation.

Ms. Adamski began by saying the CDBG Single Family Housing Rehabilitation Loan Program meets the following goal for the City of St. Cloud: Affordable Housing – Increase the supply and improve the condition of affordable owner-occupied and rental housing in the community, and the federal goals of benefiting low- and moderate-income persons, eliminating slum and blight, and meeting urgent need. Ms. Adamski said the objective is for health, safety, and weatherization issues for homes in the City of St. Cloud; the maximum loan amount is \$25,000 and the loan is a 30-year deferred loan with 0% interest. The loan becomes repayable at the time of sale, refinance, ceasing to be the owner's primary residence, or at the end of 30 years.

Commissioner Brodeen asked how eligible applicants are made aware of the program. Ms. Adamski said the HRA advertises in the city newsletter, radio campaigns, and the information is always available on the website. Commissioner Dvorak added there is a waitlist. Chair Gohman responded the request of \$225,000 could help complete a number of the homes on the waitlist to allow more people to apply for the loan.

Ms. Adamski continued by sharing loan eligibility requirements; the borrower must be at or below 80% area median income, have \$50,000 or less in liquid assets, must be up-to-date on all mortgage payments and property taxes, loan to value must be 110% or less, and the property requires a lead-based paint and radon testing. Ms. Adamski said an ongoing question surrounding this loan is always what other options exist. She said many of the borrowers do not qualify for other loan options, but if a borrower qualified for the MN Housing loan, that program is used first. The St. Cloud HRA has a fix-up loan program that is funded with tax levy funds, but this program is primarily used to layer with CDBG funds to complete the scope of work. Ms. Adamski said there are no other comparable loan options in St. Cloud and the borrowers typically do not qualify for a home equity loan or, if they do, it would put them in financial hardship.

Ms. Adamski noted that of the 22 applicants on the CDBG waitlist, all are above the MN Housing income limits. Of the current applicants, 47% report having a disabled household member. Ms. Adamski said for households with disabled occupants, moving laundry from the basement to a main floor, or renovating a bathroom so it is accessible, allows the family to stay in their home comfortably. Ms. Adamski shared that Project Manager, Paul Soenneker, meets with each family to determine the scope of work for the CDBG Loan projects, noting any hazardous items are addressed first.

Commissioner Calhoun asked if the lead paint hazard is still a big issue. Ms. Adamski responded many of the homes the HRA works on have lead present, but if the lead is present but is covered up it may not be considered a hazard. Commissioner Dvorak asked about asbestos and Mr. Soenneker responded the HRA is not required to deal with asbestos and many of the projects do not require disturbing areas where asbestos may be present. Mr. Soenneker added it is a new requirement from HUD to test for radon, and if the homes tests above the acceptable amount, a mitigation system must be installed.

The discussion continued with a map displaying the number of homes the CDBG Loan has impacted in the City of St. Cloud for the years 2023 and 2024. Ms. Adamski shared the average annual income was \$45,839, 26% of households were households of color, the average age of home was 76 years old, the average value of home pre-rehab was \$184,982, 65% of homeowners also used layered funds from the fix-up program to complete their rehabilitation, and three loans were used for emergency projects.

Commissioner Ibrahim asked how long households are on the waitlist. Ms. Adamski said it's generally about a year, but depends on the amount of funds received. Commissioner Ibrahim followed-up by asking if it is a first-come, first-served waitlist. Ms. Adamski said yes, but if a household has an emergency, like a furnace goes out in the middle of winter, the homeowner is bumped to the top of the list but any other items in the project scope have to wait until they come to the top of the list. Commissioner Ibrahim asked about the impact of the loan. Ms. Adamski said in 2024 there were 26 households served, with 19 projects being completed and 7 projects in progress. Finance Director, Karen Rizer, shared if the program received no funding there would be 6-10 less homes completed in the upcoming year. Mr. Soenneker shared City Staff recommended \$215,000 and the Planning Commission did not recommend a dollar amount for the HRA. Chair Gohman emphasized the importance of the program to keep homeowners in their homes and to not contribute to vacant homes or additional blight in the community.

Commissioner Ibrahim asked for clarification on how the funds are used. Ms. Adamski responded there is an administrative fee and then the funds are also used for lead and radon testing. Ms. Rizer added the administrative fee is to cover the costs of Ms. Adamski and Mr. Soenneker running the program; the HRA does not charge for any accounting or the Executive Director's time on the program. Commissioner Ibrahim asked if anyone else does this program in the community and Ms. Adamski said no, the program is unique and reiterated it helps seniors and families that do not qualify for conventional financing to replace a furnace or roof, and if they do qualify they don't always have extra disposable income because they have monthly fixed incomes. Chair Gohman added the CDBG Rehab Loan Program is unique in that the funds continue to be recycled, so when a homeowner sells their home, the funds are cycled back into the program to help someone else on the waiting list. Ms. Adamski concluded the presentation by sharing a homeowner's testimonial, speaking to the importance of the program for the City of St. Cloud.

There being no further business, the Study Session adjourned at 6:21 p.m.

ATTEST:

Secretary, Hani Jacobson

Chair, Nancy Gohman

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

Wednesday, February 26, 2025

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, February 26, 2025 at 1225 West St. Germain Street, St. Cloud, MN 56301. Chair Nancy Gohman called the meeting to order at 6:22 p.m.

Consent Agenda:

1. Roll call was taken and the pledge of allegiance spoken. Commissioners present: Tami Calhoun, Mike Conway, John Dvorak, Seal Dwyer, Nancy Gohman, Hudda Ibrahim, and Hani Jacobson. Commissioners absent: none.
2. Approval of Agenda – Commissioner Dwyer moved for approval; Commissioner Dvorak seconded the motion. All Commissioners voted in favor; the motion carried.
3. Approval of Annual Meeting Minutes, January 22, 2025 – approved as presented.
4. Approval of Regular Minutes, January 22, 2025 – approved as presented.

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

Old Business: none.

New Business:

5. Report on Activities – Ms. Reis shared Wilson Apartments had an NSPIRE Inspection on January 13, 2025, explaining it is a physical inspection completed by the Department of Housing and Urban Development. The inspectable areas of the property are inside the building (common areas), outside the building (building site and building exterior components), and the dwelling units. The building received a score of 99 out of 100. Chair Gohman commended Property Manager Matt Swanson and the entire HRA staff on a great score.

There being no further business, the Regular Meeting adjourned at 6:29 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, Hani Jacobson

TO: HRA Board of Commissioners
 FROM: Karen Rizer, CPA Finance Director
 DATE: March 20, 2025
 SUBJECT: Interfund Transfers and Loans

Requested Action: Approve the following interfund transfers and loans as of December 31, 2024:

Transfers

From the Community Housing Fund:

- To the Neighborhood Stabilization Program Fund \$58,129
- To the Brownstones Family Housing, LP Fund \$250,000
- To the Swisshelm Village Apartments Two, LP Fund \$60,000
- To the Westwood Village Apartments One, LP Fund \$80,000
- To the Westwood Village Apartments Two, LP Fund \$180,000

From the Central Office Cost Center Fund:

- To the Emergency Housing Voucher Program Fund \$7,974

Loans

From the Community Housing Fund:

- To the Community Development Block Grant Fund \$6,493 (1)
- To the Continuum of Care Fund \$123,000 (1)
- To the Northway A & B Fund \$200,000
- To the Eastwood Apartments Fund \$100,000

Background: At least annually, the Board is required to formally approve all interfund transfers and loans.

- (1) The HRA must submit a Financial Data Schedule to HUD annually. Each reporting unit is not allowed to have negative cash. Any negative cash must be eliminated through an interfund loan. These loans are extremely temporary in nature and are repaid when the next draw from HUD is received for the respective program.

The remainder of the transfers and loans were previously discussed with the Board at the time the action (typically a capital improvement or maintenance project, which was Board approved) occurred which is requiring the transfer or loan. The Neighborhood Stabilization Program Fund is the HRA's share of the cost the home at 418 Wilson Ave SE, which was not grant funded. The remaining items were capital improvements/maintenance projects at each of the properties indicated.

Options: Approve, deny, or table.

Frequency of Request: One time.

Related Actions: Previously approved capital

Future Action: None at this time.

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

TO: St. Cloud HRA Board of Commissioners

FROM: Paul Soenneker, Project Manager

DATE: March 18, 2025

SUBJECT: Approval of Contract for Design / Engineering Services for Wilson Apartments Electrical Panel Replacement

Requested Action: Approve the contract with Stantec Consulting Services, Inc. in the amount of \$35,582.00 for the design and engineering services for the replacement of the Federal Pacific (Stab-Lok) electrical panels at Wilson Apartments.

Background: Wilson Apartments was built in 1971 and has the original Federal Pacific (Stab-Lok) electrical breaker panels installed in the lower level mechanical room, feeder panels in the hallways and in the units. The Stab-Blok circuit breakers pose a significant fire hazard due to faulty designs and potential for breakers to fail to trip during overloads or short circuits, potentially leading to overheating and fires.

The HRA requested qualifications / proposals from three companies for design / engineering services to remove the Federal Pacific (Stab-Lok) electrical panels at Wilson Apartments and replace with new electrical panels. We received proposals from two companies as outlined below.

	<u>Proposal</u>
Blumentals Architecture 1600 Marshall St. NE. Minneapolis, MN 55413	\$94,000.00
Stantec Consulting Services Inc. 733 Marquette Ave., Suite 1000 Minneapolis, MN 55402	\$35,582.00

St. Cloud HRA staff met with representatives from Blumentals Architecture and Stantec Consulting Services Inc. at Wilson Apartments to evaluate existing conditions before they submitted their proposals. Blumentals Architecture plans to utilize the Revit software program to show where the existing electrical wiring and electrical panels are located in the building. They were asked if they could reduce their proposed fee if they didn't have to use the Revit software and they stated that they wanted to use the software program and would not be able to reduce their proposed fee.

Stantec Consulting Services provided an additional alternate price of \$26,074.00 to utilize the Revit software program, but they didn't think it was necessary because we are just replacing the electrical panels (like for like replacements) and not intending to re-wire the building.

HRA staff is recommended awarding the work to Stantec Consulting Service Inc.

Frequency of Request: Once

Related Actions: None

Future Action: Contract award for work to be completed

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 HUD's Capital Fund Program.

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: March 19, 2025
SUBJECT: Approval of Resolution 2025-03 Application to Minnesota Housing's Publicly Owned Housing Program (POHP) for Empire Apartments

Requested Action: Approval of Resolution 2025-03 for an application to Minnesota Housing under the Publicly Owned Housing Program (POHP) funds for a forgivable loan to replace plumbing lines.

Background: The HRA will be applying for funds through the POHP from Minnesota Housing. Minnesota Housing has \$40 million available for local units of government to use for non-recurring capital projects to improve public housing units and reduce operating costs.

At this time, we do not have the final scope of work and estimated dollar amount. However, based on information we have received, staff is estimating \$5,000,000 to complete the project. We plan to request \$4,840,000 from Minnesota Housing with the balance coming from the Capital Fund Program. The loan would have a 20-year term with no payments, and be forgiven if the project maintains the original use (public housing) as stated in the application documents. The property must remain in public ownership for a 35-year compliance period.

Frequency of Request: One time only.

Related Actions: None at this time.

Future Actions: Resolution to enter into the loan agreements with Minnesota Housing, approval of contractors for the project.

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: If the project is not funded by Minnesota Housing, it will have to be completed with HUD operating or capital funds, which would only allow for a small portion of the lines to be replaced each year.

RESOLUTION 2025-03

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA

APPROVAL OF APPLICATION TO MINNESOTA HOUSING'S PUBLICLY OWNED HOUSING PROGRAM FOR EMPIRE APARTMENTS

WHEREAS, the Housing and Redevelopment Authority of St. Cloud, Minnesota (the "HRA"), is authorized to administer public housing program under the Department of Housing and Urban Development.

HEREBY, is requesting Board approval for the Executive Director of the HRA to apply for funds under the Minnesota Housing Publicly Owned Housing Program (POHP) to assist with the replacement of plumbing lines at Empire Apartments.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF ST. CLOUD, MINNESOTA
THE APPLICATION FOR FUNDS UNDER THE MINNESOTA HOUSING PUBLICLY OWNED HOUSING PROGRAM
TO BE AUTHORIZED BY THE EXECUTIVE DIRECTOR.

Adopted this 26th day of March, 2025.

ATTEST:

Nancy Gohman, Chair

Hani Jacobson, Secretary

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: March 19, 2025
SUBJECT: Approval of Resolution 2025-04 - Application to Minnesota Housing for Bring It Home Program

Requested Action: Approval of Resolution 2025-04 - Application to Minnesota Housing for the Bring It Home Program for Housing and Redevelopment Authority of St. Cloud MN to become a Program Administrator.

Background: The Bring It Home Rental Assistance Program (aka Bring It Home) is a new program to create rental assistance for low-income families across Minnesota. This program is funded by state appropriations. It will fund tenant-based rental assistance for cost-burdened households earning up to 50% area median income (AMI) or less. Cost burdened households means a household that is paying more than 30% of the household's annual income on rent. Priority for rental assistance shall be given to households with children 18 years of age and under and annual incomes of up to 30% of the area median income. As a program administrator, our agency will establish a waiting list, admit eligible households to the program, inspect units, make monthly payments to property owners. Minnesota Housing will fund start up costs, rental assistance and administrative fees. The minimum annual grant award was estimated at \$2,014,786.00 in rental assistance for our agency.

Frequency of Request: N/A

Related Actions: None.

Future Action: Future actions would include grant agreement with Minnesota Housing.

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 Impacts: The Bring It Home Rental Assistance Program will be funded by Minnesota Housing.

RESOLUTION 2025-04

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

APPROVAL OF APPLICATION FOR BRING IT HOME RENTAL ASSISTANCE PROGRAM

WHEREAS, the Housing and Redevelopment Authority of St. Cloud, Minnesota (the “HRA”), is authorized to own and manage low to moderate rental housing, and is an administrator of federal Tenant-Based and Project-Based Rental Assistance under Section 8 of the United States Housing Act of 1937 and the Bridges Program from Minnesota Housing, and

HEREBY, is requesting Board approval for an application to Minnesota Housing for the Bring It Home Rental Assistance Program. This resolution also gives authorization for the Executive Director of the HRA to accept the rental assistance grant from Minnesota Housing Agency to provide funding for the rental assistance and fees to cover the start up costs and administration of the grant.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF ST. CLOUD, MINNESOTA HAS AUTHORIZED THE AGENCY TO APPLY FOR FUNDS AND THE EXECUTIVE DIRECTOR TO ACCEPT BRING IT HOME RENTAL ASSISTANCE FUNDS.

Adopted this 26th day of March, 2025.

ATTEST:

Nancy Gohman, Chair

Hani Jacobson, Secretary

TO: HRA Board of Commissioners

FROM: Louise Reis, Executive Director

DATE: March 19, 2025

SUBJECT: Report on Activities

Brenda’s Helping Hands: On March 26, 2025, HRA staff will be presenting housing information for Brenda’s Helping Hands at the “Housing & Independent Living Workshop” for youth ages 17 to 24. The workshop is being held at the St. Cloud Public Library from 3:30 to 5:00 p.m.

Housing Choice Voucher Program: During the month of January, 2025 there were 8 housing choice vouchers released; Five were program violations, one due to death, one had their voucher expire and one at zero HAP. During the month of February, 2025, there were six housing choice vouchers released; One for program violation, three voluntarily left the program, one due to death, and one at zero HAP.

As of February 28, 2025 - Port In 108, Port Out 42

CDBG Update:

For the homeowner rehab program:

- 6 in construction
- 16 on waiting list
- 3 in eligibility stage

Housing Department Vacancy Report – For the Month Ending February 28, 2025

Fund: Public Housing – 291 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/25</u>
Empire	89	2.67%	1
Wilson	126	1.45%	0
Scattered Sites	76	3.16%	2

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/25</u>
Germain	60	4.65%	3*
Grace/NWB	102	1.84%	3*

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/25</u>
Creeks	24	0.00%	0
Brownstones	12	4.16%	1
Swisshelm One	32	7.81%	3
Westwood One	32	7.65%	1
Swisshelm Two	32	13.3%	5*
Westwood Two	32	3.24%	1
Riverside	85	5.68%	6***

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
<u>Complex</u>	<u># of units</u>	<u>Vacancy Rate</u>	<u>02/28/25</u>
Eastwood	18	5.56%	1
Loehr	61	1.61%	1
3SFH	3	66.6%	2**

*each property had two units rented in March

**unit rented for April 1, 2025

***currently processing applications