

**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.

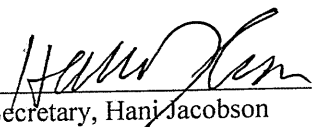
The discussion continued with a map displaying the number of homes the CDBG Loan has impacted in the City of St. Cloud for the years 2023 and 2024. Ms. Adamski shared the average annual income was \$45,839, 26% of households were households of color, the average age of home was 76 years old, the average 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.

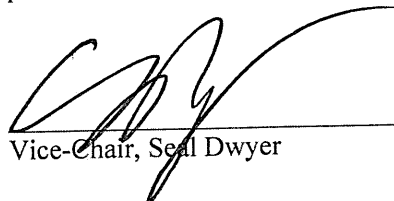
Commissioner Ibrahim asked how long households are on the waitlist. Ms. Adamski said it's generally about a year, but depends on the amount of funds received. Commissioner Ibrahim followed-up by asking if it is a first-come, first-served waitlist. Ms. Adamski said yes, but if a household has an emergency, 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, Hanj Jacobson


Vice-Chair, Seal Dwyer

**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.

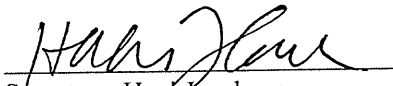
Old Business: none.

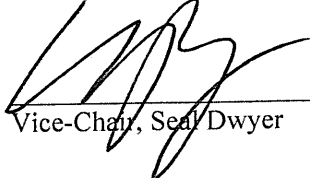
New Business:

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:


Secretary, Hani Jacobson


Vice-Chair, Seal Dwyer