

**REGULAR MEETING OF THE
ST. CLOUD HRA BOARD OF COMMISSIONERS
Wednesday, July 22, 6:00 P.M.**

City Hall Council Chambers, 400 2nd Street South

STUDY SESSION – 5:00 P.M. – Agenda: 1) Pay 2021 Tax Levy and 2021 COCC Budget Discussion 2) 19th Avenue Lots Discussion (Council Chambers)
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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.

Consent Agenda:

2. Approval of Agenda. REQUESTED ACTION: Approve.
3. Approval of Study Session Minutes, June 24, 2020. REQUESTED ACTION: Approve.
4. Approval of Regular Minutes, June 24, 2020. REQUESTED ACTION: Approve.
5. Review of Financials: Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, and Housing Development Fund & Rehab Fund. REQUESTED ACTION: NONE.
6. Approval of Scattered Site Furnace and Water Heater Replacement and Air Conditioner Installation. REQUESTED ACTION: Approve.
7. Approval of Caretaker Compensation Policy. 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:

8. Update on Goals.

New Business:

9. Approval of 2021 Tax Levy.
10. Report on Activities.
11. Authorization for Executive Director to hire as needed for positions to accomplish workload created by COVID-19

Open Discussion:

Adjourn.

2020 HRA Board Meeting Schedule - 4th Wednesday each month at 6:00 pm; early meetings as needed.

Note: November and December moved forward one week to accommodate holidays. December 16th meeting will begin at 4:00 p.m.

JANUARY

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

Wednesday, June 24, 2020

A Study Session for the St. Cloud HRA Board of Commissioners was held on Wednesday, June 24, 2020, City Hall Chambers, 400 2nd Street South, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 5:00 p.m. Commissioners present: Mike Conway, Abdi Daisane, Seal Dwyer [5:28], Jeff Goerger, Nancy Gohman and George Hontos. Absent: [board has one vacancy].

Guest: Cathy Lydon, CPA, Redpath and Company.

Karen Rizer, Finance Director, introduced Cathy Lydon, CPA from Redpath and Company to review the 2019 Annual Financial Report and Management Letter with the Board and answer any questions or concerns they may have. Ms. Lydon opened by referring to page 7, the “Independent Auditor’s Report” stating it is the responsibility of management to prepare the financial statements and maintain internal controls in doing so. She said it is Redpath’s role to express an opinion on the statements. Ms. Lydon stated an unmodified opinion or clean report was issued and outlined on page 9 under *Opinions* along with required internal controls and compliance on page 11.

Ms. Lydon moved to page 13, a report prepared by management giving their perspective of the overview and analysis of the financials for the year 2019. She expressed this as the story behind the numbers. Moving on to pages 20-23, *Statement of Net Position*, stating each of the funds is considered a major fund and shown separately. She said the numbers are consistent from the prior year with exception to the activities changing with the addition of Westwood Village Apartments One, LP, Swisshelm Village Apartments One, LP and Westwood Village Apartments Two, LP. Ms. Lydon said the HRA’s total net position increased by \$702,861. She said for 2018 it was approximately \$29 million and for 2019 approximately \$30 million.

Ms. Lydon then highlighted page 28-29, *Statement of Cash Flows* saying the direct method is used; actual cash inflows and outflows from operations.

Ms. Lydon moved on to page 30 showing the notes and disclosures. She stated the notes are similar to last year. Ms. Lydon referred to the bottom page and top of page 31, again stating the changes because of the three LP’s now being blended component units; Swisshelm One, Swisshelm Two, and Westwood One. She said there were no other significant changes.

Ms. Lydon referred to page 39, Note 5 – capital assets. Moving on to Note 8 – B, bottom of page 42 and top of page 43 giving the debt related detail of the blended component units with original lenders and mortgage holders. She noted to the Board the unrecorded loans on page 43 for Empire Apartments and Wilson Apartments were technically loans for the elevator repairs but recorded as revenue because the loans are likely to be forgiven after 20 years. She also highlighted the note that indicated due to the uncertainties of COVID-19 it is not possible at this time to estimate the financial impact it may have for the Agency.

Ms. Lydon continued with *Minnesota Legal Compliance Report* beginning on page 53-54. She explained how they test compliance and internal controls. Ms. Lydon stated nothing came to their attention that caused them to believe that the audit identified any deficiencies in the internal controls to be considered as material weaknesses nor any instances of noncompliance. She stated they do not audit controls, however, unless they find a deficiency, and they did not.

Ms. Lydon moved onto page 59 *Independent Auditor's Report on Compliance for each Major Program and on Internal Control over compliance required by the Uniform Guidance*. She said their opinion states they have no findings on compliance and it is a clean report. On page 61-63, Ms. Lydon stated they identified a deficiency in internal control over compliance which she will discuss in detail on page 68.

[Commissioner Dwyer joined]

Ms. Lydon referred to page 67 for the summary of the audit results, pointing out the \$750,000 threshold the program falls into.

Ms. Lydon stated on page 68 the finding 2019-001 is listed with the criteria, context and recommendation. She said the finding was for Section 8 Housing Choice Vouchers Program rent reasonableness of the rent to owner under Fair Market Rents. Ms. Lydon said they tested 25 tenants and one tenant did not have the documentation to support rent reasonableness. When the calculation was performed after it was found to be missing, the rent was in fact reasonable, so there was no noncompliance in dollars spent. In response she said the Voucher Programs Manager selected 40 additional files to review to see if this was an isolated incident or a more wide-spread problem. Ms. Lydon said management found it to be isolated and no additional noncompliance was found. Management also instituted additional internal controls to prevent it from happening in the future.

Ms. Lydon moved onto the Audit Management Letter saying there were no changes in accounting policies for the year. She stated these are required communications so the context is consistent with the prior year. Ms. Lydon said again the estimates considered sensitive are the land held for resale and the allowance for uncollectible loans.

Ms. Lydon said on page two of the letter it gives Note 6 (Joint Ventures), Note 13 (Related Party Transactions), Note 15 (Transfer of Operations) and Note 16 (Subsequent Events and Uncertainties) as the most sensitive disclosures. She said this is the first time the field work was handled completely remotely and they found no difficulties in conducting the audit or in dealing with management. Ms. Lydon stated there were no uncorrected misstatements and she assured Commissioners that the numbers they received throughout the year from Ms. Rizer are accurate and if there ever is a question it has been brought to their attention by Ms. Rizer. She commended Ms. Rizer and her staff for the great work they do and the attention they put into every aspect of the audit.

Commissioner Goerger, and was joined by other Commissioners, stated he was pleased to hear this and thanked Ms. Lydon for giving this assurance and for all the detail provided at this meeting.

Chair Gohman asked Ms. Lydon, since she is new to working with the Agency, for her experience to which Ms. Lydon gave an overview of her career, including the work she did for the HRA in the past.

Executive Director Louise Reis moved the meeting along with a quick update on operations under the COVID-19 restrictions and regulations. After a short discussion and no further time, the meeting adjourned at 5:59 p.m.

ATTEST:

Secretary, George Hontos

Chair, Nancy Gohman

ST. CLOUD HOUSING & REDEVELOPMENT AUTHORITY
REGULAR MEETING

Wednesday, June 24, 2020

A Regular Meeting for the St. Cloud HRA Board of Commissioners was held on Wednesday, June 24, 2020, City Hall Council Chambers, 400 2nd Street South, St. Cloud, MN. Chair Nancy Gohman called the meeting to order at 6:00 p.m. Pledge of allegiance was spoken.

1. Roll call was taken and the following Commissioners were present: Abdi Daisane, Seal Dwyer, Nancy Gohman, George Hontos, Jeff Goerger and Mike Conway. Absent: None. [The board has one vacancy.]
2. Approval of Agenda – Commissioner Hontos moved for approval of the consent items, pulling Items 5 and 6; Commissioner Conway moved to approve Items 2-4; Commissioner Daisane seconded the motion. The motion carried.
3. Approval of Regular Meeting Minutes, May 27, 2020 – approved as presented.
4. Approval of Extermination Services for all HRA properties – contract approved with Plunkett’s Pest Control for two years with a two-year renewal option.
5. Approval of Contract to Purchase Air Conditioning Units – Commissioner Hontos moved for approval; Commissioner Goerger seconded the motion. Commissioner Hontos said he was curious as to why the large difference in the quotes received and if the HRA would then keep the air conditioners if someone moves. Louise Reis, Executive Director, responded the units will belong to the HRA and stay with the apartment. She said about 1/3 to 1/2 of the residents have personal units that will be replaced if theirs is to stop working.

Paul Soenneker, Project Manager, said he sent out bids to three local companies and these are the two he received; he was unsure why the cost difference. After a short discussion the Board determined it would be worthwhile to check with some of the box stores in the area to see what they have and prices if Quality Appliance is unable to provide all of them.

Contract approved to purchase window and sleeved air conditioning units for Wilson and Empire Apartments from Quality Appliance; due to inventory and high demand. If Quality is unable to provide all the units, Board approval is to purchase from Karl’s with the option to check prices other vendors for a lessor amount.

6. Review of Financials: Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, Housing Development Fund, Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, Eastwood Apartments Fund, Al Loehr Apartments Fund, and the seven-tax credit limited partnership funds – no action requested.

Commissioner Hontos asked if the average HAP payment of \$561.00 was sufficient to cover the newest addition of apartments built on the edge of St. Cloud in Sherburne County. Ms. Reis responded the three-bedroom units fall under the payment standards, however, the two bedrooms do not.

Old Business:

7. Public Hearing on the Transfer of Property at 110 15th Avenue North to Habitat for Humanity and Approval of Transfer of Property at 110 15th Avenue North to Habitat for Humanity – Ms. Reis gave a brief background of the purchase of the property in 2019 using NSP Funds and the demolition of the property.

Chair Gohman opened the public hearing at 6:19 p.m.; there being no one present to speak the public hearing closed. Commissioner Goerger moved for approval of the transfer; Commissioner Conway seconded the motion.

Art Buhs, Construction Manager for Habitat for Humanity, was present and thanked the Board for the opportunity to build on the property and their continued support for Habitat. He stated they will first have a family for the home and then will build. Mr. Buhs said it is expected the home will be completed in the fall of 2021. The motion carried unanimously.

New Business:

8. Approval of the Auditor’s Reports for the Year Ended December 31, 2019 – Finance Director Karen Rizer gave an overview of the process gone through by an independent audit performed by Redpath and Company, led by Cathy Lydon, CPA.

Ms. Lydon addressed the Board and stated an unmodified opinion was issued meaning a “clean” report. She stated there were no financial statement findings and no Minnesota Legal Compliance findings. Ms. Lydon said under federal legislation an audit is performed using specific testing and review that was of the Housing Choice Voucher program. She said one finding was found under the rent reasonableness test for internal over-compliance deficiencies. Ms. Lydon praised Ms. Rizer and her staff and the agency for again have a great report. She assured the Board that they could be very confident in the numbers they are provided by Ms. Rizer throughout the year.

Commissioner Goerger moved for approval; Commissioner Dwyer seconded the motion. Commissioner Goerger also commended Ms. Rizer for her work and the staff. He was joined by all Board members as they said it makes their job as Commissioners much easier.

Chair Gohman asked Ms. Lydon for a little of her background to which she responded.

9. Report on Activities – Ms. Reis highlighted her report by saying the HRA has received an additional 9 Mainstream Vouchers making a total of 39.

Commissioner Hontos congratulated her and staff on the PHA Score for 2019 of 95 points.

Commissioner Conway asked about the funding available for CDBG. Ms. Rizer said she would get the numbers for him. Commissioner Conway said the July meeting would be fine.

Open Discussion: none.

There being no further business the meeting adjourned at 6:35 p.m.

ATTEST:

Secretary, George Hontos

Chair, Nancy Gohman

TO: HRA Board of Commissioners
FROM: Karen Rizer, CPA Finance Director
DATE: July 15, 2020
SUBJECT: 2020 Financial Reports

Requested Action: None.

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

The planned reporting schedule is as follows:

June – Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, Housing Development & Rehab Fund, Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, Eastwood Apartments Fund, Al Loehr Apartments Fund, and the seven tax credit limited partnership funds.

July and October – Central Office Cost Center Fund, Housing Choice Vouchers Fund, CDBG Housing Rehab Fund, Community Housing Fund, and Housing Development & Rehab Fund.

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

September and December – Public Housing Fund (operating statements by AMP), Germain Towers Fund, Northway Projects A&B Fund, and Eastwood Apartments Fund.

If you have any questions about the financial statements, it is helpful if you call or email prior to the meeting in case I need to research your question. (202-3148 or krizer@stcloudhra.com) Thank you.

**St. Cloud HRA
Central Office Cost Center Fund 440
Balance Sheet
May 31, 2020**

Assets		
Cash & Investments	\$	649,620
Taxes Receivable		1,205
Accrued Interest		1,067
Due from Other Funds		96,343
Advances to Other Funds		834,670
Prepaid Expense		18,461
Due from Related Entities		
Riverside Apartments LP	\$	<u>14,072</u>
Total Due from Related Entities		14,072
Capital Assets		
Buildings	642,582	
Furniture, Equipment, and Machinery	152,072	
Accumulated Depreciation	<u>(350,786)</u>	
Total Capital Assets (Net)		<u>443,868</u>
Total Assets	\$	<u><u>2,059,306</u></u>
Liabilities & Net Assets		
Accounts Payable	\$	56,163
Accrued Salaries and Benefits		74,054
Accrued Compensated Absences		109,596
Deferred Revenue		<u>531,308</u>
Total Liabilities	\$	<u><u>771,121</u></u>
Net Assets	\$	<u>1,288,185</u>
Total Liabilities & Net Assets	\$	<u><u>2,059,306</u></u>

**St. Cloud HRA
Central Office Cost Center - Fund 440
Income Statement - Budget to Actual
January 1, 2020 Through May 31, 2020**

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

	<u>Annual Budget</u>	<u>YTD Percent</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Over (Under) YTD Budget</u>
Revenues					
Property Taxes	\$ 464,000	41.7%	\$ 193,333	\$ 192,985	\$ (348)
Charges for Services	1,200,000	41.7%	500,000	512,080	12,080
Interest	19,000	41.7%	7,917	4,759	(3,158)
Miscellaneous Income	<u>2,000</u>	41.7%	<u>833</u>	<u>38</u>	<u>(795)</u>
Total Revenues	<u>\$ 1,685,000</u>		<u>\$ 702,083</u>	<u>\$ 709,862</u>	<u>\$ 7,779</u>
Expenses					
Salaries and Benefits	\$ 1,305,000	41.7%	\$ 543,750	\$ 546,100	\$ 2,350
Legal	9,000	41.7%	3,750	8,563	4,813 (1)
Audit and Accounting Fees	8,000	41.7%	3,333	3,943	610
Membership Dues, Fees, and Advertising	12,000	41.7%	5,000	4,989	(11)
Travel and Training	28,000	41.7%	11,667	3,683	(7,984)
Professional Services	37,000	41.7%	15,417	12,296	(3,121)
Office Expense	42,000	41.7%	17,500	25,734	8,234 (2)
Telephone and Utilities	20,000	41.7%	8,333	8,053	(280)
Office Maintenance Supplies and Services	32,000	41.7%	13,333	7,526	(5,807)
Property and Liability Insurance	17,000	41.7%	7,083	7,061	(22)
Transfers Out	<u>175,000</u>	41.7%	<u>72,917</u>	<u>72,917</u>	<u>0</u>
Total Expenses	<u>\$ 1,685,000</u>		<u>\$ 702,083</u>	<u>\$ 700,865</u>	<u>\$ (1,218)</u>
Contribution To (Use Of) Net Assets	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 8,997</u>	<u>\$ 8,997</u>

(1) \$6,934 Anna Marie's lease

(2) Primarily additional costs to get certain employees teleworking and other office expenses related to COVID-19

**St. Cloud HRA
Housing Choice Voucher Program
Balance Sheet
May 31, 2020**

Assets	
Cash & Investments	\$ 246,346
Accounts Receivable	3,106
Prepaid Expenses	4,053
Interest Receivable	205
Furniture & Equipment	31,625
Accumulated Depreciation	<u>(28,775)</u>
Total Assets	<u>\$ 256,560</u>
Liabilities, Deferred Inflows, & Net Assets	
Liabilities	
Accounts Payable	\$ 8,531
Due To Other PHAs	888
FSS Deposit & Interest Payable	<u>19,648</u>
Total Liabilities	<u>\$ 29,067</u>
Net Assets	<u>\$ 227,493</u> (1)
Total Liabilities & Net Assets	<u>\$ 256,560</u>

(1) Does not include HUD-held HAP reserve of \$211,400

**St. Cloud HRA
Housing Choice Voucher Program
Income Statement
January 1, 2020 Through May 31, 2020**

The Housing Choice Voucher Program accounts for the operations of the program. The Housing Choice Voucher program is a Federal rental assistance program that helps low and moderate income families rent housing in the private market by paying a share of the family's rent each month directly property owners. Currently the program has 838 regular vouchers, 37 tenant protection vouchers, and 75 VASH vouchers, for a grand total of 950 vouchers.

	<u>Annual</u>	<u>YTD</u>	<u>YTD</u>	<u>YTD</u>	<u>Over (Under)</u>
	<u>Budget</u>	<u>Percent</u>	<u>Budget</u>	<u>Actual</u>	<u>YTD Budget</u>
REVENUES					
HAP Administration Fee	\$ 900,000	41.7%	375,000	\$ 552,205	\$ 177,205 (1)
Interest	-	41.7%	-	1,109	1,109
Miscellaneous	20,000	41.7%	8,333	2,763	(5,570)
Operating Transfers In	10,000	41.7%	4,167	-	(4,167)
TOTAL REVENUES	\$ 930,000		\$ 387,500	\$ 556,077	\$ 168,577
EXPENSES					
Salaries & Benefits	\$ 556,000	41.7%	\$ 231,667	\$ 232,962	\$ 1,295
Management Fees	230,000	41.7%	95,833	105,149	9,316
Legal	12,000	41.7%	5,000	2,902	(2,098)
Accounting & Auditing Fees	7,000	41.7%	2,917	6,682	3,765
Training & Travel	11,000	41.7%	4,583	1,880	(2,703)
Professional Services	45,000	41.7%	18,750	12,760	(5,990)
Unit Inspection Fees	78,000	41.7%	32,500	18,705	(13,795) (2)
Office Expense	37,000	41.7%	15,417	33,894	18,477 (3)
Utilities & Telephone	9,000	41.7%	3,750	3,477	(273)
Maintenance Repair Supplies & Services	12,000	41.7%	5,000	3,501	(1,499)
Property & Liability Insurance	4,000	41.7%	1,667	1,789	122
Collection Losses	5,000	41.7%	2,083	1,753	(330)
TOTAL EXPENSES	\$ 1,006,000		\$ 419,167	\$ 425,454	\$ 6,287
NET REVENUE FROM OPERATIONS	\$ (76,000)		\$ (31,667)	\$ 130,623	\$ 162,290
HOUSING ASSISTANCE					
HUD Annual Contribution	\$ 5,600,000	41.7%	\$ 2,333,333	\$ 2,568,915	\$ 235,582
Housing Assistance Payments	(5,650,000)	41.7%	\$ (2,354,167)	(2,582,463)	(228,296)
Housing Authority Payments - Port Ins	1,700,000	41.7%	\$ 708,333	750,520	42,187
Housing Asssitance Payments - Port Ins	(1,700,000)	41.7%	(708,333)	(750,664)	(42,331)
NET REVENUE RESTRICTED FOR HAP	\$ (50,000)		\$ (20,833)	\$ (13,692)	\$ 7,141
Contribution To (Use Of) Net Assets	\$ (126,000)		\$ (52,500)	\$ 116,931	\$ 169,431

May Port Activity	Number of Vouchers	Rev / Exp Amount
Port-Ins	213	\$ 154,584 Revenue from other Authorities
Port-Outs	23	\$ 23,620 Paid to Other Authorities
Monthly Average Funded HAP		\$560.58
Average Current Month Port-out HAP		\$1,026.96

- (1) Includes \$145,284 of CARES Act Funding
- (2) Most inspections suspended due to COVID-19
- (3) Primarily additional costs to get certain employees teleworking and other office expenses related to COVID-19

**St. Cloud HRA
Fund 210 - CDBG Housing Rehab Program
Balance Sheet
May 31, 2020**

Assets		
Cash & Investments	\$	329
Due From HUD		77,390
Loans Receivable		
Homeowner Rehab	\$	2,649,334
Homeowner Rehab Allowance	(275,000)	
Total Loans Receivable (Net of Allowance)		<u>2,374,334</u>
Total Assets		<u>\$ 2,452,053</u>
Liabilities & Net Assets		
Accounts Payable	\$	14
Total Liabilities		<u>\$ 14</u>
Net Assets		<u>2,452,039</u>
Total Liabilities & Net Assets		<u>\$ 2,452,053</u>

**St. Cloud HRA
Fund 210 - CDBG Housing Rehab Program
Income Statement
January 1, 2020 through May 31, 2020**

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

Revenues	
CDBG Receipts	\$ 123,666
Total Revenues	\$ 123,666
Expenses	
Salaries & Benefits	\$ 5,793
Legal	843
Travel & Training	55
Audit Fee	1,051
Professional Fees	907
Office Supplies and Maintenance	850
Member Dues and Fees	50
Lead Assessment Fees	3,295
Homeowner Loan Outlay	110,822
Total Expenses	\$ 123,666
Change in Net Assets	\$ -

**St. Cloud HRA
Fund 301 - Community Housing Fund
Balance Sheet
May 31, 2020**

Assets		
Cash & Investments		\$ 5,302,329
Accrued Interest Receivable		10,847
Due from Other Funds		169,155
Advance to Other Funds		
Germain Towers	\$ 238,214	
Eastwood Apartments	377,000	
Housing Development Fund	481,491	
Brownstones Family Housing	87,568	
Westwood Village Apartments I	649,160	
Westwood Village Apartments II	50,634	
Swisshelm Village Apartments II	<u>885,658</u>	
Total Advance to Other Funds		2,769,725
Loans Receivable		
Down Payment Assistance	20,000	
Allowance for Doubtful Accounts - Loans	(8,000)	
Westwood Village Apartments I	<u>(6,981)</u>	
Total Loans Receivable		<u>5,019</u>
Total Assets		<u>\$ 8,257,075</u>
Liabilities & Net Assets		
Accounts Payable		\$ -
Total Liabilities		<u>\$ -</u>
Net Assets		
Restricted per Policy		\$ 2,000,000
Restricted for Loans Receivable		2,943,899
Restricted for Current HRA Properties and Programs		<u>3,313,176</u>
Total Net Assets		<u>8,257,075</u>
Total Liabilities & Net Assets		<u>\$ 8,257,075</u>

**St. Cloud HRA
Fund 301 - Community Housing Fund
Income Statement
January 1, 2020 through May 31, 2020**

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

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

Revenues

Interest on Investments	\$ 55,969
Interest on Loans	<u>13,319</u>
Total Revenues	<u>\$ 69,288</u>

Expenses

Auditing and Accounting Fees	<u>526</u>
Total Expenses	<u>\$ 526</u>

Change in Net Assets	<u>\$ 68,762</u>
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**St. Cloud HRA
Fund 480 - Housing Development
Balance Sheet
May 31, 2020**

Assets		
Cash & Investments		\$ 684,173
Accrued Interest Receivable		6,700
Prepaid Expenses		623
Loans Receivable		
Riverside Apartments LP	\$ 1,923,572	
Down Payment Assistance	41,940	
ING DPA Escrow	75,000	
CRV Home GAP	157,611	
Oak Grove - Enforcement Loans	14,000	
Enforcement Loans	606,529	
Allowance for Bad Debt	<u>(10,000)</u>	
Total Loans Receivable (Net)		2,808,652
Capital Assets		
Land	95,388	
Land Improvements	9,452	
Buildings	298,469	
Furniture & Equipment	6,435	
Accumulated Depreciation	<u>(215,099)</u>	
Total Capital Assets (Net)		194,645
Advances to Other Funds - Westwood II		94,709
Land Held For Resale (Net)		606,184
Investment in Joint Ventures		<u>(328)</u>
Total Assets		<u>\$ 4,395,358</u>
Liabilities & Net Assets		
Accrued Wages and Benefits		\$ 466
Accrued Compensated Absences		2,602
Advances From Other Funds - Community Housing Fund		481,491
Deferred Revenue		2,499,414
Loans Payable		<u>157,611</u>
Total Liabilities		<u>\$ 3,141,584</u>
Net Assets		<u>\$ 1,253,774</u>
Total Liabilities & Net Assets		<u>\$ 4,395,358</u>

**St. Cloud HRA
Fund 480 - Housing Development & Rehab
Income Statement
January 1, 2020 through May 31, 2020**

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

Revenues

Interest On Investments	\$ 7,283
Miscellaneous	<u>14,569</u>
Total Revenues	<u>\$ 21,852</u>

Expenses

Salaries & Benefits	\$ 15,593
Travel and Training	12
Accounting and Audit Fees	1,314
Professional Fees	1,129
Office Expense	1,635
Utilities	2,180
Maintenance	2,264
Insurance	370
Grant Rehab Outlay	<u>27,000*</u>
Total Expenses	<u>\$ 51,497</u>

Contribution To (Use Of) Net Assets	<u>\$ (29,645)</u>
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* This loan was funded by MN Housing in 2019

TO: St. Cloud HRA Board of Commissioners
FROM: Paul Soenneker, Project Manager
DATE: July 16, 2020
SUBJECT: Approval of Contract for Scattered Sites Furnace and Water Heater Replacement and Air Conditioner Installation

Requested Action: Approval of the contract with Mechanical Brothers in the amount of \$78,044.00 to replace furnaces and water heaters and install central air conditioners in 7 scattered site homes.

Background: The HRA owns & manages various scattered site single family houses in St. Cloud. We have identified 7 homes that need furnaces and water heaters or a combination of both replaced. The HRA has also decided to install central air conditioning units in these homes. We solicited proposals from 7 companies and placed it on our website. We received proposals from one company as outlined below. I believe the proposal we received is reasonable for the scope of work requested and therefore recommend awarding a contract to Mechanical Brothers for the sum of \$78,044.00

The proposal is:

Proposal

Mechanical Brothers 508 1 st St. SE. Avon, MN 56310	\$78,044.00
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Frequency of Requests: Once.

Related Action: None.

Future Action: None.

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

Budget Impact: It is unknown at this time if this project will be funded through operating funds or Capital Fund Program funds. Due to regulations issued due to COVID-19, we cannot make that determination until we know what projects and the dollar amount of said projects that are able to have work completed by December 31, 2020.

To: St. Cloud HRA Board of Commissioners

From: Louise Reis, Executive Director and Karen Rizer, Finance Director

Date: July 15, 2020

Subject: Caretaker Compensation Policy

Requested Action: Approve Caretaker Compensation Policy

Background: The HRA does not have a written policy as to how caretakers are compensated. Therefore, the following policy puts into writing what is being done. The HRA does have a written contract with each caretaker upon hire as to how they are compensated. But, the HRA should also have a written policy as to how the compensation is determined, as we do for other HRA employees.

Frequency of Request: Once.

Related Actions: None.

Future Action: None.

Budget Impact: Caretaker compensation is budgeted for at each applicable property.

Caretaker Compensation Policy

Caretakers at St. Cloud HRA properties are compensated with a lodging allowance (free rent) equal to the fair market value of the unit they occupy. The fair market value is established based on the funding source for the property. It may be determined by HUD, MN Housing, or set by the HRA in accordance with tax credit or other governing rules and regulations.

Caretakers are required to submit weekly timesheets to the Property Manager of their property.

Caretakers will be compensated at an hourly rate not less than HUD's Caretaker Maintenance Wage Rate Decision for the St. Cloud HRA.

Once timesheets are received from the Caretaker with their actual hours for the month, if a Caretaker is found to have been compensated at an hourly rate less than HUD's Caretaker Maintenance Wage Rate, payment will be made to the Caretaker with the HRA's second payroll of the month to bring their hourly rate for the preceding month equal to HUD's Caretaker Maintenance Wage Rate.

If a Caretaker performs duties at a another HRA property, they will be compensated at an hourly rate equal to HUD's Caretaker Maintenance Wage Rate for any hours worked at a property that the Caretaker does not reside at.

If the Caretaker does not submit a weekly timesheet as required, an average of past reported hours will be used to calculate their hourly rate for the month, unless Management has knowledge that less hours were worked.

St. Cloud Housing and Redevelopment Authority

2020 to 2025 Goals

GOAL #1

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

Action Steps

1. Maintain presence at St. Cloud Neighborhood Coalition meetings.
 - Committed dollars (\$500) to community event – Spring 2020
 - Continue to serve, helped them with their business plan.
2. Work with other Core Neighborhood Associations when requested.
3. Serve on Neighborhood Best Practices Task Force.
4. Continue to explore funding partnerships/options for blighted city properties.
 - Purchased 418 Wilson Ave SE – January 2020
 - Anna Marie's construction of shelter – Hope Park – April 2020
 - Approved transfer of 110 15th Ave N to Habitat for Humanity – June 2020
5. Continue to explore other opportunities for Fix Up Loan Program.
6. Continue to market all rehab programs.
 - CDBG Single Family Rehab – February 2020

GOAL #2

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

Action Steps

1. Provide annual fair housing training for all staff.
 - Fair Housing video's – April 2020

2. Provide monthly/quarterly updates to Board on any compliance or management review.
 - Annual Report 2019 – January 2020
 - SEMAP 2019 – January 2020
 - Scattered Sites REAC Inspections – February 2020
 - Public Housing score high performer 2019 – Spring 2020
3. Inspection of all HRA units and units contracted under the Housing Choice Voucher programs.
 - Restarted inspections under COVE – June 2020
4. Monitor waiting lists for any significant changes in demographics of households applying.
 - Current wait list information – January 2020
5. Continue to Apply for Bridges grant(s).

GOAL #3

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

Action Steps

1. Continue collaboration with the Central MN Continuum of Care.
 - Attended monthly meetings
2. Continue to monitor Minnesota Housing Single Family Loan products.
3. Research funding sources for rental assistance and housing options to serve all households with an emphasis on homeless populations.
 - Board approved St. Cloud HRA to administer HCV for Delano HRA – February 2020
 - St. Cloud School District 744 LSS – Homework Starts at Home – March 2020
 - HUD COC Rental Assistance Grants – April 2020

GOAL #4

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

Action Steps

1. Work with landlords to reduce the number of first-time inspection fails (HCV).
2. Implement plan to go paperless with regard to files, inspections, etc.
 - Signature pads for staff, digital signage – January 2020
 - Laptops for staff to work from home – March 2020
3. Continued fiscal responsibility for all programs.
 - 2019 audit approval – June 2020
4. Implement sustainable energy efficiencies to reduce carbon footprint.
 - Continued subscriptions with solar gardens – January 2020
 - COVID-19 telework plan – March 2020
 - Approval of HUD Waivers under COVID-19 – April 2020
 - Lighting replaced with LED in HRA office – June 2020

[updated for July 2020]

TO: St. Cloud HRA Board of Commissioners
FROM: Louise Reis, Executive Director and Karen Rizer, Finance Director
DATE: July 15, 2020
SUBJECT: Pay 2021 Levy

Requested Action: Approve the pay 2021 levy.

Background: The pay 2021 levy request and 2021 draft Central Office Cost Center budget will be discussed at the July 22 study session.

Options: Approve at \$486,000 or approve at a different amount.

Frequency of Request: Annually.

Related Actions: The levy request will be discussed by the City Council at their August 5 budget meeting. It will then be presented for approval at a September City Council meeting.

Future Action: Approval of the 2021 budgets in November or December, with discussions beginning in October. Levy may be amended (downward only) if needed, prior to final certification in December.

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

Budget Impact: 2021 tax levy revenue.

RESOLUTION 2020-06

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

**ADOPTING THE SPECIAL LEVY FOR PAYMENT
IN THE YEAR OF 2021**

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

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

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

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

1. The special tax, in the amount of \$486,000, for payment in the calendar year 2021; and that the Finance Director of the HRA is hereby authorized and directed to forward this Resolution to the City Council of St. Cloud, Minnesota, for its consideration; and
2. The Finance Director of the HRA, subsequent to City Council approval, is hereby authorized and directed to certify such tax to the Auditors of Benton, Sherburne, and Stearns Counties.

Adopted this 22nd day of July, 2020.

ATTEST:

Nancy Gohman, Chair

George Hontos, Secretary

TO: HRA Board of Commissioners
FROM: Louise Reis, Executive Director
DATE: July 16, 2020
SUBJECT: Report on Activities

HUD Waivers: The Department of HUD has extended the availability period for the use of waivers until December 31, 2020. Our office filled out the waiver forms and they will be posted on the HRA website.

Grant Opportunity: We were notified on Tuesday that Minnesota Housing is now accepting applications from entities interested in serving as administrators for the 2020 COVID-19 Housing Assistance Program (CHAP). Grants will be made to entities that will use the funds to provide housing assistance to prevent homelessness and help maintain housing stability of individuals and families impacted by the public health-related emergency. It is anticipated that CHAP will be funded with federal dollars through the Coronavirus Relief Fund, which was authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. We plan to participate in a webinar tomorrow (Thursday) to gain further information on the program and determine if and what we might apply for. We will provide a further update at the meeting.

Rent Collection: Through July 13, 13% of July rent remained uncollected, compared to 10.6% for the same period in 2019. 2% of April through June rent remains uncollected, compared to .8% for the same period in 2019.

Housing Choice Voucher Program: During June, there were six housing choice vouchers released. Four vouchers were voluntary released, one due to death, and one due to program violations. One of the voucher holders was over the age of 62.

As of June 30, 2020 – we have 227 Port In vouchers and 24 Port Out.

CDBG Update:

For the homeowner rehab program:

- 4 in construction
- 5 out for bids
- 5 in application stage
- 4 on the waiting list

With the current program year 2019 funding, we should be able to serve two more from the waiting list. The remaining two can be served with program year 2020 funding which will be awarded in the next month or two. That funding will also enable us to serve five future applicants.

The rehab projects for this program have been delayed by the pandemic due to a combination of homeowners not wanting contractors and HRA employees in their homes and contractors not sending employees into homes for a certain period of time earlier this year.

Housing Department Vacancy Report – For the Month Ending June 30, 2020

Fund: Public Housing – 291 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	6/30/20
Empire	89	2.55%	1
Wilson	126	0.74%	0
Scattered Sites	76	0.14%	0

Fund: Section 8 New Construction – 162 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	6/30/20
Germain	60	0.49%	0
Grace/NWB	102	0.92%	1

Fund: Tax Credit – 249 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	6/30/20
Creeks	24	1.41%	0
Brownstones	12	4.16%	0
Swishhelm One	32	3.46%	0
Westwood One	32	6.14%	0
Swishhelm Two	32	4.80%	0
Westwood Two	32	2.13%	0
Riverside	85	0.52%	0

Fund: Affordable Housing – 79 Units			
		Yearly	Vacant
Complex	# of units	Vacancy Rate	6/30/20
Eastwood	18	2.30%	0
Loehr	61	1.36%	1

To: St. Cloud HRA Board of Commissioners

From: Louise Reis, Executive Director and Karen Rizer, Finance Director

Date: July 20, 2020

Subject: Authorization for Executive Director to hire as needed for positions to accomplish workload created by COVID-19

Requested Action: Approve authorization for the Executive Director to hire as needed for positions to accomplish workload created by COVID-19.

Background: On July 14th, the HRA was notified of a grant opportunity from MN Housing to administer housing assistance to those who are behind on payments due to COVID-19. HRA staff watched a webinar on this grant on July 16th. The grant application is due at 2pm on July 22nd.

This grant requires the administering entity of the grant to be fully operational by August 4th, or as close to August 4th as possible. If the HRA is granted a significant amount of funding, the HRA may need to hire additional staff as soon as possible and could not wait until the August Board meeting for the position to be approved.

Any position hired under this authorization would be paid for by the administrative fees provided by the COVID-19 related funding.

Frequency of Request: Once.

Related Actions: None.

Future Action: None.

Budget Impact: Personnel costs would be paid for by the administrative fees for the COVID-19 related program or funding source.