

ST. CLOUD HOUSING AND REDEVELOPMENT AUTHORITY

STUDY SESSION

Wednesday, January 28, 2009

City Hall Conference Room One
400 2nd Street South, St. Cloud, MN

Chair Nancy Gohman called the study session to order at 5:03 p.m. Roll call was taken and all Commissioners were present: Nancy Gohman, George Hontos, Joan Jaye, Bob Johnson, Mike Landy, John Pederson and Peter Ruth were present. Guests included Catholic Charities staff, Steve Bresnahan, Rick Podvin and Harvey Schmitt. HRA staff present was Bruce Thielman, Karen Rizer, Louise Reis, Cliff Knettel, Les Henson and Sandy Hunter.

1. Review of the Al Loehr Apartments.

Bruce Thielman, Executive Director, gave a short background of the relationship between Catholic Charities, the HRA and the Al Loehr Community and Studio Apartments. He said the first meeting of this group was held approximately one year ago to discuss the management of the building. Mr. Thielman said at that time lease-up appeared to be an issue. He handed out copies of a memo received earlier in the day from Catholic Charities and asked Mr. Bresnahan to go over it with the Board.

Mr. Bresnahan stated what a remarkable project the Al Loehr is and how it has positively affected the resident's who live there; their lives, as well as, many of their families. He said this select group of residents do not fit any of Catholic Charities other facility admittance guidelines and would be lost without the Al Loehr.

Mr. Podvin agreed there had been an issue in the first year of renting up the apartments, but at this time they are near full-capacity. He said as Tenant Services Coordinator his role is partnering with other services who have played a major role in helping the building reach its capacity level. Mr. Podvin stated there is not a budget for on-site resources, so reaching out to these services for help has had a great impact on what they have been able to achieve in managing the building. He said at this time they have 58 tenants; 32 veterans and 26 non-veterans; 46 men and 12 women. Mr. Podvin said Catholic Charities respects the relationship they have with the HRA, but feels real lives are being impacted greatly by the services provided by Catholic Charities for the Al Loehr tenants in a way that HRA staff could not provide.

Mr. Schmitt reviewed with the Board the numbers of an unaudited year end statement for the building. He stated on page 2 of the report, Account #96930 Special Service Expense, the amount of \$6,455.96 is to be reimbursed to the HRA for encountered staff time. Mr. Schmitt said this can be paid as soon as Minnesota Housing Finance Agency approves the building at full occupancy. He said there is an operating cost reserve of \$207,065 and a replacement cost reserve of \$75,543 that receive monthly deposits. Mr. Schmitt said MHFA controls the reserves and whatever is not spent stays with the project.

Mr. Schmitt said the vacancy goal for next year is 5% but they are hoping to get it closer to 2.5%. Commissioner Jaye asked Catholic Charities members what they attributed to the quick lease-up and what they felt they could offer in management of the Al Loehr that HRA staff could not offer. She said it was her understanding from the general public that the biggest barrier to renting up was the alcohol free environment. Mr. Podvin responded the lease-up came after what he felt was a trial period of people

learning of the facility and what it had to offer. He said it seemed that tenants were the best allies for spreading the word of living in a drug free environment. Mr. Podvin stated his relationship with other service providers and his experience in the human services field is a positive to management of the facility. Mr. Bresnahan added how Mr. Podvin's 19 years of experience working with this population gives him an edge, of not only knowing how to understand them, but how to get them to stick to the rules. Mr. Podvin also said the sober housing rules set for the building are mandated by the Federal government that the HRA could not enforce. He said this is a vulnerable at-risk population that needs to be constantly monitored. Commissioner Jaye asked why Catholic Charities felt the HRA did not have access to the same resources. Mr. Bresnahan replied the HRA would have access, but it is part of Catholic Charities mission to serve this population and they already have the staff in place who do this so they do not have to look at outside sources for everything.

Commissioner Hontos asked if there was still a concern for the HRA in absorbing any losses from the project. Finance Director Karen Rizer said the agreement is set so the HRA will get paid for asset costs out of the surplus cash once MHFA finishes the project audit and make the distribution.

Commissioner Hontos stated he felt it was absurd to need to replace cameras in the building already since the building is basically new. Other Board members agreed to which Housing Director Louise Reis responded that this is normal; she said the HRA has the same problems and replaces cameras continually in all the buildings.

Chair Gohman thanked Mr. Bresnahan, Mr. Podvin and Mr. Schmitt for giving their update and answering the Board's questions. She said Mr. Thielman will follow up with them after the Board has time to meet again for discussion. Commissioner Hontos asked the group to provide how long the average person lives in the complex.

2. Presentation by Podawiltz Development Regarding Large Family Housing.

Mr. Thielman introduced Mike Podawiltz and Bill Kemp to the Board. Mr. Podawiltz said his group has been researching for the past year the needs for large family housing. He said they worked with a marketing group from Michigan to determine the need and the definition of a large family. Mr. Podawiltz said they came up with a need and he and Mr. Kemp are submitting a tax credit application for financial assistance for a planned unit development. He said they would not be asking the HRA for any funding but were making this presentation only as informational and in asking for philosophical support. Mr. Podawiltz said the PUD will include rents below 30-50% median income and will accept Housing Choice Vouchers. He said rents will go as high as \$1,051 for a 6-bedroom unit, plus utilities. Mr. Podawiltz stated the development would not all be one building, but set up like townhomes of 2-3 stories high for a total of 6 five-unit buildings; combination 3, 4, 5 and 6-bedroom units. Mr. Kemp said 75 families in the area have been identified with an average of 8 people in the household; this is not extended families, just families with children. Mr. Podawiltz said there will be walking paths, playgrounds, green space and a relatively low density. Board members wished them well on their project.

3. Open Discussion, including the City's Landlord Responsibility Ordinance.

Commissioner Ruth asked if there was anything new on the Meadows Edge open 36 lots or in regards to selling Empire Apartments. Mr. Thielman said there was nothing new on Meadows Edge at this time. Housing Director Louise Reis responded she is waiting for a response from the Minneapolis HUD office on what the sale of Empire would entail.

Legal council, Jerry Von Korff, suggested the Board go into a closed session for discussion rather than policy setting of the City Landlord Responsibilities. Commissioner Hontos made a motion to close the

meeting; Commissioner Johnson seconded the motion. Closed session began at 6:20 p.m. and ended at 6:40 p.m.

ATTEST:

Chair, Nancy Gohman

Secretary, George Hontos