

City of Owatonna

Housing and Redevelopment Board

Regular Meeting

Monday, February 26, 2024

4:00 p.m.

City Hall / Small Conference Room 120

1. HRA Board Agenda - 2/26/2024

Documents:

[1 FEBRUARY MEETING AGENDA.PDF](#)

2. Roll Call: Dotson, Fiske, Hole, Olivo, Schultz

3. Approval Of Minutes From January 22, 2024

Documents:

[2 HRA MINUTES 01-22-2024.PDF](#)

4. Executive Director's Report

5. Old Business

5.I. Board Memorandum

Documents:

[3 BOARD MEMORANDUM 2.26.2024.PDF](#)

5.II. Balance Sheets

Documents:

[4 BALANCE SHEETS.PDF](#)

5.III. Income Statements

Documents:

[5 INCOME STATEMENTS.PDF](#)

5.IV. HCV Demographics

Documents:

[6 HCV DEMOGRAPHICS.PDF](#)

5.V. Bridges Demographics

Documents:

7 BRIDGES DEMOGRAPHICS.PDF

6. New Business
7. Other
8. Adjourn

Next scheduled meeting: March 25, 2024

Please inform Ghassan Madkour as soon as possible whether you will be able to attend at ghassan.madkour@owatonna.gov or 507-774-7318.



Regular Meeting
Monday, February 26, 2024

4:00 PM

City Hall/Crandall Small Conference Room 120

Preliminary Agenda

1. Roll Call: Dotson, Fiske, Hole, Olivo, Schultz
2. Approval of Minutes from January 22, 2024, meeting
3. Executive Directors Report:
4. Old Business:
 - a. Current Housing Choice Vouchers Updates
 - b. Current Mainstream Voucher Updates
 - c. Current Bridges Updates
5. New Business:
6. Other:
7. Adjourn

Next scheduled meeting, March 25, 2024

Please inform Ghassan Madkour as soon as possible whether you will be able to attend at ghassan.madkour@owatonna.gov or 507-774-7318.



MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on JANUARY 22, 2024

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:01 p.m. in the Crandall Small Conference Room 120 by Chairperson Olivo.

Members present were Nathan Dotson, Julie Fiske, John Hole, Vicki Olivo, and Lindsay Schultz. Also present were Executive Director Troy Klecker, Housing Manager Ghassan Madkour and Administrative Technician Kristen Kopp.

Approval of the Minutes: A motion was made by Dotson and seconded by Hole to approve the minutes of the November 27, 2023 HRA Board meeting with revisions to the approval of minutes section. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Troy Klecker said we are going through a Comprehensive Plan process that will probably be completed by the end of 2024. We'll end up with a document that is the community's vision on how we want the community to develop. There has already been community engagement and will be more community engagement. It addresses land use, housing, transportation, and infrastructure. When it's approved, we will put policies and ordinances in place to help us achieve the plan. There is a general sense from the housing side for higher density housing, mostly around commercial areas and schools. Projects are all moving along nicely. The apartment at Cedar and 26th Street is fully occupied with a temporary certificate of occupancy. Westlake Meadows will be completed at different points in time, with the first building planned to be done this spring. That project will bring new units online on a consistent basis. The first floor is going up on the Ascend project now. There will be three more floors above that, with 69 higher end units. They're aiming to be done by the end of this year. There are a number of other things the City is pursuing for housing, one of which is Eastgate 2. That was not funded in the last round, so they're looking at July for the next round. They're going to change the game plan. They had applied for workforce housing. In analyzing the criteria for funding, we have a better chance if we go with senior housing. He said that will be an affordable senior housing project. The design isn't put together yet. He said he likes that because no other projects are for seniors. No other developers are inquiring about it. They've consistently heard that we have single family houses occupied by seniors now, who raised their kids, but there are no affordable options for them. He said he's hoping that this would free up some single-family houses. Existing single-family houses are considered affordable. If we can encourage that movement and free up single-family houses at affordable pricing, we've accomplished two goals. He said he's pretty excited about that change. They're still working on the design. If it is funded or approved, which wouldn't be announced until December, it will probably be a 2026 start. The other one is the Hillcrest project—the old Modern Air apartments. They're working to get a grant and Tax Incremented Financing to demolish the existing structure and would probably put in a 60 unit apartment building, 12 of which would be affordable. There are a couple of lots that they are looking to do an affordable housing project on. One is on the northwest side of town and one lot near Fareway. He has to check on the status with the City Attorney. He said that he will be bringing something to Council at their next study session on how the City could facilitate single family development. He said he thinks there are some ways we can participate and put some criteria around it to help it happen quickly. There are two developers ready to develop and have run into the same thing. Interest rates aren't helping. When the City has wanted things to happen, they have incented things to happen, such as industrial and downtown development. Olivo asked about the old clinic that's going to be used for homeless. Klecker said the old clinic has been purchased by a group. Their plan is to have multiple non-profit organizations located there, as well as Rachel's Light and an additional space for homeless families. We have the Hospitality House for men and Rachel's Light for women. They have some zoning approvals and a nonprofit status to complete, as well as renovations. There would be a number of nonprofits, some of which would support the homeless who are there. Olivo asked about City-owned housing being rented currently. Klecker said that they're mainly transition areas that will be redeveloped. If the houses are rentable, we rent them out. We have five units right now. Hole asked how many stories the Hillcrest apartment would be. Klecker said possibly four. There will be zoning approvals needed.

Old Business: The Housing Choice Voucher program monthly report was presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: The Housing Voucher program for December totaled 104. Total year to date assistance and administration costs were \$845,369.04 and revenues were \$898,059.81. The Housing Choice Voucher Program fund balance at December month end is \$168,752.28. The HRA Revenues year to date total is \$591,959.64 and the expenses total \$538,683.72. The HRA General Fund balance is \$561,982.74.

Madkour said that 13 left the HCV program, 8 Bridges, and 5 from Mainstream. He said there are two programs under Bridges: Bridges Regular (State Program) and Bridges Like (SCHRC). They operate similar, but the qualification is different. We are overbudget because a lot of clients have lost their jobs, and then our portion goes up. We are actually bigger than Rochester's Bridges program, but that's not their focus. We're at 101 HCV. We are allotted at 113. We are administering 4 vouchers. We're at 31 on Mainstream, out of 40. We're doing okay, with 178 vouchers total.

A motion was made by Hole and seconded by Dotson to approve the reports as presented. All Commissioners voting Aye, the motion carried.

New Business: Klecker said there are main two things the HRA does: housing assistance and trying to get new housing and affordable housing projects. He said there are a lot of housing issues and a lot of agencies. We work with them to try to meet the needs of the community and try not to duplicate what each other is doing. He asked the Commissioners to let them know if they see things they could be doing. The City HRA isn't there to solve all housing issues. We fill a niche in the community and we all work together to address issues. He is a member of the Affordable Housing Committee. Fiske asked what he means by affordable housing. Klecker said it's a broad term, anything other than market rate. There is a tax credit workforce housing and deeply subsidized housing. When we work on tax credit projects, we try to get at less than market rate. There is a balancing act. He said that 30% or less of their income is affordable, so it's different for every individual. It's ever changing.

There was some discussion about payment standards.

Other: Madkour said to let him know if they need to use Teams, so that we're ready ahead of time.

Adjournment: There being no further business, a motion to adjourn was made by Hole and seconded by Fiske. All Commissioners voting Aye, the motion carried. The meeting adjourned at 5:11 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Manager

MEMORANDUM

TO: OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD
FROM: GHASSAN MADKOUR, HOUSING MANAGER
SUBJECT: MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA
DATE: FEBRUARY 26, 2024

The purpose of this memorandum is to provide the Owatonna Housing and Redevelopment Authority with demographic and financial data on the HRA General Fund, Housing Choice Voucher, Mainstream Voucher, and Bridges Voucher programs.

OWATONNA HRA GENERAL FUND

YTD Revenues:	\$45,522.00
YTD Expenses:	\$39,686.78
Fund Balance:	\$633,128.58

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	\$21,635.00
Monthly Admin Revenue	\$2,280.00
Monthly Expense	\$23,915.00
Occupancy:	34
Average HAP:	\$636.32

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	\$4,007.00
Monthly HAP Expense	\$4,007.00
Occupancy:	8
Average HAP:	\$500.88

MAINSTREAM VOUCHER PROGRAM

Monthly HAP Revenue	\$12,989.00
Monthly HAP Expense	\$12,989.00
Occupancy:	31
Average HAP:	\$419.00

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	\$75,208.51
YTD Expense:	\$81,476.53
Total Cash Balance:	\$164,348.46
Households in Steele Co:	100
Average HAP:	\$551.20
Households Portable Out:	4
Average HAP:	\$1,060.75
Total Assisted Households:	104
Households Ported In Billing:	3

Requested Action: The Board is asked to review and approve the monthly reports and program expenditures.

City of Owatonna
Balance Sheet
Period Ending: 1/2024

Fund: 280 OWATONNA HRA

Account Number	Description	Debit	Credit
280-10100-000-000-000000	CASH	352,019.54	
280-10400-000-000-000000	INVESTMENTS	50,000.00	
280-10700-000-000-000000	TAXES REC - DELINQUENT	592.04	
280-12900-000-000-000000	LOANS RECEIVABLE	6,170.00	
280-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	40,139.00	
280-14200-000-000-000000	LAND HELD FOR RESALE	184,208.00	
280-20100-000-000-000000	ACCOUNTS PAYABLE		-2,856.09
280-22015-000-000-000000	DEPOSITS - OTHER		-3,000.00
280-22200-000-000-000000	UNAVAILABLE REVENUE		-6,170.00
280-22210-000-000-000000	UNAVAILABLE REVENUE - TAXES		-588.61
280-29300-000-000-000000	FUND BALANCE		-614,678.66
	Current Year Revenue/Expense		-5,835.22
	Fund totals:	633,128.58	-633,128.58

City of Owatonna
Balance Sheet
Period Ending: 1/2024

Fund: 282 OWATONNA HRA HUD SECTION 8

Account Number	Description	Debit	Credit
282-10100-000-000-000000	CASH	122,750.78	
282-10150-000-000-000000	RESTRICTED CASH - FSS DEPOSITS	24,703.40	
282-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	10,626.26	
282-20100-000-000-000000	ACCOUNTS PAYABLE		-2,297.46
282-22250-000-000-000000	FSS DEPOSITS		-24,703.40
282-29300-000-000-000000	FUND BALANCE		-137,347.60
Current Year Revenue/Expense		6,268.02	
Fund totals:		164,348.46	-164,348.46
***** End of Report *****			

Description	Year	MTD	YTD 1/31/24	Budget
	Budget	Actual	Actual	Balance
PROPERTY TAXES	- 200,000.00	- 16,600.00	- 16,600.00	- 183,400.00
MOBILE HOME TAX				
STEELE COUNTY - HOUS	- 55,000.00	- 4,007.00	- 4,007.00	- 50,993.00
OTHER REVENUE				
HUD - SEC 8 MGMT FEE	- 7,500.00			- 7,500.00
TIF ADMINISTRATIVE F	- 5,638.00			- 5,638.00
INTEREST EARNINGS	- 4,000.00			- 4,000.00
RENT/RENTALS	- 36,000.00	- 1,000.00	- 1,000.00	- 35,000.00
STATE - HOUSING BRID	- 253,250.00	- 21,635.00	- 21,635.00	- 231,615.00
STATE - HOUSING BRID	- 18,000.00	- 2,280.00	- 2,280.00	- 15,720.00
	- 579,388.00	- 45,522.00	- 45,522.00	- 533,866.00
WAGES - REGULAR FT	99,801.00	7,501.00	7,501.00	92,300.00
WAGES - OT				
PERA	7,485.00	569.07	569.07	6,915.93
FICA	7,635.00	551.33	551.33	7,083.67
INSURANCE	16,064.00	1,421.29	1,421.29	14,642.71
WORKERS COMP INSURAN	569.00	43.23	43.23	525.77
OFFICE SUPPLIES	1,200.00			1,200.00
OTHER PROFESSIONAL S	10,000.00			10,000.00
BACKGROUND CHECKS	1,300.00			1,300.00
PHONE	900.00	41.24	41.24	858.76
POSTAGE	1,300.00			1,300.00
TRAVEL & TRAINING	2,700.00	152.62	152.62	2,547.38
OPERATIONAL SERVICES	4,000.00			4,000.00
ADVERTISING & PROMOT	200.00			200.00
MEMBERSHIPS & SUBSCR	900.00			900.00
PROPERTY & LIABILITY	4,400.00			4,400.00
RENTAL PROPERTY EXPE	6,900.00			6,900.00
REPAIR & MAINT - EQU	500.00			500.00
REPAIR & MAINT - OTH				
SOUTHERN MN INITIATI	1,667.00			1,667.00
HOUSING PAYMENTS - S	55,000.00	3,884.00	3,884.00	51,116.00
LAND PROJECTS	45,600.00			45,600.00
RENTAL CERTIFICATION	25,000.00	2,087.00	2,087.00	22,913.00
TRANSFER TO OTHER FU	15,000.00	1,250.00	1,250.00	13,750.00
HOUSING PAYMENTS - B	271,250.00	22,186.00	22,186.00	249,064.00
	579,371.00	39,686.78	39,686.78	539,684.22

Description	Year Budget	MTD Actual	YTD 1/31/24 Actual	Budget Balance
FEDERAL - PROGRAM	- 749,722.00	- 50,915.00	- 50,915.00	- 698,807.00
FEDERAL - ADMIN	- 75,833.00	- 6,411.00	- 6,411.00	- 69,422.00
FEDERAL - PROGRAM (M		- 12,846.00	- 12,846.00	12,846.00
FEDERAL - ADMIN (MS)		- 2,705.00	- 2,705.00	2,705.00
FEDERAL - OTHER	- 170,000.00			- 170,000.00
OTHER HA - PORT IN H	- 100,000.00	- 1,692.00	- 1,692.00	- 98,308.00
OTHER HA - PORT IN A	- 8,000.00	- 159.01	- 159.01	- 7,840.99
OTHER HA-PORT IN UTI	- 1,000.00			- 1,000.00
FRAUD RECOVERY - HAP	- 2,500.00	- 240.25	- 240.25	- 2,259.75
FRAUD RECOVERY - ADM	- 2,500.00	- 240.25	- 240.25	- 2,259.75
INTEREST EARNINGS	- 500.00			- 500.00
	- 1,110,055.00	- 75,208.51	- 75,208.51	- 1,034,846.49
WAGES - REGULAR FT	47,486.00	3,550.40	3,550.40	43,935.60
PERA	3,561.00	256.46	256.46	3,304.54
FICA	3,633.00	243.44	243.44	3,389.56
INSURANCE	11,280.00	804.62	804.62	10,475.38
WORKERS COMP INSURAN	271.00	19.50	19.50	251.50
AUDIT & ACCOUNTING S	11,500.00	4,252.50	4,252.50	7,247.50
MANAGEMENT FEES	7,500.00			7,500.00
PORT OUT ADMIN	1,000.00	301.36	301.36	698.64
TRAVEL & TRAINING	600.00	42.25	42.25	557.75
MAINSTREAM HAP	170,000.00	12,989.00	12,989.00	157,011.00
MS PORT OUT	2,200.00			2,200.00
MS PORT OUT ADMIN	800.00			800.00
MS PORT OUT UA	200.00			200.00
MS UTILITY PAYMENTS				
PORT OUT UA	752.00			752.00
HOME OWNERSHIP HAP	12,000.00	881.00	881.00	11,119.00
HOUSING PYMTS HAP	749,722.00	51,974.00	51,974.00	697,748.00
UTILITY PYMTS HAP	2,000.00	227.00	227.00	1,773.00
PORTABLE HSG PYMTS	15,000.00	4,243.00	4,243.00	10,757.00
PORTABLE UTIL PYMTS	550.00			550.00
PORTABLE REC HAP	70,000.00	1,692.00	1,692.00	68,308.00
	1,110,055.00	81,476.53	81,476.53	1,028,578.47

Owatonna H.R.A.
Demographic Statistics Report
Vouchers - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
	4	3	11	4
Blooming Prairie	2	1	2	1
Ellendale	1	1	1	0
Owatonna	134	95	259	95
Total All Locations	141	100	273	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	28	20	70
Non-Elderly Heads of Household (age 61 or less)	113	80	45
Near-Elderly Heads of Household (ages 55 to 61)	27	19	57
Other Heads of Household (age 54 or less)	86	61	41
Female Heads of Household	109	77	49
Elderly	24	22	71
Non-Elderly	85	78	43
Near-Elderly	16	15	58
Other	69	63	40
Male Heads of Household	32	23	52
Elderly	4	13	64
Non-Elderly	28	88	50
Near-Elderly	11	34	57
Other	17	53	45
Disabled/Handicapped Heads of Household	84	60	55
Male	27	32	51
Female	57	68	55
Non-Minority Heads of Household	95	67	
Minority Heads of Household	46	33	
Black	37	26	
Hispanic	9	6	
# of Family Members younger than 18 years	104		11
# of Families with children	49	35	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	\$43,274	1.6	18	5
Federal Wage	\$38,059	1.4	1	0
General Assistance	\$312,502	11.5	102	30
Military Pay	\$1,991	0.1	1	0
Other Nonwage Sources	\$170,185	6.3	32	10
SSI	\$757,756	27.9	69	21
Social Security	\$545,616	20.1	55	16
TANF (formerly AFDC)	\$7,200	0.3	3	1
Other Wage	\$844,183	31.0	55	16
Total All Income Sources	\$2,720,768	100	336	100

Public Assistance is the sole source of income for 5% of households.
 Households that are working comprise 33% of households.
 Of the working households, 2% of households also receive TANF.

Average Household Income	\$19,296
Average Tenant Rent (0-Bdrm)	\$530
Average Tenant Rent (1-Bdrm)	\$315
Average Tenant Rent (2-Bdrm)	\$358
Average Tenant Rent (3-Bdrm)	\$420
Average Tenant Rent (4-Bdrm)	\$521
Average Tenant Rent (5-Bdrm)	\$622
Average Tenant Rent (Combined)	\$352

Owatonna H.R.A.
Demographic Statistics Report
Vouchers - All Projects

Average TTP (rent + utilities per month) \$362
Average Housing Assistance Payment \$516

<u>Length of Time On Program</u>	<u>Count</u>	<u>Percent</u>
Less than 1 years	34	25
Less than 2 years	31	23
Less than 3 years	15	11
Less than 4 years	7	5
Less than 5 years	3	2
Less than 6 years	3	2
Less than 7 years	0	0
Less than 8 years	5	4
Less than 9 years	10	7
Less than 10 years	5	4
More than 10 years	24	18

<u>Broad Range of Income</u>	<u>Count</u>	<u>Percent</u>
\$0 - \$5,000	3	2
\$5,000 - \$10,000	6	4
\$10,000 - \$15,000	43	31
\$15,000 - \$20,000	37	27
\$20,000 - \$25,000	18	13
More than \$25,000	31	22

<u>Income Levels</u>	<u>Count</u>	<u>Percent</u>
Over Income	141	100

Owatonna H.R.A.
Demographic Statistics Report
 Bridges - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
Blooming Prairie	1	2	3	3
Ellendale	1	2	3	3
Owatonna	33	79	77	86
Waseca	5	12	5	6
West Concord	2	5	2	2
Total All Locations	42	100	90	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	2	5	67
Non-Elderly Heads of Household (age 61 or less)	40	95	40
Near-Elderly Heads of Household (ages 55 to 61)	7	17	58
Other Heads of Household (age 54 or less)	33	79	37
Female Heads of Household	29	69	39
Elderly	1	3	72
Non-Elderly	28	97	38
Near-Elderly	3	10	59
Other	25	86	36
Male Heads of Household	13	31	47
Elderly	1	8	62
Non-Elderly	12	92	45
Near-Elderly	4	31	58
Other	8	62	39
Disabled/Handicapped Heads of Household	12	29	46
Male	7	58	48
Female	5	42	46
Non-Minority Heads of Household	30	71	
Minority Heads of Household	12	29	
Black	4	10	
American Indian/Alaska Native	2	5	
Asian/Pacific Islander	1	2	
Hispanic	5	12	
# of Family Members younger than 18 years	43		8
# of Families with children	19	45	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	\$36,987	4.7	11	13
General Assistance	\$189,792	24.3	45	51
Other Nonwage Sources	\$9,456	1.2	1	1
SSI	\$75,864	9.7	7	8
Social Security	\$94,248	12.0	8	9
TANF (formerly AFDC)	\$1,320	0.2	1	1
Other Wage	\$374,603	47.9	15	17
Total All Income Sources	\$782,270	100	88	100

Public Assistance is the sole source of income for 12% of households.
 Households that are working comprise 33% of households.
 Of the working households, 0% of households also receive TANF.

Average Household Income	\$18,625
Average Tenant Rent (0-Bdrm)	\$290
Average Tenant Rent (1-Bdrm)	\$269
Average Tenant Rent (2-Bdrm)	\$361
Average Tenant Rent (3-Bdrm)	\$593
Average Tenant Rent (4-Bdrm)	\$593
Average Tenant Rent (Combined)	\$397

Owatonna H.R.A.
Demographic Statistics Report
Bridges - All Projects

Average TTP (rent + utilities per month) \$383
Average Housing Assistance Payment \$529

<u>Length of Time On Program</u>	<u>Count</u>	<u>Percent</u>
Less than 1 years	20	48
Less than 2 years	17	40
Less than 3 years	3	7
Less than 4 years	0	0
Less than 5 years	1	2
Less than 6 years	0	0
Less than 7 years	0	0
Less than 8 years	1	2
Less than 9 years	0	0
Less than 10 years	0	0
More than 10 years	0	0

<u>Broad Range of Income</u>	<u>Count</u>	<u>Percent</u>
\$0 - \$5,000	1	3
\$5,000 - \$10,000	4	11
\$10,000 - \$15,000	10	26
\$15,000 - \$20,000	7	18
\$20,000 - \$25,000	9	24
More than \$25,000	7	18

<u>Income Levels</u>	<u>Count</u>	<u>Percent</u>
Over Income	42	100