

**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 26<sup>th</sup> 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