

**MINUTES**  
**OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY**  
**REGULAR MEETING on MARCH 25, 2024**

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:02 p.m. in the Crandall Small Conference Room 120 by Chairperson Olivo.

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

**Approval of the Minutes:** A motion was made by Fiske and seconded by Hole to approve the minutes of the February 26, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

**Executive Director's Report:** Troy Klecker said the apartments on 26<sup>th</sup> and Cedar are done and have received their Certificate of Occupancy. The apartments behind Lowe's are in process and the first building is leasing up. The Ascend apartments are going up and will be done sometime next year. We're working on two apartment projects right now: Modern Air Apartments and Eastgate 2. They are applying for a grant and will be utilizing TIF to demolish the existing apartment and construct a 73 unit apartment building, of which 20 units will be affordable. The owner is finding spots for everyone that lives in the current apartment. The goal is to get everyone in a spot by the end of April. Madkour said the property management company he's working with is giving them free rent in April. Klecker said that he is taking it very seriously and finding spots for everyone. The grant application is due at that time. Eastgate 2 is the other project. That probably wouldn't be built until 2026 if we are awarded tax credits. United Way Housing Tax Force has put together a plan, which is needed for the application. The other piece is that these projects score better when there is other financing commitments from stakeholders. The City is one stakeholder. The developer figured out that, if you can get contributions from other partners toward this project, they can get tax credits for their contributions. They set up a meeting with the help of Brad Meier with banks and financial advisors in the community. The developer came down and explained the project. Thus far, we've gotten a bank up in the Cities and one local business to contribute. This is a senior housing project, which is very different than what we've pursued in the past. We think we can score better and we're testing the philosophy that, if seniors had an affordable place to downsize to, would they give up their single family home for a family to live in? Olivo asked if that is something they've surveyed? Klecker said it's a concept that is widely believed. We've heard that seniors would love to downsize, but they can't find anything they can afford. These will be rentals, so that limits the pool of people who would be interested. We're hoping it would lure some to take this option. Some seniors would like to be in an apartment building that is all seniors. It will be one and two bedrooms. It will be over 50 units, but they haven't pinned down the exact number. Madkour said it will be 55 and older. Fiske asked if it would have a dining facility in it. Klecker said this is more independent living. There will be some common space, but no meals provided. Another big thing we're rolling out to spur on single family residential development is a program where the City will finance the curb, gutter and streets of residential projects for a three-year period. It would be a deferred assessment which would be collected at the sale of the lot or house and have a balloon payment for five years. That creates motivation on the developers' side. The point is to get more houses built. We're announcing it now and it will be ready when someone wants to take advantage of it. This comes out to about a third of the up-front costs and reducing the risks for developers. Olivo asked if there was anything new on the lots that were donated to the City. Klecker said that there is still an action Mark Walbran has to go through to quit claim a portion of the property to us for the lot up by Skyline Gardens. That process is still happening and once it's done, we can plat it. We'd like to do a request for proposal for an affordable housing project. Olivo asked about the tiny home project. Klecker said that could be a request for a lot he was just talking about. He said the goal is just to get more affordable housing.

**Old Business:** Madkour said we are at 106 total as of March, which includes the port-outs and current HCV clients in Steele County. The Mainstream Voucher is at 32 of 40. There are three out looking, two of who we did an orientation for on Friday. There are four people looking for HCV. A few people have come

off Bridges and we're down to a total 35. He will be reopening that a little bit. There are two Modern Air clients and one of them will be porting out.

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 February totaled 100. Total year to date assistance and administration costs were \$81,284.63 and revenues were \$76,448.89. The Housing Choice Voucher Program fund balance at February month end is \$164,767.01. The HRA Revenues year to date total is \$90,113.00 and the expenses total \$79,334.01. The HRA General Fund balance is \$637,818.05.

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

**New Business:** Olivo said we don't currently have a secretary. She asked if staff would send out an email with the duties of the secretary and say it will be discussed at a future meeting. Currently she is Chair, and John Hole is Vice Chair. They will look at all positions for elections.

**Other:** Klecker gave an update on the Housing Trust Fund. It is in place and operational. There is an advisory board in place and Klecker is on the board. The first meeting was last week. MN Prairie is the administrator and Steele County is the fiscal agent. We do have \$50,000 that we approved to go toward the fund, directed just at the City of Owatonna. That was set aside from last year's budget. We can go ahead and transfer those \$50,000 to them. They had the first meeting. It's pretty wide open as far as what to use the dollars for. They talked about creating new housing and a downpayment assistance program. New housing gets expensive, so they talked about making market rate housing more affordable. That would be through income-based downpayment assistance.

**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 4:44 pm.

Respectfully Submitted,  
Ghassan Madkour  
Housing Manager