

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on APRIL 22, 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 Nathan Dotson, Julie Fiske, Vicki Olivo, and Lindsay Schultz. Member John Hole was 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 Dotson and seconded by Schultz to approve the minutes of the March 25, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Troy Klecker said one of the West Lake Meadows buildings is done and they are moving along great. Seven of the 69 units for the Ascend project are already leased. Of the seven, three are homeowners from Owatonna who will be selling their house to move in, which is exactly what we want to see. He gave an update on the Hillcrest Apartment project. Almost all of the tenants are moved out and everyone else has a plan. Council approved applying for a grant through MN Finance Agency and we'll know in May or June. We will be pursuing TIF for that project. There will be 73 units, of which 20 will be affordable. We're also working on Eastgate 2, which wouldn't be constructed until 2026, if credits are awarded. The application will be submitted in June and we will know in December. The Cashman lot is ready to plat because all of the title work has been figured out. We're talking about an Request for Proposal for an affordable housing project. There may be some discussion at the next HRA meeting. United Way affordable housing task force put together an action plan, and that will give us points in the application process. Fiske asked how many bedrooms the Hillcrest Apartments will have. Klecker said they will be one and two bedrooms. Madkour said that the majority of his clients are single households.

Old Business: Madkour said that they have to move to a more extensive audit. He said he's not sure when Mary Reedy will come to present since the May meeting is Memorial Day. He said five people with vouchers are shopping right now. He has to be careful how many vouchers he fills because he needs to have vouchers available for Eastgate 2. He said they're doing great on Bridges and have reopened the referral. There are seven people shopping and they'll be meeting with another seven tomorrow. He said the new person we hired will be training to handle the Homeownership Program, or something else.

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 March totaled 109. Total year to date assistance and administration costs were \$242,434.91 and revenues were \$231,513.42. The Housing Choice Voucher Program fund balance at March month end is \$191,750.14. The HRA Revenues year to date total is \$135,612.79 and the expenses total \$120,365.37. The HRA General Fund balance is \$674,123.01.

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

New Business: Madkour said there are a couple things added to the packet. During the audit it came to their attention that this had been done in the past. When they do new payment standards and utilities, it needs to come to a vote. Madkour explained payment standards. HUD comes out with fair market rents, and they are allowed to use 90-110% of that as the payment standard. If your payment standard is \$895 and your rent is \$900, you are responsible for the \$5 as well as your 30% of the payment standard. He said he's been doing 110%. For the new clients, it's a win, but the old clients might take a hit. We cannot control rents. He explained that the head of household plus a partner get one bedroom and dependent bedrooms are gender based. He said the living room is also a bedroom for HUD as long as it has egress. He tells people to check with the fire codes, too. These are 110% of the fair market rents that came out in

October. A motion was made by Schultz and seconded by Fiske to approve the Payment Standards. All Commissioners voting Aye, the motion carried.

Madkour explained the utility allowances. HUD wants to help the clients if there is a utility that they're responsible for in a unit. We use the same allowance for everyone for fairness in housing. Apartments and townhome information is gathered together. The individual single family and mobile homes are separate. If their calculated portion is \$400 for rent, and their utilities add up to \$100, we take the \$100 off the \$400 and they're only paying \$300 toward the rent and we're paying that \$100. This is to ease the utility burden. A motion was made by Dotson and seconded by Schultz to approve the Utility Allowance. All Commissioners voting Aye, the motion carried.

Other: Madkour said the next meeting is May 27, which is Memorial Day. Usually Mary Reedy comes in in May to do her presentation, but she won't have an issue coming in June. The Commissioners decided to cancel the May meeting.

Olivo asked how the board feels about elections for Secretary, or would they want to do that in June. A motion was made by Dotson and seconded by Schultz to nominate Julie Fiske as Secretary. All Commissioners voting Aye, the motion carried.

A motion was made by Schultz and seconded by Fiske to cancel the May 27 meeting. All Commissioners voting Aye, the motion carried.

Adjournment: There being no further business, a motion to adjourn was made by Dotson and seconded by Fiske. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:46 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Manager