CITY OF OWATONNA

HOUSING & REDEVELOPMENT AUTHORITY MEETING

Monday, October 27, 2025 at 4:00 PM
Council Chambers, City Hall at 540 West Hills Circle
Roll Call: Dotson, Hole, Kropp, Olivo, Osman

1. **HRA Agenda**
   1.1. HRA Agenda 10-27-2025
2. **Roll Call: Dotson, Fiske, Olivo, Rand, Schultz**
3. **Review 2024 Final Audit: Mary Reedy, Clifton Larson Associates**
4. **Approval of Last Meeting Minutes**
   4.1. HRA Minutes - 09-22-2025
5. **Old Business**
   5.1. Housing Choice Vouchers Updates
   5.2. Mainstream Voucher Updates
   5.3. Bridges Updates
   5.4. Bring It Home Updates
6. **Other / New Business**
7. **Adjournment**

CITY OF OWATONNA

Regular Meeting

Monday, October 27, 2025

4:00 PM

City Hall/Crandall Small Conference Room 120

Preliminary Agenda

1. Roll Call: Dotson, Fiske, Olivo, Rand, Schultz
2. Review 2024 Final Audit: Mary Reedy, Clifton Larson Associates
3. Approval of Meeting Minutes: September 22, 2025
4. Old Business:
    a. Housing Choice Vouchers Updates
    b. Mainstream Voucher Updates
    c. Bridges Updates
    d. Bring It Home Updates
5. Other/New business:
6. Adjourn

Next scheduled meeting is Monday, November 24, 2025.

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on SEPTEMBER 22, 2025

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 pm in the Crandall Small Conference Room by Chairperson Olivo.

Members present were Nathan Dotson, Julie Fiske, Vicki Olivo, Rebecca Rand and Lindsay Schultz. Also, present were Community Development Director Troy Klecker, Housing Manager Ghassan Madkour, Council Member Voss and Senior Administrative Technician Kristen Kopp.

Approval of the Minutes: A motion was made by Fiske and seconded by Schultz to approve the minutes of the August 25, 2025, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Community Development Director Troy Klecker presented the Executive Director's Report. Ascend has less than 10 units left to rent out. Aire Apartments are under construction and will probably open up Summer 2026. They submitted an application for Eastgate 2 and will hear back in December. Two incentive programs were rolled out for Single Family Houses. One is an existing Single Family Lot Program in which we contribute $2,500 for existing lots that did not have an approved drainage plan. We issue reimbursement at the end of the project when the Certificate of Occupancy is issued. We have about 80 vacant lots that would fall under that program. The second program incentivizes developers to develop new Single Family Lots. The City would finance the equivalent costs of hard-surfacing streets, curbs and gutters, and sidewalks for up to five years with a low interest rate. That takes the capital needed up front, before even one house is built, and offsets about a third of those upfront costs up to five years. This is an incentive to motivate them to build within that five-year period. As houses are built, we recoup a percentage of that loan when each lot is sold. It is a loan agreement where we hold a lien against the lots. We had our first developer take advantage of that with Mineral Springs Estates. They are hoping to get going in the spring. The Partridge Avenue project, which is a project to get ten affordable Single-Family Houses started, was started by United Way. The costs for the cul-de-sac came in over $500,000 and $700,000 with contingencies. The cul-de-sac only generates six lots with the other four offsetting the cost to some degree. We submitted an application to the County, which has an affordable housing grant program. We might be looking at the HRA funding the difference. We are trying to get 10 lots with Single Family Homes in the ballpark of $250,000 or less for the buyer. There are other programs available to help bring the closing costs down. When we built that pond, the property was paid for by the HRA and our Stormwater fund. The intent was to put a pond in with the remaining portion to be used for affordable housing. When the pond project was constructed, the hole was dug and the fill was put on the property next to it and not disposed of. Therefore, there is a lot of fill that has to be removed to get it to a developable site. He is talking to Sean Murphy about using the Stormwater fund to pay for the fill to be removed as that should have been done at the time the stormwater pond was constructed. We will continue to work on that. We have seven years to use the funds, which means the ten houses need to be built in those seven years. Klecker said there is also a question of whether you make the lots available for a builder to build with this criteria. He said that affordable housing already exists in town and that is our existing housing stock. Every housing project helps because it gives more options.

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. He said HCV is still at a standstill for new vouchers. They are currently at 94 and are still trying to build a reserve. There are five people shopping for Mainstream and they are at 32. They just sent out four applications and are hoping to get all 40 vouchers filled before November 1. There will still be approximately $60,000 to $70,000 in that budget that we have not used. He will see if they can get more vouchers for this year. Bridges program is doing well and are currently overbudget, but he has hopes that it will balance out. There are 40 on Bridges regular and should be adding three to four by the end of the month. There was some discussion on Bridges Like. Klecker said that MN Prairie is breaking up and some of the programing is going to change. Steele County will be forming their own department internally. Madkour said that Bridges Like is coming from MN Prairie. He is not sure what will take place or when.

Madkour gave an update on Bring It Home Program and has a resolution for the Chair and Secretary to sign. Once they execute the contract is when our assistance begins. He said he wants to promote the program before it’s available so that we don’t lose time. He asked if there was any way they could start on January 1, 2026. The Bring It Home staff from MHFA will be sending these out in increments so that they are not overwhelmed on their end. He said he is excited about it because it will take on a new demographic and is looking forward to promoting family assistance. Madkour gave an update on NSPIRE. It was supposed to kick off on October 1, 2025. He emailed the rep at HUD and she said it sounds like they might be putting it off again. He got an email from HUD within hours of that conversation that they put it off until February 1, 2027. Dotson asked what is the most significant change. Madkour said that they’ve updated where smoke detectors and CO2s belong. They changed the description of what things mean. They are being stricter about community rooms and making sure windows and smoke and Co2 detectors work properly. They have to have an ambient thermometer with them and every room has to be at minimum 68 degrees in the winter. They are now requiring us to test every outlet that is exposed. A motion was made by Dotson and seconded by Fiske to approve the reports as presents. All Commissioners voting Aye, the motion carried.

Other / New Business: Madkour read the resolution for the Bring It Home Program. The Chair and Secretary signed the resolution.

Madkour read the resolution for the 2025 HUD Budget. The Chair and Secretary signed the resolution.

A motion was made by Schultz and seconded by Dotson to approve the resolution for the Bring It Home Program. All Commissioners voting Aye, the motion carried.

Madkour presented a Civil Rights certification that is part of our five-year plan and needs to be done annually. Vicki has already read through it. She said is says we agree to comply with all laws. She signed the certification along with Troy Klecker.

Next Meeting: The next meeting will be Monday, October 27, 2025.

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 5:07 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Managers

MEMORANDUM

TO: OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD

FROM: GHASSAN MADKOUR, HOUSING MANAGER

SUBJECT: MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA

DATE: OCTOBER 27, 2025

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:	$232,831.38
YTD Expenses:	$398,045.81

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	$26,562.00
Monthly Admin Revenue	$ 3,240.00
Monthly Expense	$29,802.00
Occupancy:	40
Average HAP:	$664.05

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	$5,856.00
Monthly HAP Expense	$5,856.00
Occupancy:	10
Average HAP:	$585.60

MAINSTREAM VOUCHER PROGRAM

Monthly HAP Revenue	$18,628.00
Monthly HAP Expense	$18,628.00
Occupancy:	32 out of 40 vouchers
Average HAP:	$582.13

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	$602,745.00
YTD Expense:	$566,975.00
Households in Steele Co:	91
Average HAP:	$619.10
Households Portable Out:	0
Average HAP:	$0.00
Total Assisted Households:	91 out of 117 vouchers
Households Ported In Billing:	3

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

Description	Year	Month	Year	Budget
	Budget	Actual	to Date	Balance
Revenues			Actual	
PROPERTY TAXES	- 215,000.00		- 66,672.00	- 148,328.00
MOBILE HOME TAX				
STEELE COUNTY - HOUS	- 55,000.00	- 5,856.00	- 39,944.00	- 15,056.00
OTHER REVENUE			- 323.00	323.00
HUD - SEC 8 MGMT FEE	- 20,000.00			- 20,000.00
TIF ADMINISTRATIVE F	- 5,823.00			- 5,823.00
INTEREST EARNINGS	- 8,000.00		- 4,147.38	- 3,852.62
RENT/RENTALS	- 36,000.00	- 2,000.00	- 26,840.00	- 9,160.00
STATE - HOUSING BRID	- 253,250.00		- 86,505.00	- 166,745.00
STATE - HOUSING BRID	- 18,000.00		- 8,400.00	- 9,600.00
	- 611,073.00	- 7,856.00	- 232,831.38	- 378,241.62
Expenses				
WAGES - REGULAR FT	107,321.00		53,149.67	54,171.33
WAGES - REGULAR PT	44,214.00		5,224.38	38,989.62
WAGES - OT				
PERA	11,365.00		4,402.53	6,962.47
FICA	11,592.00		4,280.50	7,311.50
INSURANCE	14,675.00		8,680.61	5,994.39
WORKERS COMP INSURAI	894.00		334.63	559.37
OFFICE SUPPLIES	2,400.00	50.46	3,035.29	- 635.29
OTHER PROFESSIONAL S	14,000.00		1,125.00	12,875.00
BACKGROUND CHECKS	1,300.00	75.00	775.00	525.00
PHONE	600.00	38.40	366.52	233.48
POSTAGE	1,300.00		398.09	901.91
TRAVEL & TRAINING	1,700.00		116.62	1,583.38
OPERATIONAL SERVICES	4,000.00		240.00	3,760.00
ADVERTISING & PROMOT	200.00	687.50	844.07	- 644.07
MEMBERSHIPS & SUBSCR	500.00		1,360.21	- 860.21
PROPERTY & LIABILITY	4,700.00		2,200.00	2,500.00
RENTAL PROPERTY EXPE	6,000.00	762.78	13,509.66	- 7,509.66
REPAIR & MAINT - EQU	500.00			500.00
REPAIR & MAINT - OTH			854.93	- 854.93
SOUTHERN MN INITIATI	1,667.00		1,667.00	
HOUSING PAYMENTS - S	55,000.00	7,318.00	52,310.00	2,690.00
LAND PROJECTS	50,000.00	8,888.10	15,888.10	34,111.90
RENTAL CERTIFICATION	25,000.00		8,336.00	16,664.00
TRANSFER TO OTHER FU	12,000.00		5,000.00	7,000.00
HOUSING PAYMENTS - B	271,250.00	30,443.00	213,947.00	57,303.00
	642,178.00	48,263.24	398,045.81	244,132.19

Description	Year	Month	Year	Budget
	Budget	Actual	to Date	Balance
Revenues			Actual	
FEDERAL - PROGRAM	- 754,820.00	- 54,871.00	- 541,376.00	- 213,444.00
FEDERAL - ADMIN	- 116,987.00	- 8,515.00	- 68,220.00	- 48,767.00
FEDERAL - PROGRAM (M		- 16,862.00	- 154,928.00	154,928.00
FEDERAL - ADMIN (MS)		- 2,426.00	- 18,428.00	18,428.00
FEDERAL - OTHER	- 180,000.00			- 180,000.00
OTHER HA - PORT IN H	- 100,000.00	- 3,895.00	- 16,820.00	- 83,180.00
OTHER HA - PORT IN A	- 8,000.00	- 171.00	- 801.81	- 7,198.19
OTHER HA-PORT IN UTI	- 1,000.00	- 116.00	- 232.00	- 768.00
FRAUD RECOVERY - HAP	- 2,500.00	- 113.00	- 591.00	- 1,909.00
FRAUD RECOVERY - ADM	- 2,500.00	- 113.00	- 591.00	- 1,909.00
INTEREST EARNINGS	- 500.00		- 565.13	65.13
	- 1,166,307.00	- 87,082.00	- 802,552.94	- 363,754.06
Expenses				
WAGES - REGULAR FT	52,394.00		25,395.20	26,998.80
WAGES - REGULAR PT	20,097.00			20,097.00
PERA	5,437.00		1,860.15	3,576.85
FICA	5,546.00		1,755.47	3,790.53
INSURANCE	10,332.00		5,033.88	5,298.12
WORKERS COMP INSURAI	428.00		141.41	286.59
AUDIT & ACCOUNTING S	17,087.00		14,857.50	2,229.50
MANAGEMENT FEES	7,500.00			7,500.00
PORT OUT ADMIN	1,750.00		1,167.18	582.82
TRAVEL & TRAINING	600.00		162.65	437.35
MAINSTREAM HAP	180,000.00	18,628.00	153,349.00	26,651.00
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
PORT OUT UA	752.00			752.00
HOME OWNERSHIP HAP	12,000.00	1,110.00	9,773.00	2,227.00
HOUSING PYMTS HAP	754,820.00	54,756.00	509,822.00	244,998.00
UTILITY PYMTS HAP	2,000.00	472.00	2,717.00	- 717.00
PORTABLE HSG PYMTS	19,000.00		21,943.00	- 2,943.00
PORTABLE UTIL PYMTS	550.00			550.00
PORTABLE REC HAP	70,000.00	4,955.00	15,818.00	54,182.00
	1,163,493.00	79,921.00	763,795.44	399,697.56

City of Owatonna
Balance Sheet
Fund: 280 OWATONNA HRA
Period Ending: 9/2025

Account Number	Description	Debit	Credit
280-10100-000-000-000000	CASH	397,460.47	
280-10700-000-000-000000	TAXES REC - DELINQUENT	930.01	
280-11500-000-000-000000	ACCOUNTS RECEIVABLE	2,496.00	
280-12900-000-000-000000	LOANS RECEIVABLE	6,170.00	
280-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	17,433.13	
280-14200-000-000-000000	LAND HELD FOR RESALE	162,108.00	
280-20100-000-000-000000	ACCOUNTS PAYABLE		-14,319.60
280-22015-000-000-000000	DEPOSITS - OTHER		-3,000.00
280-22200-000-000-000000	UNAVAILABLE REVENUE		-8,330.00
280-22210-000-000-000000	UNAVAILABLE REVENUE - TAXES		-152.06
280-29300-000-000-000000	FUND BALANCE		-726,010.38
Current Year Revenue/Expense		165,214.43	
	Fund totals:	751,812.04	-751,812.04

City of Owatonna
Balance Sheet

Fund: 282 OWATONNA HRA HUD SECTION 8 Period Ending: 9/2025

Account Number	Description	Debit	Credit
282-10100-000-000-000000	CASH	107,576.42	
282-10150-000-000-000000	RESTRICTED CASH - FSS DEPOSITS	26,596.12	
282-11500-000-000-000000	ACCOUNTS RECEIVABLE	1,214.00	
282-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	2,939.31	
282-20100-000-000-000000	ACCOUNTS PAYABLE	3,554.00	
282-22250-000-000-000000	FSS DEPOSITS		-26,596.12
282-29300-000-000-000000	FUND BALANCE		-76,526.23
Current Year Revenue/Expense			-38,757.50
	Fund totals:	141,879.85	-141,879.85

******* End of Report *********

Demographic Statistics Report

Vouchers - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
	1	1	1	0
Blooming Prairie	1	1	1	0
Ellendale	1	1	1	0
Owatonna	125	98	244	99
Total All Locations	128	100	247	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	26	20	69
Non-Elderly Heads of Household (age 61 or less)	102	80	45
Near-Elderly Heads of Household (ages 55 to 61)	24	19	58
Other Heads of Household (age 54 or less)	78	61	41
Female Heads of Household	89	70	49
Elderly	20	22	71
Non-Elderly	69	78	43
Near-Elderly	11	12	58
Other	58	65	40
Male Heads of Household	39	30	51
Elderly	6	15	64
Non-Elderly	33	85	49
Near-Elderly	13	33	58
Other	20	51	43
Disabled/Handicapped Heads of Household	87	68	54
Male	33	38	50
Female	54	62	54
Non-Minority Heads of Household	91	71	
Minority Heads of Household	37	29	
Black/African American	26	20	
American Indian/Alaska Native	1	1	
Hispanic	10	8	
# of Family Members younger than 18 years	92		11
# of Families with children	45	35	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$67,509	2.5	17	5
General Assistance	$405,288	14.8	130	40
Military Pay	$2,106	0.1	1	0
Other Nonwage Sources	$90,972	3.3	13	4
SSI	$746,924	27.3	68	21
Social Security	$524,168	19.2	48	15
TANF (formerly AFDC)	$1,368	0.0	1	0
Unemployment Benefits	$22,880	0.8	2	1
Other Wage	$875,717	32.0	47	14
Total All Income Sources	$2,736,933	100	327	100

Public Assistance is the sole source of income for 8% of households.
Households that are working comprise 31% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$21,382
Average Tenant Rent (0-Bdrm)	$299
Average Tenant Rent (1-Bdrm)	$324
Average Tenant Rent (2-Bdrm)	$412
Average Tenant Rent (3-Bdrm)	$511
Average Tenant Rent (4-Bdrm)	$458
Average Tenant Rent (5-Bdrm)	$569

Demographic Statistics Report

Vouchers - All Projects

Average Tenant Rent (Combined)	$391
Average TTP (rent + utilities per month)	$436
Average Housing Assistance Payment	$573

Length of Time On Program	**Count**	**Percent**
Less than 1 years	17	13
Less than 2 years	23	18
Less than 3 years	17	13
Less than 4 years	15	12
Less than 5 years	11	9
Less than 6 years	3	2
Less than 7 years	1	1
Less than 8 years	3	2
Less than 9 years	4	3
Less than 10 years	1	1
More than 10 years	32	25

Broad Range of Income	**Count**	**Percent**
$0 - $5,000	0	0
$5,000 - $10,000	8	6
$10,000 - $15,000	30	24
$15,000 - $20,000	42	33
$20,000 - $25,000	13	10
More than $25,000	33	26

Income Levels	**Count**	**Percent**
Extremely Low	109	85
Very Low	17	13
Low	2	2
Over Income	0	0

Owatonna H.R.A.

Demographic Statistics Report

Bridges - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
Dodge Center	2	4	3	3
Ellendale	1	2	2	2
Janesville	1	2	1	1
Kasson	2	4	5	6
Owatonna	43	81	74	82
Waseca	3	6	3	3
West Concord	1	2	2	2
Total All Locations	53	100	90	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	3	6	66
Non-Elderly Heads of Household (age 61 or less)	50	94	38
Near-Elderly Heads of Household (ages 55 to 61)	2	4	56
Other Heads of Household (age 54 or less)	48	91	37
Female Heads of Household	30	57	39
Elderly	1	3	73
Non-Elderly	29	97	38
Near-Elderly	1	3	56
Other	28	93	37
Male Heads of Household	23	43	40
Elderly	2	9	62
Non-Elderly	21	91	38
Near-Elderly	1	4	56
Other	20	87	37
Disabled/Handicapped Heads of Household	15	28	48
Male	8	53	43
Female	7	47	48
Non-Minority Heads of Household	44	83	
Minority Heads of Household	9	17	
Black/African American	3	6	
American Indian/Alaska Native	1	2	
Hispanic	6	11	
# of Family Members younger than 18 years	29		8
# of Families with children	14	26	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$24,417	3.3	4	4
General Assistance	$258,876	35.1	70	66
SSI	$86,340	11.7	10	9
Social Security	$95,308	12.9	7	7
Other Wage	$272,569	37.0	15	14
Total All Income Sources	$737,512	100	106	100

Public Assistance is the sole source of income for 34% of households.
Households that are working comprise 25% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$13,915
Average Tenant Rent (0-Bdrm)	$157
Average Tenant Rent (1-Bdrm)	$227
Average Tenant Rent (2-Bdrm)	$310
Average Tenant Rent (3-Bdrm)	$459
Average Tenant Rent (4-Bdrm)	$145
Average Tenant Rent (Combined)	$271
Average TTP (rent + utilities per month)	$262

Average Housing Assistance Payment $665

Length of Time On Program	Count	Percent
Less than 1 years	30	57
Less than 2 years	13	25
Less than 3 years	8	15
Less than 4 years	2	4
Less than 5 years	0	0
Less than 6 years	0	0
Less than 7 years	0	0
Less than 8 years	0	0
Less than 9 years	0	0
Less than 10 years	0	0
More than 10 years	0	0

Broad Range of Income	Count	Percent
$0 - $5,000	5	11
$5,000 - $10,000	12	26
$10,000 - $15,000	10	22
$15,000 - $20,000	5	11
$20,000 - $25,000	4	9
More than $25,000	10	22

Income Levels	Count	Percent
Extremely Low	47	89
Very Low	6	11
Low	0	0
Over Income	0	0