CITY OF OWATONNA

HOUSING & REDEVELOPMENT AUTHORITY MEETING

Monday, June 24, 2024 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 - June 24, 2024
2. **Roll Call: Dotson, Fiske, Hole, Olivo, Schultz**
3. **Review 2023 Final Audit: Mary Reedy, Clifton Larson Associates**
4. **Approval of Meeting Minutes from April 22, 2024**
   4.1. HRA Minutes - April 22, 2024
5. **Executive Director's Report**
6. **Old Business**
   6.1. Current House Choice Vouchers Updates
   6.2. Current Mainstream Voucher Updates
   6.3. Current Bridges Updates
7. **Adjournment**

CITY OF
OWATONNA

Regular Meeting

Monday, June 24, 2024

4:00 PM

City Hall/Crandall Small Conference Room 120

Preliminary Agenda

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

2. Review 2023 Final Audit: Mary Reedy, Clifton Larson Associates

3. Approval of Meeting Minutes from April 22, 2024

4. Executive Directors Report:

5. Old Business:

   a. Current Housing Choice Vouchers Updates
   b. Current Mainstream Voucher Updates
   c. Current Bridges Updates

7. Adjourn

Next scheduled meeting is Monday, July 22, 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 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

MEMORANDUM

TO: OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD

FROM: GHASSAN MADKOUR, HOUSING MANAGER

SUBJECT: MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA

DATE: JUNE 24, 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:	$217,742.55
YTD Expenses:	$199,186.70
Fund Balance:	$676,598.00

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	$14,090.00
Monthly Admin Revenue	$1,250.00
Monthly Expense	$15,340.00
Occupancy:	29
Average HAP:	$528.97

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	$4,984.00
Monthly HAP Expense	$4,984.00
Occupancy:	9
Average HAP:	$553.78

MAINSTREAM VOUCHER PROGRAM

Monthly HAP Revenue	$13,767.00
Monthly HAP Expense	$13,767.00
Occupancy:	32 out of 40 vouchers
Average HAP:	$430.29

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	$391,562.39
YTD Expense:	$413,688.62
Total Cash Balance:	$190,814.73
Households in Steele Co:	100
Average HAP:	$561.09
Households Portable Out:	5
Average HAP:	$991.61
Total Assisted Households:	106 out of 117 vouchers
Households Ported In Billing:	4

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

City of Owatonna
Balance Sheet
Fund: 280 OWATONNA HRA
Period Ending: 5/2024

Account Number	Description	Debit	Credit
280-10100-000-000-000000	CASH	347,271.09	
280-10400-000-000-000000	INVESTMENTS	50,000.00	
280-10700-000-000-000000	TAXES REC - DELINQUENT	1,370.35	
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	85,083.00	
280-14200-000-000-000000	LAND HELD FOR RESALE	184,208.00	
280-20100-000-000-000000	ACCOUNTS PAYABLE		-1,894.00
280-22015-000-000-000000	DEPOSITS - OTHER		-2,000.00
280-22200-000-000-000000	UNAVAILABLE REVENUE		-8,170.00
280-22210-000-000-000000	UNAVAILABLE REVENUE - TAXES		-1,370.35
280-29300-000-000-000000	FUND BALANCE		-644,608.24
Current Year Revenue/Expense			-18,555.85
	Fund totals:	676,598.44	-676,598.44

City of Owatonna
Balance Sheet
Fund: 282 OWATONNA HRA HUD SECTION 8 Period Ending: 5/2024

Account Number	Description	Debit	Credit
282-10100-000-000-000000	CASH	87,343.97	
282-10150-000-000-000000	RESTRICTED CASH - FSS DEPOSITS	25,429.90	
282-11500-000-000-000000	ACCOUNTS RECEIVABLE	917.00	
282-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	54,997.63	
282-20100-000-000-000000	ACCOUNTS PAYABLE		-22,300.01
282-22250-000-000-000000	FSS DEPOSITS		-25,429.90
282-29300-000-000-000000	FUND BALANCE		-143,084.82
Current Year Revenue/Expense		22,126.23	
	Fund totals:	190,814.73	-190,814.73

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

Description	Year Budget	MTD Actual	YTD 5/31/24 Actual
PROPERTY TAXES	- 200,000.00	- 16,600.00	- 83,000.00
MOBILE HOME TAX			
STEELE COUNTY - HOUS	- 55,000.00	- 4,984.00	- 23,910.00
OTHER REVENUE			
HUD - SEC 8 MGMT FEE	- 7,500.00		
TIF ADMINISTRATIVE F	- 5,638.00		
INTEREST EARNINGS	- 4,000.00		- 5,541.55
RENT/RENTALS	- 36,000.00	- 2,000.00	- 8,000.00
STATE - HOUSING BRID	- 253,250.00	- 14,040.00	- 87,631.00
STATE - HOUSING BRID	- 18,000.00	- 1,680.00	- 9,660.00
	- 579,388.00	- 39,304.00	- 217,742.55
WAGES - REGULAR FT	99,801.00	7,676.72	42,046.25
WAGES - OT			3.49
PERA	7,485.00	579.81	3,173.59
FICA	7,635.00	562.50	3,090.46
INSURANCE	16,064.00	1,412.84	7,063.92
WORKERS COMP INSURAN	569.00	44.05	241.10
OFFICE SUPPLIES	1,200.00		611.39
OTHER PROFESSIONAL S	10,000.00	2,036.25	2,036.25
BACKGROUND CHECKS	1,300.00	75.00	425.00
PHONE	900.00	41.22	206.16
POSTAGE	1,300.00	102.19	634.34
TRAVEL & TRAINING	2,700.00		161.39
OPERATIONAL SERVICES	4,000.00		
ADVERTISING & PROMOT	200.00		
MEMBERSHIPS & SUBSCR	900.00		399.95
PROPERTY & LIABILITY	4,400.00		2,200.00
RENTAL PROPERTY EXPE	6,900.00	5,418.00	6,584.41
REPAIR & MAINT - EQU	500.00		
REPAIR & MAINT - OTH			
SOUTHERN MN INITIATI	1,667.00		1,667.00
HOUSING PAYMENTS - S	55,000.00	4,984.00	23,446.00
LAND PROJECTS	45,600.00	100.00	100.00
RENTAL CERTIFICATION	25,000.00	2,083.00	10,419.00
TRANSFER TO OTHER FU	15,000.00	1,250.00	6,250.00
HOUSING PAYMENTS - B	271,250.00	14,090.00	88,427.00
	579,371.00	40,455.58	199,186.70

Description	Year	MTD	YTD 5/31/24
	Budget	Actual	Actual
FEDERAL - PROGRAM	- 749,722.00	- 56,243.00	- 267,955.00
FEDERAL - ADMIN	- 75,833.00	- 6,519.00	- 37,651.00
FEDERAL - PROGRAM (M		- 12,132.00	- 56,242.00
FEDERAL - ADMIN (MS)		- 3,242.00	- 14,062.00
FEDERAL - OTHER	- 170,000.00		
OTHER HA - PORT IN H	- 100,000.00	- 2,428.00	- 12,242.00
OTHER HA - PORT IN A	- 8,000.00	- 219.16	- 1,130.11
OTHER HA-PORT IN UTI	- 1,000.00		
FRAUD RECOVERY - HAP	- 2,500.00	- 47.50	- 614.00
FRAUD RECOVERY - ADM	- 2,500.00	- 47.50	- 614.00
INTEREST EARNINGS	- 500.00		- 1,052.28
	- 1,110,055.00	- 80,878.16	- 391,562.39
WAGES - REGULAR FT	47,486.00	3,652.80	19,988.00
PERA	3,561.00	266.57	1,462.58
FICA	3,633.00	253.53	1,400.01
INSURANCE	11,280.00	813.35	4,066.75
WORKERS COMP INSURAN	271.00	20.26	111.17
AUDIT & ACCOUNTING S	11,500.00	4,777.50	17,535.00
MANAGEMENT FEES	7,500.00		
PORT OUT ADMIN	1,000.00	213.02	921.25
TRAVEL & TRAINING	600.00		135.04
MAINSTREAM HAP	170,000.00	13,767.00	70,705.00
MS PORT OUT	2,200.00		
MS PORT OUT ADMIN	800.00		
MS PORT OUT UA	200.00		
MS UTILITY PAYMENTS			
PORT OUT UA	752.00		
HOME OWNERSHIP HAP	12,000.00	933.00	4,555.00
HOUSING PYMTS HAP	749,722.00	50,488.00	259,189.00
UTILITY PYMTS HAP	2,000.00	160.00	1,001.00
PORTABLE HSG PYMTS	15,000.00	4,527.82	20,520.82
PORTABLE UTIL PYMTS	550.00		
PORTABLE REC HAP	70,000.00	2,837.00	12,098.00
	1,110,055.00	82,709.85	413,688.62

Demographic Statistics Report

Vouchers - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
	6	4	13	5
Blooming Prairie	1	1	1	0
Ellendale	1	1	1	0
Owatonna	130	94	253	94
Total All Locations	138	100	268	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	27	20	70
Non-Elderly Heads of Household (age 61 or less)	111	80	46
Near-Elderly Heads of Household (ages 55 to 61)	27	20	58
Other Heads of Household (age 54 or less)	84	61	42
Female Heads of Household	105	76	49
Elderly	22	21	71
Non-Elderly	83	79	44
Near-Elderly	15	14	58
Other	68	65	40
Male Heads of Household	33	24	53
Elderly	5	15	64
Non-Elderly	28	85	51
Near-Elderly	12	36	57
Other	16	48	47
Disabled/Handicapped Heads of Household	83	60	55
Male	27	33	52
Female	56	67	55
Non-Minority Heads of Household	91	66	
Minority Heads of Household	47	34	
Black/African American	35	25	
Hispanic	12	9	
# of Family Members younger than 18 years	101		11
# of Families with children	48	35	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$44,806	1.7	19	6
Federal Wage	$1,620	0.1	1	0
General Assistance	$267,153	10.3	98	30
Military Pay	$1,991	0.1	1	0
Other Nonwage Sources	$163,431	6.3	28	9
SSI	$761,486	29.3	69	21
Social Security	$548,928	21.1	58	18
TANF (formerly AFDC)	$1,320	0.1	1	0
Unemployment Benefits	$18,356	0.7	1	0
Other Wage	$793,696	30.5	53	16
Total All Income Sources	$2,602,788	100	329	100

Public Assistance is the sole source of income for 6% of households.
Households that are working comprise 34% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$18,861
Average Tenant Rent (0-Bdrm)	$562
Average Tenant Rent (1-Bdrm)	$324
Average Tenant Rent (2-Bdrm)	$347
Average Tenant Rent (3-Bdrm)	$383
Average Tenant Rent (4-Bdrm)	$735
Average Tenant Rent (5-Bdrm)	$666

Demographic Statistics Report

Vouchers - All Projects

Average Tenant Rent (Combined)	$355
Average TTP (rent + utilities per month)	$370
Average Housing Assistance Payment	$513

Length of Time On Program	**Count**	**Percent**
Less than 1 years	29	22
Less than 2 years	28	21
Less than 3 years	20	15
Less than 4 years	7	5
Less than 5 years	2	2
Less than 6 years	3	2
Less than 7 years	1	1
Less than 8 years	4	3
Less than 9 years	9	7
Less than 10 years	5	4
More than 10 years	24	18

Broad Range of Income	**Count**	**Percent**
$0 - $5,000	3	2
$5,000 - $10,000	10	7
$10,000 - $15,000	40	30
$15,000 - $20,000	37	28
$20,000 - $25,000	15	11
More than $25,000	29	22

Income Levels	**Count**	**Percent**
	7	5
Extremely Low	111	80
Very Low	17	12
Low	3	2
Over Income	0	0

Owatonna H.R.A.

Demographic Statistics Report

Bridges - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
Blooming Prairie	1	3	3	4
Ellendale	1	3	3	4
Owatonna	31	82	71	87
Waseca	4	11	4	5
West Concord	1	3	1	1
Total All Locations	38	100	82	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)	36	95	39
Near-Elderly Heads of Household (ages 55 to 61)	5	13	58
Other Heads of Household (age 54 or less)	31	82	36
Female Heads of Household	25	66	39
Elderly	1	4	72
Non-Elderly	24	96	37
Near-Elderly	1	4	59
Other	23	92	36
Male Heads of Household	13	34	45
Elderly	1	8	62
Non-Elderly	12	92	44
Near-Elderly	4	31	58
Other	8	62	37
Disabled/Handicapped Heads of Household	12	32	43
Male	8	67	46
Female	4	33	43
Non-Minority Heads of Household	26	68	
Minority Heads of Household	12	32	
Black/African American	4	11	
American Indian/Alaska Native	2	5	
Asian/Pacific Islander	1	3	
Hispanic	5	13	
# of Family Members younger than 18 years	39		8
# of Families with children	17	45	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$37,619	5.3	10	13
General Assistance	$189,900	26.9	42	53
Other Nonwage Sources	$9,768	1.4	1	1
SSI	$74,364	10.5	7	9
Social Security	$74,076	10.5	6	8
Other Wage	$319,575	45.3	14	18
Total All Income Sources	$705,302	100	80	100

Public Assistance is the sole source of income for 21% of households.
Households that are working comprise 34% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$18,561
Average Tenant Rent (0-Bdrm)	$290
Average Tenant Rent (1-Bdrm)	$299
Average Tenant Rent (2-Bdrm)	$356
Average Tenant Rent (3-Bdrm)	$420
Average Tenant Rent (4-Bdrm)	$656
Average Tenant Rent (Combined)	$367
Average TTP (rent + utilities per month)	$388

Demographic Statistics Report

Bridges - All Projects

Average Housing Assistance Payment $540

Length of Time On Program	Count	Percent
Less than 1 years	15	39
Less than 2 years	16	42
Less than 3 years	5	13
Less than 4 years	1	3
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	1	3
Less than 10 years	0	0
More than 10 years	0	0

Broad Range of Income	Count	Percent
$0 - $5,000	3	8
$5,000 - $10,000	5	14
$10,000 - $15,000	7	19
$15,000 - $20,000	7	19
$20,000 - $25,000	8	22
More than $25,000	6	17

Income Levels	Count	Percent
	5	13
Extremely Low	25	66
Very Low	4	11
Low	4	11
Over Income	0	0