HOUSING & REDEVELOPMENT AUTHORITY MEETING

Monday, August 26, 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 Board Agenda - August 26, 2024
2. **Roll Call: Dotson, Fiske, Hole, Olivo, Schultz**
3. **Executive Director's Report**
4. **Approval of Minutes**
   4.1. HRA Board Minutes - July 22, 2024
5. **Old Business**
   5.1. Board Memorandum
   5.2. Balance Sheet
   5.3. Income Statements
   5.4. HCV-MS Demographics
   5.5. Bridges Demographics
6. **Adjournment**

Regular Meeting

Monday, August 26, 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 July 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, September 23, 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 JULY 22, 2024

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:03 p.m. in the 2nd Floor Conference Room 207 by Chairperson Olivo.

Members present were Julie Fiske, Vicki Olivo, John Hole, and Lindsay Schultz. Member Nathan Dotson was absent. Also present were Community Development Director Troy Klecker, Housing Manager Ghassan Madkour, 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 June 24, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Community Development Director Troy Klecker gave an update on the Cashman lot off 3rd Avenue NW and 22nd Street NW. He sent Habitat for Humanity an email, but they have not connected yet. He said they are still getting estimates from contractors for the Maple Drive house move and will have more information at the next meeting. They have an application for a grant for the Hillcrest Project and should hear by the end of the month whether the grant was awarded. The developer still wants to do a project if it's not awarded, but it may be scaled back. There is also an application in for tax credits on Eastgate 2 and they will not hear back until December. Two of the apartment buildings at Westlake Meadows are done. One is full and the other is leasing up. The rest will be opening up August, November, and February. Ascend is progressing well. There are 69 units and they are preleasing them. That project will be done probably January or February of 2025. Things are kind of falling apart with the developer for the single family development up by the waterpark. There is another developer that is interested if things fall through with the first developer. The number of permits is up from last year, but the valuation is down. There have been four single family home permits with another four in review. He said he'd love to hit 20 new single family homes, but 15 would be good. That sounds really low, but it's still higher than other cities around here except Mankato. He said he sits on the Steele County Housing Fund Committee and one of the things they are pursuing is trying to max out Colonial Manor Mobile Home Park. A meeting is set up with them on Wednesday with Karina Schmitz, himself, and the manager of Colonial Manor. There are 11 or 12 lots open right now. They do have additional land for expansion, but don't want to expand until they have all of their lots filled.

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 June totaled 104. Total year to date assistance and administration costs were $492,246.99 and revenues were $483,443.33. The Housing Choice Voucher Program fund balance at June month end is $168,603.40. The HRA Revenues year to date total is $262,101.04 and the expenses total $235,365.87. The HRA General Fund balance is $684,343.66.

Housing Manager Madkour said that, including the port-outs we are financially responsible for, we are sitting at 104. They're sitting at 32 for Mainstream, 28 for Bridges, and 8 for Bridges-like for a total of 172 total clients. He said that he's been doing orientations for packed rooms. There are 8 out there searching for HCV. He is doing his best to be flexible when it comes to giving extensions, but he needs to know they're out there shopping. The case workers are working their tails off. Klecker said with Westlake Meadows opening up you get movement that opens up other housing units. There will be another 60 opening up in August. Madkour said they do have it in the budget to get a part-time person in 2025. Klecker said that the HRA has its own levy. This year it's $200,000. They do want to add a 28-hour person that does vouchers. Part of that is paid for by the voucher program. They were able to get it down to a $15,000 increase to get a 28-hour person. It would be a 7.5% increase. They will present that to Council. If it's approved, they could advertise the position on January 1. Madkour said that they are meeting weekly with the Bridges committee on applications to see which ones best qualify for those vouchers. There are four to seven referrals coming in a week. He said that HUD put off some of the regulations which restructures how we calculate assets. This would allow people to self certify. One of the companies we have a difficult time with is Walmart. The self-certification is regarding social security cards. If they don’t have them, it costs $450 or so to get a new one. They haven’t said yes 100% that you can do this, but he will get a vote once they do. We can also do it with the stipulation that this will hold them over until they get theirs. Once they get on the HUD program, the EIV system will also certify.

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

New Business:

Klecker said that the Planning and Zoning Division has had a Planning Specialist for the last year and a half. They hired Ashley Zidon last spring. Part of what they changed in the job description is to add more housing tasks. Ashley is very capable of doing that. A good program for her to take over is the Homeownership Program. There are currently two Homeownership clients and they are looking to expand that. Instead of getting vouchers to pay for rent, you can get vouchers to pay for a mortgage. There is more of a push to get people out of the cycle of renting their whole lives. It’s not for everyone, probably just for a few, but they’re trying to ramp that program up. Ashley is working with Ghassan and they’re looking to push the two clients up to five. Madkour said that they have to come from a HUD-based program. There are changes every year and they have to do an annual reexamination, but it only requires a main inspection up front. The two clients have loans through the USDA. US Bank is a part of it and there are two others. They would have to attend classes through Three Rivers. USDA is extremely customer friendly when it comes to rates. He said he’s not sure he can tie it with the Housing Trust Fund. Olivo asked if the homes are restricted as far as location. Madkour said that they have to be in Steele County. Hopefully they can put out a letter to all of their clients. He said that Rice County has 13 or 14 people on the program. Klecker said it gives those on assistance programs something to strive for.

Adjournment: There being no further business, a motion to adjourn was made by Fiske and seconded by Schultz. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:45 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: AUGUST 26, 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:	$314,420.42
YTD Expenses:	$277,326.80
Fund Balance:	$696,687.73

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	$17,699.00
Monthly Admin Revenue	$1,800.00
Monthly Expense	$19,499.00
Occupancy:	31
Average HAP:	$629.00

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	$4,464.00
Monthly HAP Expense	$4,464.00
Occupancy:	8
Average HAP:	$558.00

MAINSTREAM VOUCHER PROGRAM

Monthly HAP Revenue	$14,381.00
Monthly HAP Expense	$14,381.00
Occupancy:	32 out of 40 vouchers
Average HAP:	$449.41

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	$571,970.49
YTD Expense:	$571,031.95
Total Cash Balance:	$169,619.17
Households in Steele Co:	101
Average HAP:	$549.69
Households Portable Out:	775.50
Average HAP:	$940.60
Total Assisted Households:	105 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
Period Ending: 7/2024

Fund: 280 OWATONNA HRA

Account Number	Description	Debit	Credit
280-10100-000-000-000000	CASH	484,170.86	
280-10700-000-000-000000	TAXES REC - DELINQUENT	959.87	
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	18,683.00	
280-14200-000-000-000000	LAND HELD FOR RESALE	184,208.00	
280-20100-000-000-000000	ACCOUNTS PAYABLE		-3,856.00
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		-959.87
280-29300-000-000-000000	FUND BALANCE		-644,608.24
Current Year Revenue/Expense			-37,093.62
	Fund totals:	696,687.73	-696,687.73

City of Owatonna
Balance Sheet
Fund: 282 OWATONNA HRA HUD SECTION 8
Period Ending: 7/2024

Account Number	Description	Debit	Credit
282-10100-000-000-000000	CASH	95,990.72	
282-10150-000-000-000000	RESTRICTED CASH - FSS DEPOSITS	25,595.81	
282-11500-000-000-000000	ACCOUNTS RECEIVABLE	2,751.00	
282-13200-000-000-000000	DUE FROM OTHER GOVERNMENTS	42,606.64	
282-20100-000-000-000000	ACCOUNTS PAYABLE	2,675.00	
282-22250-000-000-000000	FSS DEPOSITS		-25,595.81
282-29300-000-000-000000	FUND BALANCE		-143,084.82
Current Year Revenue/Expense			-938.54
	Fund totals:	169,619.17	-169,619.17

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

Description	Year	MTD	YTD 7/31/24
	Budget	Actual	Actual
PROPERTY TAXES	- 200,000.00	- 16,600.00	- 120,709.95
MOBILE HOME TAX			- 27.20
STEELE COUNTY - HOUS	- 55,000.00	- 9,448.00	- 33,358.00
OTHER REVENUE		- 80.00	- 160.00
HUD - SEC 8 MGMT FEE	- 7,500.00		
TIF ADMINISTRATIVE F	- 5,638.00	- 2,911.55	- 2,911.55
INTEREST EARNINGS	- 4,000.00		- 8,707.72
RENT/RENTALS	- 36,000.00	- 2,000.00	- 12,000.00
STATE - HOUSING BRID	- 253,250.00	- 17,699.00	- 123,286.00
STATE - HOUSING BRID	- 18,000.00	- 1,800.00	- 13,260.00
	- 579,388.00	- 50,538.55	- 314,420.42
WAGES - REGULAR FT	99,801.00	7,676.70	57,399.67
WAGES - OT			24.43
PERA	7,485.00	579.80	4,334.76
FICA	7,635.00	562.50	4,217.04
INSURANCE	16,064.00	1,412.84	9,889.60
WORKERS COMP INSURAN	569.00	44.05	329.28
OFFICE SUPPLIES	1,200.00	201.65	1,188.87
OTHER PROFESSIONAL S	10,000.00		2,036.25
BACKGROUND CHECKS	1,300.00	150.00	600.00
PHONE	900.00	41.23	288.61
POSTAGE	1,300.00	119.85	941.18
TRAVEL & TRAINING	2,700.00	76.31	237.70
OPERATIONAL SERVICES	4,000.00		240.00
ADVERTISING & PROMOT	200.00		
MEMBERSHIPS & SUBSCR	900.00		399.95
PROPERTY & LIABILITY	4,400.00	1,100.00	3,300.00
RENTAL PROPERTY EXPE	6,900.00	2,400.00	9,583.81
REPAIR & MAINT - EQU	500.00		
REPAIR & MAINT - OTH			
SOUTHERN MN INITIATI	1,667.00		1,667.00
HOUSING PAYMENTS - S	55,000.00	4,464.00	32,894.00
LAND PROJECTS	45,600.00		147.65
RENTAL CERTIFICATION	25,000.00	2,083.00	14,585.00
TRANSFER TO OTHER FU	15,000.00	1,250.00	8,750.00
HOUSING PAYMENTS - B	271,250.00	17,799.00	124,272.00
	579,371.00	39,960.93	277,326.80

Description	Year	MTD	YTD 7/31/24
	Budget	Actual	Actual
FEDERAL - PROGRAM	- 749,722.00	- 59,006.00	- 390,652.00
FEDERAL - ADMIN	- 75,833.00	- 6,718.00	- 45,707.00
FEDERAL - PROGRAM (M		- 14,831.00	- 91,591.00
FEDERAL - ADMIN (MS)		- 4,202.00	- 21,542.00
FEDERAL - OTHER	- 170,000.00		
OTHER HA - PORT IN H	- 100,000.00	- 2,606.00	- 16,984.00
OTHER HA - PORT IN A	- 8,000.00	- 229.00	- 1,579.47
OTHER HA-PORT IN UTI	- 1,000.00		
FRAUD RECOVERY - HAP	- 2,500.00	- 337.50	- 1,149.00
FRAUD RECOVERY - ADM	- 2,500.00	- 337.50	- 1,149.00
INTEREST EARNINGS	- 500.00		- 1,617.02
	- 1,110,055.00	- 88,267.00	- 571,970.49
WAGES - REGULAR FT	47,486.00	3,652.80	27,293.60
PERA	3,561.00	266.57	1,995.72
FICA	3,633.00	253.54	1,907.10
INSURANCE	11,280.00	813.35	5,693.45
WORKERS COMP INSURAN	271.00	20.26	151.69
AUDIT & ACCOUNTING S	11,500.00		17,535.00
MANAGEMENT FEES	7,500.00		
PORT OUT ADMIN	1,000.00	284.17	1,418.44
TRAVEL & TRAINING	600.00	55.27	190.31
MAINSTREAM HAP	170,000.00	14,610.00	99,030.00
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	994.00	6,543.00
HOUSING PYMTS HAP	749,722.00	49,712.00	359,833.00
UTILITY PYMTS HAP	2,000.00	160.00	1,321.00
PORTABLE HSG PYMTS	15,000.00	4,653.00	29,877.64
PORTABLE UTIL PYMTS	550.00		
PORTABLE REC HAP	70,000.00	3,307.00	18,242.00
	1,110,055.00	78,781.96	571,031.95

Demographic Statistics Report

Vouchers - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
	7	5	19	7
Blooming Prairie	1	1	1	0
Ellendale	1	1	1	0
Owatonna	129	93	243	92
Total All Locations	138	100	264	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	26	19	70
Non-Elderly Heads of Household (age 61 or less)	112	81	46
Near-Elderly Heads of Household (ages 55 to 61)	29	21	58
Other Heads of Household (age 54 or less)	83	60	42
Female Heads of Household	102	74	49
Elderly	21	21	72
Non-Elderly	81	79	44
Near-Elderly	14	14	58
Other	67	66	41
Male Heads of Household	36	26	53
Elderly	5	14	64
Non-Elderly	31	86	51
Near-Elderly	15	42	57
Other	16	44	45
Disabled/Handicapped Heads of Household	84	61	55
Male	29	35	52
Female	55	65	55
Non-Minority Heads of Household	93	67	
Minority Heads of Household	45	33	
Black/African American	33	24	
Hispanic	12	9	
# of Family Members younger than 18 years	96		11
# of Families with children	46	33	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$52,436	1.9	20	6
Federal Wage	$1,620	0.1	1	0
General Assistance	$296,993	11.0	105	31
Military Pay	$1,991	0.1	1	0
Other Nonwage Sources	$142,032	5.2	25	7
SSI	$822,698	30.3	72	22
Social Security	$544,776	20.1	56	17
TANF (formerly AFDC)	$1,320	0.0	1	0
Unemployment Benefits	$18,356	0.7	1	0
Other Wage	$829,377	30.6	52	16
Total All Income Sources	$2,711,600	100	334	100

Public Assistance is the sole source of income for 4% of households.
Households that are working comprise 34% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$19,649
Average Tenant Rent (0-Bdrm)	$503
Average Tenant Rent (1-Bdrm)	$326
Average Tenant Rent (2-Bdrm)	$339
Average Tenant Rent (3-Bdrm)	$435
Average Tenant Rent (4-Bdrm)	$830
Average Tenant Rent (5-Bdrm)	$666

Demographic Statistics Report

Vouchers - All Projects

Average Tenant Rent (Combined)	$363
Average TTP (rent + utilities per month)	$378
Average Housing Assistance Payment	$502

Length of Time On Program	Count	Percent
Less than 1 years	31	24
Less than 2 years	24	18
Less than 3 years	16	12
Less than 4 years	12	9
Less than 5 years	4	3
Less than 6 years	1	1
Less than 7 years	3	2
Less than 8 years	4	3
Less than 9 years	8	6
Less than 10 years	5	4
More than 10 years	23	18

Broad Range of Income	Count	Percent
$0 - $5,000	2	1
$5,000 - $10,000	7	5
$10,000 - $15,000	40	30
$15,000 - $20,000	34	25
$20,000 - $25,000	22	16
More than $25,000	29	22

Income Levels	Count	Percent
Over Income	138	100

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	32	82	62	85
Waseca	4	10	4	5
West Concord	1	3	1	1
Total All Locations	39	100	73	100

Family Composition	Count	Percent	Avg Age
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	3	8	67
Non-Elderly Heads of Household (age 61 or less)	36	92	38
Near-Elderly Heads of Household (ages 55 to 61)	4	10	58
Other Heads of Household (age 54 or less)	32	82	36
Female Heads of Household	26	67	38
Elderly	2	8	69
Non-Elderly	24	92	36
Near-Elderly	1	4	59
Other	23	88	35
Male Heads of Household	13	33	44
Elderly	1	8	62
Non-Elderly	12	92	43
Near-Elderly	3	23	58
Other	9	69	38
Disabled/Handicapped Heads of Household	13	33	43
Male	9	69	48
Female	4	31	43
Non-Minority Heads of Household	30	77	
Minority Heads of Household	9	23	
Black/African American	3	8	
American Indian/Alaska Native	2	5	
Hispanic	4	10	
# of Family Members younger than 18 years	31		10
# of Families with children	14	36	

Income Source	Annual Amount	Percent	Count	Percent
Child Support	$34,620	5.5	8	11
General Assistance	$165,768	26.2	39	53
Other Nonwage Sources	$21,770	3.4	2	3
SSI	$75,828	12.0	7	9
Social Security	$74,064	11.7	6	8
Other Wage	$260,461	41.2	12	16
Total All Income Sources	$632,511	100	74	100

Public Assistance is the sole source of income for 23% of households.
Households that are working comprise 31% of households.
Of the working households, 0% of households also receive TANF.

Average Household Income	$16,218
Average Tenant Rent (0-Bdrm)	$290
Average Tenant Rent (1-Bdrm)	$336
Average Tenant Rent (2-Bdrm)	$294
Average Tenant Rent (3-Bdrm)	$349
Average Tenant Rent (4-Bdrm)	$471
Average Tenant Rent (Combined)	$335
Average TTP (rent + utilities per month)	$349
Average Housing Assistance Payment	$552

Demographic Statistics Report

Bridges - All Projects

Length of Time On Program	Count	Percent
Less than 1 years	15	38
Less than 2 years	16	41
Less than 3 years	6	15
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	4	11
$5,000 - $10,000	5	14
$10,000 - $15,000	8	23
$15,000 - $20,000	6	17
$20,000 - $25,000	5	14
More than $25,000	7	20

Income Levels	Count	Percent
Over Income	39	100