

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