

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on AUGUST 26, 2024

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

Members present were Julie Fiske, Nathan Dotson, Vicki Olivo, John Hole, and Lindsay Schultz. 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 Hole to approve the minutes of the July 22, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Community Development Director Troy Klecker. He said that they have a draft plan of the Comprehensive Plan available for public comment. He said that the City purchased a house on Maple Drive =, purchased through a DNR grant. It is in decent shape, and they were looking into moving it to a vacant lot on Partridge Avenue. He said that he got some information on moving the house. When you start figuring in that it needs new windows, roof, and siding. We're in for \$210,000 for sure. There is also asbestos that will have to be removed. We had a realtor look at it and say what it would be worth when it's all said and done, and it was \$225,000. Staff is of the opinion that it is not the way to go. The realtor said that you could build it for about the same price. The house still needs to be removed. If there is someone else that wants to move it, they are more than welcome. The City usually gets better pricing if someone is going to move the house. They are investigating what it would cost to build a starter home—a two-bedroom rambler with a two-stall garage and unfinished basement. Maybe that is worth pursuing on these Partridge lots that the City owns. The HRA could upfront the cost to build the house and then sell it. Mohs Construction is interested in looking into it. We want to see more single-family housing, and if its more on the affordable side, all the better. He said they are still pulling together some numbers. Moving the house was not worthwhile to do. Olivo asked if they are considering more than just the one lot. Klecker said possibly—the HRA owns more lots. There would be an opportunity to do multiple houses if it is successful. Schultz asked what the projected sales price would be. Klecker said the United Way received a grant for 10 lots of affordable housing—\$250,000 or less. He said they could partner together with United Way. Olivo asked if they were looking at all single family. Klecker said they are looking at single family in this area. There is an opportunity to do four units on the Cashman lot. The City also owns a lot on Cedar Avenue South. There might be a possibility to do up to four units on that lot. Madkour asked if Habitat for Humanity would be able to do something with it. Klecker said he talked to Habitat about the Cashman lot, and they are interested in it. Four units is more than they usually do, but he is willing to check. Schultz said she likes the idea of a starter home. She knew of someone looking, and if they can't find something here, they will move outside the community.

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 July totaled 105. Total year to date assistance and administration costs were \$571,031.95 and revenues were \$571,970.49. The Housing Choice Voucher Program fund balance at July month end is \$169,619.17. The HRA Revenues year to date total is \$314,420.42 and the expenses total \$277,326.80. The HRA General Fund balance is \$696,687.73.

Housing Manager Madkour said we are at 176 clients. We are at 98 for HCV for people living within Steele County. We're at six people who have ported out. He said he's spoken to their field rep. and he is trying to get more vouchers filled so HUD will not use the 2024 Owatonna HRA-HCV reserve fund elsewhere. Three people are searching for rentals for Mainstream and 4 for HCV right now. He said that they had the Homeownership Program starting to move, but it's at a standstill as the staff who was going to take that overtook a different job. There are 31 people searching for rentals for Bridges. He said it at a standstill right now since the affordable vacant units are scarce.

Klecker said that Westlake Meadows has their third building coming on the market on September 1.

Olivo asked Klecker if he had a meeting with the mobile home park. He said he did. Karina at MN Prairie is working on a grant that could potentially buy some units. They are open to filling the vacant spots. They have about 10. The grant application needs to be in by September 8. He said he thinks the HRA could be an active participant. Unfortunately, the application needs to be in before the next HRA meeting. Karina is in charge of writing the grant. It's kind of a last minute deal, but there might be some possibilities to get a grant to fill those spots. He'll have an update at the next meeting. Although the grant will have to be submitted before then. The grant could pay for those units and the HRA could be the owner of those units. They might be able to use the Homeownership voucher for this. Or maybe vouchers if they are just rental units. There are a lot of things up in the air. Madkour said the more avenues the better.

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

New Business: Olivo asked about the Modern Aire. Klecker said that Council set the date for the TIF public hearing on October 1. This would be for a 73 unit with 20 affordable and 53 market rate.

Adjournment: There being no further business, a motion to adjourn was made by Dotson and seconded by Hole. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:38 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Manager