MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on SEPTEMBER 23, 2024

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:03 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 Dotson and seconded by Hole to approve the minutes of the August 26, 2024, 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. He gave an update on apartment projects. Westlake Meadows' third building is opened up. Their last two buildings are under construction. One will open in November 2024 and the last in February 2025. Ascend is planning to open in January 2025. There are 11 units pre-leased and construction is going well. There is a public hearing coming up at the October 15 City Council meeting to use TIF on this project. It will be 73 units, 20 of which will be affordable. They would probably start construction in Spring 2025. They are going through a couple of zoning approvals for the height of the structure and replating the property. There will be a public hearing at the October 8 Planning Commission meeting. They should hear if Eastgate II has been awarded tax credits by the end of the year. That will be 60 units of senior housing and would probably not start until 2026 if tax credits are awarded.

Community Development Director Klecker said that the United Way has applied for tax credits and received $300,000 to put toward purchasing land for affordable housing. They intended it for a different project, but that project fell through. They are now looking at the single-family lots that the HRA owns on and near Patridge Avenue. There is a way to get 10 lots with a cul-de-sac. In order for the houses to be considered affordable, they would have to be sold at no more than $250,000. The houses would be ramblers with a two-stall garage and unfinished basement. The United Way would purchase the lots from the HRA with their $300,000 grant. Because this is a Federal grant, this project requires an Environmental Assessment Worksheet (EAW). The idea is that the HRA would fund the EAW, which could cost as much as $20,000. The EAW is the first step needed before the grant funds are paid out, but the HRA could recoup this with the purchase price of the lots. With that purchase money, the HRA could also fund the infrastructure, including constructing the cul-de-sac, platting the property, and doing some stormwater work. Klecker said we are talking with Mohs Homes on a house design they could get done for $250,000. It might not just be one entity building these houses—there might be a way that we'd have a variety of entities building houses. Habitat and Three River Action Council could do some. He said that there has been some discussion of a land trust, but that complicates things. He likes to keep things simple. He said he would like the houses to fit in the neighborhood. Klecker asked if the HRA was willing to upfront the cost of the EAW which would be in the $20,000. A motion was made by Fiske and seconded by Schultz to approve the use of HRA funds for the Environmental Assessment Worksheet for the Partridge Avenue lots. All Commissioners voting Aye, the motion carried.

Community Development Director Klecker gave an update on the Housing Trust Fund. He said that he serves on the Housing Trust Fund Committee, and they've discussed making the dollars revolving to sustain the program for a long time. They discussed using the ten vacant lots in Colonial Manor Mobile Home Park by constructing permanent units that could be rented out. They applied for two grants and were rejected. Karina has asked the County to assist in this project. Klecker said that he will be speaking to the County Board the following day to talk about the HRA's goals and involvement.

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 107. Total year to date assistance and administration costs were $653,696.47 and revenues were $658,318.24. The Housing Choice Voucher Program fund balance at August month end is $173,723.98. The HRA Revenues year to date total is $327,244.42 and the expenses total $317,901.62. The HRA General Fund balance is $686,296.91.

Madkour said that one of his clients passed away and there are two new clients. Two more Mainstream—35/40 are filled. A bunch are out shopping for units. There are a total of 29 people searching for housing. There are four people on the Bridges program who will be moving in at the end of the month.

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

Other Business: Madkour said that they have to do a five-year plan per HUD. We’re not required to do an annual plan that bigger HRAs do. He read a letter… The plan is due October 16.

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 5:17 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Manager