

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on July 22, 2019

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 pm in the meeting room at the City Administration Building by Vice Chairman Jerry Atkinson.

Members present were Jerry Atkinson, Vicki Olivo, and Shari Kropp. Members Cate Schnitzler and Dennis Werner were absent. Also present were Ghassan Madkour, Housing Manager, Troy Klecker, Community Development Director, and Kristen Kopp, Administrative Technician.

Approval of the Minutes: Vice Chairman Atkinson called for a motion to approve the minutes of the June 24, 2019 meeting. A motion was made by Kropp and seconded by Olivo to approve the minutes. All Ayes, motion carried.

Executive Director's Report: Troy Klecker presented the Executive Director's Report. He said that single family housing is down a little from last year, but apartment units are way up. This slow start to single family may be a result of the wet spring or construction costs, which are higher than last year. He said that the Vine Street apartments are now open and about 30 of 54 units are rented. The same developer, Mac Hamilton, is proposing a 28 unit apartment on the south end of town near South Pointe. The HRA is working with another developer for a tax credit project, although they found out that there is another project applying for tax credits. Park View Apartments on St. Paul Road applied for credits for a rehab project. It's hard to know how they'll score, but the credits will be awarded in November. Kropp asked if the new Costco Distribution Center will help show a need for new units. Klecker said he's not sure, but he could talk to the Mayor and ask him to make a phone call. He said that it's a good thing to have two applications because there is a greater likelihood of one being approved. He said that he's meeting with the developer on August 1st.

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 91. Total year to date assistance and administration costs were \$372,684.84 and revenues were \$379,293.86. The Housing Choice Voucher Program fund balance at June month end is \$68,019.53. Madkour provided City of Owatonna HRA monthly balance sheet and revenue/expense reports for the HRA General Fund including the Bridges Programs. The HRA Revenues year to date total is \$250,170.34 and the expenses total \$246,029.44. The HRA General Fund balance is \$335,898.90. Program utilization for both Bridges programs totaled 50 households.

Madkour said that he's able to take on five new applicants who are on the list. They have to show up or call him in order to qualify. He said Bridges will fluctuate a little as three of the five clients are coming from Bridges.

A motion was made by Olivo and seconded by Kropp to approve the reports as presented. All Ayes, motion carried.

New Business: Madkour presented an income change policy. He said that currently clients need to report any change in income, even if it is only \$1.00. He asked the members about setting a minimum income increase for reporting between annual inspections. This is to the clients' advantage. If their income goes down they need to report because they're no longer able to afford their portion of the rent. He said Olmsted County has a minimum of \$1,000 and he proposed a minimum increase of \$500 to report. This would have to be a long-term job or pay raise. Olivo asked if there are any guidelines from HUD. Madkour said that they give autonomy. Kropp said that it makes sense and asked how much they could be missing out on. Klecker said that right now not everyone reports increases. He said that this is encouraging people to be self-sufficient. They don't want people to be afraid of taking on a new job. Kropp asked if they are reviewed annually. Madkour said they are, and all income needs to be reported at

that time. This new policy will also eliminate some repayment agreements. People won't be so hesitant to be productive. Klecker asked the members if they thought \$500 was a good minimum. They agreed. A motion was made by Kropp and seconded by Olivo to move forward with the new income change policy. All Ayes, motion carried. Madkour said he will send out letters to clients with an effective date of September 1st.

Madkour gave an update on the waitlist purge. There were 480 applications to start with. After the purge, 157 are active and 333 that have come off the list.

Madkour gave an update on 204 Fremont Street. Transitional Housing will be leasing it beginning August 1st. Klecker said that this is because their current house on Mill Street, owned by Steele County, is going to be demolished for a parking lot. The layout of the Fremont house works better as it is four bedrooms in one single unit as opposed to two units. They will sublease it to a property management company and rent is \$1,000 / month.

Adjournment: There being no further business, a motion to adjourn was made by Kropp, seconded by Olivo. All Ayes, motion carried. The meeting adjourned at 4:28 pm.

Respectfully Submitted,

Ghassan Madkour
Housing Manager