

**MINUTES**  
**OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY**  
**REGULAR MEETING on October 22, 2018**

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 Chairman Cate Schnitzler.

Members present were Betsy Rossi, Vicki Olivo, and Cate Schnitzler. Also present were Ghassan Madkour, Housing Manager, Troy Klecker, Community Development Director, and Kristen Kopp, Administrative Technician.

**Approval of the Minutes:** Chairman Schnitzler called for a motion to approve the minutes of the August 27, 2018 meeting. Schnitzler pointed out one revision to the minutes. A motion was made by Rossi and seconded by Olivo approve the revised minutes. All Ayes, motion carried.

**Executive Director's Report:** Klecker said that 36 permits for single family homes have been issued so far this year, with one permit ready to be issued. There have also been a couple of townhomes. These numbers are good compared to nearby communities. If we hit 38 houses, that will be the highest number of house permits issued since the recession. He said that Southpoint Apartments opened on August 1<sup>st</sup>. Park Plaza II and Vine Street Apartments are currently under construction. He gave an update on the Pearl Street apartments. Due to unforeseen circumstances, Steve Nicolai is backing out and another developer will be taking over. This will be amended at the November 5<sup>th</sup> City Council meeting so the new developer can close on the property. This was going to be a 33-unit apartment, but the new developer wants a bigger apartment—closer to 50 or 60 units and four stories with first floor parking. They will potentially start in the spring. Klecker said that they are also working on an affordable housing project. They're working on an application to the Minnesota Finance Agency. Olivo asked about the location. Klecker said that they have an idea, but it's not finalized yet. Olivo asked how many units it will be. Klecker said 36. Schnitzler asked what makes it affordable. Klecker said that the rents are based on median income. They are trying to meet the lower one-third or half. Olivo asked if this is subsidized or at a lower rate. Klecker said it's just a lower rate. They provide an incentive on the front end—tax credits through Minnesota Finance Agency. He said that they can only apply for one every three to four years. Northgate was finished in 2016, and they will be applying for this housing project in 2019. Schnitzler asked if Northgate stayed affordable. Klecker said that it has; the tax credits go for 20 years.

**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. He said that he still didn't have all of the numbers updated, but will at the November meeting. Program utilization: the Housing Voucher program for September totaled 111. Total year to date assistance and administration costs were \$547,146.40 and revenues were \$539,077.54. The Housing Choice Voucher Program fund balance at September month end is \$43,783.30. 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 \$331,151.72 and the expenses total \$378,442.76. The HRA General Fund balance is \$226,607.78. Program utilization for both Bridges programs totaled 34 households. A motion was made by Rossi and seconded by Olivo to table the authorization of payments and approve the financial reports until next month. All Ayes, motion carried.

Madkour said that he met with the Bridges people last week. Schnitzler asked who they were. Madkour explained that to qualify for Bridges you have to have a special need. It is a coordinated entry program—they come to this organization through referrals. Klecker said it is funded through grants, and that they have a two-year grant for Bridges.

Klecker highlighted the budget information and said that they are three-fourths of the way through the year. They have a preliminary 2019 budget. He said that this year they have a \$165,000 property tax levy to do HRA functions. They are requesting \$175,000 for 2019 due to inflation.

Klecker said that there is one last house to demolish on Fremont Street. The HRA started this project of demolishing dilapidated housing stock several years ago. He said that the redevelopment would be commercial, and the EDA will be purchasing this last house so the HRA can reserve their dollars to address affordable housing. He said they have a purchase agreement on the property.

**Other:** The members discussed their Owatonna Forward Destiny Driver—Affordable Housing. Schnitzler said that the group has split into subsets to address emergency housing, transitional housing, and workforce housing. Two HR execs from Federated and Cybex will partner with them to address business needs. They will be discussing subset goals at the November meeting. She said that the group had two questions for the HRA Board. When did the 500 unit count start, and what is a unit? Klecker said that the count started at the beginning of 2018. Rossi said that she would define a unit as a housing unit. Schnitzler said a bed is not a unit. Klecker said he would consider a housing shelter that houses six people to be six units, but it would have to be an established structure licensed or permitted to have “x” amount of people. He said that he would consider assisted living facilities to be units as well, regardless whether they share a kitchen or a bathroom. Schnitzler said that the next meeting is on Tuesday, November 6<sup>th</sup> at 4:00 pm at Federated and the HRA Board is welcome to attend.

**Adjournment:** There being no further business, a motion to adjourn was made by Rossi, seconded by Olivo. All Ayes, motion carried. The meeting adjourned at 5:07 pm.

Respectfully Submitted,

Ghassan Madkour  
Housing Manager