

**Owatonna  
Housing and Redevelopment Authority  
Regular Meeting  
Monday, June 24, 2019  
4:00 PM  
2<sup>nd</sup> Floor Conference Room  
City Administration Building**

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**Preliminary Agenda**

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1. Roll Call: Atkinson, Kropp, Olivo, Schnitzler, Werner
2. 2018 HRA audit review, from Clifton Larson Allen LLP
3. Approval of Minutes for: May 20, 2019 Meeting 2018
4. Executive Directors Report:
5. Old Business:
  - a. Accept and Authorize Monthly HRA Financial Report
  - b. Accept and Authorize Housing Choice Voucher Monthly Report
  - c. Accept and Authorize Bridges and Bridges Like Monthly Report
6. New Business:
  - a. Zero Income certifications processed & verified
  - b. Housing Choice Voucher waitlist purge
  - c. Possibly adding new HCV clients
7. Other:
8. Adjourn

Next schedule meeting: Monday, July 22, 2019.

Please inform the Housing and Redevelopment Authority office as soon as possible whether you will be able to attend at [ghassan.madkour@ci.owatonna.mn.us](mailto:ghassan.madkour@ci.owatonna.mn.us) or 507-774-7318.

**MINUTES**  
**OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY**  
**REGULAR MEETING on May 20, 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 Chairman Cate Schnitzler.

Members present were Jerry Atkinson, Vicki Olivo (4:11 pm), and Dennis Werner. Also present were Ghassan Madkour, Housing Manager, Troy Klecker, Community Development Director, and Kristen Kopp, Administrative Technician.

**Oath of Office:** Housing Manager Madkour administered the Oath of Office to new member Shari Kropp.

**Approval of the Minutes:** Chairman Schnitzler called for a motion to approve the minutes of the April 22, 2019 meeting. A motion was made by Atkinson and seconded by Werner to approve the minutes. All Ayes, motion carried.

**Executive Director's Report:** Troy Klecker presented the Executive Director's Report. About 10 single family house permits have been issued and all apartment buildings are completed except 111 Vine Street. They're finished with the fifth floor and are working their way down. They're supposed to open on June 1<sup>st</sup> and will have a ribbon cutting ceremony at 4 pm on May 31<sup>st</sup>. This 54-unit luxury apartment complex is the highest price point in Owatonna. Units rented are in the teens as of now, but people have yet to be able to see the units. Mac Hamilton also did Southpoint, which was entirely filled by the time it opened. This is slower likely because it's something new for Owatonna. He said that they're going through the application process on an affordable workforce housing project similar to Northgate with four homeless units. Two resolutions for the application are on the City Council agenda for tomorrow night's meeting. The site is behind Domino's Pizza and owned by Bill Regan. There is enough land to build another apartment in the future. He said that they will be awarded points for the location and for City contribution, which will come in the form of a land transfer—the land is for sale for \$450,000. Only if they are awarded the tax credits will the City purchase the land. This would be a TIF project. The deadline for applications is June 3 with the tax credits awarded in October or November, so construction could start in 2020, and if all goes well, they could open spring 2021. Rents would be around \$550 for one bedroom, \$850 for two bedrooms, \$1,000 for three bedrooms. Typically a project like this is done only every three or four years. It's a competitive process and they're trying to do everything that they did with the Northgate project. Olivo asked how big the property is. Klecker said it's over three acres and big enough to do a second phase. Werner asked if the \$450,000 would come out of the HRA fund. Klecker said no, it will come out of the general City fund. He said that this application is for phase 1. Part of the \$450,000 will be reserved for phase 2, but there will be other costs the City will contribute, such as environmental clean up. The HRA may have to kick in up to \$50,000. A phase 1 environmental was done and showed that there may be something. Environmental costs for Northgate were around \$200,000. He said that this kind of project is perfect as it takes out a lot of the soil for footings and construction anyway. The soil would just have to be removed from the property and taken to a different site. Olivo asked how many total housing units have been built so far. Klecker will check into it. Klecker said that they are working on an industrial project that should add more jobs. Schnitzler asked if anything was happening with the trailer park. Klecker said he hasn't spoken with them recently.

**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 April totaled 93. Total year to date assistance and administration costs were \$243,587.20 and revenues were \$252,641.16. The Housing Choice Voucher Program fund balance at April month end is \$68,388.47. 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 \$160,010.06 and the expenses total \$162,429.01. The HRA General Fund balance is \$329,399.05. Program utilization for both Bridges programs totaled 41 households.

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**MEMORANDUM**

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**TO:** OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD  
**FROM:** GHASSAN MADKOUR, HOUSING MANAGER  
**SUBJECT:** MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA  
**DATE:** JUNE 24, 2019

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The purpose of this memorandum is to provide the Owatonna Housing and Redevelopment Authority with demographical and financial data on the HRA General Fund, Section 8 Housing Choice Voucher Program, and Bridges Programs.

**OWATONNA HRA GENERAL FUND**

YTD Revenues:	\$203,760.53
YTD Expenses:	\$207,172.99
Fund Balance:	\$328,345.54

**MHFA BRIDGES PROGRAM**

Monthly HAP Revenue	\$20,556.00
Monthly Admin Revenue	\$2,238.00
Monthly HAP Expense	\$22,348.00
Occupancy:	40
Average HAP:	\$559.00

**COUNTY BRIDGES PROGRAM**

Monthly HAP Revenue	\$3,235.00
Monthly HAP Expense	\$3,235.00
Occupancy:	7
Average HAP:	\$462.00

**SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

YTD Revenue:	\$315,052.78
YTD Expense:	\$311,786.92
Total Cash Balance:	\$62,600.37
Program Demographics:	
Households in Steele Co:	91
Average HAP:	\$545.00
Households Portable Out:	1
Average HAP:	\$618.00
Total Assisted Households:	103
Households Ported In- Billing:	12

**Requested Action:** The Board is asked to review and approve the monthly reports and program expenditures.

**City of Owatonna**  
**Income Statement by Fund**  
**For the Period Ending May 31, 2019**

FUND 280: OWATONNA HRA

Account Name	Original Budget	MTD Actual	YTD Actual	\$ Remaining	% Remaining
<b>REVENUES</b>					
PROPERTY TAXES	\$ 175,000.00	\$ 14,580.00	\$ 72,940.00	\$ 102,060.00	58.32%
STEELE COUNTY - HOUSING GRANT	45,000.00	3,235.00	17,679.00	27,321.00	60.71%
TIF ADMINISTRATIVE FEE	3,600.00	0.00	0.00	3,600.00	100.00%
INTEREST INCOME	800.00	144.79	907.53	-107.53	-13.44%
RENTS & LEASES - 140 32ND AVE	11,000.00	1,283.00	6,683.00	4,317.00	39.25%
RENTS & LEASES - 204 E FREMONT	11,000.00	1,400.00	6,840.00	4,160.00	37.82%
TRANSFER FROM HUD-SEC 8	15,000.00	0.00	0.00	15,000.00	100.00%
STATE - BRIDGES	256,000.00	20,556.00	89,049.00	166,951.00	65.22%
STATE - BRIDGES ADMIN	25,000.00	2,238.00	9,482.00	15,518.00	62.07%
REFUNDS AND REIMBURSEMENTS	0.00	80.00	180.00	-180.00	0.00%
Total Revenues	<b>\$ 542,400.00</b>	<b>\$ 43,516.79</b>	<b>\$ 203,760.53</b>	<b>\$ 338,639.47</b>	<b>62.43%</b>
<b>EXPENDITURES</b>					
WAGES - FULL TIME EMPLOYEES	\$ 76,284.00	\$ 8,751.51	\$ 31,769.36	\$ 44,514.64	58.35%
FULL TIME EMPLOYEE - OT WAGES	0.00	2.78	2.78	-2.78	0.00%
PERA	5,721.00	660.52	2,402.92	3,318.08	58.00%
FICA	5,836.00	642.57	2,319.56	3,516.44	60.25%
INSURANCE	13,317.00	1,218.82	5,957.05	7,359.95	55.27%
WORKERS COMP INSURANCE	481.00	50.37	182.73	298.27	62.01%
OFFICE SUPPLIES	1,000.00	31.45	322.69	677.31	67.73%
CONSULTING SERVICES	10,000.00	0.00	0.00	10,000.00	100.00%
BACKGROUND CHECKS	0.00	25.00	50.00	-50.00	0.00%
TELEPHONE	0.00	84.80	76.46	-76.46	0.00%
POSTAGE	800.00	62.39	325.17	474.83	59.35%
VEHICLE ALLOWANCE	500.00	16.50	273.21	226.79	45.36%
TRAVEL & CONFERENCES	1,000.00	0.00	0.00	1,000.00	100.00%
OPERATIONAL SERVICES - SEC 8	4,500.00	120.00	2,595.00	1,905.00	42.33%
ADVERTISING	300.00	0.00	0.00	300.00	100.00%
MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	176.00	24.00	12.00%
INSURANCE	3,600.00	0.00	1,800.00	1,800.00	50.00%
RENTAL HOUSE EXP	5,000.00	3,640.00	4,003.63	996.37	19.93%
RENTAL HOUSE EXP - 140 32ND AVE	5,000.00	391.27	1,599.43	3,400.57	68.01%
REPAIR SERVICE - OFFICE EQUIP	500.00	0.00	0.00	500.00	100.00%
HOUSING PAYMENTS - STEELE CO	45,000.00	3,618.00	19,950.00	25,050.00	55.67%
LAND PROJECTS	50,000.00	0.00	0.00	50,000.00	100.00%
RENTAL CERTIFICATION PROGRAM	22,000.00	1,830.00	9,190.00	12,810.00	58.23%
SOUTHERN MN INITIATIVE FOUNDAT	1,667.00	0.00	0.00	1,667.00	100.00%
TRANSFER TO OTHER FUNDS	15,000.00	1,250.00	6,250.00	8,750.00	58.33%
HOUSING PAYMENTS - BRIDGES	256,000.00	22,348.00	117,927.00	138,073.00	53.93%
Total Expenditures	<b>\$ 523,706.00</b>	<b>\$ 44,743.98</b>	<b>\$ 207,172.99</b>	<b>\$ 316,533.01</b>	<b>60.44%</b>
Expenditures	<b>\$ 18,694.00</b>	<b>\$ -1,227.19</b>	<b>\$ -3,412.46</b>	<b>\$ 22,106.46</b>	<b>118.25%</b>

**City of Owatonna**  
**Balance Statement by Fund**  
**31-May-19**

FUND 280: OWATONNA HRA

Account Number	Account Name	Ending Balance
<b>ASSETS</b>		
280-000-000-10100	BANK ACCOUNTS	\$ 74,376.90
280-000-000-12100	ACCOUNTS RECEIVABLE	12,490.64
280-000-000-12200	DELINQUENT TAXES RECEIVABLE	835.22
280-000-000-13200	DUE FROM OTHER GOVERNMENTS	78,322.80
280-000-000-14150	LAND HELD FOR RESALE	184,208.00
280-000-000-14240	NOTE RECEIVABLE	6,170.00
Total Assets		<u>\$ 356,403.56</u>
<b>LIABILITIES</b>		
280-000-000-20100	ACCOUNTS PAYABLE	\$ 13,210.00
280-000-000-20550	DUE TO OTHER GOVERNMENTS	5,542.00
280-000-000-21015	REFUNDABLE DEPOSITS	2,285.00
280-000-000-22200	DEFERRED REVENUE	6,170.00
280-000-000-22210	DEFERRED REVENUE - DEL TAXES	851.02
Total Liabilities		<u>\$ 28,058.02</u>
<b>FUND EQUITY</b>		
280-000-000-29100	FUND BALANCE	\$ 328,345.54
Total Fund Equity		<u>\$ 328,345.54</u>
Total Liabilities and Fund Equity		<u>\$ 356,403.56</u>

Owatonna H.R.A.  
**Demographic Statistics Report**  
 Bridges - All Projects

<u>Unit Locations</u>	<u>HoH Count</u>	<u>Percent</u>	<u>Fam Count</u>	<u>Percent</u>
Owatonna	34	97	63	97
Waseca	1	3	2	3
Total All Locations	35	100	65	100

<u>Family Composition</u>	<u>Count</u>	<u>Percent</u>	<u>Avg Age</u>
Average Family Size	2		
Elderly Heads of Household (age 62 or older)	0	0	0
Non-Elderly Heads of Household (age 61 or less)	35	100	43
Near-Elderly Heads of Household (ages 55 to 61)	5	14	58
Other Heads of Household (age 54 or less)	30	86	40
Female Heads of Household	23	66	43
Elderly	0	0	0
Non-Elderly	23	100	43
Near-Elderly	4	17	59
Other	19	83	39
Male Heads of Household	12	34	43
Elderly	0	0	0
Non-Elderly	12	100	43
Near-Elderly	1	8	56
Other	11	92	42
Disabled/Handicapped Heads of Household	29	83	44
Male	10	34	45
Female	19	66	44
Non-Minority Heads of Household	27	77	
Minority Heads of Household	8	23	
Black	3	9	
Hispanic	5	14	
# of Family Members younger than 18 years	24		11
# of Families with children	12	34	

<u>Income Source</u>	<u>Annual Amount</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Child Support	\$4,724	1.0	2	3
General Assistance	\$23,640	5.1	10	14
Other Nonwage Sources	\$33,828	7.3	10	14
Pension	\$1,547	0.3	1	1
SSI	\$104,766	22.7	15	21
Social Security	\$119,496	25.9	17	24
TANF (formerly AFDC)	\$11,400	2.5	2	3
Other Wage	\$161,711	35.1	13	19
Total All Income Sources	\$461,112	100	70	100

Public Assistance is the sole source of income for 9% of households.  
 Households that are working comprise 31% of households.  
 Of the working households, 0% of households also receive TANF.

Average Household Income	\$13,175
Average Tenant Rent (0-Bdrm)	\$216

Owatonna H.R.A.  
**Demographic Statistics Report**  
 Vouchers - All Projects

Unit Locations	HoH Count	Percent	Fam Count	Percent
	1	1	6	2
Blooming Prairie	1	1	2	1
Ellendale	2	2	4	1
Owatonna	99	96	283	96
Total All Locations	103	100	295	100

Family Composition	Count	Percent	Avg Age
Average Family Size	3		

Elderly Heads of Household (age 62 or older)	19	18	71
Non-Elderly Heads of Household (age 61 or less)	84	82	42
Near-Elderly Heads of Household (ages 55 to 61)	11	11	59
Other Heads of Household (age 54 or less)	73	71	39

Female Heads of Household	81	79	46
Elderly	15	19	70
Non-Elderly	66	81	41
Near-Elderly	8	10	59
Other	58	72	39

Male Heads of Household	22	21	51
Elderly	4	18	77
Non-Elderly	18	82	46
Near-Elderly	3	14	59
Other	15	68	43

Disabled/Handicapped Heads of Household	55	53	55
Male	18	33	50
Female	37	67	55

Non-Minority Heads of Household	54	52
Minority Heads of Household	49	48
Black	40	39
Hispanic	9	9

# of Family Members younger than 18 years	152	9
# of Families with children	49	48

Income Source	Annual Amount	Percent	Count	Percent
Own Business	\$1,220	0.1	1	0
Child Support	\$105,268	5.6	24	10
Federal Wage	\$36,159	1.9	3	1
General Assistance	\$30,414	1.6	20	8
Other Nonwage Sources	\$226,881	12.1	47	20
SSI	\$374,022	19.9	50	21
Social Security	\$266,196	14.2	32	13
TANF (formerly AFDC)	\$34,356	1.8	13	5
Other Wage	\$800,313	42.7	48	20
Total All Income Sources	\$1,874,830	100	238	100

Public Assistance is the sole source of income for 1% of households.  
 Households that are working comprise 41% of households.  
 Of the working households, 7% of households also receive TANF.