

**MINUTES**  
**OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY**  
**REGULAR MEETING on August 24, 2020**

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 pm on Microsoft Teams by Vice Chairman Atkinson.

Community Development Director Troy Klecker read a statement to allow for the meeting to be conducted by telephonic or electronic means and all votes will be roll call votes.

Members present were Jerry Atkinson, Vicki Olivo, Shari Kropp, and John Hole. Also present were Housing Manager Ghassan Madkour, Community Development Director Troy Klecker, and Administrative Technician Kristen Kopp.

**Approval of the Minutes:** Vice Chairman Atkinson called for a motion to approve the minutes of the July 27, 2020 meeting. Olivo pointed out an error on Page 2 and said that it should be Covid-19, not Covid-29. A motion was made by Kropp and seconded by Olivo to approve the minutes with the correction on Page 2. Commissioners voting Aye: Atkinson, Olivo, Kropp and Hole. 4-0, motion carried.

**Executive Director's Report:** Troy Klecker presented the Executive Director's Report. He said 18 single family house permits have been issued with two more ready to go. One apartment project, Eastgate, is beginning this week. The project will go into next spring. No plans have been submitted yet for the apartment on Lemond Road. This project may not begin this year. Another 36-unit apartment is planned for Mound Street. Construction projects are winding down for this year, though we'll still see a number of additional new house permits. Olivo asked about the total number of housing units. Klecker said that we're at about 361 units. This includes The Pointe at Merchant Square, but not Eastgate or the Mound Street apartment. He said with those apartments and new single family homes, he expects to be close to 440 units by the end of this year. That leaves 60 units to go to reach the goal of 500 units by the end of 2021.

**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 103. Total year to date assistance and administration costs were \$400,927.93 and revenues were \$386,599.03. The Housing Choice Voucher Program fund balance at July month end is \$52,456.40. 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 \$328,023.35 and the expenses total \$406,744.85. The HRA General Fund balance is \$307,642.47.

Madkour said that out of the new vouchers issued, two are port-outs and we have two port-ins coming. Port-ins usually come out of someone else's budget. One tenant will lease up on September 1<sup>st</sup> and five are still searching. This has been the busiest month for interim changes. He said that some people are falling off the Bridges program because they didn't abide by regulations. They had fair chances to stay on. Right now, he's not letting anyone new on Bridges.

A motion was made by Olivo and seconded by Kropp to approve the reports as presented. Commissioners voting Aye: Atkinson, Olivo, Kropp, and Hole. 4-0, motion carried.

**New Business:** Madkour said that the VASH application was denied. Because there are still open vouchers in Rochester, it's on hold.

The \$100m Covid-19 grant was also denied. They gave the grant to SEMCAC and didn't want any overlaps. That grant kicks off today.

2021 fair market rates dropped. They have not been this low since 2017. He creates payment standards off these, and payment standards determine how much clients can afford. In the last six months, more landlords have raised rents. Klecker said that typically the rent standards go with the market, but for some reason they went down this time although they are not seeing rents go down. This limits housing options for Section 8 recipients. Madkour said that last year, one-bedroom fair market rent was \$632 and this year it's \$584. He said he's allowed to go up to 110% for the payment standard, which is better for the client. Last year his payment standard for a one-bedroom unit was \$695 and this year it's down to \$642, which is a \$53 drop. The payment standard dropped \$6 in 2018-2019. He clarified that this doesn't affect people already on the program.

Madkour said that he's working with the IT Department to go to a paperless file system. This will allow telecommuting and the day to day processes more efficient.

**Other Business:** Klecker said that the HRA owns the property at 140 32<sup>nd</sup> Avenue NW, which they rented out and recouped money for industrial development. The long-term plan was to have all industrial uses in the area. This land use doesn't belong. The HRA bought the house originally, but the EDA ended up purchasing the house from the HRA and the HRA got all the money back. The HRA still rented out the house. Now there is a buyer interested in the property to do an industrial building. This has been replatted and Madkour is working with the tenant to find a new location. During the title work, it was found that the house is still in the name of the HRA. It should be transferred to City of Owatonna. This is more of a formality for the title company to get the property in the correct name as the HRA has already been paid. He said that SMART Bus will be locating here, which is a good thing. A motion was made by Kropp and seconded by Olivo to transfer the deed of the property at 140 32<sup>nd</sup> Avenue NW from the HRA to City of Owatonna. Commissioners voting Aye: Atkinson, Olivo, Kropp and Hole. 4-0, motion carried.

Klecker said that the Minnesota Housing Institute has selected Owatonna to do an event centered around affordable housing. They will take stakeholders from different groups to meet monthly over the course of 18 months. The HRA was designated as a stakeholder, and Klecker said that he and Chairman Schnitzler were requested to be involved. He said he wasn't sure who applied and not sure what month it starts as he has just received one email about it so far. He said he'll report to the board as he knows more.

**Adjournment:** There being no further business, a motion to adjourn was made by Kropp, seconded by Olivo. Commissioners voting Aye: Atkinson, Olivo, Kropp, and Hole. 4-0, motion carried. The meeting adjourned at 4:44 pm.

Respectfully Submitted,

Ghassan Madkour  
Housing Manager