

**Owatonna
Housing and Redevelopment Authority
Regular Meeting
Monday, January 28, 2019
4:00 PM
2nd Floor Conference Room
City Administration Building**

Preliminary Agenda

1. Roll Call: Atkinson, Rossi, Schnitzler, Werner
2. Approval of Minutes:
December 17, 2018 Meeting
3. Executive Directors Report
4. 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
 - d. Program Updates
5. New Business: New Bridges 2 year grant application within next 45 days.
6. Other
7. Adjourn

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 or 507-774-7318.

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on December 17, 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 Jerry Atkinson, Vicki Olivo, Cate Schnitzler, and Dennis Werner. 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 October 22, 2018 meeting. A motion was made by Olivo and seconded by Atkinson to approve the minutes. All Ayes, motion carried.

Executive Director's Report: Klecker said that there have been 38 single family house permits issued, as well as 6 townhome units, for a total of 44 units. Construction of new apartment buildings is going well. The apartment by the theater should open up early spring, and the Vine Street apartment plans to open on June 1. There is a new developer on the Pearl Street apartment—the same as the Vine Street apartment—and construction could start in the spring, depending on how the Vine Street apartment rents out.

Old Business: The Housing Choice Voucher program monthly reports for October and November were presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: the Housing Voucher program for November totaled 107. Total year to date assistance and administration costs were \$673,185.62 and revenues were \$646,631.47. The Housing Choice Voucher Program fund balance at November month end is \$19,757.66. 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 \$424,854.49 and the expenses total \$460,487.90. The HRA General Fund balance is \$238,265.41. The HRA fund includes housing assistance payments under the Bridges Like program that total \$3,832.00. The housing assistance payments under the MHFA Bridges program total \$12,899.00. Program utilization for both Bridges programs totaled 30 households. A motion was made by Werner and seconded by Atkinson to authorize payments and approve the financial reports as presented. All Ayes, motion carried.

Olivo asked about the homeownership vouchers. Madkour said that there is one here in Owatonna and one in Ellendale. Klecker said that these clients still receive some assistance, but own their own houses. This is not a highly utilized program as it is tough for clients to get to the point where they can own their own homes. Madkour said that it could be a burden for many people because assistance doesn't cover utilities or maintenance. Klecker added that not everyone wants to be a homeowner. Schnitzler said that it is great that the program is available.

Olivo asked about the rental units owned by the HRA. Klecker said that there are a total of three: two are rented to Section 8 clients and one is market rate. The market rate unit is a house which the City recently purchased on the corner of Lincoln Avenue and Main Street for the future realignment of the intersection. The City will rent it out in the meantime. Someone is set to move in on January 1 with a one-year lease and then month-to-month after that.

There was a discussion on the City's four-bedroom house on Fremont. Rachel's Light is interested in leasing it for women and children, but the current tenant needs a four-bedroom home for her family. If she is able to find something else suitable, the house could be used for Rachel's Light.

Other: Madkour presented HVC Payment Standards to the board for approval. The HRA must review payment standards annually to ensure they meet community needs while remaining within financial limits

of agency funding. Annually, HUD releases Fair Market Rents (FMR) for each area which are based on analysis of area rents. The FMR has dropped, which means that payment standards drop as well. Klecker said that they don't drop a while lot. They are still at 110% of FMR. Schnitzler asked if this will change how many vouchers are available. Madkour said that it probably won't. A motion was made by Olivo and seconded by Atkinson to approve the HCV Payment Standards as presented. All Ayes, motion carried.

There was discussion on the Owatonna Forward Destiny Driver. Schnitzler said that four buckets have been identified within the Housing group: emergency, transitional, sustainable, and affordable. She said that, as of now, no one has shown up to represent affordable housing. There are a lot of strong voices at the table to meet people in need and businesses in need of housing for interns. They have identified affordable housing as being in the \$140,000 to \$200,000 price range. She said that they could use a few more realtors and bankers in the group. Atkinson asked if there was a push for a homeless shelter. Schnitzler said that there is and welcomed him to come to a meeting as they are in the brainstorming process. Werner said that they closed earlier this month on an affordable house. He worked with Joe Falteysek and Joe gave them permission to use the plans. He said that it was \$220,000 because of rising cost of materials.

Some discussion on the future of the high school and redevelopment possibilities.

Adjournment: There being no further business, a motion to adjourn was made by Olivo, seconded by Atkinson. All Ayes, motion carried. The meeting adjourned at 5:04 pm.

Respectfully Submitted,

Ghassan Madkour
Housing Manager

MEMORANDUM

TO: OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD
FROM: GHASSAN MADKOUR, HOUSING MANAGER
SUBJECT: MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA
DATE: JANUARY 28, 2019

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:	\$469,676.74
YTD Expenses:	\$522,737.18
Fund Balance:	\$220,838.38

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	\$25,670.00
Monthly Admin Revenue	\$2,238.00
Monthly HAP Expense	\$14,985.00
Occupancy:	43
Average HAP:	\$597.00

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	\$3,809.00
Monthly HAP Expense	\$3,809.00
Occupancy:	8
Average HAP:	\$476.00

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	\$704,847.58
YTD Expense:	\$733,779.89
Total Cash Balance:	\$25,582.64
Program Demographics:	
Households in Steele Co:	97
Average HAP:	\$483.00
Households Portable Out:	2
Average HAP:	\$782.00
Total Assisted Households:	109
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 December 31, 2018

FUND 280: OWATONNA HRA

Account Name	Original Budget	MTD Actual	YTD Actual	Budget	Budget
REVENUES					
PROPERTY TAXES	\$ 165,000.00	\$ 9,547.95	\$ 165,319.82	\$ -319.82	-0.19%
MOBILE HOME TAXES	0.00	229.67	267.16	-267.16	0.00%
STEELE COUNTY - HOUSING GRANT	50,000.00	3,823.00	58,431.00	-8,431.00	-16.86%
REFUNDS AND REIMBURSEMENTS	0.00	0.00	114.00	-114.00	0.00%
TIF ADMINISTRATIVE FEE	1,316.00	658.59	1,317.18	-1.18	-0.09%
INTEREST INCOME	1,000.00	0.00	681.58	318.42	31.84%
RENTS & LEASES - 122 E FREMONT	11,000.00	0.00	5,986.00	5,014.00	45.58%
RENTS & LEASES - 140 32ND AVE	11,000.00	1,100.00	13,182.00	-2,182.00	-19.84%
RENTS & LEASES - 204 E FREMONT	11,000.00	1,400.00	12,424.00	-1,424.00	-12.95%
TRANSFER FROM HUD-SEC 8	15,000.00	0.00	0.00	15,000.00	100.00%
STATE - BRIDGES	150,000.00	25,670.00	192,192.00	-42,192.00	-28.13%
STATE - BRIDGES ADMIN	15,000.00	2,238.00	19,762.00	-4,762.00	-31.75%
REFUNDS AND REIMBURSEMENTS	200.00	0.00	0.00	200.00	100.00%
Total Revenues	\$ 430,516.00	\$ 44,667.21	\$ 469,676.74	\$ -39,160.74	-9.10%
EXPENDITURES					
WAGES - FULL TIME EMPLOYEES	\$ 72,995.00	\$ 5,650.35	\$ 70,019.08	\$ 2,975.92	4.08%
FULL TIME EMPLOYEE - OT WAGES	0.00	0.00	60.36	-60.36	0.00%
PERA	5,475.00	427.71	5,165.91	309.09	5.65%
FICA	5,584.00	422.39	5,315.82	268.18	4.80%
INSURANCE	3,802.00	1,142.09	4,069.61	-267.61	-7.04%
WORKERS COMP INSURANCE	460.00	32.48	410.94	49.06	10.67%
OFFICE SUPPLIES	1,000.00	548.93	1,029.73	-29.73	-2.97%
CONSULTING SERVICES	10,000.00	2,075.00	2,075.00	7,925.00	79.25%
BACKGROUND CHECKS	0.00	0.00	151.00	-151.00	0.00%
POSTAGE	1,500.00	110.05	671.89	828.11	55.21%
VEHICLE ALLOWANCE	500.00	64.74	408.56	91.44	18.29%
TRAVEL & CONFERENCES	1,000.00	0.00	803.40	196.60	19.66%
OPERATIONAL SERVICES - SEC 8	4,500.00	2,279.40	4,988.40	-488.40	-10.85%
ADVERTISING	500.00	0.00	0.00	500.00	100.00%
MEMBERSHIPS & SUBSCRIPTIONS	400.00	387.00	387.00	13.00	3.25%
INSURANCE	2,600.00	0.00	2,600.00	0.00	0.00%
RENTAL HOUSE EXP	5,000.00	166.09	11,269.43	-6,269.43	-125.39%
RENTAL HOUSE EXP - 140 32ND AVE	11,000.00	293.05	8,857.32	2,142.68	19.48%
REPAIR SERVICE - OFFICE EQUIP	1,000.00	0.00	884.73	115.27	11.53%
OTHER MAINTENANCE SERVICE	0.00	0.00	155.00	-155.00	0.00%
HOUSING PAYMENTS - STEELE CO	50,000.00	4,205.00	51,415.00	-1,415.00	-2.83%
LAND PROJECTS	40,000.00	26,380.00	55,109.00	-15,109.00	-37.77%
RENTAL CERTIFICATION PROGRAM	22,000.00	1,830.00	22,000.00	0.00	0.00%
SOUTHERN MN INITIATIVE	1,667.00	0.00	1,667.00	0.00	0.00%
EMERGENCY FIX UP - DEFERRED	5,000.00	0.00	0.00	5,000.00	100.00%
TRANSFER TO OTHER FUNDS	15,000.00	1,250.00	15,000.00	0.00	0.00%
HOUSING PAYMENTS - BRIDGES	150,000.00	14,985.00	258,223.00	-108,223.00	-72.15%
Total Expenditures	\$ 410,983.00	\$ 62,249.28	\$ 522,737.18	\$ -111,754.18	-27.19%
Expenditures	\$ 19,533.00	\$ -17,582.07	\$ -53,060.44	\$ 72,593.44	371.65%

FUND 282: OWATONNA HRA-HUD

Account Name	Original Budget	MTD Actual	YTD Actual	Budget	Budget
REVENUES					
FEDERAL GRANTS - PROGRAM	\$ 540,000.00	\$ 48,727.00	\$ 547,778.00	\$ -7,778.00	-1.44%
FEDERAL GRANT ADMINISTRATION	55,000.00	4,874.00	58,701.00	-3,701.00	-6.73%
REFUNDS AND REIMBURSEMENTS	500.00	0.00	0.00	500.00	100.00%
PORTABLES IN HAP	50,000.00	4,173.00	91,105.00	-41,105.00	-82.21%
PORTABLES IN ADMIN	5,000.00	326.91	5,918.86	-918.86	-18.38%
PORTABLES RECEIVING UTIL REIMB	500.00	0.00	622.00	-122.00	-24.40%
FRAUD RECOVERY - HAP	500.00	0.00	0.00	500.00	100.00%
FRAUD RECOVERY - ADMIN	500.00	0.00	0.00	500.00	100.00%
INTEREST INCOME	350.00	0.00	722.72	-372.72	-106.49%
Total Revenues	\$ 652,350.00	\$ 58,100.91	\$ 704,847.58	\$ -52,497.58	-8.05%
EXPENDITURES					
WAGES - FULL TIME EMPLOYEES	\$ 34,739.00	\$ 2,578.40	\$ 31,118.42	\$ 3,620.58	10.42%
PERA	2,605.00	186.15	2,247.23	357.77	13.73%
FICA	2,658.00	178.97	2,362.26	295.74	11.13%
INSURANCE	45.00	614.16	647.85	-602.85	-1339.67%
WORKERS COMP INSURANCE	219.00	0.00	72.52	146.48	66.89%
AUDIT SERVICE	10,000.00	0.00	8,600.00	1,400.00	14.00%
PORTABLE OUT ADMINISTRATION	1,500.00	111.36	259.84	1,240.16	82.68%
MANAGEMENT FEE	15,000.00	0.00	0.00	15,000.00	100.00%
VEHICLE ALLOWANCE	500.00	48.23	157.77	342.23	68.45%
PORT UA OUT	300.00	41.00	235.00	65.00	21.67%
HOME OWNERSHIP HAP	8,000.00	780.00	8,910.00	-910.00	-11.38%
HOUSING PYMTS HAP	480,000.00	46,828.00	574,050.00	-94,050.00	-19.59%
FSS PYMTS HAP	2,000.00	0.00	7,082.00	-5,082.00	-254.10%
UTILITY PYMTS HAP	3,000.00	707.00	4,653.00	-1,653.00	-55.10%
PORTABLE HSG PYMTS	35,000.00	2,453.00	5,654.00	29,346.00	83.85%
PORTABLE UTIL PYMTS	500.00	0.00	622.00	-122.00	-24.40%
PORTABLE REC HAP	50,000.00	6,068.00	87,108.00	-37,108.00	-74.22%
Total Expenditures	\$ 646,066.00	\$ 60,594.27	\$ 733,779.89	\$ -87,713.89	-13.58%
Expenditures	\$ 6,284.00	\$ -2,493.36	\$ -28,932.31	\$ 35,216.31	560.41%

City of Owatonna
Balance Statement by Fund
31-Dec-18

FUND 280: OWATONNA HRA

Account Number	Account Name	Ending Balance
ASSETS		
280-000-000-10100	BANK ACCOUNTS	\$ 107,286.99
280-000-000-12100	ACCOUNTS RECEIVABLE	11,529.64
280-000-000-12200	DELINQUENT TAXES RECEIVABLE	1,571.37
280-000-000-13200	DUE FROM OTHER GOVERNMENTS	551.93
280-000-000-14150	LAND HELD FOR RESALE	135,111.90
280-000-000-14240	NOTE RECEIVABLE	6,170.00
280-000-000-18220	A/D BUILDINGS	-867.42
Total Assets		<u>\$ 261,354.41</u>
LIABILITIES		
280-000-000-20100	ACCOUNTS PAYABLE	\$ 5,267.73
280-000-000-20550	DUE TO OTHER GOVERNMENTS	25,207.00
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	1,586.30
Total Liabilities		<u>\$ 40,516.03</u>
FUND EQUITY		
280-000-000-29100	FUND BALANCE	\$ 220,838.38
Total Fund Equity		<u>\$ 220,838.38</u>
Total Liabilities and Fund Equity		<u>\$ 261,354.41</u>

FUND 282: OWATONNA HRA-HUD

Account Number	Account Name	Ending Balance
ASSETS		
282-000-000-10100	BANK ACCOUNTS	\$ 18,408.72
282-000-000-10101	BANK ACCOUNTS - DEPOSITS	18,695.61
282-000-000-12100	ACCOUNTS RECEIVABLE	10,655.00
282-000-000-13200	DUE FROM OTHER GOVERNMENTS	48
Total Assets		<u>\$ 47,807.33</u>
LIABILITIES		
282-000-000-20100	ACCOUNTS PAYABLE	\$ 1,029.22
282-000-000-20550	DUE TO OTHER GOVERNMENTS	2,499.86
282-000-000-22200	DEFERRED REVENUE	0
282-000-000-22250	DEPOSITS	18,695.61
Total Liabilities		<u>\$ 22,224.69</u>
FUND EQUITY		
282-000-000-29100	FUND BALANCE	\$ 25,582.64
Total Fund Equity		<u>\$ 25,582.64</u>
Total Liabilities and Fund Equity		<u>\$ 47,807.33</u>

Demographic Statistics Report
Vouchers - All Projects

<u>Unit Locations</u>	<u>HoH Count</u>	<u>Percent</u>	<u>Fam Count</u>	<u>Percent</u>
	2	2	9	3
Blooming Prairie	2	2	4	1
Ellendale	2	2	4	1
Owatonna	103	94	292	94
Total All Locations	109	100	309	100

<u>Family Composition</u>	<u>Count</u>	<u>Percent</u>	<u>Avg Age</u>
Average Family Size	3		
Elderly Heads of Household (age 62 or older)	20	18	71
Non-Elderly Heads of Household (age 61 or less)	89	82	41
Near-Elderly Heads of Household (ages 55 to 61)	11	10	59
Other Heads of Household (age 54 or less)	78	72	39
Female Heads of Household	86	79	45
Elderly	16	19	69
Non-Elderly	70	81	40
Near-Elderly	8	9	59
Other	62	72	38
Male Heads of Household	23	21	51
Elderly	4	17	77
Non-Elderly	19	83	45
Near-Elderly	3	13	59
Other	16	70	43
Disabled/Handicapped Heads of Household	57	52	55
Male	19	33	50
Female	38	67	55
Non-Minority Heads of Household	57	52	
Minority Heads of Household	52	48	
Black	42	39	
Hispanic	10	9	
# of Family Members younger than 18 years	158		9
# of Families with children	53	49	

<u>Income Source</u>	<u>Annual Amount</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Own Business	\$22,729	1.3	4	2
Child Support	\$135,727	7.7	26	11
Federal Wage	\$1,320	0.1	1	0
General Assistance	\$26,064	1.5	21	9
Other Nonwage Sources	\$143,409	8.1	27	12
SSI	\$406,266	23.0	54	24
Social Security	\$257,448	14.6	32	14
TANF (formerly AFDC)	\$47,448	2.7	17	7
Unemployment Benefits	\$7,554	0.4	1	0
Other Wage	\$714,960	40.6	45	20
Total All Income Sources	\$1,762,927	100	228	100

Public Assistance is the sole source of income for 2% of households.
 Households that are working comprise 39% of households.

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>
Medford	1	3	2	3
Owatonna	31	94	66	94
Waseca	1	3	2	3
Total All Locations	33	100	70	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)	33	100	43
Near-Elderly Heads of Household (ages 55 to 61)	5	15	58
Other Heads of Household (age 54 or less)	28	85	40
Female Heads of Household	23	70	42
Elderly	0	0	0
Non-Elderly	23	100	42
Near-Elderly	4	17	58
Other	19	83	38
Male Heads of Household	10	30	45
Elderly	0	0	0
Non-Elderly	10	100	45
Near-Elderly	1	10	56
Other	9	90	43
Disabled/Handicapped Heads of Household	30	91	42
Male	9	30	46
Female	21	70	42
Non-Minority Heads of Household	25	76	
Minority Heads of Household	8	24	
Black	3	9	
Hispanic	5	15	
# of Family Members younger than 18 years	27		9
# of Families with children	13	39	

<u>Income Source</u>	<u>Annual Amount</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Child Support	\$17,498	4.8	4	6
General Assistance	\$24,096	6.6	11	17
Other Nonwage Sources	\$30,233	8.3	7	11
Pension	\$1,547	0.4	1	2
SSI	\$93,684	25.8	13	20
Social Security	\$96,156	26.5	15	23
TANF (formerly AFDC)	\$21,108	5.8	6	9
Other Wage	\$78,115	21.6	9	14
Total All Income Sources	\$362,438	100	66	100

Public Assistance is the sole source of income for 9% of households.
 Households that are working comprise 24% of households.
 Of the working households, 0% of households also receive TANF.

Average Household Income \$10,983