

THE CITY OF



OWATONNA

Housing & Redevelopment Authority

Regular Meeting

Monday, August 26, 2019

4:00 PM

2nd Floor Conference Room

City Administration Building

Preliminary Agenda

1. Roll Call: Atkinson, Kropp, Olivo, Schnitzler, Werner
2. Approval of Minutes for: July 22, 2019 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
5. New Business:
 - a. HCV- Increased income change policy begins September 1, 2019
 - b. New HCV applicants
 - c. Transitional Housing at 204 Fremont
6. Other: Owatonna Forward
7. Adjourn

Next scheduled meeting: Monday, September 23, 2019.

Please inform the Housing and Redevelopment Authority office as soon as possible whether you will be able to attend at g Hassan.madkour@ci.owatonna.mn.us or 507-774-7318.



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

MEMORANDUM

TO: OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY BOARD
FROM: GHASSAN MADKOUR, HOUSING MANAGER
SUBJECT: MONTHLY DEMOGRAPHICAL AND FINANCIAL DATA
DATE: AUGUST 26, 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, Housing Choice Voucher Program (Section 8), and Bridges Programs.

OWATONNA HRA GENERAL FUND

YTD Revenues:	\$293,558.09
YTD Expenses:	\$284,744.33
Fund Balance:	\$340,571.76

MHFA BRIDGES PROGRAM

Monthly HAP Revenue	\$21,617.00
Monthly Admin Revenue	\$2,400.00
Monthly HAP Expense	\$21,657.00
Occupancy:	48
Average HAP:	\$450.00

COUNTY BRIDGES PROGRAM

Monthly HAP Revenue	\$3,310.00
Monthly HAP Expense	\$3,310.00
Occupancy:	7
Average HAP:	\$473.00

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

YTD Revenue:	\$445,126.91
YTD Expense:	\$427,848.71
Total Cash Balance:	\$78,688.71
Program Demographics:	
Households in Steele Co:	87
Average HAP:	\$602.00
Households Portable Out:	0
Average HAP:	\$0
Total Assisted Households:	98
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 July 31, 2019

FUND 280: OWATONNA HRA

Account Name	Original Budget	MTD Actual	YTD Actual	\$ Remaining	% Remaining
REVENUES					
PROPERTY TAXES	\$ 175,000.00	\$ 14,580.00	\$ 102,100.00	\$ 72,900.00	41.66%
STEELE COUNTY - HOUSING GRANT	45,000.00	3,310.00	24,224.00	20,776.00	46.17%
TIF ADMINISTRATIVE FEE	3,600.00	863.75	863.75	2,736.25	76.01%
INTEREST INCOME	800.00	0.00	976.34	-176.34	-22.04%
RENTS & LEASES - 140 32ND AVE	11,000.00	617.00	8,217.00	2,783.00	25.30%
RENTS & LEASES - 204 E FREMONT	11,000.00	0.00	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	21,617.00	135,645.00	120,355.00	47.01%
STATE - BRIDGES ADMIN	25,000.00	2,400.00	14,512.00	10,488.00	41.95%
REFUNDS AND REIMBURSEMENTS	0.00	0.00	180.00	-180.00	0.00%
Total Revenues	\$ 542,400.00	\$ 43,387.75	\$ 293,558.09	\$ 248,841.91	45.88%
EXPENDITURES					
WAGES - FULL TIME EMPLOYEES	\$ 76,284.00	\$ 5,977.27	\$ 43,723.91	\$ 32,560.09	42.68%
FULL TIME EMPLOYEE - OT WAGES	0.00	0.00	22.26	-22.26	0.00%
PERA	5,721.00	451.94	3,308.58	2,412.42	42.17%
FICA	5,836.00	437.57	3,188.69	2,647.31	45.36%
INSURANCE	13,317.00	1,184.06	8,293.27	5,023.73	37.72%
WORKERS COMP INSURANCE	481.00	34.46	251.65	229.35	47.68%
OFFICE SUPPLIES	1,000.00	140.30	710.61	289.39	28.94%
CONSULTING SERVICES	10,000.00	0.00	0.00	10,000.00	100.00%
BACKGROUND CHECKS	0.00	25.00	75.00	-75.00	0.00%
TELEPHONE	0.00	0.00	118.86	-118.86	0.00%
POSTAGE	800.00	337.12	797.02	2.98	0.37%
VEHICLE ALLOWANCE	500.00	138.88	428.59	71.41	14.28%
TRAVEL & CONFERENCES	1,000.00	0.00	0.00	1,000.00	100.00%
OPERATIONAL SERVICES - SEC 8	4,500.00	0.00	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	900.00	2,700.00	900.00	25.00%
RENTAL HOUSE EXP	5,000.00	26.16	4,165.64	834.36	16.69%
RENTAL HOUSE EXP - 140 32ND AVE	5,000.00	345.13	2,397.50	2,602.50	52.05%
REPAIR SERVICE - OFFICE EQUIP	500.00	0.00	767.75	-267.75	-53.55%
HOUSING PAYMENTS - STEELE CO	45,000.00	3,980.00	28,092.00	16,908.00	37.57%
LAND PROJECTS	50,000.00	0.00	0.00	50,000.00	100.00%
RENTAL CERTIFICATION PROGRAM	22,000.00	1,830.00	12,850.00	9,150.00	41.59%
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	8,750.00	6,250.00	41.67%
HOUSING PAYMENTS - BRIDGES	256,000.00	21,657.00	161,332.00	94,668.00	36.98%
Total Expenditures	\$ 523,706.00	\$ 38,714.89	\$ 284,744.33	\$ 238,961.67	45.63%
Expenditures	\$ 18,694.00	\$ 4,672.86	\$ 8,813.76	\$ 9,880.24	52.85%

FUND 282: OWATONNA HRA-HUD

Account Name	Original Budget	MTD Actual	YTD Actual	\$ Remaining	% Remaining
REVENUES					
FEDERAL GRANTS - PROGRAM	\$ 580,000.00	\$ 52,435.00	\$ 367,975.00	\$ 212,025.00	36.56%
FEDERAL GRANT ADMINISTRATION	62,000.00	5,042.00	34,672.00	27,328.00	44.08%
PORTABLES IN HAP	108,000.00	7,249.00	38,309.00	69,691.00	64.53%
PORTABLES IN ADMIN	6,000.00	518.05	3,328.35	2,671.65	44.53%
PORTABLES RECEIVING UTIL REIMB	1,000.00	0.00	0.00	1,000.00	100.00%
FRAUD RECOVERY - HAP	0.00	294.50	294.50	-294.50	0.00%
FRAUD RECOVERY - ADMIN	0.00	294.50	294.50	-294.50	0.00%
INTEREST INCOME	300.00	0.00	253.56	46.44	15.48%
Total Revenues	\$ 757,300.00	\$ 65,833.05	\$ 445,126.91	\$ 312,173.09	41.22%
EXPENDITURES					
WAGES - FULL TIME EMPLOYEES	\$ 35,063.00	\$ 2,735.20	\$ 19,970.60	\$ 15,092.40	43.04%
PERA	2,630.00	198.31	1,447.52	1,182.48	44.96%
FICA	2,682.00	187.12	1,351.94	1,330.06	49.59%
INSURANCE	9,287.00	647.59	4,513.72	4,773.28	51.40%
WORKERS COMP INSURANCE	221.00	0.00	0.00	221.00	100.00%
AUDIT SERVICE	10,000.00	350.00	8,350.00	1,650.00	16.50%
PORTABLE OUT ADMINISTRATION	500.00	42.72	388.00	112.00	22.40%
MANAGEMENT FEE	15,000.00	0.00	0.00	15,000.00	100.00%
VEHICLE ALLOWANCE	500.00	91.93	91.93	408.07	81.61%
PORT UA OUT	0.00	0.00	82.00	-82.00	0.00%
HOME OWNERSHIP HAP	9,000.00	765.00	5,370.00	3,630.00	40.33%
HOUSING PYMTS HAP	554,400.00	44,899.00	336,352.00	218,048.00	39.33%
FSS PYMTS HAP	8,000.00	0.00	1,384.00	6,616.00	82.70%
UTILITY PYMTS HAP	3,600.00	699.00	5,603.00	-2,003.00	-55.64%
PORTABLE HSG PYMTS	5,000.00	618.00	7,107.00	-2,107.00	-42.14%
PORTABLE UTIL PYMTS	1,000.00	0.00	0.00	1,000.00	100.00%
PORTABLE REC HAP	108,000.00	3,930.00	35,837.00	72,163.00	66.82%
Total Expenditures	\$ 764,883.00	\$ 55,163.87	\$ 427,848.71	\$ 337,034.29	44.06%
Expenditures	\$ -7,583.00	\$ 10,669.18	\$ 17,278.20	\$ -24,861.20	-327.85%

City of Owatonna
Balance Statement by Fund
31-Jul-19

FUND 280: OWATONNA HRA

Account Number	Account Name	Ending Balance
ASSETS		
280-000-000-10100	BANK ACCOUNTS	\$ 49,161.12
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	114,384.80
280-000-000-14150	LAND HELD FOR RESALE	184,208.00
280-000-000-14240	NOTE RECEIVABLE	6,170.00
Total Assets		<u>\$ 367,249.78</u>
LIABILITIES		
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	905.00
280-000-000-22200	DEFERRED REVENUE	6,170.00
280-000-000-22210	DEFERRED REVENUE - DEL TAXES	851.02
Total Liabilities		<u>\$ 26,678.02</u>
FUND EQUITY		
280-000-000-29100	FUND BALANCE	\$ 340,571.76
Total Fund Equity		<u>\$ 340,571.76</u>
Total Liabilities and Fund Equity		<u>\$ 367,249.78</u>

FUND 282: OWATONNA HRA-HUD

Account Number	Account Name	Ending Balance
ASSETS		
282-000-000-10100	BANK ACCOUNTS	\$ 68,274.91
282-000-000-10101	BANK ACCOUNTS - DEPOSITS	20,291.53
282-000-000-12100	ACCOUNTS RECEIVABLE	10,655.00
282-000-000-13200	DUE FROM OTHER GOVERNMENTS	2,005.64
Total Assets		<u>\$ 101,227.08</u>
LIABILITIES		
282-000-000-20100	ACCOUNTS PAYABLE	\$ 0.00
282-000-000-20550	DUE TO OTHER GOVERNMENTS	2,104.86
282-000-000-22200	DEFERRED REVENUE	141.98
282-000-000-22250	DEPOSITS	20,291.53
Total Liabilities		<u>\$ 22,538.37</u>
FUND EQUITY		
282-000-000-29100	FUND BALANCE	\$ 78,688.71

Total Fund Equity
Total Liabilities and Fund Equity

\$	78,688.71
\$	101,227.08

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

<u>Unit Locations</u>	<u>HoH Count</u>	<u>Percent</u>	<u>Fam Count</u>	<u>Percent</u>
Blooming Prairie	1	1	2	1
Ellendale	2	2	4	1
Owatonna	95	97	272	98
Total All Locations	98	100	278	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	20	71
Non-Elderly Heads of Household (age 61 or less)	78	80	42
Near-Elderly Heads of Household (ages 55 to 61)	9	9	59
Other Heads of Household (age 54 or less)	69	70	40
Female Heads of Household	77	79	47
Elderly	16	21	69
Non-Elderly	61	79	41
Near-Elderly	7	9	59
Other	54	70	39
Male Heads of Household	21	21	51
Elderly	4	19	77
Non-Elderly	17	81	45
Near-Elderly	2	10	61
Other	15	71	43
Disabled/Handicapped Heads of Household	54	55	55
Male	17	31	50
Female	37	69	55
Non-Minority Heads of Household	51	52	
Minority Heads of Household	47	48	
Black	38	39	
Hispanic	9	9	
# of Family Members younger than 18 years	143		9
# of Families with children	45	46	

<u>Income Source</u>	<u>Annual Amount</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Child Support	\$104,526	5.7	23	10
Federal Wage	\$36,159	2.0	3	1
General Assistance	\$41,976	2.3	23	10
Other Nonwage Sources	\$214,209	11.8	53	22
SSI	\$383,596	21.1	51	21
Social Security	\$229,380	12.6	30	13
TANF (formerly AFDC)	\$32,688	1.8	12	5
Unemployment Benefits	\$15,652	0.9	1	0
Other Wage	\$763,178	41.9	44	18
Total All Income Sources	\$1,821,366	100	240	100

Public Assistance is the sole source of income for 1% of households.
 Households that are working comprise 39% of households.
 Of the working households, 5% of households also receive TANF.

Demographic Statistics Report

Vouchers - All Projects

Average Household Income	\$18,585
Average Tenant Rent (0-Bdrm)	\$0
Average Tenant Rent (1-Bdrm)	\$229
Average Tenant Rent (2-Bdrm)	\$307
Average Tenant Rent (3-Bdrm)	\$311
Average Tenant Rent (4-Bdrm)	\$526
Average Tenant Rent (5-Bdrm)	\$261
Average Tenant Rent (Combined)	\$293
Average TTP (rent + utilities per month)	\$384
Average Housing Assistance Payment	\$498

<u>Length of Time On Program</u>	<u>Count</u>	<u>Percent</u>
Less than 1 years	5	5
Less than 2 years	10	10
Less than 3 years	12	12
Less than 4 years	14	14
Less than 5 years	10	10
Less than 6 years	5	5
Less than 7 years	4	4
Less than 8 years	9	9
Less than 9 years	3	3
Less than 10 years	2	2
More than 10 years	24	24

<u>Broad Range of Income</u>	<u>Count</u>	<u>Percent</u>
\$0 - \$5,000	7	7
\$5,000 - \$10,000	7	7
\$10,000 - \$15,000	35	37
\$15,000 - \$20,000	13	14
\$20,000 - \$25,000	9	9
More than \$25,000	24	25

<u>Income Levels</u>	<u>Count</u>	<u>Percent</u>
Extremely Low	74	76
Very Low	17	17
Low	7	7
Over Income	0	0

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	64	97
Waseca	1	3	2	3
Total All Locations	35	100	66	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	41
Female Heads of Household	23	66	43
Elderly	0	0	0
Non-Elderly	23	100	43
Near-Elderly	4	17	59
Other	19	83	40
Male Heads of Household	12	34	44
Elderly	0	0	0
Non-Elderly	12	100	44
Near-Elderly	1	8	56
Other	11	92	43
Disabled/Handicapped Heads of Household	29	83	44
Male	10	34	46
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	\$6,563	1.3	2	3
General Assistance	\$23,640	4.8	10	14
Other Nonwage Sources	\$36,756	7.5	11	15
Pension	\$1,547	0.3	1	1
SSI	\$105,330	21.5	15	21
Social Security	\$136,908	28.0	18	25
TANF (formerly AFDC)	\$11,400	2.3	2	3
Other Wage	\$166,959	34.1	12	17
Total All Income Sources	\$489,104	100	71	100

Public Assistance is the sole source of income for 6% of households.
 Households that are working comprise 29% of households.
 Of the working households, 0% of households also receive TANF.

Average Household Income	\$13,974
Average Tenant Rent (0-Bdrm)	\$216

Demographic Statistics Report

Bridges - All Projects

Average Tenant Rent (1-Bdrm)	\$190
Average Tenant Rent (2-Bdrm)	\$302
Average Tenant Rent (3-Bdrm)	\$504
Average Tenant Rent (4-Bdrm)	\$564
Average Tenant Rent (Combined)	\$287
Average TTP (rent + utilities per month)	\$285
Average Housing Assistance Payment	\$438

<u>Length of Time On Program</u>	<u>Count</u>	<u>Percent</u>
Less than 1 years	7	20
Less than 2 years	8	23
Less than 3 years	7	20
Less than 4 years	11	31
Less than 5 years	1	3
Less than 6 years	1	3
Less than 7 years	0	0
Less than 8 years	0	0
Less than 9 years	0	0
Less than 10 years	0	0
More than 10 years	0	0

<u>Broad Range of Income</u>	<u>Count</u>	<u>Percent</u>
\$0 - \$5,000	5	16
\$5,000 - \$10,000	5	16
\$10,000 - \$15,000	9	29
\$15,000 - \$20,000	4	13
\$20,000 - \$25,000	3	10
More than \$25,000	5	16

<u>Income Levels</u>	<u>Count</u>	<u>Percent</u>
Extremely Low	27	77
Very Low	6	17
Low	2	6
Over Income	0	0