



Legislation Text

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**DATE:** May 16, 2016

**TO:** Members of the Housing & Redevelopment Authority

**FROM:** Janine Atchison, Housing Coordinator

Transitional Housing Funding Changes

**SUMMARY:**

The Housing Redevelopment Authority will need to determine continued use of 517 Washington Street after transitional housing funding is cut.

**BACKGROUND:**

Staff was informed that Three Rivers Community Action Agency (TRC) funding for transitional housing might be cut. These are the funds used by TRC to rent both units at 517 Washington St. TRC requested the lease, due May 1, not be renewed until funding for transitional housing was secured. The HRA board was informed and agreed to await the funding determination before entering a new lease.

On or about May 6, 2016, TRC received notification from HUD that the funding for these transitional housing units would be discontinued. Per Colleen Hanson, TRC does have State THP and ESG funds, with which they will be able to support the present clients as needed for the duration of their tenancy with the program.

TRC could continue to lease one of the units but would have to change the leasing model to one in which the tenant is the leaseholder. The upper unit tenant does intend to vacate by the end of the month and move out of state. The lower unit tenant may be able to transition to another program, but also may require ongoing services for a period of time. Updates will be provided at the HRA meeting.

If the lower unit tenant remains, TRC is proposing that the HRA enter into a month-to-month lease agreement with the remaining tenant beginning June 1, 2016. TRC will pay the subsidy and the tenant would pay a portion of the rent directly to the HRA. During the time this tenant remains, case management would continue with the expectation of TRC helping the tenant find a suitable and affordable housing option.

**ANALYSIS:**

Currently each unit rents for \$846 per month with all utilities included. Fair market rents have risen to \$909 per month including utilities. The HRA had decided in February to raise the rent to \$909 at the time of lease renewal with TRC. At this rental rate a unit would be affordable to a family of 3 at 60% of median income. Please review attached Fair Market Rents & Income Guidelines spreadsheet.

**OPTIONS:**

From the information provided by Colleen Hanson at TRC, we know that one unit will become vacant at the

end of the month and the other unit could become vacant within a few months.

The HRA could let the dwelling units. Other HRA properties have been let through a process of advertising the unit for lease through the Northfield news and bulletin board postings at grocery stores. Applicants were screened by a third party tenant screening company.

Both units need additional repairs and updates including, upstairs shower, replacement windows on the south side, and lower unit kitchen cabinet repairs. Repairs and updates can be made during the time a unit is vacant.

**RECOMMENDATION:**

Allow staff to:

- Determine if utilities are separated for the two units so that rent can be set with tenants paying some or all of utilities.
- Advertise upper unit for rent available July 1
- Make needed repairs while unit is vacant