



Legislation Details (With Text)

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Attachments: 1. 4th Qtr Income & Expense Report

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| 3/21/2019 | 1 | Housing & Redevelopment Authority | | |

DATE: March 21, 2019

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

2019 Rental Rates for HRA Properties

SUMMARY AND ACTION REQUESTED:

The Housing & Redevelopment Authority (HRA) to determine 2019 rental rates for HRA owned properties.

BACKGROUND:

The HRA owns 4 rental properties, containing 5 rental units, as part of their effort to provide affordable housing in Northfield.

Washington Street - Two 2-bedroom units

Rice County Fair Market Rent (FMR) - \$882.00

The HRA previously agreed to keep the rents at current levels through 2019. The HRA provides gas, electric, water (includes sewer & trash collection). The HRA also provides mowing and snow removal.

Elianna Drive - Two 4-bedroom units

Rice County Fair Market Rents (FMR) - \$1,256.00

The HRA acquired both units in 2010. The HRA currently leases each 4-bedroom unit to low income families at \$945.00 per month. The HRA provides mowing and snow removal through their association dues. The tenants pay their own gas, electric and water (includes sewer & trash removal).

Hidden Valley - One 3-bedroom unit

Rice County Fair Market Rent (FMR) - \$1,139.00

The HRA currently rents the property to a non-profit organization for a Women in Transition Program. The rent

is \$1,139.00 per month. The HRA provides gas, electric, water (includes sewer & trash collection). The HRA also provides mowing and snow removal.

ANALYSIS:

Washington Street

The HRA previously agreed to keep the rental rates at current levels through 2019, for the Washington Street property. This would allow the HRA to review a full year of increased costs of electricity generated by the installation of central a/c in each unit in August 2018.

Elianna Street

The FMR for each unit includes utilities. The utility allowance is between \$300 and \$328 per month.

Calculating rents and utility, the current rent is in line with the FMR standard.

The two Elianna properties have longer-term, low-income tenants. One unit has been rented by the same family since 2010. The other unit has been rented by the same family since 2013. In 2016, the HRA raised the rent from \$920 to \$945.

It should be noted that 2019 standard FMR rates have not yet been published. The FMR's stated above are 2018 rates.

RECOMMENDATION:

The HRA to consider current rental rates and determine if rent increases are warranted. The rental rates at the Elianna and Hidden Valley properties are currently at the existing FMR. Staff recommends the HRA consider keeping rental rates at their current level and review again in 2020.