



Legislation Details (With Text)

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Title: 4th Quarter Rental Property Report
Sponsors:
Indexes:
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Date	Ver.	Action By	Action	Result
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DATE: January 28, 2020

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

4th Quarter Rental Property Report

SUMMARY AND ACTION REQUESTED:

The Northfield Housing & Redevelopment Authority to review rental property 4th Quarter report.

BACKGROUND:

The HRA owns and operates 4 rental properties containing a total of 5 dwelling units. Two units are rented to the Community Action Center for the Homeless Prevention Program, 1 unit is rented to Ruth's House of Hope for their Women in Transition Program and 2 are rented to families at or below 80% of area median income.

ANALYSIS:

The HRA 2019 budget anticipated rent revenues of \$47,877 in 2019. The budget amount allows for unexpected vacancies. The total revenue received for 2019 was \$50,712.00.

Rental property expenses were budgeted at \$51,020. The total expense for 2019 was approximately \$35,000. The final tabulation of expenses should be complete by March 2020. Anticipated rental expenses have been lowered in the 2020 and subsequent budgets. In 2019, the HRA received just over \$16,000 more in rents than 2019 expenses.

517 Washington St S - Increased Utility Cost

HRA Board members requested staff to analyze utility expenditures for the 517 Washington St S property. The HRA pays all the utility costs at the property. Installation of central air conditioning occurred in July 2018. Utility costs increased from \$2,159.08 in 2017 to \$2,460.48 for 2018. The cost of utilities in 2019 was

\$2,769.61.

Staff has provided the Board with a utility cost comparison for 2017, 2018 and 2019. However, the amount of time one or both units were vacant during this time-period is unknown and can be a factor in determining utility costs. The gas/electric bill in August 2019 was 85% higher than August of the previous year. However, 2019 utility costs during October through December (heating season) were 32% lower than utility costs for the same time-period in 2018. The increased cost between 2017 and 2018 is \$301.40. The increased cost from 2018 to 2019 is \$309.13.

OPTIONS:

RECOMMENDATION: