



Legislation Text

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DATE: April 17, 2017

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

2017 Rental Rates - HRA Rental Properties

SUMMARY AND ACTION REQUESTED:

Determine 2017 rental rates for Housing & Redevelopment Authority owned properties.

BACKGROUND:

The Housing & Redevelopment Authority (HRA) owns 4 rental properties as part of their effort to provide affordable housing in Northfield.

517 Washington St S: 2 - 2 Bedroom Units - Both units were recently leased to the Community Action Center for their emergency housing program. The lease rate for both units was determined at the March 9, 2017 HRA meeting.

2007 Hidden Valley Road: 3 Bedroom Unit - This unit is leased to Ruth's House of Hope for their transitional housing program. Current lease rate \$1239 per month through June 30, 2017. The HRA provides all utilities, lawn mowing and snow removal services.

2330 Elianna Drive: 4 Bedroom Townhome - The unit is leased to an individual family. Current lease rate \$945 per month through April 30, 2017. The tenants provide their own utilities. The lawn care and snow removal costs are covered by the association fees which is paid by the HRA.

2334 Elianna Drive: 4 bedroom Townhome - The unit is leased to an individual family. Current lease rate \$945 per month through April 30, 2017. The tenants provide their own utilities. The lawn care and snow removal costs are covered by the association fees which is paid by the HRA.

ANALYSIS:

The Department of Housing & Urban Development (HUD) sets Fair Market Rents (FMR) each spring by County. The FMR set by HUD for 2017 actually **decreased** from the 2016 FMR by as much as 8.30 percent.

The rental rates for **517 Washington St S** were already set below the FMR level at the March 9, 2017 meeting and do not need to be addressed at this time.

The monthly rent rate at **2007 Hidden Valley Road** of \$1,239 will need to be addressed. The tenant, Ruth's House of Hope, will only receive reimbursement from HUD for an amount up to the 2017 FMR

limit when they renew their lease beginning July 1, 2017. The 2017 FMR limit is \$1,136, which is \$103 less than the current rental amount.

The 4 bedroom rental units at **2330 and 2334 Elianna Drive** each rent for \$945 per month. The tenants pay their own utilities. The HRA pays the association fees which include lawn mowing and snow removal services. Last year the HRA raised the rents at these properties by \$25.00 per month.

RECOMMENDATION:

Staff recommends decreasing the rent amount at 2007 Hidden Valley Road from \$1239 to \$1,136 per month beginning July 1, 2017. The tenant, Ruth's House of Hope, is reimbursed, by HUD, the monthly rental rate based on FMR allowances. This decrease will allow Ruth's House of Hope to continue using the property for their Women in Transition Program.

Staff also recommends the HRA consider keeping the monthly rent at the current level for 2330 and 2334 Elianna Drive for the next lease cycle beginning May 1, 2017, or that rent increases be limited to \$25.00 per month per unit.