

HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA

FY 2016 BUDGET



What the citizens of Duluth get for their tax dollars!

- ▣ Safe, Decent, Secure and Affordable Public Housing for 1,154 Households
- ▣ Rental Assistance Through Housing Choice Vouchers to 1,477 Households
- ▣ Assistance to End Homelessness through Coordinated Entry, Shelter Plus Care, Bridges, Tenant Based Rental Assistance, Emergency Solutions Grant, and Rapid Re-housing
- ▣ Assistance to Help Homeless Veterans through the Veteran's Administration Supportive Housing Vouchers
- ▣ Neighborhood Stabilization and Revitalization
- ▣ Funding for One Full-Time Police Officer
- ▣ Rainbow Center and Lincoln Park Center Operations

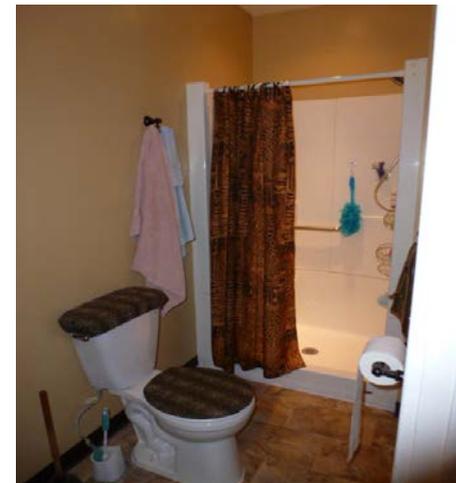
Housing Rehabilitation and Blight Removal



Housing Rehabilitation and Blight Removal



Lead Hazard Reduction and Accessibility



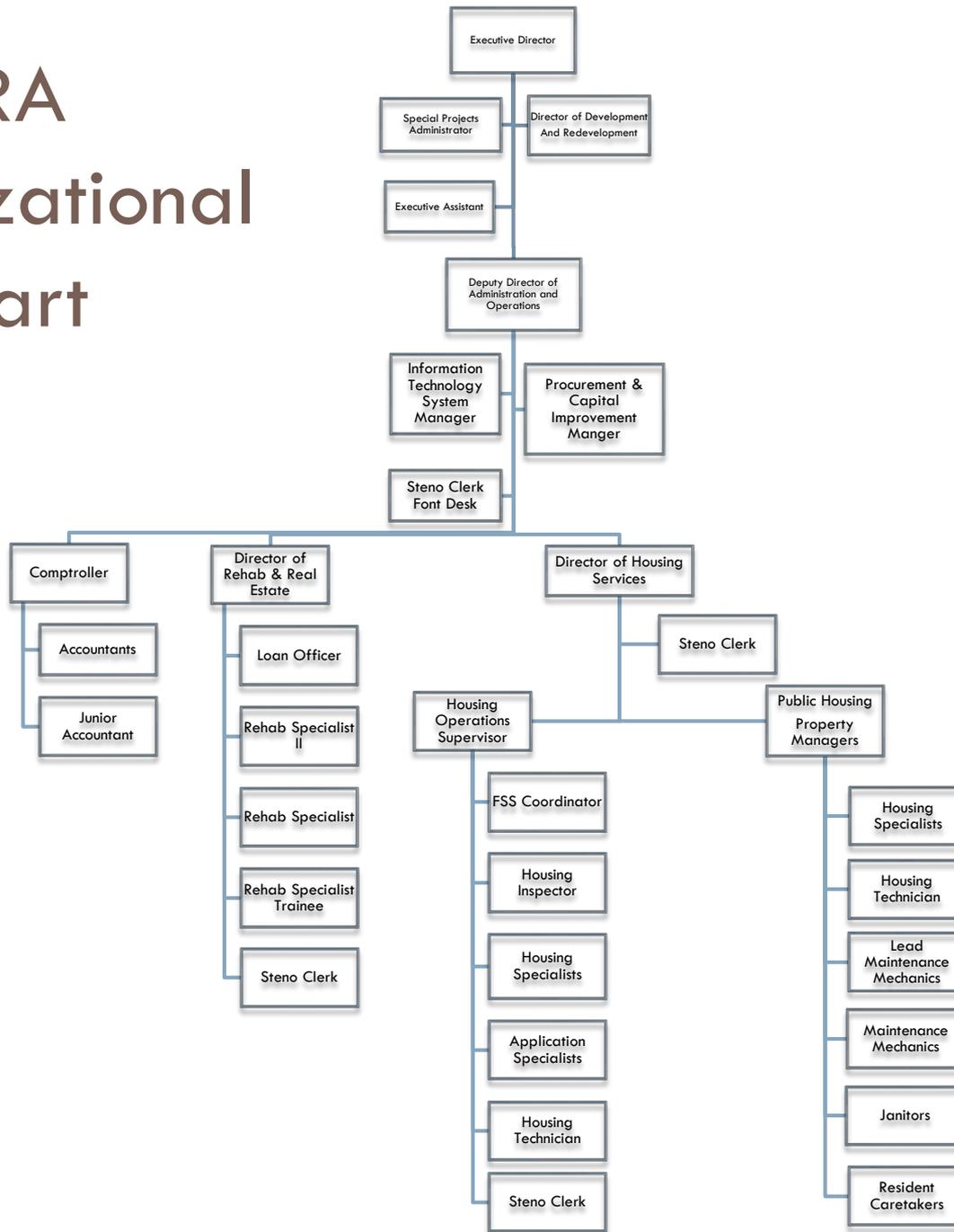
Subdivision Development

▣ Hawk Ridge Estates Development

■ Currently (end of 2015)

- **\$19,433,895** in taxable property value
- **\$203,654** in new property taxes in 2015
- At an estimated 1.5 children per household = **\$460,200** in annual school state aid
- **\$6,490,000** of income generated into the city (paychecks)
- **147** local full time jobs during construction

HRA Organizational Chart



Staffing Changes

- The only significant staffing change in 2016 is the addition of a Coordinated Entry Coordinator. This position will be funded by HUD, City, and County dollars and will work with the Heading Home Governance Board to further the state's mandate from HUD for a Coordinated Entry System for persons experiencing homelessness.
- In 2016 we had turnover in our janitor and steno clerk positions and have hired to replace accordingly. There are current openings for the janitor position. There were also a couple of internal promotions in our AFSCME Union in the Section 8 Housing Specialist position and in the Procurement and Capital Improvement Manager position.
- We are currently working with our AFSCME Union to make changes to our inspector job description so that we may add an extermination license. We would like to do in-house bed-bug extermination in order to save money on contracting that service out. We would be adding a second inspector under public housing for this job.
- We anticipate losing several key staff to retirement over the next five years and are beginning our process of cross training and succession planning.
- Also, as we look toward the FY 2017 budget development my hope is there will be enough money available to add a Communications Manager position.

FY 2016 Estimated Revenues

HUD and Other Government Grants:
\$13,965,981

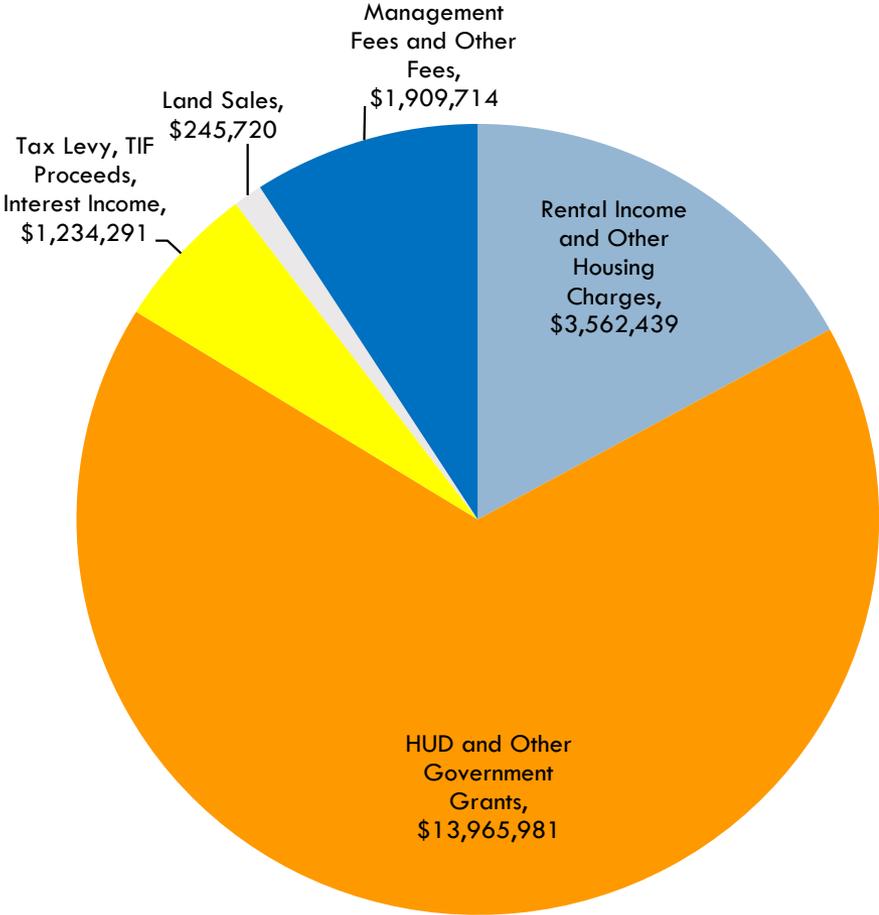
Rental Income and Other Housing Charges:
\$3,562,439

Management Fees and Other Fees:
\$1,909,714

Tax Levy, TIF Proceeds, and Interest Income:
\$1,234,291

Land Sales:
\$245,720

TOTAL: \$20,918,145



FY 2016 Proposed Expenses

Housing Assistance Payments to local Landlords:
\$7,633,182

Salaries and Benefits:
\$5,185,945

Management, Bookkeeping, and Admin Expenses:
\$2,479,771

Purchase, Rehabilitation, and Other General:
\$1,746,935

Maintenance: \$1,958,857

Utilities: \$ 893,741

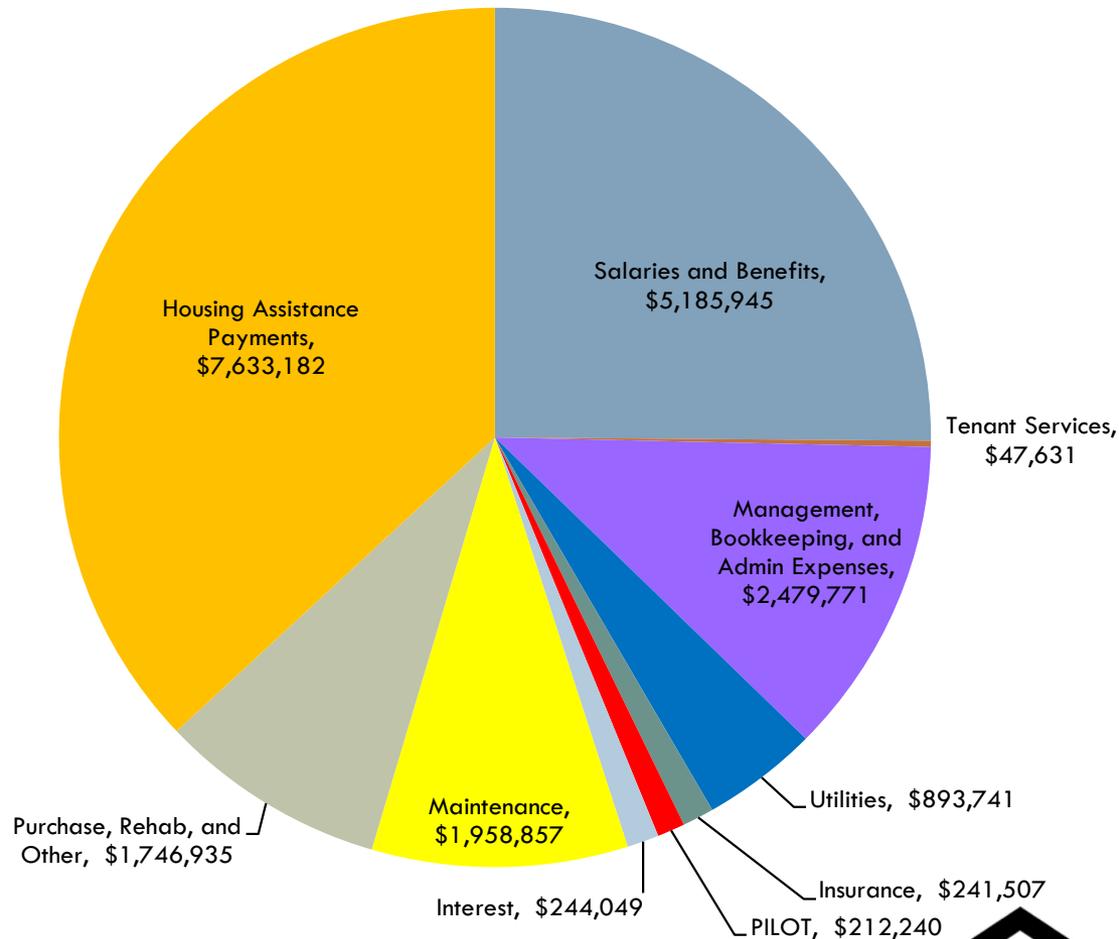
Interest: \$ 244,049

Insurance: \$ 241,507

PILOT: \$ 212,240

Tenant Services: \$ 47,631

TOTAL: \$20,643,858



FY 2016 Uses of Cash

- \$274,287 – Excess of Revenue over Expenses for 2016
- \$227,475 – Principal Payments to cover EPC bond

- **Non-operating Uses of Cash for 2016:**
- (\$885,384) – Build Up Duluth
- (\$348,983) – Bond Principal Payments
- (\$184,491) – Hawk Ridge Operating Deficit
- (\$200,000) – Neighborhood Stabilization Activities
(Lincoln Park, Central and East Hillside)
- Net Cash Flow: (\$1,117,096)

FY 2016 Accomplishments

- Provided housing for our low-income residents in both the public housing program and the housing choice voucher programs
- Build Up Duluth:
 - ▣ Two Model Homes in the Hillside – ground breaking was Nov. 2015
 - ▣ Eleven owner occupied multi-family units received funding for rehabilitation



FY 2016 Accomplishments

- Gateway Tower:
 - ▣ 9% tax credit award: This is the largest award in greater MN history for a single project
- Community Involvement:
 - ▣ Renewed contract with the City for a full-time police officer
 - ▣ Continued operating the Rainbow Center, Lincoln Park Community Center, and YMCA at Harbor Highlands Community Center
- Proposal submitted to City Planning office for Rehab of Existing Housing Stock

FY 2016 Accomplishments

▣ Esmond:

- Providing 70 units of secure housing for some of our hardest to house citizens
- Have seen a reduction in police calls and an increase in tenant engagement
- Exterior update – painting is complete, external stairwell is safely covered, and exterior lighting is being researched and priced



FY 2016 Accomplishments

□ Other Accomplishments:

- Continued Sales at Hawk Ridge Estates
- Lead Abatement
- Rehabilitation of Houses
- Lending expertise and support to local groups such as:
 - Advancing Lincoln Park
 - At Home in Duluth (Core Group, Housing, and Advocacy)
 - Affordable Housing Coalition
 - Housing Resource Connection
- Working with the City and the County on Coordinated Entry to help Duluth's homeless

On-Going Initiatives

- Partner with the City and the County to rehabilitate properties that have gone tax forfeit or are considered condemned for human habitation
- Expansion of Build Up Duluth program to promote single-family home ownership
 - Explore Single Family Home Ownership Possibilities in Other Duluth Neighborhoods such as Morgan Park
- Develop a network of remodelers to work with our rehab programs
- Continue to work with contractors and citizens to build houses at Hawk Ridge Estates and in the Central and East Hillside

On-Going Initiatives

- ▣ Maintain high occupancy rates for our Public Housing Units
- ▣ Maintain high utilization rates for our Housing Choice Vouchers
- ▣ Continue to work with our partners to prevent homelessness
- ▣ Rental Assistance Demonstration Project (RAD)
 - RAD is the federal program created to address the capital needs of our public housing units by leveraging private capital for rehabilitation.
 - We are currently working with MHFA and Development Partners to navigate some unexpected roadblocks. We anticipate this initiative will take several years to complete, and we hope to work with city partners to move this project forward.

Performance Measure Update

	<u>Goal</u>	<u>Actual</u>
□ Occupancy for Public Housing	97%	99%
□ Utilization of Housing Choice Vouchers	96%	99%
□ Expenditure of CDBG Funding	100%	100%
□ Rehabilitation	113 Units	135 Units
□ Gateway Tower Tax Credit Application	Funded	Yes
□ Build Up Duluth – 2 model homes completed; 11 owner occupied multi-family units rehabilitated or in process.		

FY2017 Tax Levy Request

- No tax increase is being requested.
- The HRA requests to use the same percentage of the *taxable* market value as the past two years (0.0179%)
- This less than our statutory maximum which is 0.0185% of *estimated* market value.

FY2017 Tax Levy Request

- \$268,182
 - ▣ Section 8 Support including Tenant Based Rental Assistance, Emergency Solutions Grant, Coordinated Entry, Rapid Re-housing, and Rental Assistance Demonstration.
- \$40,000
 - ▣ Esmond Support
- \$510,000
 - ▣ Development and Redevelopment, Build Up Duluth, Neighborhood Stabilization, Blight Remediation
- \$190,673
 - ▣ Community Housing Support Services including: One full-time police officer, Rainbow Center Operations, Lincoln Park Center Operations, Tenant Landlord Connection Support, LISC Support
- Total Tax Levy for FY 2017: \$1,008,855

Thank You!

Any Questions?

