

**FY 2015 COMMUNITY DEVELOPMENT PROGRAM
Staff Report**

Project: Multifamily Development Acquisition One Roof Community Housing and Center City Housing Partnership					Application Number: 15-HS-03 Page 25	
Consolidated Plan Objective: 1. Assist households to secure housing through affordable rental development						
FY 2015 Goal: 20 to 150 households			Amount Requested: \$200,000		Performance Indicator: Housing Units	
Previous Awards and Spending Rates (as of 3/31/14 in the 2013 CAPER):						
	Award	Expended	Balance	Goal	Actual	(Verified) %LMI
2013	244,000 (Steve O'Neil Apts)	164,000	80,000	50	50	100
2012	NA					
2014	NA					

1. Consolidated Plan Priority

Con Plan Community Development Goals:

- This is an activity identified in the Consistent with Consolidated Plan goal # 1 "Assist households to secure housing through affordable rental development." Depending on the selected project, additional Consolidated Plan goals could be met.

Priority Community Development Needs:

- The need for housing for very low income (30% and under) is ranked as a High priority item. The need for housing for people making 31-50% income is also a High priority, while housing for people making 51 to 80% is a median priority.

2. Project Readiness

Timely Completion/Expenditure of Funds:

- One Roof Community Housing and Center City Housing have employees experienced in housing and rental development. There are three projects being proposed in the application; the applicant has listed them in sequential order of funding depending on the outcome of other initiatives, such as funding by Minnesota Housing on October 23, 2014.

Additional Actions Needed: If State funds are not awarded in October, the Committee should consider a "pre-commitment" for funds for the 2016 application round.

3. Project Impact and Delivery

Achievement of Expected Results:

- Applicant explains the significance of the need, and provides detail and rationale for their development projects.

Target Clientele:

- Target clientele is 100% low- to moderate-income persons.

Outcome Measurements:

- The proposed outcomes are realistic and of importance to the community. The two agencies in this application have met or exceeded outcome objectives for previous developments such as the Steve O'Neil Apartments, Duluth Veteran's Place and the New San Marco Apartments.

Number of Persons/Households to Benefit:

- The number of units could range from as many as 150 (\$1,333/unit with CDBG funds and \$103,333/unit for all sources) to as few as 20 (\$10,000/unit with CDBG funds and \$237,000/units for all sources) depending on the project. Using the lower figure, $\$200,000/20=\$10,000$ per person/household benefiting.

Business/Operations Plan Approach:

- Although the application does not identify major critical issues, it does explain the need of housing and how these two agencies have a positive history of working together on development projects including the Steve O'Neil Apartments, Veteran's Place, and New San Marco Apartments. Each agency has staff that is experienced with working on affordable housing and rental housing in Duluth.

4. Financial Considerations

Sufficiency and Leveraging of Resources:

- The application provides a budget for the most expensive development work. For that project, the majority of the funding would be provided by other sources. In addition, currently the funding that would be used as match is anticipated, not yet secured.

Fiscal Support and Viability:

- No audit findings. Payment requests have been accurate and timely.

Project Budget Detail/Use of Funds:

- No project budget was provided. The application identified three separate projects, and depending on securing the matching funds; one of the three projects will be built.

5. Applicant Attributes

Project /Program Management Ability and Capacity:

- The organizations have a positive history of working together, both have been in the community longer than 10 years and have the staff capacity, management experience and skill set to complete the proposed projects.

Past Performance/Experience:

- Applicants have extensive experience managing federal funds and development projects.

Quality of Application:

- The application is adequately written, but has minimal budget detail.

BONUS POINTS - NA