

**FY 2015 COMMUNITY DEVELOPMENT PROGRAM  
Staff Report**

<b>Project:</b> Housing Resource Connection (HRC) Duluth HRA, One Roof, Ecolibrium3, AEOA	<b>Application Number:</b> 15-HS-01 Page 1
--	---

**Consolidated Plan Objective:**  
4. Rehab multi-family units; 5. Assist families to secure affordable homeownership;  
7. Address vacant, substandard properties; 8. Rehab single family homes; 2. & 6. Improve energy efficiency of MF and SF housing

<b>FY 2015 Goal:</b> 140 Housing Units	<b>Amount Requested:</b> \$1,585,000 CDBG / HOME	<b>Performance Indicator:</b> Households
---	---	---

**Previous Awards and Spending Rates (as of 3/31/14 in the 2013 CAPER):**

	<b>Award</b>	<b>Expended</b>	<b>Balance</b>	<b>Goal</b>	<b>Actual</b>	<b>(Verified) %LMI</b>
<b>2013*</b>	\$1,260,774	\$991,815	\$268,959	102	79	100%
<b>2012*</b>	\$1,238,818	\$1,140.779	\$98,039	62	48	100%
<b>2011*</b>	\$1,459,220	\$1,459,220	0	164	126	100%

\* Information in the chart is a combination of previous separate CDBG & HOME awards  
**NOTE: In 2011-2013, \$350,000 in HRA administered revolving loan funds (CDBG) completed 9 homeowner rehabs and 6 Land Trust rehab/resales not included above.**

**1. Consolidated Plan Priority**

Con Plan Community Development Goals:

- Application addresses the goal of creating safe, secure and affordable housing.
- Proposed activities are expected to contribute to meeting the goal of rehabbing existing housing stock and providing homeowner opportunities for low- and moderate income families. The Consolidated Plan 5 year annual goal for rehab, energy efficiency and homeownership is 244 units. This application's 140 units will meet 58% of the 2015 goal.

Priority Community Development Needs:

- Housing rehab and affordable homeownership are High Consolidated Plan priorities.

**2. Project Readiness**

Timely Completion/Expenditure of Funds:

- The ongoing programs included in the application have established waiting lists. Expenditure of funds has been an issue, resulting in contract extensions.
- Open application period in targeted areas through 5/31/15 should allow for more timely and efficient processing of rehab projects, as well as single application process through the HRC.

Additional Actions Needed: None

**3. Project Impact and Delivery**

Achievement of Expected Results:

- Charts help to clearly show how single and multi-family rehab, weatherization and land trust activities address objectives, are designed to meet needs and achieve outcomes.

- Activities will address the need for safe and affordable housing, but won't resolve this problem completely, however, stated results are realistic and reasonable.

Target Clientele:

- 100% of housing activities must directly benefit low- and moderate-income households.

Outcome Measurements:

- CD Committee score from evaluation public hearing was 8.4 for the HRC (HRA and One Roof) and 6.8 for Weatherization (AEOA and Eco3), for a combined average of 7.6.

Number of Persons/Households to Benefit:

- The goal is 140 households combined, 55 single family rehabs, 75 rental rehabs, and 10 land trust homes.
- The homeowner per household CD assistance is \$7,800; rental rehab assistance per unit is \$1,667; land trust home construction \$40,000 per unit.

Business/Operations Plan Approach:

- Identifies the established rehab programs, the benefits of energy savings, a pilot project for Morgan Park neighborhood, and return to new housing construction for land trust homes.

#### **4. Financial Considerations**

Sufficiency and Leveraging of Resources:

- There are \$4.56 dollars for every dollar requested. Application fails to indicate what "other source" dollars are secured. Leverage is >3:1 ratio.

Fiscal Support and Viability:

- Audited financials indicate no audit concerns.
- The HRC collaboration has selected HRA to be the fiscal agent for the group's funding.

Project Budget Detail/Use of Funds

- The budget is accurate and details program staff costs for the HRA, AEOA and Ecolibrium3. It delineates the expenditures for homeowner rehab, rental rehab, and homebuyer activities. There are estimated budgets for new construction in both Hawks Ridge and the Hillside neighborhood.

#### **5. Applicant Attributes**

Project /Program Management Ability and Capacity:

- CD Committee score from evaluation public hearing was 5.6 for the HRC (HRA and One Roof) and 5.2 for Weatherization (AEOA and Eco3), for a combined average of 5.4.

Past Performance/Experience:

- CD Committee score from evaluation public hearing was 4.6 for the HRC (HRA and One Roof) and 3.8 for Weatherization (AEOA and Eco3), for a combined average of 4.2.

Quality of Application:

- The application does well in explaining various housing rehab activities in sufficient detail.
- The format of the application, in particular the charts provided, are informative.

### **BONUS POINTS – Collaboration 10 Points**