

**FY 2016 COMMUNITY DEVELOPMENT PROGRAM  
Staff Report**

<b>Project:</b> Housing Resource Connection (HRC) Duluth HRA, One Roof, AEOA	<b>Application Number:</b> 16-HS-01 Page 1
---	---

**Consolidated Plan Objectives/Goals:**  
Rehab multi-family units; Assist families to secure affordable homeownership;  
Address vacant, substandard properties; Rehab single family homes; Improve energy efficiency of MF and SF housing

<b>FY 2016 Goal:</b> 134 Housing Units	<b>Amount Requested:</b> \$816,000 CDBG / HOME	<b>Performance Indicator:</b> Households
---	---	---

**Previous Awards and Spending Rates (as of 3/31/15 in the 2014 CAPER):**

	<b>Award</b>	<b>Expended</b>	<b>Balance</b>	<b>Goal</b>	<b>Actual</b>	<b>(Verified) %LMI</b>
<b>2014</b>	\$1,100,077	\$340,328.92	\$759,748	118	83	100%
<b>2013*</b>	\$1,260,774	\$1,260,774	0	102	96	100%
<b>2012*</b>	\$1,238,818	\$1,238,818	0	62	64	100%

\* Information in the chart is a combination of previous separate CDBG & HOME awards

**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 was approved in 2015. The chart details the 5 year goal, the annual goal, and how this application addresses the goals.

<b>Activity</b>	<b>5 Year Goal (started in 2015 program yr)</b>	<b>2015 Contract (in progress)</b>	<b>2016 Application Goal (this application)</b>
Rental units built	300	NA	0
Homeowner units built	50	2	<p><b>4 units</b></p> <ul style="list-style-type: none"> <li>• It should be noted that there are 7 additional units described in other applications in the Housing Section.</li> </ul>
Homeowner Units Rehabbed	725	44	<p><b>130 units</b> -application didn't clarify if homeowner or rental.</p> <ul style="list-style-type: none"> <li>• It should be noted that there are 170 other units described in other applications in the Housing Section.</li> </ul>
Rental units rehabbed	250	55	

Priority Community Development Needs:

- Affordable Rental Housing and Affordable Owner Occupied Housing are listed as High Priority needs in the 2015 Consolidated Plan.

## 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 and alerts from HUD. The HRC is working on developing a Housing Progress Chart that would show all of the housing grants and deadlines to address this issue. Staff is concerned about the capacity and if it is feasible that these 130 units will be rehabbed in a timely manner. Staff is concerned if there are a sufficient number of contractors who are able to do the work and if there are other grant programs that are providing sufficient funding that this funding may not be needed. Staff believes more explanation on capacity and addressing the HUD alert is needed.

Additional Actions Needed: A condition of approving this funding should be the development and implementation of the Housing Progress Chart by January 2016. An explanation of capacity is needed.

## 3. Project Impact and Delivery

Achievement of Expected Results:

- 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 8.3 out of 10 for the HRC.

Number of Persons/Households to Benefit:

- The goal is to rehab 130 households. Single family homes can receive up to \$20,000/ unit, Rental property owners can receive up to \$15,000 unit. If Lead funds are used, then households can receive an additional \$9,000 to address lead-based paint hazards.
- The goal is to acquire and rehab and resale 4 community land trust units, it is expected that \$30,000 will be invested in each unit.

Business/Operations Plan Approach:

- Identifies the established rehab programs, need to develop and implement a mechanism to track grants and housing programs

## 4. Financial Considerations

Sufficiency and Leveraging of Resources:

- There are \$2.79 dollars for every dollar requested. Leverage is >2:1 ratio. At this time, 1,060,000 has been secured.

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. It delineates the expenditures for homeowner rehab, rental rehab, and homebuyer activities.

## **5. Applicant Attributes**

Project /Program Management Ability and Capacity:

- CD Committee score from evaluation public hearing was 5.4 out of 6 for the HRC.

Past Performance/Experience:

- CD Committee score from evaluation public hearing was 4.1 out of 5 for the HRC.

Quality of Application:

- The application does well in explaining various housing rehab activities in sufficient detail.

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