

**FY 2015 COMMUNITY DEVELOPMENT PROGRAM  
Staff Report**

<b>Project:</b> Multifamily Development Acquisition One Roof Community Housing and Center City Housing Partnership					<b>Application Number:</b> 16-HS-03 Page 29	
<b>Consolidated Plan Objective:</b> Maintaining and increasing the supply of affordable rental units.						
<b>FY 2015 Goal:</b> 150 households		<b>Amount Requested:</b> \$200,000		<b>Performance Indicator:</b> Housing Units		
<b>Previous Awards and Spending Rates (as of 3/31/15 in the 2014 CAPER):</b>						
	<b>Award</b>	<b>Expended</b>	<b>Balance</b>	<b>Goal</b>	<b>Actual</b>	(Verified) <b>%LMI</b>
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:

<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	NA
Homeowner units built	50	2	NA
Homeowner Units Rehabbed	725	44	<b>150 Rental Units.</b>  It should be noted that there are 150 other units described in other applications in the Housing Section. Not sure if the other units are rental or homeowner owned.
Rental units rehabbed	250	55	

**2. Project Readiness**

Timely Completion/Expenditure of Funds:

- One Roof Community Housing and Center City Housing have employees experienced in housing and rental development. This project depends on tax credit financing. Minnesota Housing meets on October 22, 2015 to determine if this project will receive approval for tax credit financing.

Additional Actions Needed: 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 feasible that these 150 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:

- 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. There has been no previous scoring for One Roof Community Housing.

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).

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. 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.

## **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. There has been no previous scoring for One Roof Community Housing.

Past Performance/Experience:

- Applicants have extensive experience managing federal funds and development projects. There has been no previous scoring for One Roof Community Housing.

Quality of Application:

- The application is adequately written.

**BONUS POINTS - NA**