**To: Community Development Commission**

**From: Randy Cole**

**Date: 4/4/2017**

**Subject: 4/12/2017 CDC Agenda Item Summary Memo**

**Overview**

This memo provides a summary of the 4/12/2017 CDC meeting agenda.

FY 2016 Annual Action Plan Amendment

Each year, entities receiving HOME funds are required to meet HOME funding commitment requirements set forth by the Department of Housing and Urban Development (HUD). In the past, cities have been required to ensure HOME funds are committed to eligible projects through a formal agreement within 2 years of receiving the funds; however, the threshold was measured on a cumulative basis and could span multiple years. HUD has issued a new “Interim Commitment Rule” that is in force and provided staff guidance on March 8th, which detailed the impacts of the new “Interim Rule”.

Under the new rule, cities will have their commitment requirements measured by year, rather than on a cumulative basis, for funds beginning with 2015. The new “Interim Rule” also specifies that cities will be held to both the new rule threshold and the old rule threshold, which presents a unique situation where we are being held to a higher standard for HOME commitments. This ruling has lead staff to recommend an Annual Action Plan amendment to commit additional HOME funds to qualified projects, in order to avoid missing the July 31, 2017 commitment deadline and avoid deobligation of funds. Current shortfalls are as follows:

Pre-2015 funds uncommitted: $16,860.81

2015 funds uncommitted: $108,466.40

City staff anticipates that new HOA and Rehab projects will likely result in the City meeting both commitment requirements, however, staff would like to ensure more certainty by authorizing the following in additional funds to projects:

$15,000 additional for solar panels at 103 Lynn-CMCA

$15,000 additional for solar panels at 105 Lynn-Job Point

$15,000 additional for solar panels at 115 Lynn-Habitat

$38,500 additional for construction of home at 700 Oak - Job Point

City staff contacted all CHDOs to gauge interest in developing 700 Oak and Job Point was the one entity that verified an interest in the property. This will help with fully redeveloping the entire Garth, Sexton, Oak and Lynn block and move the property from a land banked status sooner. Adding solar panels to the 3 Lynn lots will also put those homes on equal footing for the 4 Lynn Street Cottages homes, since they include solar as well. Staff will be providing additional details and answering questions at the CDC meeting. Please contact me leading up to the meeting if you would like additional background prior to the meeting.