

To: Community Development Commission
From: Randy Cole
Date: 2/8/2013
Subject: 2/13/2013 CDC Agenda Item Summary Memo

Overview

The purpose of this memo is to provide a brief summary of 2/13/2013 CDC meeting agenda items. This memo provides a brief staff update on each of the agenda items requiring staff input.

Agenda Item Summaries

413 West Ash Project

Staff held a bidder's conference on, January 14, 2013, with qualified Community Housing Development Organizations (CHDO's) interested in bidding on the 413 W Ash project. The current RFP will award the winning CHDO \$65,300 in HOME funds and the 413 W Ash property, to construct an energy efficient and universally designed home. A copy of the presentation provided to the CHDO's is included in this packet.

City staff was notified by HUD that this year's HOME commitment deadline has been extended to August 30, 2013, due to the federal government's delayed release of 2011 HOME funding. This allows for more flexibility in the timeline of this project. During the bidder's conference, local CHDO's expressed they could provide a more detailed and higher quality proposal if they had more time. Staff agreed with their request and allowed the deadline for submission to be extended to March 1, 2013, since the HOME Commitment deadline will allow for this. Two CHDO's (Habitat and CMCA) are working with their own architects and suppliers to develop their proposals. Staff analysis and CHDO proposals will be provided at the March 15, 2013 meeting. Each CHDO will be allowed time to present their proposal and answer questions.

Community Development Needs Survey Data

- There are 81 survey respondents as of February 8, 2013.
- City staff is working with two MU Service Learning students to solicit surveys in high traffic areas (ARC, Library, Post Office, Mall, etc...). These students will begin soliciting surveys the week of Feb 18th. Each student has 35 volunteer hours to potentially dedicate to the project.

Discussion of New Combined Application and Rating Sheet

City staff is proposing a revised Annual CDBG and HOME RFP application and rating sheet. The goals of these revisions are to improve efficiency in collecting application data, and improve CDC rating criteria for proposals. Each of the revised changes is summarized below:

1. The applications were initially separated into 3 different applications: 1) CDBG and HOME Housing Projects, 2) Community Facilities, Public Services, and Economic

Development, and 3) Public Improvements. The revised application combines these into one application. Staff recommends this change to simplify the process.

2. Narrative questions were reduced and revised to reduce repetition in applicant responses, and simplify staff and Commissioner review.
3. The rating sheet was revamped to coincide with applicant responses.
4. A multiplier was also added as a staff suggestion to emphasize most important aspects of applicant responses. Staff is anticipating Commissioner feedback regarding multiplier categories and amounts.

Please review the revised Annual RFP Application and rating sheet for 2014 funds. The RFP documents are included in this packet.

Job Point Property (411 McBaine) and Neighborhood Stabilization Program (NSP) properties (711 Mikel, 904 Madison), and partnership with the Columbia Housing Authority

411 McBaine is a newly constructed home currently owned by Job Point. This property was developed by Job Point with the use of CHDO funds and a construction loan. HUD regulations require CHDO properties be sold within 12 months of completing construction. This property is currently out of compliance with HUD regulations and the HUD field office directed the City to convert this project to a rental project, or be at risk for repayment of funds to HUD. The City was required to convert this project to rental in order to draw HUD funds to cover last quarter's expenses.

Rental property management does not coincide with Job Point's organization mission. City staff has developed a plan with the Columbia Housing Authority to own and operate the property according to HUD guidelines. City staff is seeking council approval to authorize the City Manager to purchase 411 McBaine. The purchase price will be equal to the construction loan balance (\$50,558.12) and a development fee of 5% (\$6,378.91). CHDOs are typically allowed to collect a 10% developer fee on projects. The City is compensating Job Point at 5% for completing the development of the property. The total contract price for the City purchasing 411 McBaine from Job Point is \$56,937.03.

Once the City purchases 411 McBaine, it plans to donate this property to the Columbia Housing Authority (CHA). The property will be operated as a rental property under HOME guidelines. If the CHA sells the property, the proposed operating agreement between CHA and the City will require 50% of the sales proceeds to be returned to the City for further CHDO activities. Any funds retained by CHA must go towards eligible HOME affordable housing activities.

The City also has 2 remaining Neighborhood Stabilization (NSP) properties that will need to be converted to rental, due to the inability to sell the homes. City staff will seeking Council approval to authorize the City Manager to donate the NSP properties to CHA for similar operations as the 411 McBaine property. The property will be operated as a rental property under NSP guidelines. If the CHA sells the property, the proposed operating agreement between CHA and the City will require 50% of the proceeds to be returned to the City for further CHDO activities. Any funds retained by CHA must go towards eligible NSP affordable housing activities.

Review of Community Development Commission Schedule and Important dates

- February 25, 2013 - Request for CDBG/HOME Applications Issued for 2013
- March 6, 2013** - **Pre-application Workshop (6:30-8:00 pm).** Mezzanine Conference Room, Daniel Boone Building, City Hall.
- March 13, 2013** - **CDC Meeting to Review the City's Annual Performance Report (CAPER) for 2012.** Room 1B, City Hall.
- March 18, 2013 - **Council Public Hearing to Review and Approve 2012 CAPER Report**
- April 30, 2013 - 2014 CDBG Application Deadline at 5:00 P.M.
- May 10, 2013 - Eligibility Review Completed
- May 15, 2013** - **CDC Meeting/ Public Hearing for Public Projects.** Conference Room 1B, new City Hall Building.
- June 5, 2013** - **CDC Meeting/ Public Hearing for Agency Projects.** City Council Chambers.
- June 19, 2013** - **CDC Meeting to make funding recommendations for 2013 CDBG/HOME and previous years funds, meet with City Manager.** Conference Room 1B, new City Hall Building.