

Meeting Date (?)	05/10/2016
Subject Matter* (?)	Transfer proceeds funds from General Fund fund balance to CDBG program income account This must match rolling agenda entry
Department of Origin*	COMMUNITY DEVELOPMENT
Submitted By*	Alsie Bond
Type of Meeting*	<input type="radio"/> BCD <input type="radio"/> Special <input checked="" type="radio"/> Regular
Classification*	<input type="radio"/> Public Hearing <input type="radio"/> Consent <input checked="" type="radio"/> Statutory <input type="radio"/> Regular
Ordinance*	<input checked="" type="radio"/> None <input type="radio"/> First Read <input type="radio"/> Second Read <input type="radio"/> First & Only Read
Strategic Initiative*	<input type="checkbox"/> Public Safety <input type="checkbox"/> Service <input checked="" type="checkbox"/> Economic Development <input type="checkbox"/> Infrastructure <input checked="" type="checkbox"/> Quality of Life
Agenda Item Description*	Consideration of a funds transfer for proceeds from the sale of four (4) single family homes at 402, 406, 410, and 414 West 18th Street from General Funds, fund balance to Community Development (Community Development Block Grant program income revenue account) for \$63,801.09.
Summary Statement*	<p>Property for this 4-home development was originally acquired by the City using \$50,684 in Community Development Block Grant Funds (CDBG), along with donation of adjacent land from Bryan Commerce and Development (BCD), which had previously purchased the adjoining tract for \$18,050 as part of an agreement to assemble other property for redevelopment in the Downtown North area. The purpose of the CDBG acquisition was to meet the required CDBG National Objective of Low-Moderate Income Housing (LMH) by facilitating the development and sale of affordable housing to qualified, income-eligible homebuyers earning up to eighty percent (80%) of the Area Median Income through the City's Community Development Housing program. City Council approved the General Fund construction loan at the March 25, 2014, City Council meeting, including the future use of the sales proceeds: "Any additional proceeds of the developed housing sales will be utilized for the continuation of affordable housing for low to moderate income eligible citizens." Proceeds generated from the sale or improvement of property purchased with CDBG funds are considered program income.</p> <p>All homes sold at or near full listing price: \$115,900 each for the two (2) 1,159 square foot homes (406 and 410 West 18th), \$119,500 for one (1) of the two 1,220 square foot homes (414 West 18th), and \$120,000 for the remaining 1,220 square foot home (402 West 18th). Net of closing costs proceeds from these sales was \$459,600, with the general fund investment for expenditures being \$395,798.91, leaving \$63,801.09 to be re-invested to affordable housing for low and moderate income families.</p> <p>All of the 18th and Sims Street homes are affordable, energy-efficient, utilizing partial masonry/fiber cement veneer exteriors, 2-car garages, privacy fences and slab-on-grade construction. Additionally, three of the families utilized the City's Home Buyer's program with Community Development providing homeowner counseling and down payment assistance for (402 West 18th) \$10,328.50, (406 West 18th) \$10,512.00 and (410 West 18th) \$8,858.00. Second liens for these properties are secured by a deferred, zero percent interest, repayable note and deed of trust, requiring owner-occupancy for a minimum of five (5) years.</p>
Staff Analysis & Recommendation*	Finance and Community Development Services Departments staff recommend approval of the transfer of funds, which is necessary since funds were borrowed for the construction of the project from the General Fund in the prior fiscal year and proceeds were not budgeted in FY16 because it was unknown when the houses would sell nor the amount of the sales.

Options*

(In Suggested Order of Staff Preference)

1. Approve the transfer of \$63,801.09 of general funds (18th and Sims Street Project) sale proceeds to Community Development (CDBG) miscellaneous program income revenue account (204-0000-371-42-00).
2. Approve the transfer of a different amount of general funds (18th and Sims Street Project) sale proceeds to Community Development (CDBG) miscellaneous program income revenue account. (Depending on the amount, consideration at a future City Council meeting may be necessary.)
3. Deny approval of the transfer of General Fund funds from sales proceeds (18th Street/Sims Project) to Community Development (CDBG) miscellaneous program income account and provide further direction to staff.

Funding Source*

General Fund fund balance (as discussed on March 25, 2014)

Attachments

Location Map.jpg

569.4KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Development location map

Dept. Head Signature



Deputy City Manager
Signature



City Manager Signature



City Attorney Signature

