CITY OF BRYAN
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ACTION FORM
BRYAN CITY COUNCIL

Meeting Date (?) 09/13/2016

Subject Matter* (?) CHDO Funding Agreement with Elder Aid
This must match rolling agenda entry

Department of Origin* COMMUNITY DEVELOPMENT

Submitted By* Art Roach

Type of Meeting* ○ BCD ○ Special ◉ Regular

Classification* ○ Public Hearing ○ Consent ◉ Statutory ○ Regular

Ordinance* ◉ None ○ First Read ○ Second Read ○ First & Only Read

Strategic Initiative* ☐ Public Safety ☐ Economic Development ☑ Quality of Life ☑ Service ☐ Infrastructure

Agenda Item Description* Consideration of a Resolution approving the funding contract for the allocation of 2014 and 2015 federal HOME Investment Partnerships Program Community Housing Development Organization required Set Aside funds in the amount of $84,747.90 with Elder Aid, Inc., for the development of an affordable single family elderly rental home proposed in response to RFP #16-057.

Summary Statement* The City is required by the U.S. Dept. of Housing and Urban Development (HUD) to make fifteen percent (15%) or more of each year's HOME grant allocation available for non-profit agencies that meet the definition of a Community Housing Development Organization (CHDO). A CHDO must have the provision of affordable housing as one of its goals. It also must have a board make-up that complies with HOME Program requirements. The 15% CHDO Set-Aside funds may be used for most HOME-eligible activities, including the development of affordable homebuyer and rental housing. If these set-aside funds are not made available to an eligible non-profit CHDO, the set-aside funds will be recaptured by HUD. CHDO set-aside funds may only be used by eligible CHDO's and are required to be allocated within two (2) years and expended within four (4) years.

This agreement designates a total of $84,747.90 of unobligated HOME Grant Set Aside funds to be used by Elder Aid, Inc., a qualified CHDO, toward the construction of an affordable elderly rental home. Rental housing constructed under this program will have a 20-year Land Use Restriction Agreement recorded to ensure affordability is maintained, and will be leased to households earning 60% of the Area Median Income (currently $24,650 for a single-person household).

The City received only one (1) proposal from Elder Aid, a qualified CHDO, in response to RFP #16-057, which has been reviewed by a staff committee and found to be feasible and acceptable. Funding from this contract is expected to leverage at least $11,800 in other CHDO-contributed private financing and CHDO-owned land. Rental income from the development will be retained by the CHDO.

Staff Analysis & Recommendation* Approval of this contract will facilitate the development of an affordable rental home for occupancy by qualified low to moderate income elderly household, which will provide a catalyst to additional private redevelopment in the neighborhood and support construction contracting jobs in Bryan. However, this rental property will be owned by a non-profit agency that is exempt from the payment of property taxes, so the value of the dwelling will not contribute toward the City's tax revenues.

Staff recommends approval of the Resolution approving the contract because the HOME Set-Aside and operating funding previously allocated in the 2014 and 2015 Action Plans must be provided only to qualified CHDOs by September 30, 2016, otherwise the 2014 funding will be recaptured by HUD.

Options* (In Suggested Order of Staff Preference)

1. Approve the Resolution regarding approval of the Contract for HOME Programs.

2. Modify and approve the Contract for HOME Programs, which may require consideration at a future City Council meeting.

3. Do not approve the resolution regarding approval of the Contract for HOME Programs, and provide alternative direction to staff.

Funding Source* 2014 and 2015 CHDO HOME Set Aside Funds from the Community Development Services Department FY 2016 budget

Attachments	RESOLUTION CHDO AWARD 9-13-16.docx	16.17KB
	9-13-16 HOME Contract Elder Aid 1015 Bittle.docx	89.47KB
	Map 1015 Bittle Elder Aid CHDOsm.pdf	669.87KB

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

1. Proposed resolution approving the funding contract

2. Contract for HOME programs

3. Location map

Dept. Head Signature

Alsie Bond

Deputy City Manager Signature

City Manager Signature

City Attorney Signature

Janis K. Hampton