

Memo

To: CDBG Committee

From: Pam Rood

Date: July 20, 2011

Subject: Scattered Site Reserve Funds

Given the FY11 decrease in funding, we are requesting that \$483,759 in Scattered Site Funds be transferred to HOME Match to fund 2 projects. The Scattered Site and HOME Match Reserve Funds are both funded by the UDAG (Urban Development Action Grants) loans as referenced on the Financial Report. This transfer would waive the Scattered Site rules (see below) and implement the HOME Match rules. The projects are as follows:

1. Goodwill Industries - \$200,000. During the 2011-2012 funding process, the CDBG Committee approved \$200,000 for Goodwill Industries to purchase a site in 2011. At that time, the Committee reserved \$200,000 in CDBG funds and \$200,000 in Scattered Site Funds to fund this activity. The intent in reserving both types of money was in the hope that Goodwill would purchase a property in a Scattered Site area however if this wasn't possible then the project would be funded with CDBG funds. Given the FY11 cuts, staff is now recommending that the Scattered Site funds be transferred to HOME Match and HOME Match funds be used to fund this project. This would allow \$200,000 in CDBG funds to be used for other projects.
2. Movin' Out - \$283,759. Movin' Out is requesting \$283,759 in HOME Match funds to develop Winnebago Lofts (see staff review and resolution).

Housing Development Revolving Fund

1. Projects must meet either outcome objective B or D, and the relevant funding conditions of the particular funding source, such as the Housing Trust Fund.
2. Funds are available anytime throughout the year contingent upon availability of funds. Applications should be submitted electronically to the CDD by 12:00 p.m. on the first Friday of the month and will be reviewed by the CDBG Committee on the first Thursday of the following month. If electronic submittal is a barrier, the CDD will accept a typed application. The City Council shall determine final approval for all recommended projects over \$25,000 to be assisted with Housing Development Funds (except for the Scattered Site assistance); the Mayor shall determine final approval for all recommended projects \$25,000 or less. The CDBG Committee shall determine final approval of all Scattered Site funds. Applications should be submitted four months prior to the planned acquisition or rehabilitation of the property to allow time for orderly decision making.
3. Projects that help acquire service-enriched housing in the scattered site areas, identified on the map, may be eligible for additional local funds. These funds are available to

eligible non-profits for down payment and acquisition assistance up to 30% of the assessed value of a property.

4. Proposals for this Housing Development Fund must identify a specific site address and be able to commit all funds within twelve months of Council approval. The City will provide assistance to properties that are or will be owned by the applicant.
5. Applications for all funds within the Housing Development Fund (CDBG, HOME, ESG-Federal, Affordable Housing Trust Fund, and Scattered Site) are available from the CDD.