

CD Program FY 2017 Application Review	HOME	Staff Contact: Kathy Wilson
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Summary of HOME Applications

Four HOME applications were received requesting a total of \$553,140. Last year the amount funded by HUD for the City’s HOME program was \$471,958. The proposed projects include rental assistance and affordable housing development.

Approach to Application Review

HOME applications are reviewed for consistency with the Consolidated Plan, need for the proposed projects, benefits to the community, project readiness, budget, and funding leverage.

Applications Received

Code	Proposal Name	Organization	Amount
2017-01	TBRA-Homeless Rental Assistance	HRA	\$ 117,500
2017-06	Garfield Square	Center City	\$ 200,000
2017-26	CHDO Operating Support	AICHO	\$ 35,640
2017-29	Multi-family Acquisition	One Roof	\$ 200,000
Total: \$			553,140

Consolidated Plan HOME Goals

Consolidated Plan Goal #1: Affordable Rental Housing

- Assist households to secure housing through affordable rental development.
- Improve energy efficiency of rental units
- Rehab multifamily units to meet Health Homes Standards

Consolidated Plan Goal #2: Tenant Based Rental Assistance

- Assist homeless families and singles identified through a Coordinated Access Process

Consolidated Plan Goal #3: Affordable Home Owner Housing

- Assist families to become homeowners by addressing value and/or affordability gaps and by increasing the supply of quality affordable single housing
- Improve energy efficiency of single family housing units
- Rehab single family units to meet Health Home Standards

Consolidated Plan Goal #8: Neighborhood Revitalization

- Address vacant, substandard properties that may or may not be suitable for rehab
- Acquire blighted properties and lots for demolition and redevelopment activities

Consolidated Plan Goal #9: Homelessness

- Support implementation and operation of coordinated access entry for families, youth & singles
- Support housing stabilization initiatives for homeless populations with special needs

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- Support the operation of emergency shelter facilities that help homeless families, youth, and individuals rapidly access housing and become stably housed
- Provide shelter and stabilization services for women and children experiencing domestic violence and/or sex trafficking
- Create additional permanent supportive housing units chronically homeless or persons with special needs
- Support creation or renovation of shelter facility for homeless youth

APPLICATION #2017-01: TBRA-Homeless Rental Assistance

Brief Description of Application (including activities and target clientele):

- The Tenant Based Rental Assistance (TBRA) program will help 18 families experiencing homelessness to access stable housing while they are on the Housing Choice Voucher (HCV) waiting list (18-24 months). Families will be referred to the TBRA program through the Coordinated Entry system.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 2: Tenant Based Rental Assistance
- Goal 9: Homelessness

Budget and Project Readiness:

- The TBRA program is ongoing so the HRA will be able to continue with the program effectively if awarded funding for fiscal year 2017.
- The program budget appears reasonable and is in line with previous TBRA program requests. The HOME funds will be used for rental assistance, security deposits, and program administration.
- \$43,320 has been secured and \$137,900 is anticipated for a <1:1 funding leverage ratio.

Applicant Background:

- Over the last year the HRA worked to streamline the process of using the new Coordinated Entry System to get referrals to the TBRA program. The HRA has historically managed this program effectively. On-going coordination with the County and the St. Louis County Continuum of Care continues to improve the quality of services provided through this program.

Staff Recommendation:

- This project should be considered for funding. It meets Con Plan goals and falls under the Community Development Program mission by providing affordable housing and enabling participants to work towards economic self-sufficiency.

APPLICATION #2017-06: Garfield Square

Brief Description of Application (including activities and target clientele):

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- Garfield Square Apartments will be a new construction of 50 one-bedroom apartments for high barrier single adults who have experienced multiple bouts of homelessness. The targeted residents of the new Garfield Square project are the current residents at the Esmond.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 1: Affordable Rental Housing
- Goal 9: Homelessness

Budget and Project Readiness:

- Center City has received HOME funds in the past and has been able to appropriate spend the amounts in a timely manner.
- The majority of the funding for this project will be from the Minnesota Housing Finance Agency (MHFA) for Low Income Housing Tax Credits. The applicant will not know if the funding has been approved until late October. If the applicant does not receive funding for this project in October, they will resubmit in June of 2017, which would delay the project one year.
- The project budget appears to be reasonable. \$41,403 has been secured and \$12,404,030 is anticipated for a 2-1:1 funding leverage ratio.

Applicant Background:

- Center City Housing has experience with building supportive housing developments in Duluth, including the San Marco and the Steve O’Neil apartments. Center City is a certified Community Housing Development Operation-CHDO and is in good standing with the City of Duluth.

Staff Recommendation:

- This is a high priority development for the city based on prior commitments related to the Esmond building by the City, the Duluth HRA, and others, including the Minnesota Housing Finance Agency. The project meets goals of the 2015 Consolidated Plan and should be considered for funding.

APPLICATION #2017-26: CHDO Operating Support

Brief Description of Application (including activities and target clientele):

- The application is for Community Housing Development Organization (CHDO) pre-development funds for the development and rehabilitation of 15 affordable housing units and 2 businesses in the Lincoln Park and Central Hillside neighborhoods.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 1: Affordable Rental Housing
- Goal 8: Neighborhood Revitalization

Budget and Project Readiness:

- The exact amount of the request is unclear.

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- The requested HOME money will fund staff time.
- \$20,640 has been secured and \$30,000 to \$35,640 (application is unclear) is anticipated for a < 1:1 funding leverage ratio.

Applicant Background:

- At this time AICHO is not a certified CHDO, so is ineligible to receive this funding.
- No timeline or action steps are provided to show with certainty that AICHO will be able to become a CHDO by April 1, 2017 to be eligible for these funds.

Staff Recommendation:

- The organization (AICHO) requesting this funding is not currently eligible for CHDO funding. Based on materials submitted, it is unclear whether AICHO could obtain CHDO status before the funding date. For these reasons, funding for this application is not recommended at this time.

APPLICATION #2017-29: Multi-family Acquisition

Brief Description of Application (including activities and target clientele):

- HOME funds will be used for acquisition of property for the development and/or redevelopment of 20-40 units of multifamily housing. The target clientele are households that are at or below 60% AMI. Applicant seeks to pair this funding with a future Low Income Housing Tax Credit Application to allow for retention or creation of new affordable housing in the city.

Application goals/outcomes and relation to Consolidated Plan:

- Goal 1: Affordable Rental Housing
- Goal 8: Neighborhood Revitalization

Budget and Project Readiness:

- One Roof has received HOME funds in the past and has been able to appropriately spend the HOME funds in a timely manner on past projects.
- One Roof is a certified Community Housing Development Organization (CHDO).
- No funds have been secured to date, and \$9,000,000 are anticipated with \$200,000 coming from HOME funds, for a funding leverage 2-1:1 ratio.
- One Roof's budget and project readiness appears appropriate. The project will start with homes in the Hillside where it will benefit the largest population of low income households.

Applicant Background:

- One Roof has been providing housing and rental development in Duluth for many years. One Roof has a history of receiving federal funds in the past.

Staff Recommendation:

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- Staff recommends funding for the application because it contributes to the Consolidated Plan goal of creating 300 rental units for LMI families. It also aligns with the CD Committee's Mission of providing affordable housing and increasing economic self-sufficiency.