



Board Summary Report

Date: February 1, 2018

To: Board of County Commissioners

Through: Don Klemme, Community Resources Department Director

From: Jeremy Fink, Community Development Administrator

Subject: Reallocation of Habitat for Humanity Community Development Block Grant (CDBG)

Direction/Information

Arapahoe County Housing and Community Development (HCDS) staff sought approval from the Board of County Commissioners (BOCC) on February 5, 2018 to transfer a Community Development Block Grant (CDBG) award from one Habitat for Humanity project to another (Acquisition, Rehab and Resale to Sheridan Square). HCDS Staff supports the request to further assist the Sheridan Square affordable housing development project and recommends the requested transfer of funds.

The Board of County Commissioners (BOCC) supported the request and directed HCDS staff to set the item for consent agenda.

Background

Habitat for Humanity of Metro Denver was awarded \$100,000 in CDBG funds as part of the 2016 Annual Action Plan to acquire and rehabilitate between two and five residential units for resale to low- to moderate-income residents. Staff at Habitat for Humanity are having difficulty locating and securing appropriate properties in desirable locations that would benefit the new low- to moderate-income home-owners that are also feasible for acquisition, rehabilitation and resale given the current housing market.

In addition to the challenges with acquiring new properties, Habitat is currently experiencing increased costs of developing the former Fort Logan Elementary School site into 63 new units of affordable housing and has requested additional funding to address the increased development costs and current gap in funding.

Arapahoe County awarded and spent \$400,000 in CDBG funds in early 2017 for the initial pre-development of the Sheridan Square site, including storm water/detention and common flatwork/right-of-way improvements that facilitated public infrastructure improvements needed for the infill development. Arapahoe County Home Investment Partnership Program (HOME) funds in the amount of \$500,000 were also approved for the Sheridan Square project by the BOCC in 2017.

Discussion

Approving the request to transfer \$100,000 in CDBG funds from Habitat's Acquisition and Rehabilitation project to the Sheridan Square project would help facilitate the completion of Sheridan Square that will provide 63 families with affordable home-ownership. If approved, the new CDBG with Habitat will continue to retain the intent and purpose of the original grant, adding new units of affordable housing

to Arapahoe County's housing stock. Additionally, the support and approval of this transfer will help with the overall feasibility of this large affordable housing development and help to lessen the impact of rising construction and development costs; thereby, ensuring this project continues in a timely manner.

Links to Align Arapahoe

CDBG funds link to Align Arapahoe in each of the three goals, Service First, Fiscal Responsibility and Quality of Life. With respect to Service First, this project and request demonstrates our commitment to address the affordable housing needs of our community and our commitment to work with those organizations developing and providing affordable housing within the framework of the current housing market. In terms of Fiscal Responsibility, transferring these funds will ensure the timely expenditure of CDBG funds in a manner that is consistent with program requirements and the needs of our subgrantees (Habitat) and our communities (Sheridan). With regard to Quality of Life, Sheridan Square, as an infill development project, is repurposing a former elementary school site into community supported, new affordable housing that will revitalize the neighborhood and provide a positive economic impact to the neighborhood, City of Sheridan and Arapahoe County.

Alternatives

The BOCC may decline this request or recommend an alternative proposal.

Fiscal Impact

The CDBG program is an entitlement program awarded and distributed by the Department of Housing and Urban Development (HUD). Therefore, the allocation/reallocation and use of these funds will not impact Arapahoe County general funds.

Concurrence

Attorney Comments

Reviewed By:

- Jeremy Fink, Community Development Administrator
- Liana Escott, Community Development Administrator
- Linda Haley, Housing and Community Development Division Manager
- Don Klemme, Community Resources Department Director
- Janet Kennedy, Finance Department Director
- Tiffanie Bleau, Assistant County Attorney