



City of Gainesville

City Hall
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..Title

Tiger Bay Project/Block Grant and Surcharge Connection Funds Reallocation (B)

At the May 23, 2005 City Commission Meeting, the City Commission requested staff to come back with recommendations to reallocate the \$100,000 worth of Block Grant and Surcharge Connection funds that were previously set aside for the Tiger Bay Project, since these funds were no longer needed for this project. The total funds set aside for this project included \$72,000 from the Surcharge Connection Program and \$28,000 from the HOME Program. This item involves a request for the City Commission to approve the reallocation of these funds for other affordable housing projects.

..Explanation

Staff recommendations are to: 1) reallocate the \$28,000 in HOME Program funds to the Housing Division for use in the housing rehabilitation program; and 2) reallocate the \$72,000 in Surcharge Connection Program funds to the Affordable Housing set-aside budget to fund other affordable housing projects in this category.

The City of Gainesville Connect Free Committee (CGCFC), comprising General Government and GRU staff members, proposes to reallocate the Surcharge Connection Program funds for two proposed affordable housing projects. On May 18, 2005, the CGCFC received a request from the Neighborhood Housing and Development Corporation (NHDC) for water and wastewater connection funding for various new affordable housing projects. The CGCFC recommended hearing presentations on two of NHDC's new housing developments that are underway. The two housing developments are NorthPoint at Ironwood located in northeast Gainesville and Carter Place located in southeast Gainesville. The NorthPoint at Ironwood development is a mixed-income development and will contain 63 new homes, of which 31 units are reserved for eligible first-time low-income homebuyers. The Carter Place development will contain 3 new homes for eligible first-time low-income homebuyers.

On September 22, 2005, NHDC made a presentation to the CGCFC to formally request the Surcharge Connection Program funding for these two developments. If approved, this funding will assist in reducing the construction costs of the homes for the first-time low-income homebuyers. The CGCFC is recommending for NHDC to receive \$59,644 for the NorthPoint at Ironwood development, and \$12,356 for the Carter Place development for a total of \$72,000. The Surcharge Connection Program funds will be awarded to NHDC on a reimbursement basis.

..Fiscal Note

These funds are available from the HOME and Surcharge Connection Program funds.

..Recommendation

Recommended Motion: The City Commission: 1) approve the reallocation of the \$28,000 in HOME Program funds to the Housing Division for use in the housing rehabilitation program; and 2) approve the allocation of \$72,000 in Surcharge Connection Funds to NHDC for the NorthPoint at Ironwood (\$59,644) and Carter Place developments (\$12,356).

Alternative Recommendation A: The City Commission roll the \$28,000 in the Housing Division's budget for use in other housing programs such as Down Payment Assistance or New Construction. There is no fiscal impact.

Alternative Recommendation B: The City Commission roll the \$72,000 in Surcharge Connection funds in the Programmed Extensions set-aside budget. There is no fiscal impact.

Alternative Recommendation C: The CGCFC to advertise the availability of the \$100,000 to other affordable housing providers on a competitive basis. There is no fiscal impact.