



Legislation Text

File #: 080783., Version: 0

Request for Funding - Connect Free Program (B)

This item proposes to request City Commission authorization to provide Connect Free Program funding in the amount of \$37,500 to Neighborhood Housing & Development Corporation, Inc. (NHDC) to provide water extension and connection services to its new affordable housing development, Ernie's Chips, located in northeast Gainesville.

Effective October 1, 2001, GRU began collecting a 25 percent surcharge on connection charges for customer connection to the water and wastewater system outside of the city limits. On July 28, 2003, the City Commission passed Resolution #030223 specifying that one-half of the surcharge monies from this source would be used to extend water, wastewater, and reclaimed water services within the City. Further, the resolution specified the program funding would be allocated to address water and wastewater needs as follows: 1) 20% Public Health, Safety and Environmental; 2) 20% Affordable Housing; and 3) 60% Programmed Water/Wastewater Extensions. Program funding not expended in the Public Health and Safety and Affordable Housing set-asides by the end of each fiscal year is rolled over to the Programmed Extensions set-aside.

The City's Connect Free Committee (CGCFC), comprised of General Government and GRU staff members, proposes to allocate Connect Free Program funds for a new affordable housing project developed by Neighborhood Housing & Development Corporation (NHDC). On September 8, 2008, the CGCFC received a request from NHDC for water extension and connection funding for its new affordable housing project, Ernie's Chips. The Ernie's Chips development is an affordable housing development and will contain 5 new homes for eligible first-time income eligible homebuyers located at the following addresses:

Lot 1 - 718 NE 12th ST
Lot 2 - 716 NE 12th ST
Lot 3 - 714 NE 12th ST
Lot 4 - 712 NE 12th ST
Lot 5 - 710 NE 12th ST

If approved, this funding will assist in reducing the construction costs of the homes and pass the savings directly to the first-time income eligible homebuyers. NHDC will also leverage the Connect Free Program funds with other public/private funding sources.

The CGCFC is recommending for NHDC to receive \$37,500 for the Ernie's Chips development, which equates to a maximum of \$7,500 per unit. The funds will be awarded to NHDC on a reimbursement basis.

Funds are available from the Connect Free Program, Programmed Extensions set-aside allocation.

The City Commission: 1) approve the allocation of \$37,500 in Surcharge Connection Funds to NHDC for the Ernie's Chips development; and 2) authorize the City Manager or his designee to execute a sub recipient agreement and all necessary documents to award the Connect Free funds to NHDC, subject to approval by the City Attorney.