



## Legislation Text

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**File #: 060827., Version: 0**

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### **Grant to the Charles R. Perry Construction Institute at Santa Fe Community College (NB)**

**This item proposes to award a \$46,500 grant from the Infill Housing Program to the Charles R. Perry Construction Institute at Santa Fe Community College to construct a 1000-square-foot residence that will be owned by the City, and resold to an income-eligible homeowner.**

Santa Fe Community College (SFCC) has created an innovative program that will involve students enrolled at the Charles R. Perry Construction Institute working with construction faculty to build new homes in a classroom environment. The completed homes will be relocated to available City-owned lots and resold to income-eligible homebuyers. This program will provide students with hands-on knowledge, skills and experience in all of the residential construction trades.

The new homes will be modeled after the "Katrina Cottages" house plans, and will be approximately 1000 square feet. Cost is estimated at \$65,000 for the materials to construct each new home. The cost to build the new homes will not have any direct labor costs because the manual labor will be performed by students through this program. SFCC is seeking state matching dollars at a 60/40 rate for all qualified donations. For SFCC to access the matching funds during calendar year 2007, the City must deposit its funds in the Santa Fe account by January 15, 2007. This type of project is eligible for federal HOME funds; but, federal law prevents the drawdown of federal funds prior to the expenditure of these funds. Since federal funds are on a reimbursement basis, staff is recommending that the City Commission approve the use of General Funds to advance the funds to SFCC and then reimburse the General Fund from HOME funds as the funds are expended to build the new home.

The City will own the completed house, and can relocate it to a vacant lot for resale to an income eligible homebuyer. The site will need to be prepared to receive the home, which may include relocation costs, lot clearing and constructing a masonry foundation for the structure. All of these expenses are eligible under the HOME program for this project.

The general fund will be refunded from Infill Housing Program HOME account 104-790-7952-5540-4120.

The City Commission :1) approve awarding a \$46,500 grant to Charles R. Perry Construction Institute at Santa Fe Community College to construct a 1000-square-foot residential structure that will be owned by the City; 2) authorize the City Manager to (a) advance the funds to the Santa Fe Endowment Corporation (SFEC) by January 15, 2007 from the General Fund, (b) reimburse the General Fund from federal HOME funds as SFEC expends the monies, (c) identify a site to relocate the completed structure, (d) prepare the site including building a masonry foundation and other related costs for the structure, (e) relocate the completed structure to the identified site, (f) authorize the sale of the newly constructed home at market value to an eligible homebuyer that will be identified at a future date, (g) provide the grants and /or subsidies required to make the purchase of the properties affordable for an income-eligible homebuyer, and (h) execute the required purchase and sale agreement, grant or subsidy agreement and any other certifications or assurances required to transfer ownership to the homebuyer that will be identified at a later date; 3) authorize the Mayor and Clerk of the Commission to execute the warranty deed required to transfer title to the identified homebuyer, and other related documents to consummate the sale; 4) authorize the City Manager or designee to execute a contract and any other certifications and documents associated with the SFCC program; 5) authorize the Housing Division to use the standard program subsidy, and purchase and sale documents to consummate the transaction, subject to approval by the City Attorney as to form and legality; and 6) authorize the City Manager or designee to use the net sale proceeds from the sale of the property for affordable housing purposes.

Alternative Recommendation A: The City Commission could choose to not approve the recommendation and the Charles R. Perry Construction Institute at Santa Fe Community College would have to locate another source of funding for their project.