



TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: January 12, 2019

SUBJECT: **City Council Approve Minot Housing Authority Sub-Recipient Agreement**

I. RECOMMENDED ACTION

City Council approve sub-recipient agreement with the Minot Housing Authority to provide up to \$5 million in CDBG-NDR funds for resilience measures at Milton Young Tower

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

Milton Young Tower which is owned and operated by the Minot Housing Authority located in downtown is a primary source of stable rental housing for Minot's vulnerable populations especially low and moderate income residents. While Milton Young Towers, itself, was not directly impacted by the 2011 flood, its significance and importance as a sustainable, long term source of housing for Minot's vulnerable populations was amplified as a result of the enormous loss of housing for LMI residents as a result of the 2011 flood. The recently HUD approved comprehensive technical amendment to the CDBG-NDR Action Plan included adding the option of providing capital improvement financing to the Minot Housing Authority for projects that can clearly be defined as resilience improvements. HUD has advised the city that it can use CDBG-NDR funds for such purpose but cannot use CDBG-NDR funds to replace, supplant, or substitute for capital project funding that is the obligation of the Minot Housing Authority related to lack of preventative maintenance, replacing from wear and tear, or aging, and regular, ongoing capital improvement projects established concert with HUD's unit with oversight responsibility of public housing authorities throughout the United States.

B. Proposed Project

The sub-recipient agreement sets forth that up to \$5 million in CDBG-NDR funds will be provided to the Minot Housing Authority for capital enhancements that can be clearly justified as resilience improvements. Such enhancements specified in the agreement include an upgrade to the plumbing in all units, upgrades to electric service and lighting, new elevators, etc. all of which have tangible, measurable benefits including reduced consumption of water and power, as well as extending the useful life of the apartment building for sustainable, long term use should there be future disasters. No funds will be advanced, and no funds will be disbursed without complete design specifications and budget justification completed for each project and approved by the DR Grant Program Manager.

IV. IMPACT:

A. Strategic Impact:

Meets a primary objective of the originally approved CDBG-NDR Action Plan in assuring availability of affordable rental housing for the city's vulnerable populations well into the future.

B. Service/Delivery Impact:

Supports forecasted expenditure of CDBG-NDR funds set aside for rehabilitation and new construction of multi-family housing serving low and moderate income residents maintaining the city's planned timeline for expenditure of all CDBG-NDR funds by September 30, 2022.

C. Fiscal Impact:

The up to \$5 million will be drawn from the CDBG-NDR multi-family allocation of \$20,897,000 which even with the full \$5 million drawn will leave a current balance in the account of at least \$13 million to fund other projects,

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

N/A

VII. LIST OF ATTACHMENTS

- i.* Copy of draft sub-recipient agreement with the Minot Housing Authority