



TO: Mayor Chuck Barney
Members of the City Council

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

DATE: February 16, 2018

SUBJECT: **CDBG-NDR Multi-Family Rehabilitation RFP**

I. RECOMMENDED ACTION

Approve CDBG-NDR Multi-Family Rehabilitation of LMI Units RFP

II. DEPARTMENT CONTACT PERSONS

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

III. DESCRIPTION

A. Background

Multi-Family RFP in 2017 resulted in one proposal being received which was eventually withdrawn by the building owner realizing that it needed a great deal of re-working. An assessment of the RFP and comments and input received has resulted in changes and improvements with the new RFP. Among the assessment outcomes, it could be that the limiting to one award could have had a chilling effect, being too broad in scope and focus could have been discouraging, more specificity and examples in describing what is required could have made the RFP less daunting, and more clarity in purpose and goal of the use of the NDR funds could also have diminished confusion. Apart from the RFP itself, there is also a realization that the lack of institutional experience in Minot resulting from not being a HUD CDBG and HOME grant entitlement city, and previous multi-family rehab through the CDBG-DR funds being done with non-profits, results in a more pressing need for educational and informational outreach. Therefore, it is planned to have multiple workshops both on the specifics of the RFP and on HUD rules and regulations as well as reach to organizations and stakeholders. It needs to be noted, however, that we are also being buffeted by the marketplace which continues to reflect a notable softness in multi-family rental.

B. Proposed Project

This RFP is not limited to one award which hopefully will encourage multiple responses. It also contains far more detail and information describing each of the components of the RFP as to what is necessary to be provided. This RFP's focus is on the downtown although nearby locations can also submit providing it can be demonstrated in such proposals that the project and location of the project will benefit the downtown. The logic and thinking behind the emphasis of this RFP in the downtown is to address concerns from the original RFP that it was too broad and lacked focus and purpose. It is also very clear that additional investment in the downtown should be a priority to sustain continued growth especially in rehabilitating existing buildings. It should be noted that the NDRC Phases I and II applications also emphasized the need for focus on addressing impacts from the flood in the downtown, especially the evident reluctance to invest in rehabilitation and new construction.

IV. IMPACT:

A. Strategic Impact:

Goal of this RFP is to generate needed new investment in rehabilitation of properties within the downtown to induce focus and attention to the critical importance of sustainable growth for the downtown.

B. Service/Delivery Impact:

A priority focus of the NDR grant is to address housing needs especially of the low and moderate income population through such measures as rehabilitation of existing housing. The goal of this RFP is to carry out this focus.

C. Fiscal Impact:

As of the beginning of February, 2018, there is \$20,523,000 of NDR funds remaining from an original allocation of \$20,897,000 for multi-family housing of which \$1,850,000 is allocated for the Park South multi-family project with non-profit Essential Living for which drawdowns are expected to commence in March. This leaves a balance of \$18,650,000. The maximum amount projected to be used by this RFP is \$5,000,000 which will leave a balance of \$13,650,000 for future RFPs.

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

NA

VII. LIST OF ATTACHMENTS

- i. Copy of RFP