

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 20

DATE: February 16, 1999

STAFF: Ken Waido

SUBJECT:

Resolution 99-17 Amending Resolution 98-91, Pertaining to the 1998-99 Community Development Block Grant Program for the City of Fort Collins.

RECOMMENDATION:

Staff and the CDBG Commission recommend adoption of the Resolution.

EXECUTIVE SUMMARY:

On June 2, 1998, Council approved Resolution 98-91 which allocated FY 1998-99 Community Development Block Grant (CDBG) Program funding including an amount of \$138,222 for Concorde Capital Corporation's Richard's Lake Townhome Project. Capital Corporation has notified the City it is unable to utilize the funds. On January 11, 1999, the Northern Colorado AIDS Project (NCAP) requested the CDBG Commission consider reallocation of the \$138,222 to NCAP's Temporary Residence for Asset Development and Empowerment (TRADE) House Project. Adoption of Resolution 99-17 would reallocate the CDBG funds to the NCAP TRADE project.

BACKGROUND:

On June 2, 1998, the City Council approved Resolution 98-91 which allocated FY 1998-99 Community Development Block Grant (CDBG) Program funding including an amount of \$138,222 for Concorde Capital Corporation's Richard's Lake Townhome Project. On December 18, 1998, Concorde Capital Corporation notified City staff that due to site engineering and project negotiation issues, it was unable to utilize the funds that were earmarked for its project. The funds were returned to the CDBG Program budget in anticipation of reprogramming them into the FY 1999-2000 CDBG Program.

On January 11, 1999, the Northern Colorado AIDS Project (NCAP) requested the CDBG Commission consider reallocation of the \$138,222 to the NCAP's Temporary Residence for Asset Development and Empowerment (TRADE) House Project. The project had already received \$16,950 of Home Investment Partnership Program (HOME) funding for the FY 1998-99 Program year. The funding will be used to acquire a four-unit apartment building, which will be rented at affordable rents to persons coping with HIV/AIDS.

CDBG staff took NCAP's request to the CDBG Commission at its regular January meeting. Staff takes requests from applicants to the CDBG Commission who have been funded by CDBG or HOME, but are requesting amendments to their proposal or additional funding. The Commission's recommendation was based on the criteria that was used in June when the Commission

recommended the HOME funding; the need for affordable housing for individuals and families with HIV/AIDS which is in the Consolidated Plan.

NCAP had originally applied for the majority of funding for this project from the Department of Housing and Urban Development's Housing Opportunity for Persons with AIDS (HOPWA) Grant Program, but did not receive funding due to limited available dollars.

Due to the scarcity of existing affordable housing units in Fort Collins, NCAP requested reallocation of the FY 1998-99 CDBG funds prior to the FY 1999-2000 CDBG funding process in order to expedite the purchase of the apartment building. The TRADE project has received \$40,000 from the Resource Coordination Committee and has requested gap financing from Funding Partners for Housing Solutions.

RESOLUTION 99-17
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING RESOLUTION 98-91, PERTAINING TO
THE 1998-99 COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM FOR THE CITY OF FORT COLLINS

WHEREAS, by Resolution 98-91, the Council of the City of Fort Collins approved the 1998-99 Community Development Block Grant Program for the City of Fort Collins (the "Program"); and

WHEREAS, the Program contemplated the funding of a certain project known as the "Richard's Lake Townhomes" authorizing \$138,222 to the applicant, Concorde Capital Corporation; and

WHEREAS, Concorde Capital Corporation has given notice to the City that it will be unable to utilize said funds for the Richard's Lake Townhomes Project; and

WHEREAS, the Northern Colorado Aids Project has requested that the Community Development Block Grant Commission consider reallocation of the said sum of \$138,222 to the Northern Colorado Aids Project's Temporary Residence for Asset Development and Empowerment ("TRADE") House Project; and

WHEREAS, the Community Development Block Grant Commission on the 14th day of January, 1999, recommended to the City Council that the aforesaid allocation be made to the Northern Colorado Aids Project for the TRADE House in the sum of \$138,222; and

WHEREAS, the Council has determined that the reallocation of said \$138,222 from the Richard's Lake Townhomes to the Northern Colorado Aids Project TRADE House is in the best interests of the citizens of the City and should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS that Resolution 98-91 of the Council of the City of Fort Collins, be, and hereby, is amended by reallocating funding for the Program in the sum of \$138,222 from the application of Concorde Capital Corporation for the project known as Richard's Lake Townhomes to the application of the Northern Colorado Aids Project for the Temporary Residence for Asset Development and Empowerment ("TRADE") House Project.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins held this 16th day of February, A.D. 1999.

Mayor

ATTEST:

City Clerk