

Minutes
Community Development
Affordable Housing Advisory Board Meeting
Downtown Main Library • Meeting Room B
Wednesday • November 20, 2013 • 4 p.m.

Members Present: Jon Carroll, Vice Chairperson; Vicki Kerkvliet, Jeffrey Kogel, Shawn Pritchett, Gayleen Riedemann, Aaron Rietsema, and Kate Parker, ex-officio member.

Members Absent: Loretta Paganini, Chairperson; Debra Metzger, Secretary; and Langu Okall.

Also Present: Al Roettger, Brent Tucker, Bruce Smidt, and Lisa Fuller, Community Development staff.

Agenda

1. Call to Order

Jon Carroll called the meeting to order at 4:05 p.m.

2. Additions or Deletions to the Agenda

Item d. under New Business is an addition for a 2013 application for CDBG and HOME funding received concerning a fair housing education project.

3. Approval of the Minutes for the Meeting of March 13, 2013

Upon motion by Aaron Rietsema, seconded by Shawn Pritchett, the Board approved the minutes of the March 13, 2013, Community Development Affordable Housing Advisory Board meeting as emailed. Motion carried unanimously.

4. Old Business

There was no Old Business to discuss.

5. New Business

Al announced that Les Kinstad was recently hired as the Affordable Housing Manager, replacing Dwight McElhaney who retired October 18, 2013.

a. RFP for 2014 Affordable Housing Project

Al distributed a handout detailing the Request for Proposal (RFP) No. 13-0151 for a 2014 large affordable housing development for all to review.

The RFP is being issued to establish a contract with a qualified developer for a large affordable housing project. In 2014, the City will provide up to \$500,000 for one or more large affordable housing projects. The deadline to

submit a proposal is no later than 2 p.m., Thursday, December 5, 2013. The Notice of Intent to Award a Contract is expected Friday, January 3, 2014. The City is hoping to enter into a contract with a developer/proposer within 180 days of the Notice of Intent date of January 3, 2014.

Gayleen questioned if a site location had been chosen. Al replied the developer/proposer is responsible for identification of the property on which the project will be constructed. Al made a referral to the RFP's selection criteria on page 9, Section 4.01, of the RFP's selection criteria. The proposals will be evaluated on their proximity to public transit, major employers, and full-service grocery and distance from other affordable housing projects.

The evaluation committee listed on page 10 will be comprised of the following people:

Director of Community Development—Darrin Smith

Community Development Program Specialist—Bruce Smidt

Affordable Housing Advisory Board Members—Shawn Pritchett and Vicki Kerkvliet

City Council/Planning Commission—Kenny Anderson Jr.

Homeless Advisory Board Coordinator—Stacey Tieszen

Gayleen Riedemann and Aaron Rietsema also expressed interest in being on the evaluation committee in case there is a conflict of interest with Shawn and/or Vicki serving.

The RFP is currently located on the City's website for further review. The deadline for RFP questions is Thursday, November 21, 2013. Al stated the City has never pursued a project of this nature with City funding before but assured the group the City Council is supportive of this RFP.

There was a brief group discussion regarding the importance of meeting the large demand of households in the 30 to 40 percent median family income.

b. Improvements to the Homebuyers Assistance Program

Al stated Community Development would like to focus on the people who really need the assistance and whose income qualifies them for the program, but should also have consistent work history, income, and a minimal amount of savings to enable them to make necessary household repairs to eliminate having them call us for further assistance through utilization of our Single-Family Rehabilitation Program.

Al told the group our department would like to assist the people who are at the start of the home buying process rather than those people who are ready to purchase a home on their own, but then decide to apply for further assistance with us because they heard of our program. Possible requirements to start this process would be to have the homebuyers attend an education class with Lutheran Social Services or Sioux Empire Housing Partnership prior to initiating the application to Community Development.

Al suggested the current debt-to-income ratio of 43 percent could be further tightened and lowered to 40 percent in the near future. Shawn implied in order to qualify for a loan in the banking industry, people need to have a total debt-to-income ratio of 43 percent.

Shawn suggested Al have conversations with the homebuyer educators to ask them because they see such a broad range of buyers as to what guidelines they might suggest.

Gayleen questioned if different criteria would be developed. Al confirmed the goal is to have something developed by January 1 and will bring the results to this committee at our next board meeting in January.

c. **Update on 2013 Projects**

Neighborhood Revitalization Program

Completed four single-family homes; three sold and one is for sale at 600 South Elmwood Avenue. Completion of an 11-unit complex at 322 South Duluth Avenue is expected soon. The program specialist for this project may decide to hold an open house at this complex after completion for board members to tour.

Single-Family Housing Rehabilitation Program

Completed 39 projects; 21 are under way as of today's date.

Emergency Mobile Home Repair

Completed a total of six emergency mobile home repair projects.

Homebuyers Assistance Program

Completed 32 loans; 2 additional loans in progress.

Furnace Replacement Program

Completed 40 single-family furnace projects.

Single-Family Rehabilitation Program

Brent Tucker stated the Rental Rehabilitation Program was primarily established for the Pettigrew Heights area. The City received \$500,000 flex dollars from the South Dakota Housing Development Authority to repair rental homes for property owners in this area. Over the last year and a half, 32 applications were submitted and six projects were completed.

Brent said he received several calls from other people requesting access to these funds as well; however, these people lived outside the Pettigrew Heights area and the state would not allow us to expand the boundaries. The state was open to possibly expanding the program in the future. In September, Brent compiled the necessary marketing information for this program and submitted a request to the South Dakota Housing Development Authority to expand this program to seven additional neighborhoods. The state approved the request to expand this program to the following additional neighborhoods: All Saints, Beadle, West 12th Street, Whittier, Sanford/USF/Augie area, Axtell Park, and the north Cathedral area. These neighborhoods were chosen because at least 50 percent of the properties are rentals.

Since the boundary expansions, Brent has sent out 51 applications and received 22 applications with 80 percent of the funds being allocated. Brent does expect to disperse the entire funding amount. These are funds the City is allowed to keep for 20 years interest-free line of credit. The City is providing these loans with a 3 percent interest. We anticipate turning the money back out as it is returned to the City. Only one or two applications will be completed this year with the majority of projects expected to be completed in 2014.

d. Application for 2013 CDBG and Home Funding

AI distributed a 2013 application submitted by Paul Flogstad, owner of Property Management Solutions, requesting funding for fair housing education. Paul's background is in the property management area with the Good Samaritan Society. Paul's interests is in fair housing and in 2012 assisted Community Development develop the analysis of impediments to fair housing, which was a requirement by HUD. AI stated Paul is familiar with the current fair housing issues that need to be addressed and is proposing to collaborate with community agencies and programs to further plan and define the needs, target groups, and develop strategies.

Vicki responded from an Independent Living Choices perspective that fair housing education is a vital component that is definitely needed as their agency is being contacted more, and more people are contacting their agency requesting assistance with fair housing issues.

Aaron asked if the City has funding in the City's budget. AI responded there is a line item in the City's budget for \$24,000 available funds with \$2,500 recently being committed to Sioux Empire Housing Partnership for Hispanic outreach. The recommendation from HUD is to utilize 1 to 3 percent of our budget to use strictly for fair housing activities.

AI requested approval from this committee to pursue this fair housing education application, requesting \$22,000 for a 6- to 12-month program subject to HUD's criteria.

Upon motion by Aaron Rietsema, seconded by Vicki Kerkvliet, the board approved to fund \$22,000 for a 6- to 12-month fair housing education program application received by Paul Flogstad. Motion carried unanimously.

Aaron also requested that AI notify the committee if there are substantial changes/modifications made to the application.

6. Other Business

There was no Other Business.

7. Adjourn

Upon motion by Jon Carroll, seconded by Shawn Pritchett, the meeting adjourned at 4:55 p.m.


Secretary