



Legislation Text

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DATE: May 28, 2019

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, Assistant City Administrator - Community/Economic Development
Tom Marsh, Director, Building & Neighborhood Services
Kathleen L. Sauseda, Housing Development Coordinator

SUBJECT:

Consideration of Contract 2019-0109, Contract with The Hard Bargain Association for Receipt of Community Development Block Grant Funds from the City of Franklin as Reimbursement for Costs Associated With Construction of Single Family Homes that Benefit Low to Moderate Income Residents. (05/28/19 WS)

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a contract with the Hard Bargain Association as a Community Based Development Organization (CBDO). This contract will reimburse the Association for costs incurred for construction of single-family homes for low to moderate income residents.

Background

The City of Franklin has identified affordable housing development as an important issue in the community. The City solicited proposals from qualified non-profit organizations that are certified as CBDO(s) to develop affordable housing for low to moderate-income residents of the City of Franklin. This funding will be leveraged with bank funding toward the development of single-family affordable homes in the Hard Bargain Mount Hope neighborhood.

This agreement facilitates reimbursement of the Hard Bargain Association up to **Sixty-Three Thousand Six-Hundred Seventy-Two and No/100 Dollars (\$63,672.00)** for costs incurred for construction of new single-family homes for low to moderate income residents. Costs may be associated with acquisition of vacant land, new construction, and/or acquisition and rehabilitation of existing structures.

Invoices may be submitted while the project is in progress as work is performed and the City may choose to reimburse the organization for incremental expenses incurred as work is completed and inspected for satisfactory progress. Final payment is subject to satisfactory completion of all work as determined by City staff.

Financial Impact

This contract will be funded in full through the Community Based Development Organization (CBDO) portion of the Community Development Block Grant (CDBG) through the Department of Housing and Urban Development (HUD).

Recommendation

Staff recommends approval of this contract