



Department of Administration
Community Block Grant Administration

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TO: Community Development Members/ Council Members

FROM: Juanita Hawkins
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RE: File # 001464 - Housing Production (Acquire/Rehab/Sell) Cluster policy and procedures

To concentrate the efforts of CDBG funded housing producers, the Community Development Committee approved at the September 6th, 2000, meeting the creation of a "Housing Pool." At the following meeting on November 15th, 2000, the committee approved that the Housing Pool be utilized on a citywide basis. At the December 13th, 2000, meeting, the committee approved the following criteria and requested the CBGA staff to identify the selection criteria for cluster areas. This is identified in boldface type.

Selection of a Cluster Areas

1. Housing Production Groups will research opportunities in existing TIN areas or in areas adjacent to TINS. The ability to do housing rehabilitation and new construction in TIN areas would serve as a compliment to the owner occupied and rental rehab structures that the TIN program currently addresses.
2. Housing groups will make up to a three-year commitment to meet a cluster objective.
3. Receive "Cluster" nominations for areas from city elected officials and others.
4. Make eligible identifiable areas in the 17 NSP areas, meeting the criteria for "area benefit activities" under HUD regulations (at least 51% of the residents are low and moderate income persons, or receive a designation of "blight" by RACM).
5. The "Cluster" must be a manageable size, about 2 to 10 blocks. Attempts will be made to develop several properties on a single block, recognizing that some properties may require higher outlays for acquisition.
6. Cluster nominations must include a description of the area (including specific census tract or census block groups), the neighborhood partners active in planning in the area, funding (CDBG and HOME*) required to achieve the cluster, and proof that the agency has been active in the area in previous years;

7. **Before, during and after a Cluster effort, it is important to continually evaluate neighborhood conditions to insure that the desired results are being achieved:**
 - **Average assessed value (single family and duplex parcels).**
 - **Percentage of single family and duplex units that are owner occupied.**
 - **Percentage of parcels that are delinquent in the payment of property taxes.**
 - **Percentage of parcels that the City owns due to foreclosure.**

8. **It is important that Housing Cluster opportunities be researched and ready for the Community Development Block Grant annual budget process when funds are designated for housing production activity.**

9. Housing groups will consult with church groups or other non-CBGA funded organizations that currently rehab houses or are engaged in other community development projects. This may lead the housing groups to undertake projects that compliment existing activities by these non-CBGA-funded organizations.

10. A scattered site or "isolated" property could easily qualify for development if it is a "high impact" project. For example a troublesome property on an otherwise stable street would qualify for "high impact" status.

11. Because the goal is to view housing development as a long-term process, efforts on a particular street or several blocks started in previous years (before 2001 could continue in subsequent years to create a "cluster." **Some groups have already established a partnership with an NSP agency and are beginning to work in a concentrated area. Groups will be encouraged to pool their award in the areas where a concentrated effort has begun.**

12. Housing groups acquire In Rem properties for development, which will continue. **Rehabbing these properties should be encouraged for several reasons.**
 - a. **The structures, once rehabbed, are brought back to the tax rolls.**
 - b. **The structures no longer attract graffiti, vandals, arson and drug activity.**

Other Partners

1. Other partners and other complementary activities must be identified for the Cluster revitalization efforts.

Given the scant resources available, concentrating efforts for greater impact is imperative while allowing the groups the flexibility to define a geographic area or "cluster" and subsequently defend why they have chosen to work there. CBGA staff plans to meet on a regular basis with the production groups to further refine the process of selection and determining which projects will have the greatest effect.

*HOME activities require a low or very-low income beneficiary status.