



City of Grand Island

Tuesday, June 28, 2011

Council Session

Item G8

**#2011-152 - Approving Housing Development Corporation
Contract Extension for Neighborhood Stabilization**

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development

Council Meeting: June 28, 2011

Subject: Approving Housing Development Corporation Contract Extension for Neighborhood Stabilization

Item #: G-8

Presenter(s): Joni Kuzma, Community Development Administrator

Background

In 2009 and 2010, the City of Grand Island was awarded a total of \$1,183,000 in Neighborhood Stabilization Program grant from the Nebraska Department of Economic Development. The grant enabled the city to purchase and demolish ten vacant, blighted structures and redevelop seven of the lots in new homes for low to middle income first-time homebuyers.

In the initial December 15, 2009 contract, the Housing Development Corporation, a non-profit housing developer, agreed to redevelop 3 of the properties. The contract period began on July 31, 2010 and ended on June 2, 2011. The Housing Development Corporation has agreed to redevelop two additional lots for the Neighborhood Stabilization Program so a contract extension is required.

Discussion

As per the original agreement, the two additional houses constructed by the Housing Development Corporation will be subsidized through the grant and a \$10,000 developer fee. There are sufficient funds in the grant to conduct the activity of new construction for two additional houses. The grant contract between the Nebraska Department of Economic Development and the City of Grand Island expires August 24, 2011. If approved by Council, the contract with the Housing Development Corporation will be extended from June 2, 2011 to August 24, 2011.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the Contract Extension and authorize the Mayor to sign all related documents
2. Refer the issue to a Committee.
3. Postpone the issue to a later date.

Recommendation

City Administration recommends that Council approves the Housing Development Corporation grant extension for Neighborhood Stabilization and authorize the Mayor to sign all related documents.

Sample Motion

Move to approve the Housing Development Corporation grant extension for Neighborhood Stabilization and authorize the Mayor to sign all related documents.



CONTRACT TIME EXTENSION

PROJECT: Neighborhood Stabilization Program CDBG grant #09-3N-11

CONTRACTOR: Housing Development Corporation

AMOUNT OF ORIGINAL CONTRACT: Developer fees of \$10,000 per redeveloped lot

CONTRACT DATE: December 15, 2009

Notice to Proceed Date ----- July 31, 2010

Original Completion Date ----- June 1, 2011

Revised Completion Date ----- August 24, 2011

Contractor Housing Development Corporation

By _____
Linda Addison

Date _____

Title _____
Executive Director

CITY OF GRAND ISLAND, NEBRASKA

By _____
Jay Vavricek, Mayor

Date _____

Attest _____
RaNae Edwards, City Clerk

RESOLUTION 2011-152

WHEREAS, the City of Grand Island, Nebraska was awarded a \$993,000 Neighborhood Stabilization Program (NSP) grant from the Nebraska Department of Economic Development; and

WHEREAS, the grant will enable the city to purchase and demolish at least six (6) vacant, blighted structures and redevelop the lots into six (6) new homes,

WHEREAS, Habitat for Humanity and the Housing Development Corporation are non-profit housing developers partnering on the grant and are eligible to redevelop at least three properties each,

WHEREAS, the City must enter into a Housing Developer Agreement with each organization to move forward with construction of new housing.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

The City of Grand Island, Nebraska is hereby authorized to enter into Housing Developer Agreements with Habitat for Humanity and the Housing Development Corporation and the Mayor is hereby authorized and directed to execute such contracts.

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Adopted by the City Council of the City of Grand Island, Nebraska, June 28, 2011.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
June 22, 2011 ☐ City Attorney