

Housing Rehab – Bidding, Scopes of Work & Rehab Standards

Panelists

- **Edie Oates & Matt Bower, Community Planning & Economic Development, City of Minneapolis**
- **Bob Schmotter, Greater Metropolitan Housing Corporation (GMHC)**
- **Chris Flood, Rochester First Homes**
- **Bob Engstrom, Robert Engstrom Companies**
- **Bob Lux, Alatus LLC**
- **Lezlie Ballis, Lakes and Pines Community Action Council**

Moderated by Molly Berg, Habitat for Humanity Minnesota



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Edie Oates & Matt Bower

**Community Planning & Economic Development,
City of Minneapolis**



CDBG & NSP

Buying REO Homes/Rehab Strategies

April 30, 2009

Matt Bower, Project Coordinator, City of Minneapolis Grants & Special Projects Office

Edie Oliveto-Oates, Senior Project Coordinator, City of Minneapolis CPED

CDBG & NSP Compared

	CDBG	NSP
Grantee Reporting	Annual thru CAPER	Quarterly thru DRGR
Income Level	$\leq 80\%$ MMI	$\leq 120\%$ MMI
Income Targeting	No specific income targets	25% of expenditures must benefit those $\leq 50\%$ MMI

CDBG & NSP Compared

	CDBG	NSP
National Objective	1) Low/Mod 2) Slum/Blight 3) Urgent Need	Low/Mod/Middle
Objective Benefit	≥70% of funds benefit Low/Mod	100% of funds benefit Low/Mod/Middle
Program Income	Net cash flow X CDBG % of assistance	All revenue by all parties

CDBG & NSP Compared

	CDBG	NSP
Program Income portfolio	Grantee keeps and can reuse for any CDBG eligible activity without restriction	Grantee can only use for NSP purposes and after five years, income returned to HUD
Geographic Target of Resources	Anywhere within community	“areas of greatest need”
Housing New Construction	Must be done by CBDO	No restriction

CDBG & NSP Compared

	CDBG	NSP
Land Banking	Prohibited	Allowed (up to 10 yrs)
Environmental Review	Only local review/HUD approval	May include two reviews: Local/State both with HUD approval
Acquisition Price	Market	5/15% discount rate

CDBG & NSP Compared

	CDBG	NSP
General Admin/Planning Costs	Up to 20% of grant + PI	Up to 10% of grant + PI
Public Facilities (Special Needs Housing)	Considered “non-permanent” housing thus classified as public facility	Considered “non-permanent” housing thus classified as public facility– does not assist in meeting 25% low income housing target
Rehab Standards	No required standards	HQS or local defined standard

CDBG & NSP Compared

	CDBG	NSP
Bidding	Competitive/solicit quotes	Competitive/solicit quotes
Affordability Periods	No required affordability term; income eligibility check only required at lease-up/sale/application for assistance	Term required, minimal compliance period is HOME affordability period; Periodic reinspection of income



HUD Contacts

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Your MHFA contact or local HUD CPD field representative



HUD NSP Trainings

- **HOME & NSP**

May 21, 2009

U.S. Department of Housing and Urban Development
310 West Wisconsin Avenue
Suite 1380
Milwaukee, WI 53203-2289

- **NSP**

June 25, 2009- afternoon

Meet Minneapolis Office
250 Marquette Ave. Suite 1300
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