



CITY OF DURHAM | NORTH CAROLINA

Date: August 2, 2011

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mike Barros, Director
Department of Community Development
Subject: Amendment to the Subrecipient Contract between the Center for Community Self-Help, and the City of Durham.

Executive Summary

Currently, the City has two NSP contracts with Self-Help. Under the larger one (\$570,000.00), Self-Help functions as acquisition agent in SWCD to acquire properties which are then allocated to other non-profits for rehabilitation or redevelopment. Only \$30,000.00 remains unexpended. The other contract in the amount of \$116,500.00 is for Self-Help to acquire 4 properties for the development of new homeownership units by Self-Help. However, three of the four properties are located on Gerard Street where Self-Help already has four homes that have been completed which remain unsold. The amendment will be to fold the \$116,500.00 into the larger contract to allow the 3 Gerard Street properties and a duplex on Chapel Hill Road to be acquired and then made available through the SWCD allocations committee. Habitat for Humanity proposes to build on the 3 vacant lots and has agreed to request them through the allocations committee and Durham Community Land Trustees, Inc. has agreed to request the duplex located at 1508 Chapel Hill Road. NSP activities must be completed no later than January 2013.

Self-Help is requesting that the original NSP Subrecipient Contract be amended to include the funds necessary to purchase these additional properties in Southwest Central Durham.

Recommendation

The Department of Community Development recommends that City Council authorize the City Manager to execute an Amendment to the NSP Subrecipient Contract with the Center for Community Self-Help to increase NSP funding from \$570,000.00 to \$686,500.00 for the acquisition of approximately 4 additional foreclosed/abandoned or blighted properties in Southwest Central Durham.

Background

Funding for the NSP program was authorized by the Housing and Economic Recovery Act of 2008 (HERA). Under the NSP program, benefitting households may have incomes up to 120% of the area median income and not less than 25% of the funds expended must benefit households with incomes at or below 50% of the area median income.

The funding that Self Help is now requesting will be used for the acquisition of 4 additional single family properties located at 703, 705 and 706 Gerard Street and 1508 Chapel Hill Road.

Issues/Analysis

The Center for Community Self-Help has served as the acquisition agent in SWCD/Southside. Properties acquired in SWCD will continue to be allocated through the existing Quality of Life Allocations committee. Rehabilitated or newly-constructed units must be sold for homeownership at or below cost, or held for rental. Habitat for Humanity has expressed interest in receiving the 3 Gerard Street properties for new construction and Durham Community Land Trustees, Inc. has expressed interest in receiving the Chapel Hill Road property for rehabilitation from the committee.

Alternatives

The Center for Community Self-Help was identified in the approved NSP application as one of the City's primary contractors for program implementation. Other entities interested in redeveloping or rehabilitating properties will have the opportunity to request properties through the Quality of Life (QOL) allocation committee in Southwest Central Durham.

Financial Impact

The grant agreement and funding approval from the Department of Commerce has been fully executed by the City and the Department of Commerce and all conditions have been released. There will not be any impact on the general fund.

SDBE Summary

Self-Help shall comply with all applicable provisions of Chapter 26 of the Durham City Code (Equal Business Opportunities Ordinance), as amended from time to time, as they apply. The failure of Self-Help to comply with that chapter shall be a material breach of contract which may result in the rescission or termination of this contract and/or other appropriate remedies in accordance with the provisions of that chapter, this contract, and State law.