

Community and Cultural Development Committee

March 19, 2020

Transfer of CDBG Funded Properties to
A New Leaf, Inc.

Discuss and Seek

Community and Cultural Development Committee's Recommendations
for the possible transfer of two City-owned properties



CDBG

Property Transfer

City Council

- City Council requested further discussion and analysis on two of three properties (1/23/20):
 1. Main Property
 2. University Property
- Additional information requested
 1. Current Market Value
 2. City-owned property exchange
 3. Funding considerations/cost
- Hobson Property Transfer - City Council Approval (1/27/20)



CDBG

Property Transfer

Main Property

September 2017 appraisal

- \$166,000

Current area comps - value of similar property

- \$300,000 to \$325,000

Approximate increase in value

- \$134,000 - \$159,000



CDBG

Property Transfer

University Property

September 2017 appraisal

- \$350,000

Current area comps - value of similar property

- \$500,000 to \$560,000

Approximate increase in value

- \$150,000 - \$210,000.



CDBG Property Transfer

Staff Research & Determination

- Staff worked with the City's Real Estate division
- No City-owned properties vacant and available for use by A New Leaf
- A New Leaf could submit a funding proposal request
 - For CDBG funds for FY 2021/22
 - For the purposes of acquisition and rehabilitation of alternate location



CDBG Property Transfer

Options for Consideration

Sell

Transfer

Lease



CDBG Property Transfer

Options for Consideration

1. Sell the Main Property & University Property
 - Sell at current fair market value
 - Could trigger displacement/relocation -
 - Potential additional costs to City and/or A New Leaf
 - Return funds to CDBG Line of Credit per HUD requirements
 - A New Leaf to identify possible alternate properties
 - A New Leaf - submit a funding proposal request for CDBG funds for FY 2021/2022
 - For the purposes of acquisition and rehabilitation of alternate location



CDBG Property Transfer

Options for Consideration

2. Transfer the Main Property & University Property

- City transfers both properties to A New Leaf
- Consider longer continued use periods (over 10 years)
- City continues to own properties through continued use period
- A New Leaf continues to maintain properties
- A New Leaf continues to comply with CDBG Continued Use Regulations



CDBG

Property Transfer

Options for Consideration

3. Continue Leasing Main Property & University Property to A New Leaf
 - Continue Leasing properties
 - City continues to own properties
 - A New Leaf continues to maintain properties
 - A New Leaf continues to comply with CDBG Continued Use Regulations



Transfer of CDBG Funded Properties to A New Leaf, Inc.

Questions

Community and Cultural Development Committee
March 19, 2020

