



# City Council Study Session

July 5, 2022

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

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Community  
Development Block  
Grant (CDBG)  
Property Transfer  
In Review

## Background

- **Spring 2016:** New Leaf requested transfer of certain city-owned properties purchased via CDBG.
  - Staff directed to update lease, transfer, sale policy
- **Summer 2017:** City Council approved policy for property transfer, sale and lease of HUD-funded assets.
  - Non-profits must lease/serve minimum 10 years
  - Request to transfer from non-profit
  - 30 Day Public Comment Period
  - Compliant with HUD regulations and uses
  - Non-profit may request waiver from HUD to reduce HUD regulation restricted timeframe
- **Fall 2017:** New Leaf renewed transfer request.

CDBG  
Property Transfer  
In Review

## City Council (2019/20)

- City Council requested further discussion and analysis on two of three properties:
  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)

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## 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

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## 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

## 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 2023/2024
    - 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 with an additional continued use period of 10 years before fee-simple ownership\*
  - 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 continued use period has already been met

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## 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

# Today's Request

Review, discuss, and approve recommendation to transfer the Main Property and University Property to A New Leaf.



Questions? Discussion. Recommendation.

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