



Community and Cultural Development Board

May 5, 2022

Request to Transfer of 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)

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

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 a 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 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

Propose a Committee recommendation (sell, lease, transfer) for full City Council consideration.



Questions? Discussion. Recommendation.
