

COUNCIL ACTION FORM

SUBJECT: SINGLE-FAMILY CONVERSION PILOT PROGRAM UPDATE

BACKGROUND:

At the February 14, 2012, meeting, City Council authorized a time extension to solicit property owners for their interest to submit a Request for Proposal (RFP) in connection with the City's 2011-12 Community Development Block Grant (CDBG) Program Single-Family Conversion Pilot Program. Under this pilot program, \$25,000 in CDBG funds was designated to assist a property owner with funds to rehabilitate a single-family conversion rental unit in order to convert it back into a single-family, owner-occupied unit.

The overall goal of the Single-Family Conversion Program is to preserve the City's single-family, owner-occupied housing stock by rehabilitating former single-family dwellings that have been converted into two or more rental units back to single-family, owner-occupied condition and use.

The first Request for Proposal was sent out on January 13 to approximately 226 property owners identified as owners of single-family conversion properties. The RFP submittal deadline was Friday, February 3, 2012. Staff received a number of inquiries about the RFP (some with sincere interest, others not).

After the submittal deadline, several property owners asked for additional submittal time and the deadline was extended until Friday, March 2, 2012. All 226 property owners identified in the initial request were contacted about the extension. **However, no proposals were received by the extended deadline.**

At this time (after meeting with the Sustainable Neighborhood Organization who proposed this project during last year's Annual Action Plan forum) staff is requesting that we put the program on hold, maintain and rollover the initial \$25,000 budget, and solicit proposals in Fall 2012. This will give both staff and the Sustainable Neighborhood Organization time to solicit feedback from property owners, realtors, and others as to possible reason (s) for the lack of interest or adjustments that could be made to generate interest.

ALTERNATIVES:

1. The City Council can authorize putting the Single-Family Conversion Pilot Program on hold, maintaining and rolling over the initial \$25,000 budget, and soliciting proposals in Fall 2012.
2. The City Council can not authorize putting the Single-Family Conversion Pilot

Program on hold, maintaining and rolling over the initial \$25,000 budget, and soliciting proposals in Fall 2012.

3. The City Council can refer this request back to staff for additional information.

MANAGER'S RECOMMENDED ACTION:

There have been no proposals submitted in response to mailings sent out on January 13 and February 3, 2012. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby authorizing putting the Single-Family Conversion Pilot Program on hold, maintaining and rolling over the initial \$25,000 budget, and soliciting proposals in Fall 2012.