MEMORANDUM

DATE: November 4th, 2021

RE: Related to Agenda Item #27 (LF102721-03 – Approve Final FY21 Mid-Year CDBG Funding Recommendations)

During the November 1, 2021, City Council meeting, some questions were presented in which immediate answers could not be provided related to agenda item #27 (LF102721-03 – Approve Final FY21 Mid-Year CDBG Funding Recommendations). The information below shall serve as responses to those remaining inquiries.

Unit Mix
CommonBond Communities’ Lacrosse Street Apartments will be a new construction 42-unit apartment building containing a mix of 16 one-bedrooms, 14 two-bedrooms, and 12 three-bedroom apartments.

Income Mix/Rental Rates
Of the 42 units, 30 will be Low-Income Housing Tax Credit units and 12 will be market rate; this represents a 71/29% split, respectively. The contracted rental rates for the tax credit units will be indexed according to the income level of the households residing in those units. Please find the attached spreadsheet for the detailed unit description, income limits per unit, and proposed rental rates.

Other Requirements
CDBG regulations require a minimum of 51% of units on any particular project to be set aside for households earning 80% AMI or below; however, the City must meet a higher threshold for the CDBG program as a whole in serving low- and moderate-income persons. The Lacrosse Street Apartment project exceeds this minimum single-project CDBG requirement.

Property Taxes
The estimated valuation of property taxes to be paid is $9,600 during construction and $33,736 once occupied.
Amendments
Proposed amendments beyond the thresholds allowed in Rapid City’s Resident Participation Plan as summarized under the ‘Recommendation’ section shall trigger a major amendment and require public comment.