



Legislation Text

File #: 16-414, Version: 1

DATE: September 21, 2016
TO: Members of the Housing & Redevelopment Authority
FROM: Janine Atchison, Housing Coordinator

North/South Oaks Relocation Fees

SUMMARY AND ACTION REQUESTED:

Acquisition of the North/South Oaks Apartment Complex by the Three Rivers Community Action Agency (Three Rivers) will cause two of the existing tenants to be displaced because their income is above the tax credit income requirements established by Rural Development (RD) and Minnesota Housing Finance Agency (MHFA). Three Rivers is requesting assistance from the HRA to pay up to \$6000 for administrative relocation attorney fees.

BACKGROUND:

RD and MHFA funding sources dedicated to the acquisition and rehabilitation of the North/South Oaks project require tenants to be within the tax credit income limits. As a result, Three Rivers Community Action Agency has determined that two tenants will be displaced by the upcoming acquisition of the apartment complex.

The project is also receiving approximately \$189,000 in Community Development Block Grant (CDBG) funding toward the acquisition of the property. In a recent ruling from Dakota County Community Development Agency (CDA) it has been determined that the displaced tenants are entitled to relocation funding and services.

Three Rivers will absorb the relocation costs for the tenants but is requesting the HRA to assist with these unexpected costs by paying up to \$6000 for relocation services attorney fees.

ANALYSIS:

With a recommendation from CDA, Three Rivers plans to hire Attorney Jon Morphew, Morphew Law Office, P.L.L.C., 310 4th Ave S, Suite 5010, Minneapolis, MN 55415 who is experienced in HUD required tenant relocation protocol. Mr. Morphew's fees are \$170.00 per hour with an estimated total cost of \$5000 - \$6000. Morphew will meet with the displaced tenants and assist them with finding replacement housing. He will work with the tenants and Three Rivers to facilitate the relocation with proper notification and documentation. If everything goes smoothly, the actual bill could be less than the amount stated.

RECOMMENDATION:

Staff requests the HRA Board to approve up to \$6000 for relocation attorney fees to meet relocation

requirements in association with the use of CDBG funds.