

V. B) People Inc. Apartment Project – CDBG Grant

This project has been discussed at several points in the recent past, and has been approved for a rezoning from R1 to R5 to allow for apartment houses by-right.

Currently, the contract purchaser (People, Inc.) is pursuing a Community Development Block Grant (CDBG) in the amount of \$700,000 to complete their budgeted funding in order to start this project.

After meeting with People, Inc. and the NSVRC, the Town is in a position to facilitate this grant application request with limited risk. The concept document from People, Inc. outlines the various roles and responsibilities. NSVRC is paid directly from the grant proceeds for grant administration. The Town is the applicant, and funds flow through our budget in a pass-through manner.

People Inc. will issue the Town a Corporate Surety in the full amount of the CDBG to protect the Town from any financial loss in the event of any of the party's default of our agreement.

Given the tremendous upside of this endeavor, as compared to the negligible downside for the community, staff recommend that we participate in this project development as a partner, and assume the duties as outlined.

Staff needs Council to authorize the Mayor, Town Manager and staff to enter into this agreement, and sign the necessary grant paperwork.

The draft FY 2019 budget includes this amount as a pass-through.

Important developmental items such as a VDOT-approved entrance, utilities, and site plan development will be handled as part of the Town's normal permit review processes.