

## CITY OF WICHITA

### UNSOLICITED PROPOSAL POLICY

#### HOUSING AND COMMUNITY SERVICES DEPARTMENT

The department is often in danger of non-compliance to the timeliness standard test set by the U.S. Department of Housing and Urban Development (HUD). An unsolicited proposal policy is, therefore, needed to ensure the department's compliance. Having this policy will increase entitlement grant spending prior to the yearly dilemma of being non-compliant.

Wichita is recognized as an "entitlement" city by HUD. This designation is based on a federal formula, which considers total population, the number of persons below the poverty level, the number of overcrowded housing units, the age of housing and the population growth lag. In order to receive federal funds under the Community Development Block Grant (CDBG) program, entitlement cities must complete and submit a five-year Consolidated Plan for HUD approval. The Consolidated Plan establishes the city's high priority funding activities as recommended through citizen engagement. Upon HUD's acceptance, cities submit annual action plans to reaffirm compliance with the Consolidated Plan.

The city's current Consolidated Plan high priority funding areas include: infrastructure, public service, parks, demolition, code enforcement, home improvement and; homeownership assistance. As some projects experience delay or cancellation, there is a need to have a policy that allows shovel ready projects to be considered so that a public benefit in qualified census tracts can still be attained.

An unsolicited proposal may be submitted in accordance with Title 24 Code of Federal Regulation Part 570 and will be evaluated based on the following nine criteria:

1. Site Control
  - The applicant must have a deed to the property, a minimum of a 40 year ground lease that is co-terminus with any financing arrangements, or an executed purchase contract.
2. Market Demand
  - There must be a clear and demonstrated need for the project or services to be provided. This need will have to be substantiated through a third party analysis that evidences the demand.
3. Background Check
  - All principals of the organization and/or project must receive clearance from the City's vetting process.
4. Public Benefit
  - All projects and/or services must provide a public benefit by meeting the CDBG National Objective of serving a low-moderate income area, removing urban blight or addressing an urgent need.
5. Experience
  - The ownership or project management team must demonstrate expertise and a successful track record in performing in the area where funds are being requested.
6. Sustainability
  - The project must have viability illustrated with strong audited financials in order to continue once City financing ends. Financials from Managing Members or General Partners will be required for newly formed entities.

7. Comprehensive Housing Policy
  - The project must be consistent with the Comprehensive Housing Policy goals by meeting Housing Affordability, Housing Availability or Neighborhood Stabilization requirements.
8. Economic Development Impact
  - The proposal will be evaluated on job creation or job retention as well as leveraged private investment.
9. Gap Financing
  - The City's funds should be used as a gap financing source. Generally, the City will not fund more than 40 percent of the total project cost.

Proposals must be submitted directly to the Council Member representing the district of the planned project or activity. Upon consideration, the Council Member may refer the unsolicited proposal to the City Manager for staff to review pursuant to the above referenced evaluation criteria.

Once staff's review has been concluded, a presentation will be given to the District Advisory Board (DAB) for endorsement. The applicant will be able to answer questions or make clarifying remarks based on the staff presentation.

Following the DAB presentation, staff will prepare an agenda item so that City Council may consider the unsolicited proposal. Staff will then present to City Council and make a recommendation. If City Council accepts the unsolicited proposal, a 30-day public comment period will immediately follow. During this time, citizen feedback will be solicited at all neighborhood centers as well as newspapers for the city and community and the Housing and Community Services Department.

Thereafter, staff shall return to City Council for the close of the public comment period and subsequent City Council vote. If there is an affirmative vote, staff will submit the documentation to HUD so that a substantial amendment to the Annual Action Plan can be effectuated.