

June 10, 2010



Alabama Department of Economic and Community Affairs (ADECA)  
401 Adams Avenue Suite 500  
Montgomery Alabama 36103

Dear Mr. Olia:

Pertinent to ADECA's request for public comment regarding the State of Alabama's Consolidated Annual Performance and Evaluation Report (CAPER,) please accept the following information:

The City of Huntsville, Alabama has awarded the Huntsville Housing Authority (HHA) \$500,000 HOME funds to be used for the construction of the HHA's Gateway Place Senior Housing Development. The HHA has, in addition to that funding, \$9,795,250 from the Alabama Housing Finance Authority, \$5.7m from another HUD source, \$100,000 grant from Wachovia/Wells Fargo, and \$717,000 of other funds to be applied to this project.

The total to be expended for the project is about \$16-17m for the 81 one bedroom and 5 two bedroom units, or about \$190,000 (plus or minus) per unit. In reviewing the United States Department of Housing and Urban Development's (HUD) Office of Community Planning and Development information about the cost per HOME-assisted unit per family (see attached,) it appears that the cost per unit for the HHA project is significantly higher than the \$45,303 cited by HUD for previously constructed units utilizing HOME funds.

Is the \$500,000 HOME award from the City of Huntsville to the HHA part of the CAPER submission and is the award appropriate considering the cost per unit of the planned construction?

Thank you for your consideration of this matter.

Yours truly

Dee O'Malley  
702 Bluewood Drive SE  
Huntsville Alabama 35802  
(256) 880-9566

U.S. Department of Housing and Urban Development  
 Office of Community Planning and Development  
 Integrated Disbursement and Information System  
 Cost Per Home-Assisted Unit/Family  
 ALABAMA

All Years - Commitments

Activity Type	# of Units/ Families	Total Cost	Home Subsidy	Total Cost Per Unit/Family	Home Subsidy Per Unit/Family
NEW CONSTRUCTION	811	102,316,873	24,739,890	126,161	30,505
ACQUISITION ONLY	1	10,000	0	10,000	0
	812	102,326,873	24,739,890	126,018	30,467
TBRA*	0		0		0

All Years - Completions

Activity Type	# of Units/ Families	Total Cost	Home Subsidy	Total Cost Per Unit/Family	Home Subsidy Per Unit/Family
NEW CONSTRUCTION	8,562	387,892,133	220,862,439	45,303	25,795
ACQUISITION ONLY	260	2,855,150	2,600,000	10,981	10,000
	8,822	390,747,283	223,462,439	44,292	25,330

\* TBRA cost per family may include security deposits only and may be varying contract terms.

\*\* Number of families who have received TBRA payments. Home subsidy per family reflects disbursements to date and will increase monthly.

OFFICE OF THE GOVERNOR

**BOB RILEY**  
GOVERNOR



ALABAMA DEPARTMENT OF ECONOMIC  
AND COMMUNITY AFFAIRS

**DONI M. INGRAM**  
DIRECTOR

**State of Alabama**

June 23, 2010

Ms. Dee O'Malley  
702 Bluewood Drive SE  
Huntsville, AL 35802

Dear Ms. O'Malley:

Thank you for your letter pertaining to the 2009 Consolidated Annual Performance and Evaluation Report (CAPER).

With regard to your question relating to the \$500,000 HOME award from the City of Huntsville to the Huntsville Housing Authority, this award is not part of the State CAPER.

Thank you for your interest in the 2009 CAPER.

Sincerely,

A handwritten signature in black ink, appearing to read "Shabbir A. Olia".

Shabbir A. Olia  
CED Programs Manager

SAO:GA:sp