



## Legislation Details (With Text)

**File #:** 17-190      **Version:** 1      **Name:** SR - CDBG CSA Rebuilding Together - Housing Rehab Program

**Type:** Staff Report      **Status:** Filed

**On agenda:** 5/1/2017      **In control:** City Council

**Enactment date:**      **Final action:** 5/1/2017

**Enactment #:**

**Title:** Staff Report for a Resolution Approving a Consulting Services Agreement for \$193,595 of Community Development Block Grant (CDBG) Funds Between the City of San Leandro and Rebuilding Together Oakland-East Bay for the Provision of Housing Rehabilitation Grants

**Sponsors:** Cynthia Battenberg

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
5/1/2017	1	City Council	Received and Filed	

Staff Report for a Resolution Approving a Consulting Services Agreement for \$193,595 of Community Development Block Grant (CDBG) Funds Between the City of San Leandro and Rebuilding Together Oakland-East Bay for the Provision of Housing Rehabilitation Grants

### SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution approving a Consulting Services Agreement with Rebuilding Together Oakland-East Bay for \$193,595 to administer the City’s Housing Rehabilitation Program from May 1, 2017 through June 30, 2018. This Community Development Block Grant (CDBG) Housing Activity project is authorized by the City Council as part of the City’s U.S. Department of Housing and Urban Development (HUD) Annual Action Plans and will be funded by CDBG grant funds.

### BACKGROUND

Since 1989, the City’s Housing Rehabilitation Program (Housing Rehab Program) has been popular and effective in assisting very low-income homeowners, especially fixed-income seniors, to improve and affordably remain in their homes. . The program also enables seniors to age in place, a current General Plan Housing Element goal.

The Housing Rehab Program provides grants of up to \$5,000 to homeowners to improve and maintain their homes. The grants, which are available to eligible owner-occupants of single-family homes, duplexes, and mobile homes, can pay for minor home repair, mobile home repair, accessibility, exterior paint, exterior yard clean-up, and seismic strengthening. Successfully completed rehabilitation projects include sewer lateral replacements, water heater replacements, roof replacements and repairs, electrical repairs, plumbing repairs, installations of ADA compliant bathroom fixtures, mobile home leveling and new mobile home skirting. Eligibility is based on

income. For example, the annual income of a one-person household must not exceed \$52,650 and the annual income of a two-person household must not exceed \$60,150.

Due to limits in City staffing and technical capacity, the City began outsourcing administration of the program in 2003 to Neighborhood Solutions, an experienced administrator of municipal rehabilitation programs. In January 2017, due to unexpected and extenuating circumstances, Neighborhood Solutions informed the City that they would no longer be able to administer the Housing Rehab Program effective immediately.

Consequently, the City expeditiously issued a Request for Proposal for administration of the Housing Rehab Program on January 19, 2017. The City received only one proposal from Rebuilding Together Oakland East Bay (Rebuilding Together). Rebuilding Together is an affiliate of Rebuilding Together, Inc., which was formerly known as Christmas in April, a leading nonprofit working to preserve affordable homeownership and revitalized communities.

### **Analysis**

Rebuilding Together has the expertise and experience to administer San Leandro's Housing Rehabilitation Program. Rebuilding Together currently administers the housing rehabilitation programs for the Cities of Oakland and Hayward. Rebuilding Together staff has the knowledge of construction standards and is also well versed in the regulations and requirements of HUD's CDBG program. The City Council also recently approved in March 2017 a contract with Rebuilding Together to administer a similar home improvement grant program for Trailer Haven Mobile Home Park residents.

Since the dissolution of the City's Redevelopment Agency in 2012, the Housing Rehab Program has been funded solely with federal Community Development Block Grant (CDBG) funds. Prior to the dissolution of the City's Redevelopment Agency, Housing Set-Aside funds were used to fund both grants and loans to income eligible homeowners.

Rebuilding Together will serve as the City's program administrator and provide administrative services such as:

- reviewing prospective homeowners' applications for income-eligibility
- providing inspection services,
- managing construction progress and completion,
- monitoring contractors for compliance with federal CDBG regulations as well as with local and State health, safety, and building laws.

The contract will allow Rebuilding Together to award grants to approximately twenty-five (25) homeowners until June 30, 2018. The \$193,595 budget allocates \$34,500 to Rebuilding Together's administrative budget and the remaining \$159,095 for rehabilitation grants directly to qualified homeowners.

### **Current Agency Policies**

Current Council policy is defined by the FY 2015-2019 Consolidated Plan, adopted by Resolution No. 2015-080 on April 20, 2015.

### **Previous Actions**

On May 2, 2016, the City Council approved the FY 2016-2017 Action Plan; this housing activity program is described in the Action Plan.

**Applicable General Plan Policies**

Housing Element Policy 56.01, Rehabilitation of Owner-Occupied Housing -- undertake a range of programs that assist private property owners, particularly low- and moderate-income owners, in maintaining and improving the condition of their homes.

**Environmental Review**

National Environmental Protection Act (NEPA) environmental review of this program is complete.

**Fiscal Impacts**

This Housing Rehabilitation Program will cost \$193,595. It will be funded, in part, with the \$84,094 current CDBG balance for 2016-17 in account number 165-43-232. The remaining \$109,501 will be funded with the proposed CDBG allocation from the U.S. Department of Housing and Urban Development (HUD) for 2017-18. HUD has not released the final 2017-18 CDBG funding as of April 19, 2017. If the allocation is less than \$100,000, then the City will amend the contract with Rebuilding Together, accordingly.

**Budget Authority**

Budget authority for CDBG funds is derived from Title I of the Housing and Community Development Act of 1974 (24 CFR 570 et seq.).

**ATTACHMENT**

**Attachment(s) to Resolution**

- 2017 CDBG Consulting Services Agreement between City and Rebuilding Together Oakland-East Bay

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