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**Title:** Staff Report for a Resolution Approving the Community Development Block Grant (CDBG) Consulting Services Agreement for \$90,000 in FY 2015-2016 Between the City of San Leandro and Neighborhood Solutions - \$19,000 for Program Administration and \$71,000 for the Provision of Housing Rehabilitation Grants

**Sponsors:** Cynthia Battenberg

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Staff Report for a Resolution Approving the Community Development Block Grant (CDBG) Consulting Services Agreement for \$90,000 in FY 2015-2016 Between the City of San Leandro and Neighborhood Solutions - \$19,000 for Program Administration and \$71,000 for the Provision of Housing Rehabilitation Grants

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council adopt a resolution approving the Community Development Block Grant (CDBG) consulting services agreement with Neighborhood Solutions for \$90,000 to administer the City’s Housing Rehabilitation Program for FY 2015-2016. This CDBG Housing Activity project was authorized by the City Council on April 20, 2015 in the FY 2015-2019 Consolidated Plan, which includes the FY 2015-2016 Action Plan.

**BACKGROUND**

Since 1989, the City’s Housing Rehabilitation Program (Program) has been a popular and effective program for assisting very low-income homeowners, especially fixed-income seniors, to affordably and effectively maintain or improve their homes, which in turn enhances the City’s residential neighborhoods. The program’s other goal of assisting seniors to age in place in their present homes is identified in the City’s current 2015 Housing Element.

The Program provides grants of up to \$5,000 to single-family homeowners to improve and maintain their homes. The City began outsourcing the administration of the program in FY 2003-04 to Neighborhood Solutions due to inadequate City staffing and technical capacity. Neighborhood Solutions is an experienced administrator of municipal rehabilitation programs that also administers the rehabilitation programs for the Cities of Livermore and Pleasanton.

Since the dissolution of the City's Redevelopment Agency in 2012, the Program stopped being funded through Redevelopment Housing Set-Aside Housing funds (RDA Set-Aside) and has been funded instead with federal Community Development Block Grant (CDBG) funds. Due to the limited amount of CDBG funds available annually, the Program provides only housing rehabilitation grants, whereas with the former RDA Set-Aside funds the City was able to fund both grants and loans to income eligible homeowners.

### **Analysis**

The Housing Rehabilitation Program 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. This FY 2015-2016 contract will allow Neighborhood Solutions to award grants to approximately fifteen (15) homeowners. The \$90,000 budget allocates \$19,000 to Neighborhood Solutions' administrative budget and the remaining \$71,000 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 April 20, 2015, the City Council approved the FY 2015-2019 Consolidated Plan that includes the FY 2015-2016 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 \$90,000. It will be funded by FY 2015-2016 CDBG monies in account number 165-43-232.

### **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**

- CDBG Consulting Services Agreement with Neighborhood Solutions

**PREPARED BY:** Steve Hernandez, Housing Specialist II, Community Development Department