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Title: Staff Report for a Resolution of the City of San Leandro City Council to Approve a Consulting Services Agreement for \$150,000 of Community Development Block Grant (CDBG) Fiscal Year 2020-2021 Funds Between the City of San Leandro and Rebuilding Together Oakland-East Bay for the Provision of Housing Rehabilitation Grants.

Sponsors: Tom Liao

Indexes:

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Staff Report for a Resolution of the City of San Leandro City Council to Approve a Consulting Services Agreement for \$150,000 of Community Development Block Grant (CDBG) Fiscal Year 2020-2021 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 (RTO) for \$150,000 to administer the City's Housing Rehabilitation Program from July 1, 2020 through June 30, 2021. This Community Development Block Grant (CDBG) Housing Activity project is authorized by the City Council as part of the City's FY 2020-2021 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan and will be funded by CDBG grant funds.

BACKGROUND

Since 1989, the City's Housing Rehabilitation Program (Housing Rehab Program) has been effective in assisting very low-income homeowners, especially fixed-income seniors, to improve and affordably remain in their homes and age in place. The Housing Rehab Program also contributes to the City's efforts to preserve its aging housing stock. These efforts advance the goals in the City's General Plan Housing Element.

The Housing Rehab Program provides grants of up to \$5,000 to homeowners to improve and maintain their homes. The grants are available to eligible owner-occupants of single-family homes, duplexes, and mobile homes, and can pay for minor home repairs, mobile home repairs, accessibility upgrades, exterior paint, exterior yard clean-up, and seismic strengthening. Other 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 \$73,100 and the annual income of a two-person household must not exceed \$83,550.

Due to limits in City staffing and technical capacity, in 2003 the City started outsourcing this program's administration. In 2017, Rebuilding Together Oakland | East Bay was selected to provide these services to San Leandro residents. Rebuilding Together is an affiliate of Rebuilding Together, Inc., which was formerly known as Christmas in April, a nonprofit working to preserve affordable homeownership and to revitalize communities.

Analysis

RTO has the expertise and experience to administer San Leandro's Housing Rehabilitation Program. RTO currently administers the housing rehabilitation programs for the Cities of Oakland and Hayward. RTO staff have the knowledge of construction standards. RTO are also well versed in the regulations and requirements of HUD's CDBG program.

Since the dissolution of the City's Redevelopment Agency in 2012, the Housing Rehab Program has been funded solely through 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.

RTO will provide the following services:

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

During the contract's one-year term, RTO will award grants to approximately twenty (20) homeowners. The \$150,000 budget allocates \$42,000 to RTO's administrative budget and the remaining \$108,000 for rehabilitation grants to repair the homes of qualified homeowners. The FY 2020-2021 budget represents a \$50,000 increase from FY 2019-2020 due to increased demand from lower income homeowners, particularly seniors.

Current Agency Policies

Current Council policy is defined by the FY 2020-2024 Consolidated Plan, adopted by City Council on June 15, 2015.

Previous Actions

On June 15, 2020, the City Council approved the FY2020-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan for submittal to HUD via Resolution No. 2020-056; this housing activity program is described in the Annual 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 \$150,000. It will be funded with the approved CDBG allocation from the U.S. Department of Housing and Urban Development (HUD) for FY 2020-2021.

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.). Fiscal Year 2020-21 operating accounts 165-43-232-5120 and 165-43-232-8501 shall be used for the \$150,000 cost associated with the Housing Rehabilitation Program.

ATTACHMENT

Attachment to Resolution

- None

Attachment to Resolution

- FY 2020-2021 CDBG Consulting Services Agreement between the City of San Leandro and Rebuilding Together Oakland | East Bay

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