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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 2016-2017 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 2016-2017 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 2016-2017. This CDBG Housing Activity project was authorized by the City Council on May 2, 2016 as part of the FY 2016-2017 HUD 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, assisting seniors to age in place, is identified in the City’s current 2015 Housing Element, adopted in January 2015.

The Program provides grants of up to \$5,000 to 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 has been funded with federal Community Development Block Grant (CDBG) funds. Due to the limited amount of CDBG funds available annually, the Program provides only small housing rehabilitation grants. 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.

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.

In FY 2015-16, grants were provided to ten homeowners to improve their homes. Completed rehabilitation work included sewer later replacement, water heater replacement, roof replacement, electrical repair, plumbing leak repair, installation of ADA toilets and shower grab bars, mobile home leveling and new mobile home skirting. The program is currently processing the applications of nine other homeowners who are also requesting rehabilitation assistance.

The FY 2016-2017 contract will allow Neighborhood Solutions to award grants to approximately thirteen (13) 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 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 \$90,000. It will be funded by FY 2016-2017 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

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