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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 \$100,000 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.				

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Staff Report for a Resolution of the City of San Leandro City Council to Approve a Consulting Services Agreement for \$100,000 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 \$100,000 to administer the City's Housing Rehabilitation Program from July 1, 2018 through June 30, 2019. This Community Development Block Grant (CDBG) Housing Activity project is authorized by the City Council as part of the City's FY2018-19 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 popular and effective in assisting very low-income homeowners, especially fixed-income seniors, to improve and affordably remain in their homes and age in place. Also, the Housing Rehab Program contributes to the City's efforts to preserve its aging housing stock. These are all efforts to advance the goals in the City's Housing Element of the General Plan.

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. 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 \$56,300 and the annual income of a two-person household must not exceed \$64,350.

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.

Soon thereafter, on January 19, 2017, the City issued a Request for Proposals to administer the Housing Rehab Program. 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 to revitalize communities.

Rebuilding Together has been diligently conducting all areas identified in their scope of work from their last contract including setting up administrative/financial/contracting systems and establishing program delivery coordination with City Housing staff and federal CDBG regulations. Due to staff turnover both in Rebuilding Together and the City Housing Services Division in the last year, this program has been slower to launch than originally expected. Rebuilding Together has been diligently working to more effectively implement the City's Housing Rehab program and now has staffing in place to more adequately administer the program in FY2018-19.

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 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 fifteen (15) homeowners until June 30, 2019. The \$100,000 budget allocates \$25,000 to Rebuilding Together's administrative budget and the remaining \$75,000 for rehabilitation grants to repair the houses of 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 June 4, 2018, the City Council approved the FY 2017-2018 Annual Action Plan; 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 \$100,000. It will be funded with the approved CDBG allocation from the U.S. Department of Housing and Urban Development (HUD) for FY 2018-19.

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

- FY 2018-2019 CDBG Consulting Services Agreement between the City of San Leandro and Rebuilding Together Oakland - East Bay

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