

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: Reprogramming of Community Development Block Grant Funds to the Emergency and Minor Home Repair Program

Meeting Date: April 28, 2014
Department: Planning & Development
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Agenda Item Number: 4
Staff Contact: Michael Wisth
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ISSUE STATEMENT

The City Council is asked to approve the reprogramming of Community Development Block Grant (CDBG) funds from remaining microenterprise and property acquisition funds to the City's Emergency and Minor Home Repair program.

BACKGROUND

The City of Eugene established current goals and programs benefitting low-income people through the adopted 2010 HUD Consolidated Plan. The Consolidated Plan guides the use of CDBG and HOME funds over a five-year period. Each year, the City Council approves the allocation of federal funds through a One-Year Action Plan. The funding allocations and uses of funds are described and submitted to HUD each year in a document called the One-Year Action Plan and must align with the goals and programs in the adopted Consolidated Plan. From time to time, the City Council also approves the reprogramming of federal funds among projects and programs to address unavoidable changes in approved projects or to facilitate timely use of CDBG funds as required by HUD.

Reprogramming funds for the Emergency and Minor Home Repair program (EMHR)

The EMHR program provides no-interest loans and grants of limited size to very-low-income tenants and homeowners in emergency situations and for accessibility improvements. These critical repairs enable occupants with very limited means to remain housed. Critical emergency repairs costing up to \$5,000 are made on homes owned by households with incomes at or below 50 percent of the local area median income. This assistance is provided as interest-free, deferred loans for homes in fee simple ownership and as grants for homes owned as personal property such as units located in manufactured home parks. Many recipients of emergency home repairs are seniors and persons with disabilities living on fixed-incomes.

The City completes an average of 30 home emergency home repairs each year. Examples of typical repairs include:

- Construction of wheelchair ramps and removal of other architectural barriers so residents who are aging or develop a disability may continue to safely occupy their homes;

- Safety upgrades to hazardous electrical systems to prevent home fires and shock injuries;
- Replacement of leaky roofs to prevent mold; and,
- Repairs to blocked sewer lines to improve sanitation.

The EMHR program has drawn down all available funding for FY13/14, leaving a funding gap for the program. In addition, funding is required for the FY14/15 program. Remaining funding from the microenterprise development program and property acquisition programs are available and may be reprogrammed to assist with covering this program's current deficit and ensure funding through FY14/15.

Funds from microenterprise development became available following the closing of eDev, a long-time provider of microenterprise training and consulting. The funds reallocated from property acquisition will have no adverse effect on the City's ability to purchase property and do not affect the City's affordable housing development plans.

Staff recommends amending the Eugene-Springfield FY10-11, FY11-12, and FY 13-14 One-Year Action Plans for Housing and Community Development to reallocate a total of \$150,000 in Community Development Block Grant (CDBG) annual entitlement funds to the FY 13/14 Housing Rehab Program (Single-Unit) allocation. The funds to be reallocated include:

- \$30,000 – FY13/14 funds originally allocated for eDev Microenterprise Assistance
- \$ 1,795 – FY12/13 funds allocated for eDev Microenterprise Assistance
- \$23 -FY11/12 funds allocated for eDev Microenterprise Assistance
- \$23,896 - FY11/12 funds allocated for Housing Development – Property Acquisition
- \$94,286 - FY10/11 funds allocated for Housing Development – Property Acquisition

Following FY14/15, the EMHR program will receive annual funding consideration from the Community Development Block Grant Advisory Committee, streamlining the funding process of the program. Reprogramming will also facilitate compliance with HUD timeliness requirements by drawing down remaining funds from previous activities.

The CDBG Advisory Committee advises the City on the use of CDBG funds. To amend the One-Year Action Plan and reallocate funds to specific programs or projects, HUD regulations require a citizen participation process, including advertising a 30-day written comment period and a public hearing to be held at a CDBG Advisory Committee meeting, followed by City Council action.

RELATED CITY POLICIES

The recommended proposals support the City's community development goals established in the Consolidated Plan 2010, which guides the use of federal CDBG and HOME funds through 2015.

COUNCIL OPTIONS

The City Council can approve, not approve, or modify this Action Plan amendment.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends the reprogramming of \$150,000 in CDBG funds from the Microenterprise Development & Property Acquisition projects to the Emergency and Minor Home Repair program.

SUGGESTED MOTION

Move to approve the reprogramming of \$150,000 in CDBG funds from the Microenterprise Development & Housing Acquisition projects to the Emergency and Minor Home Repair program.

ATTACHMENTS

None

FOR MORE INFORMATION

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