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CITY ADMINISTRATOR'S OFFICE MEMO
cityadmin@hiawatha-iowa.com
319-393-1515 ext.523

To: Mayor Bennett and City Council

From: City Administrator, Kim Downs

Date: March 7, 2018

RE: CDBG Housing Rehabilitation Program Notice of Public Hearing for the Proposed Project Activities

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In preparation for completing the Community Development Block Grant (CDBG)-Housing Rehabilitation Program Application the City is required to provide for public hearing on our proposed project activity.

The notice gives citizens the opportunity to make comment, gives us another chance to inform citizens of such a program and confirms the administrative plan that must be followed if the City is awarded dollars for a CDBG Owner Occupied Housing Rehabilitation Program.

The community's owner-occupied rehabilitation program aims to preserve and/or stabilize the community's housing stock that is affordable to low and moderate income persons and to provide safe, decent and sanitary housing to the community's residents who do not have the financial means to make repairs to their own dwellings. The community also hopes to improve the general aesthetics and attractiveness of the community's housing stock and to assist in the promotion and attraction of economic and community development opportunities to the area.

Six homeowners with properties located within the selected Target Area will be assisted through this program.

The selected Target Area boundaries have been identified in this neighborhood to include both sides of the following bordering streets, except where noted:

- Southern: North side of Blairs Ferry Road from C Avenue to 4th Avenue
- Western: 4th Avenue from Blairs Ferry Road to W. Clark Street
- Northern: W. Clark Street from 4th Avenue to Center Point Road, south down Center Point Road to E. Willman Street and north up A Avenue to E. Clark Street to Cimarron Drive
- Eastern: Both sides of C Avenue from E. Clark Street to Blairs Ferry Road

The maximum amount of assistance to an individual rehabilitation project from the community's program funds is $24,999. The maximum assistance level is on the hard costs of rehabilitation (materials, labor and the contractor's overhead and profit) <u>only</u>, not the administrative costs, lead hazard reduction costs, lead hazard reduction carrying costs, or temporary relocation costs necessary to complete the project. There are other dollars available for those expenses through Iowa Economic Development.

Project costs (the hard costs of rehabilitation) in excess of the maximum amount of program assistance available must come from sources other than the community's program funds.

Program funds are intended to be used to cover the hard costs of rehabilitation (materials, labor, and the contractor's overhead and profit) and the administrative (program implementation) costs associated with the rehabilitation of residential dwellings within the community that meet the eligibility requirements.

The term of the mortgage lien is five years, remaining at one-hundred percent of the loan amount for the first full year and decreasing twenty percent each year thereafter. The anniversary date of the mortgage lien is the date of signature.

Project work-CBDG Administrator's Housing Inspector will conduct an inspection to verify the proper work which has been invoiced is completed. Upon receiving the verification, the city will draw down or request CDBG funds by using a GAX form signed by the contract signatory and submitted through iowagrants.gov.

At the same time, we are working on completing the application we will need to formally solicit technical services to help ensure we are in compliance with the CDBG program requirements. Activities will include but are not limited to application intake and processing, property inspections and write ups, and lead hazard reduction work. We have previously approved ECIcog to assist with these activities but Housing and Urban Development Act of 1968 amendment is now requiring the applicant to formalize an RFP process for technical services.

It is at this time I would ask council to:

- Set a public hearing date of April 4th at 5:30 to provide notice for our CDBG "Proposed Project Activities"
- Approve the CDBG Owner Occupied Housing Rehabilitation Administrative Plan for Program Year 2018
- Authorize staff to solicit a RFP for technical service for the proposed housing project

Thank you for your consideration to continue moving forward in the application process. Applications are due May 4, 2018.

Proposed Project Activities

Public Hearing
Hiawatha Owner-Occupied Housing Rehabilitation Application
Wednesday, April 4th, 2018

1. How the need for the proposed activity or project was identified.

The City of Hiawatha has determined that housing rehabilitation funding assistance would be greatly beneficial in implementing its goal of maintaining a safe, livable, and affordable housing stock within the city. The City's most recent Community Development and Housing Needs Assessment shows that the City places a great deal of emphasis on the area's housing stock.

2. How the proposed activity or project will be funded and the source of the funds.

The owner-occupied housing rehabilitation project will be funded with $236,994 in federal funds and $15,000 in local matching funds.

3. The date the Housing Fund application will be submitted.

The application will be submitted by May 4th, 2018 at 12:00 pm to the Iowa Economic Development Authority.

4. Amount of federal funds to be requested.

The amount of federal funds to be requested is $236,994.

5. Estimated portion of federal funds that will benefit persons of low and moderate income.

One hundred percent of the funds will benefit households with incomes at or below 80 percent of the area's median income level.

6. Where the proposed activity or project will be.

A target area for this program has been selected. The target area can be seen on the map provided (available by handout). This area was selected based on the overall age and condition of homes in the area.

7. Plans to minimize displacement of persons and businesses as a result of funded activities or projects.

Due to the lead hazard reduction activities required as a part of this program, money has been budgeted to assist homeowners who may need to be temporarily relocated from their homes as part of the project. The total amount budgeted for the overall program is $3,000, which includes a daily stipend, moving expenses, and storage of property. The amount will be allocated as necessary for each rehabilitation project.

8. Plans to assist persons actually displaced.

Those owner-occupants who are required to be temporarily relocated will be asked to find housing that is Lead Safe in which to be relocated until the rehabilitated home has passed clearance testing. The City will pay up to five days of relocation expenses and reimburse the rest of the funds once the full amount of days out of the project home is known. If the homeowner is to enter the home during a period of relocation activity, funds will not be awarded or reimbursed.

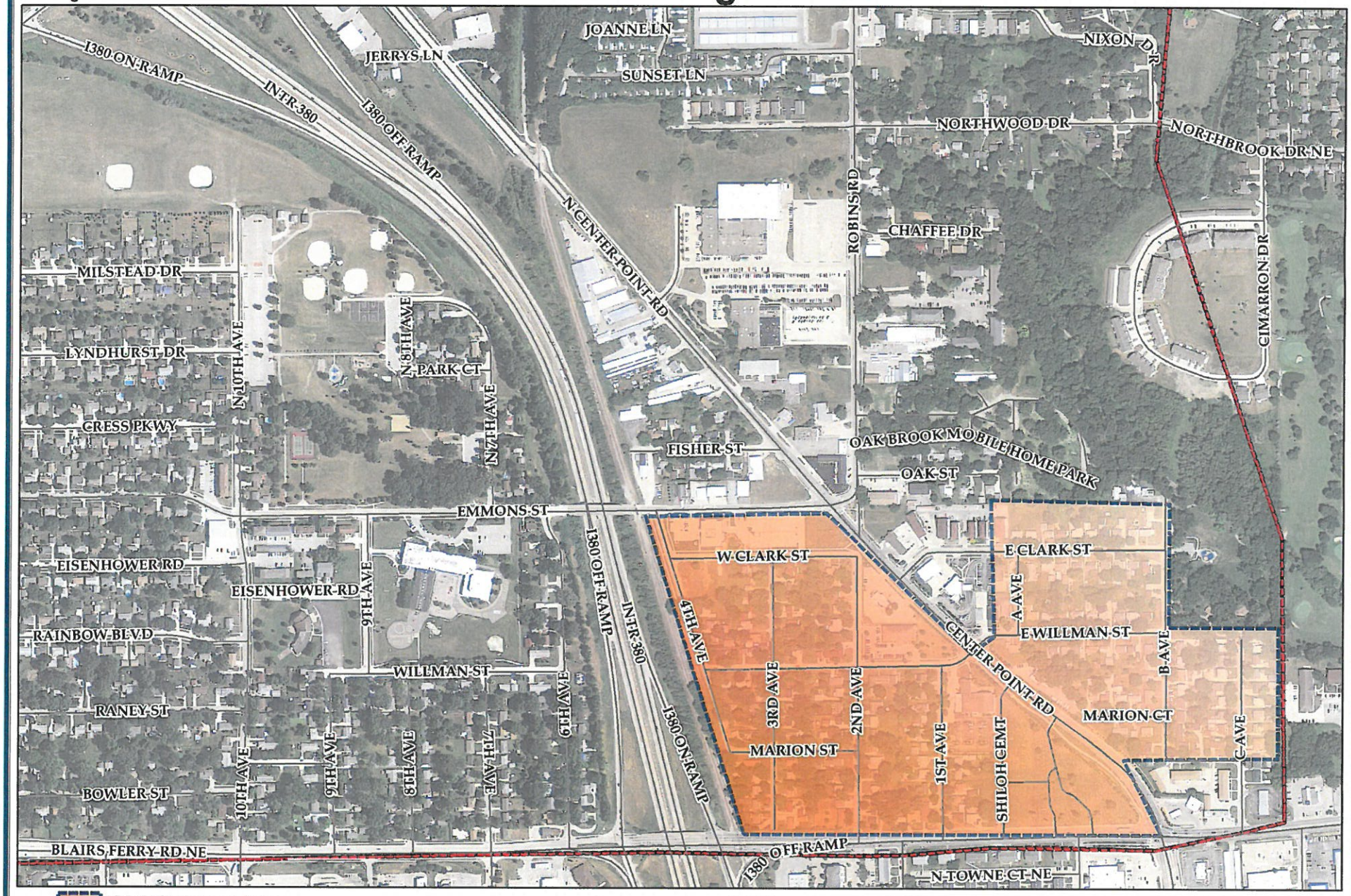
9. The nature of the proposed activity or project.

This project will provide for the rehabilitation of six owner-occupied homes, and the voluntary relocation of these participants in the city's target area. Home health and safety deficiencies will be eliminated, resulting in decent, safe, and affordable housing. Rehabilitation activities include, but are not limited to, electrical, plumbing, mechanical, siding, roofing, windows, and lead hazard reduction.

Eligible households must meet the State of Iowa's Housing Fund income guidelines. The home to be rehabilitated must be the occupant's principal residence and property insurance on the home is required.

Maximum federal dollars to be spent per home for rehabilitation costs is $24,999 plus $8,500 per house for lead hazard reduction. The federal funds utilized for rehabilitation will be secured by five-year forgivable loans.

City of Hiawatha
CDBG Target Area



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RESOLUTION NO. 18-
City Council

RESOLUTION SETTING A PUBLIC HEARING DATE TO PROVIDE NOTICE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROPOSED PROJECT ACTIVITIES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, the City of Hiawatha will hold a public hearing to discuss an application for housing funds from the Iowa Economic Development Authority. These funds will be used to rehabilitate owner-occupied houses for eligible low-to-moderate income households in the community.

Discussion at the public hearing will include: a. How the need for the proposed activities was identified, b. Source of funding, c. Date the application will be submitted, d. Amount of federal funds to be requested, e. Portion of federal funds benefiting low-to-moderate income households, f. Location of proposed activities, g. Plans to minimize displacement of persons or businesses from funding activities, h. Plans to assist those displaced, and i. The nature of the project.

The Public Hearing will be held Wednesday, April 4th, 2018, 5:30 p.m., at Hiawatha City Hall, 101 Emmons Street. The City of Hiawatha will conduct all Housing Fund related public hearings in a public building that is accessible to the disabled. Non-English speaking persons requiring translators or written translation after the public hearing should contact the City.

For more information, contact Kim Downs at City Hall (319-393-1515) or Melanie Riley at East Central Iowa Council of Governments (319-365-9941, ext. 138).

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 21st day of March, 2018.

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Bill Bennett, Mayor

ATTEST:

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Kelly Kornegor, City Clerk