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CITY ADMINISTRATOR'S OFFICE MEMO
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319-393-1515 ext.523

To: Mayor and City Council

From: City Administrator, Kim Downs

Date: September 2, 2016

RE: **CDBG Owner Occupied Housing Rehabilitation Grant/Application**

In an effort to retain the supply of decent and affordable housing for low to moderate income home owners' staff would like the city council and mayor to support the initiative and to provide a local match for home rehabilitation. This initiative could be done through a state program called Housing Rehabilitation Community Development Block Grant.

The Community Development Block Grant (CDBG) for owner occupied housing rehabilitation is a grant awarded to a city through a competitive application process that assists low to moderate (LMI) income homeowners with repairs on their property to meet minimum housing standards and address lead hazard concerns. The grant assists six (6) single family homes with a maximum of $24,999 in general repairs and an additional $7,500 for lead reduction work if necessary. The homeowners must be income qualified, owner of the home for 1 year prior to their application, must be their primary residence, be current on utilities/taxes, etc…

The CDBG application would require a match from the city ranging from $12,000-$15,000. The required local match component would go towards actual rehab and any technical services that may not be reimbursable. The local match is a Council decision on how much to contribute, but the dollars the city puts in is a competitive process and a higher match does earn scoring points.

We would have to focus on a section of the LMI area that has the highest concentration of owner occupied homes. Attached is a map that demonstrates our LMI area.

We will determine the first target area by committee after council's approval to move forward. The committee will consist of staff, the mayor, a council member and the agency that will assist with the application process. The application is fairly detailed and lengthy process; however we can use an agency that would help write the application with no additional fees. I have spoken to two agencies; MSA and our ECIcog both are very familiar with the program and have written many successful applications.

Prior to completing the application there will be up front work; we will need to send a letter to the citizens in the targeted area informing them of the potential program and council's intent. Then we would need to have the citizens in the targeted LMI area to complete the required income surveys. We will need an 80% response rate of the area. We may have to knock on doors to get this high of a response. The survey is confidential with the information only available to the program administrators. Of the 80% response 50%+ will need to meet the LMI criteria for us to move forward. Once that information is secured we would then complete the application. The application will be due mid January.

Today I am asking for council to authorize city staff to:

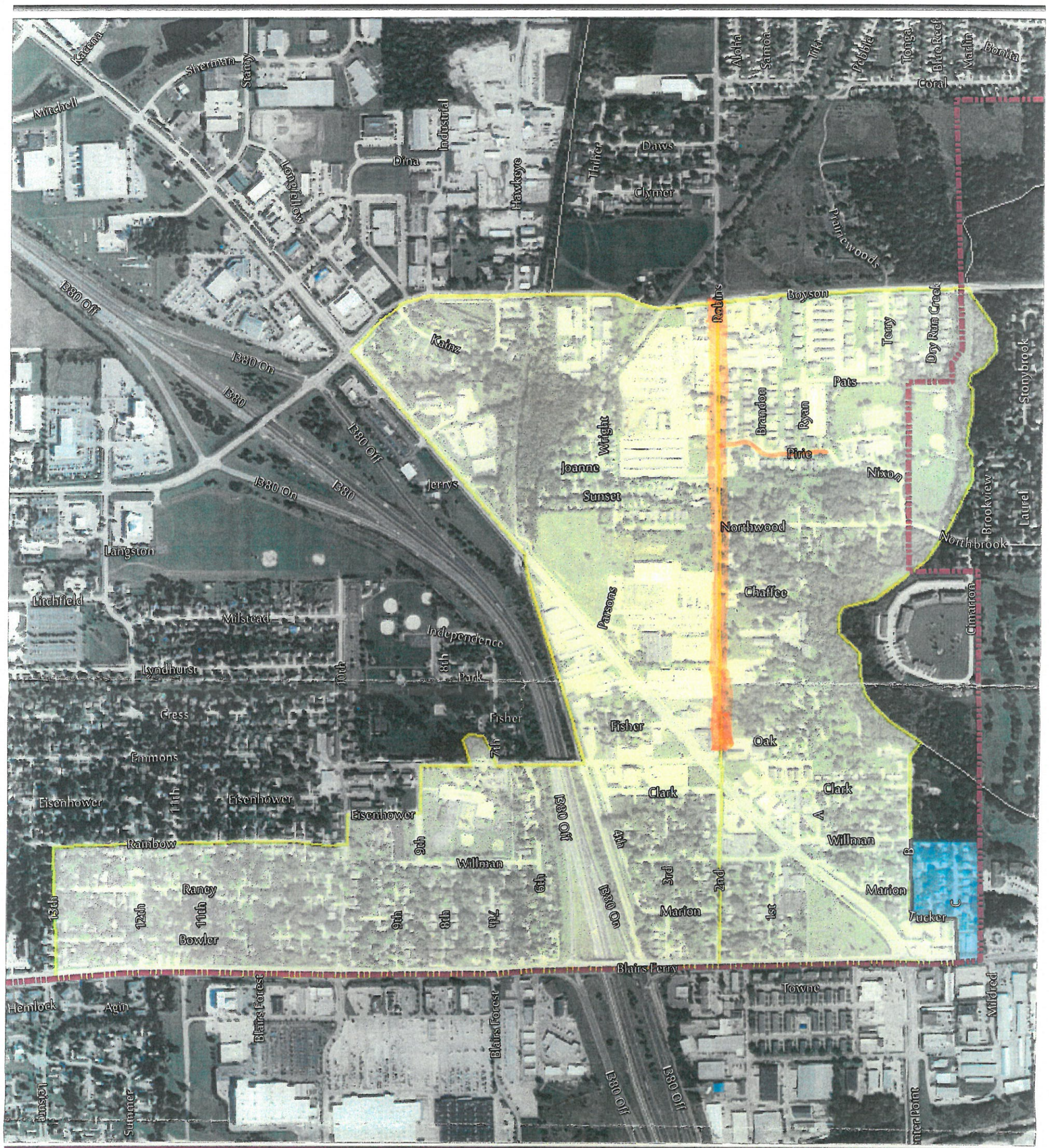
1. Determine target area of LMI with the highest concentration of owner occupied housing,
2. test citizens interest by sending out informational letters,
3. Allow staff and volunteers to knock on doors to gather the required income survey's,
4. Determine which agency will administrator the program if the income surveys demonstrate 50+ meet the LMI requirements. The agencies fees for admin and technical services are part of our local match,
5. Submit CDBG Owner Occupied Housing Rehabilitation Grant Application,
6. Provide the needed local match through LOSSTfunds or bonding

One additional note: This type of housing grant would meet one of our community's needs and is a component of our current Comprehensive Plan 2036 document that was shared during our public input meeting this last Wednesday night.

The Housing Rehabilitation Community Development Block Grant is a program that can be applied for each year based on our community needs and funding capabilities.

2016 HUD Income Limits - ECICOG Counties

County	1 person 80% MFI	2 person 80% MFI	3 person 80% MFI	4 person 80% MFI	5 person 80% MFI	6 person 80% MFI	7 person 80% MFI	8 person 80% MFI
Benton County	$40,050	$45,800	$51,500	$57,200	$61,800	$66,400	$70,950	$75,550
Iowa County	$42,250	$48,250	$54,300	$60,300	$65,150	$69,950	$74,800	$79,600
Johnson County	$46,000	$52,600	$59,150	$65,700	$71,000	$76,250	$81,500	$86,750
Jones County	$37,350	$42,700	$48,050	$53,350	$57,650	$61,900	$66,200	$70,450
Linn County	$42,700	$48,800	$54,900	$60,950	$65,850	$70,750	$75,600	$80,500
Washington County	$38,500	$44,000	$49,500	$54,950	$59,350	$63,750	$68,150	$72,550



HIAWATHA LOW AND MODERATE INCOME (LMI) QUALIFIED AREAS

LMI Qualified (51+%) Census Blocks

Hiawatha City Limits

Potential Survey Area

2010 Census Blocks

DATA SOURCES:
BASE DATA PROVIDED BY LINN COUNTY
AERIAL IMAGERY PROVIDED BY ERSI

N

0 200 400 800 Feet

MSA PROFESSIONAL SERVICES

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RESOLUTION NO. 16-
City Council

RESOLUTION AUTHORIZING CITY STAFF TO PROCEED WITH THE APPLICATION PROCESS AND FILING OF A HOUSING REHABILITATION COMMUNITY DEVELOPMENT BLOCK (CDBG) GRANT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, that City Staff is hereby authorized to proceed with the application process and filing of a Community Development Block (CDBG) Grant to participate in the State of Iowa Housing Rehabilitation Program with an application deadline of January 2017. The CDBG assists low to moderate (LMI) income homeowners with repairs on their property to meet minimum housing standards and address lead hazard concerns. The CDBG would provide six (6) qualified single family homes with a maximum of $24,999.00 in general repairs and an additional $7,500.00 for lead reduction work if necessary.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA hereby authorizing City Staff to proceed with the application process and filing of a Community Development Block (CDBG) Grant through the State of Iowa encompassing the following tasks and approving matching funds:

1. Determine target area of LMI with the highest concentration of owner occupied housing.
2. Test citizens' interest by sending out informational letters.
3. Allow staff and volunteers to knock on doors to gather the required income surveys.
4. Determine which agency will administrator the program if the income surveys demonstrate 50+ meet the LMI requirements. The agency fees for administrative and technical services are part of the city's local match.
5. Submit CDBG Owner Occupied Housing Rehabilitation Grant Application.
6. Provide the necessary local match through Local Option Sales and Service Tax (LOSST) funds or bonding.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 7th day of September, 2016.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk