

## **AGENDA**

### **SPECIAL MEETING OF THE MIDLAND CITY HOUSING COMMISSION TUESDAY, FEBRUARY 25, 2020**

**3:00 P.M.**

**CITY HALL - COUNCIL OVERFLOW CONFERENCE ROOM  
333 W. ELLSWORTH STREET  
MIDLAND, MI 48640**

1. Roll Call
2. Public Hearing
  - a. [Community Development Block Grant 2020-2021 Budget](#)
3. Public Comments
4. Future Meeting Date
  - a. June 1, 2020 Regular Meeting
5. Adjournment



**STAFF REPORT TO THE HOUSING COMMISSION  
FOR THE MEETING OF FEBRUARY 25, 2020**

DATE: February 17, 2020

SUBJECT: Proposed 2020-2021 Community Development Block Grant Budget

As a requirement of the Community Development Block Grant (CDBG) program, the city is required to formulate an annual budget which sets out the anticipated activities for the year. This budget is the basis for the annual Action Plan that will be submitted to the U.S. Department of Housing and Urban Development (HUD) for approval before the start of each program year. The budget process begins with an initial proposal from staff which is presented to the Housing Commission. The Housing Commission reviews the proposal, revises it as the Commission sees fit and then formulates a recommendation onto City Council thereafter. Ultimately, City Council adopts the CDBG budget for the program year following their public hearing and a 30-day public comment period.

Staff has formulated the following CDBG budget proposal for the 2020-2021 program year that begins July 1, 2020. The total funding available for the annual budget is the sum of three pieces: yearly entitlement, carry-over from previous years, and program income. For the first piece, City staff anticipates receiving a smaller amount in entitlement funds as in previous years, if the trend of decreasing entitlement continues – approximately \$224,809. This estimate is the result of consultations with the City’s HUD representative. For the second piece, staff anticipates that \$111,646 will be carried-over from the current program year (2019-2020) in unspent and unallocated funds. Lastly, \$20,000 in program income is estimated to be collected during the year. The total resulting amount is \$356,455.

**Prior Year Carry-Over Funds**

Staff has calculated an amount of carry-over funds based off the current budget and anticipated results of current activities and the budget outcomes for each activity. It is anticipated that most activities will come in as budgeted. It is not anticipated that any contingency funds will be used between now and the end of the year.

**Proposed Activity Expenditures**

The following is a summary of the proposed expenditures and the activities proposed to be funded. All proposed activities are considered to be in line with the goals and objectives of the 2020-2025 Consolidated Plan that is currently being drafted by staff.

**GENERAL PROGRAM PLANNING AND ADMINISTRATION**

*The Planning & Administration category is capped at 20% of the year’s entitlement amount (est. \$224,809) plus prior year program income (est. \$20,000). For 2020-2021, staff calculates this value at \$48,961*

**Planning/Administration**

**Identified Budget: \$48,900**

These funds cover a portion of the salary and benefits of city staff (primarily the Community Development Planner) for administering the CDBG program, the cost of HUD training throughout the year, office supplies needed to administer the CDBG program, required notices in the Midland Daily News, and mortgage recording fees amongst other planning costs. This year’s identified budget is reflective of a reduction in the estimated entitlement grant at \$48,900.

## HOUSING REHABILITATION

### Home to Stay: Health & Safety Home Repairs

Agency Request: \$40,000  
Staff Recommendation: \$0 (due to reduced budget availability)

Home to Stay (HTS) is requesting funds to provide eligible low-income city of Midland homeowners with health, safety, and emergency repairs to their homes. This funding focuses primarily on covering the costs associated with small, urgent-need repair projects. The projects are provided to the homeowners as a grant where the costs do not need to be repaid. Home to Stay was awarded \$30,000 for this project in PY 2019-20.

### Habitat for Humanity & Home to Stay: Collaborative Roofing Initiative

Agency Request \$50,000  
Staff Recommendation: \$0 (due to reduced budget availability)

Midland County Habitat for Humanity and Home to Stay have submitted a joint application for CDBG funding to cover costs associated with a new collaborative effort between the two organizations. This effort will seek to meet the needs of low-income homeowners who are in need of roof repairs or replacements. Home to Stay would conduct the intake and initial assessment, and Habitat for Humanity would provide the construction and financial administration. This joint venture between the two organizations was funded at \$50,000 in PY 2019-20.

### Midland County Habitat for Humanity: Neighborhood Revitalization Critical Home Repair

Agency Request: \$20,000  
Staff Recommendation: \$0 (due to reduced budget availability)

Habitat for Humanity is requesting \$20,000 to purchase materials (windows, gutters, doors, shingles, etc.) for home improvements to two homes through its Neighborhood Revitalization Initiative. These homes will be in need of critical home repair, meaning that at least 15% of the home's value will be invested in improvements. Midland County Habitat for Humanity did not request funds for NRI Critical Home Repair in PY 2019-20 but has in prior years and been awarded dollars.

### Ten16 Recovery Network: Recovery Home Rehabilitation

Agency Request \$28,267  
Staff Recommendation: \$0 (due to reduced budget availability)

Ten16 Recovery Network is requesting \$28,267 to provide rehabilitation work at two (2) existing recovery homes, including a bathroom and furnace replacement amongst other work. Ten16 Recovery Network did not request funds for PY 2019-20.

## PUBLIC FACILITY IMPROVEMENTS

### Cleveland Manor: Three-Unit Kitchen & Bath Renovation

Agency Request: \$100,000  
Staff Recommendation: \$100,000

**Rationale:** The Cleveland Manor Project provides alignment with each level of goal and objective established for the CDBG Program:

National Objective:	Low/Moderate Income Housing & Clientele
City of Midland CDBG Goals:	Maintaining aging housing stock
Housing Commission Area of Focus:	Public Senior-citizen serving facilities

Cleveland Manor has requested \$100,000 to complete three (3) apartment kitchen and bathrooms. The bathroom renovation would supply apartments with tub cut-ins and an ADA toilet for aging residents facing physical challenges. Kitchen plumbing would be replaced along with the water heater and kitchen cabinets. Cleveland Manor was awarded \$100,000 for this project in PY 2019-20. (Subject to Davis-Bacon Requirements)

**Washington Woods: Energy Efficiency (Air Handling & Heat Pumps)**

Request:	\$225,646	
	Carryover from 2019-2020	\$95,646
	2020-21 Balance of Air Handling	\$100,000
	2020-21 Heat Pumps	\$30,000

**Staff Recommendation: \$193,055 (due to reduced budget availability)**

The Washington Woods project provides alignment with each level of goal and objective established for the CDBG Program:

National Objective:	Low/Moderate Income Housing & Clientele
City of Midland CDBG Goals:	Maintaining aging housing stock
Housing Commission Area of Focus:	Public Senior-citizen serving facilities

Washington Woods has requested a total of \$225,646 to complete the air handling project for which specifications were completed in PY 2019-20 (bids received were over budget) and to replace heat pumps at the facility. Washington Woods was awarded \$191,718 in PY 2019-20 for energy efficiency upgrades that were to include lighting, exterior door and air handling projects; it is anticipated that the lighting and exterior door projects will be completed with the air handling portion proposed as an extension. (Subject to Davis-Bacon Requirements)

**PUBLIC SERVICES**

*The public services category is capped at 15% of the year's entitlement amount (est. \$224,809) plus prior year program income (est. \$20,000). For 2020-2021, staff calculates this cap to be \$36,721.*

**Legal Services of Eastern Michigan: Fair Housing Testing**

Request: \$4,500

**Staff Recommendation: \$4,500**

Fair Housing Testing is the mechanism by which the City can most effectively further fair housing.

Legal Services is requesting \$4,500 to provide on-going testing and enforcement activities that will curb housing discrimination and guarantee equal opportunity access to housing within the city of Midland. On-going fair housing activities, including testing, are necessary and in line with the objective of the City's 2015 Fair Housing Plan. Legal Services of Eastern Michigan received \$4,500 for PY 2019-20.

**Cancer Services: Transportation & Counseling**

Request: \$10,000

Staff Recommendation: \$0 (due to reduced budget availability)

Cancer Services is requesting \$10,000 to provide transportation and counseling to low and moderate income clientele. Transportation is provided via volunteer drivers. Funds would specifically be used to cover the cost of fuel cards to assist those drivers. Cancer Services did not request funds in PY 2019-20.

**Reece Endeavor: Transportation Assistance**

Request: \$2,997

Staff Recommendation: \$0 (due to reduced budget availability)

Reece Endeavor of Midland is requesting \$2,997 to purchase 444 Dial-a-Ride ticket booklets for Reece Endeavor tenants receiving housing assistance. Reece Endeavor provides housing opportunities to persons with physical and cognitive disabilities with the vast majority of their clients relying on public transportation. Reece Endeavor received \$2,997 for PY 2019-20.

**Midland County Former Offender Advocacy & Rehabilitation**

Request: \$10,000

Staff Recommendation: \$0 (due to reduced budget availability)

Midland County Former Offender Advocacy & Rehabilitation has requested \$10,000 toward urgent housing needs for former offenders. MCFOAR did not receive funding in PY 2019-20.

**ACEA (Academic & Career Education Academy)**

Request: \$20,000  
Staff Recommendation: \$0 (due to reduced budget availability)

ACEA is requesting \$20,000 toward the creation of a wellness room renovation to provide laundry, meal, rest and shower facilities for low / moderate income students. ACEA did not request funds in PY 2019-20.

**ARCHITECTURAL BARRIER REMOVAL**

**Home to Stay: Accessibility Improvements**

Request: \$10,000  
Staff Recommendation: \$0 (due to reduced budget availability)

Home to Stay is requesting \$10,000 to provide extremely low-income Midland residents who are experiencing limited mobility impairments with accessibility ramps for their homes. These funds can provide up to seven ramps for low-income homes, including mobile homes. Home to Stay received \$10,000 for accessibility requests in PY2019-20.

**CONTINGENCY**

**Contingency**

Request: \$10,000  
Staff Recommendation: \$10,000

Contingency funds are a best practice and thus included in the CDBG budget, as HUD allocations are not confirmed and unforeseen cost overruns for funded projects are possible. Staff is recommending inclusion for the ability to respond to any unforeseen circumstances that might arise.

A table of the summary above can be found on the next page, labeled Attachment A.

**In the Event of Additional Funding**

Should additional funds become available due to a change in the yearly allocation, an increase in carry-over funds or an increase in program income, staff is recommending the following projects be prioritized for funding. The resulting list is in consideration of the goals and objectives of the City's CDBG program:

1. Fully funding the Washington Woods project {balance: \$24,191}
2. Midland County Habitat for Humanity & Home to Stay: Roofing Collaborative {\$50,000}
3. Home to Stay: Health & Safety Home Repairs {\$40,000}

**Housing Commission Action**

Staff currently anticipates that the Housing Commission will formulate a recommendation to City Council on the 2020-2021 CDBG Budget during its February 25, 2020 meeting. If this takes place, we anticipate that on March 16, 2020 the City Council will set the public hearing date for April 13, 2020 allowing for a 30-day public comment period. On April 27, 2020, we anticipate that the City Council will consider the 2020-2021 CDBG budget. Please note that these dates are preliminary and may be adjusted due to Housing Commission action and City Council agenda scheduling.

Respectfully Submitted,



Nicole M. Wilson - Community Development Planner

NMW/grm

## 2020-2021 CDBG Proposed Budget

<u>Sources</u>	<u>Staff Estimated Amount</u>
Estimated HUD CDBG '20-'21 Entitlement	\$ 224,809
Program Income	\$ 20,000
<u>2019-2020 Carry-forward</u>	<u>\$ 111,646</u>
	<b>\$ 356,455</b>
<u>Uses</u>	<u>Staff Proposed Budgeted Amount</u>
<b>Planning/Administration</b>	\$ 48,900
<b>Public Facility Improvements</b>	
Cleveland Manor – Kitchen & Bath Renovation	\$ 100,000
<u>Washington Woods – Energy Efficiency</u>	<u>\$ 193,055</u>
Public Facilities	\$ 303,055
<b>Public Services</b>	
<u>Legal Services - Fair housing testing</u>	<u>\$ 4,500</u>
Public Services	\$ 4,500
<b>Contingency</b>	\$ 10,000
<b>Sub-Total</b>	<b>\$ 356,455</b>