

## NOTICE OF PUBLIC MEETING

CITY OF ALBANY  
CITY COUNCIL/COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) JOINT MEETING  
Council Chambers  
Monday, May 20, 2013  
5:00 p.m.



### AGENDA

5:00 p.m. **CALL TO ORDER**

5:05 p.m. **Community Development Block Grant Updates, Programming and Administration**  
Presentation by City Staff  
*Action requested:* Information, discussion, direction

6:00 p.m. **ADJOURNMENT**

*City of Albany Web site: [www.cityofalbany.net](http://www.cityofalbany.net)*

*The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advance notice is requested by notifying the Human Resources Director at 541-917-7500.*



TO: Albany City Council

VIA: Wes Hare, City Manager  
Heather Hansen, Community Development Director

FROM: Anne Catlin, Lead Long Range Planner

DATE: May 15, 2013, for the May 20 City Council Work Session with the CDBG Task Force

SUBJECT: Community Development Block Grant Updates, Programming and Administration

RELATES TO STRATEGIC PLAN THEME: ● GREAT NEIGHBORHOODS

Action Requested:

Provide direction on Community Development Block Grant programming and administration.

Background Information:

Over the last several months, the Community Development Block Grant (CDBG) Task Force and City staff have been collecting and reviewing data on Albany's community needs related to the following three primary objectives of the CDBG program:

1. Decent housing – retaining and increasing the affordable housing stock; housing rehabilitation and energy conservation; homeless prevention and support;
2. A suitable living environment – eliminating blighting influences and deterioration of property and facilities; improving the safety and livability of low and moderate income neighborhoods; and
3. Expanded economic opportunities – job creation and retention.

Eligible activities must meet one of three national objectives - benefiting low- and moderate-income persons, aiding in the prevention or elimination of slums or blight or having particular urgency (related to emergencies).

The Consolidated Plan (Plan) is a five year plan that describes community needs, resources, priorities, and proposed activities to be undertaken with CDBG funding. The City can also set funding priorities on a geographic basis. This approach recognizes that a neighborhood's economic and social needs are interconnected and places the focus on the neighborhood as a whole. Citizen participation and agency consultations also provided valuable input on identifying program needs.

The Plan includes a Strategic Plan that outlines the goals, objectives, and rationale for the city's priority needs and funding allocations. Each year, grantees must submit an update to the Housing and Urban Development Department (HUD), referred to as an Action Plan. The Action Plan describes the specific planned uses and performance outcomes of the CDBG funding.

Citizen Participation: Grantees are required to provide opportunities for the public to participate in the development of the Consolidated Plan. Two surveys were developed to gain input from the public and area providers and incorporated in the needs assessment. A public forum is planned for in June 10 at 6:30 to receive initial public feedback prior to the public hearing. The City must hold a public hearing on the Plan (tentatively scheduled for July 24). A public forum is planned for in June 10 at 6:30 to receive initial public feedback prior to the public hearing. The Plan must

be available to the public 30 days in advance of the hearing (June 24, 2013). The Plan must include a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

Timeline: The Consolidated Plan, Strategic Plan and Annual Action Plan are due to HUD no later than August 15, 2013. Programming would begin October 1, 2013.

Discussion:

Funding Allocations and Program Area Selection. The Task Force identified priority community development, housing and economic development needs based on data in the draft Plan. The attached *Draft CDBG Funding Allocation* spreadsheet outlines the draft proposal for how to allocate CDBG funding for the first two years. Allocations were based on a review of resources available, the ability to leverage additional resources, and local organizational capacity. The City Council will make the final decisions on the programs to fund through adoption of the Consolidated Plan, and Annual Action Plan.

Program Administration and Implementation. There are several ways to administer CDBG activities. Based upon the grantee's analysis of staffing capacities and program needs, the City must determine whether and/or to what extent it will work with other organizations. The City is responsible for ensuring that CDBG funds are used in accordance with all CDBG requirements. Options include any combination of the following:

- *City staff* – aside from management and oversight, some grantees administer some or all programs in-house;
- *Contractors* – must be procured through a competitive bidding process according to federal rules.
- *Subrecipients* –public and private for-profit organizations that undertake eligible activities;
- *Community Based Development Organizations (CBDOs)* – entity must be qualified (specific purpose to improve the service area with particular attention to the needs of LMI persons). CBDOs can carry out neighborhood revitalization activities, housing construction (only CBDOs can construct housing with CDBG\$), community economic development or energy conservation;
- *Faith Based Organizations (FBOs)* – can carry out CDBG activities as long as funds are not used to support inherently religious activities (example-establishing a soup kitchen or a shelter); and

There are a variety of approaches that grantees use to select activities and organizations for funding within the framework of the Consolidated Plan. Some communities evaluate each activity on a case-by-case basis as it is proposed. Other communities take a more proactive approach seeking out subrecipients or applications for programs that meet specific objectives. Many communities are somewhere in between these two approaches – being available to respond to interesting opportunities, but working from a basic program design framework.

Proposed Administration: Based on the draft program priorities selected, staff recommends a combination of several approaches for the first two years. (See the far right column in the *Draft CDBG Funding Allocation* table.):

- Use *City staff* to administer public infrastructure programs and hire *contractors* as needed. Programs: Sunrise Park, Periwinkle Path, removing barriers to accessibility (the Curb Ramp program).
- Solicit RFQs to allocate funding to *Subrecipients, CBDOs or FBOs* that have direct experience in administering the same or similar programs. Programs: housing rehabilitation, weatherization and microenterprise, some public services (after first year).
- Develop an *application process* to allocate funding. Programs: public services, homeless needs (shelter, transitional housing) and economic development opportunities.

Reviewing Applications and Funding Requests. Most CDBG grantees appoint a “community development” Commission to review and recommend housing and neighborhood revitalization policies, actions and programs to the Council on the Consolidated Plan, Annual Action Plan and any substantial amendments proposed to those plans. The body would also review the Consolidated Annual Performance Evaluation Report (CAPER) each year to examine the performance of the projects funded in whole or in part with CDBG Program funds.

**COUNCIL DIRECTION:** Membership of the Commission. The following representatives are on the Corvallis and Salem commissions:

Corvallis (minimum #)

- general public (4);
- financial institution (1);
- housing industry (1);
- assisted housing/social services (2);
- Planning Commission (1); and
- City Council (1)

Salem

- general public (3);
- real estate (1);
- development and finance (1);
- Housing Advisory Board (1);
- Human Rights Commission (1)
- Social Services Advisory Board (1)
- Planning Commission (2); and
- Neighborhood organization (1)

Budget Impact:

Up to 20 percent of the total CDBG grant to the City can be used for administration and planning activities. Staff proposes \$40,000 to \$50,000 of an anticipated \$340,000 award be set aside to cover administrative costs associated with the program.

ALC

Attachments: Draft CDBG Funding Allocation Table; List of CDBG Task Force Members

c: CDBG Task Force Members



## **CITY OF ALBANY**

### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) TASK FORCE MEMBERS**

#### **APPOINTED:**

- Mayor Sharon Konopa, Chair
- Paul Barnes, Homeless Advocate
- Danniell Butler, Resident, Former Low-Income Housing Recipient
- John Donovan, Albany Helping Hands
- Bill Higby, Jr., Home Builders and Lending Institutions
- Wanda Kinney, Albany Area Habitat for Humanity
- Terry Knoll, Community Services Consortium
- Ray Kopczynski, City Council
- Frank Moore, Linn County Mental Health
- Larry Nelson, Resident
- Debra Powell, Love Inc., Faith Community,
- Dala Rouse, Planning Commissioner
- Joann Zimmer, Linn County 10-Year Plan to Address Homelessness

#### **LIAISON MEMBERS:**

- Theresa Conley, Cascades West Council of Governments
- Tara Dixson, Families and Children Together (FACT), Greater Albany Public School District
- Donna Holt, Linn Benton Housing Authority

**DRAFT CDBG FUNDING ALLOCATIONS  
2013-2014**

GOALS & OBJECTIVES	Eligible and Needed CDBG Activities	RECOMMENDED PROGRAM/ASSISTANCE	CDBG FUNDING: <b>\$300,000 TOTAL</b>			ADMINISTRATION & IMPLEMENTATION
DECENT/AFFORDABLE HOUSING/HOMELESS PREVENTION - \$100,000			FY2013	FY2014	Funding NOTES	Subrecipient Selection
<p>~Maintain and improve the existing affordable housing supply, especially those units owned or rented by the lowest income residents (&lt;=50 or 60 percent of AMI)</p> <p>~ Improve housing and livability in low income neighborhoods.</p>	<p><b>Housing Rehabilitation</b> - for extremely low, and low income households and families, senior retrofits, lead paint abatement, ADA improvements, historic preservation</p>	<p><b>Housing Rehabilitation Loan Program</b> (either no-interest or low-interest, possibly deferred payments)</p> <p>1. Eligibility: Low-Income owner-occupied and renter-occupied households</p> <p>2. Target blighted blocks to concentrate funds in small area. (Front Ave east of Geary, for example.)</p>	\$50,000	\$50,000	<p>Program will receive unspent \$\$ from other program areas. high.</p>	<p><b>Intergovernmental agreement with Community Services Consortium (CSC)</b> to manage housing rehab program. (Note: CSC runs the regional housing rehab loan program with state CDBG \$ and federal weatherization funding and is experienced with HUD requirements.)</p>
<p>~Reduce housing cost burden by improving energy efficiency.</p>	<p><b>Housing Repairs to be eligible for weatherization grants; weatherization and energy efficiency</b></p>	<p><b>Grant or no-interest loan to fix health &amp; safety issues</b> so that units are eligible for weatherization grants at Community Services Consortium (CSC). Grant up to \$800-\$1000 for households earning &lt;50% AMI and Loan for HHs earning 50% or more of AMI.</p>	\$20,000	\$20,000	<p>Unspent \$\$ goes to <b>Housing Rehab.</b></p>	
<p>~Assist homeless residents obtain affordable housing and skills to help them gain independence and self-sufficiency.</p>	<p><b>New Permanent Supportive or Transitional Housing Units</b></p>	<p><b>No interest loan</b> to assist with <b>public utilities</b> and/or <b>site acquisition</b> when a project is ready to get off the ground.</p>	\$30,000	\$30,000	<p>Set aside funding annually. If no project, \$\$ goes to <b>Housing Rehab.</b></p>	<p>Consider "<b>open door</b>" or <b>competitive application</b> process to be responsive when project is ready. Use criteria to evaluate requests and capacity of agencies to meet HUD requirements.</p>
<p>~Provide safe emergency housing for residents of all ages with case management services.</p>	<p><b>Family Shelter</b> - new facility</p>					
	<p><b>Young Adult Shelter</b> - new facility to serve those ages 18 to 24)</p>					
<p align="center"><b>AMI = Area Median Income; LMI = Low and Moderate Income; LMI areas or census tracts are those where 51% of households earn less than 80% of the AMI ; HHs = Households</b></p>						

**DRAFT CDBG FUNDING ALLOCATIONS  
2013-2014**

GOALS & OBJECTIVES	Eligible and Needed CDBG Activities	RECOMMENDED PROGRAM/ASSISTANCE	CDBG FUNDING: <b>\$300,000 TOTAL</b>			ADMINISTRATION & IMPLEMENTATION
<b>SUITABLE LIVING ENVIRONMENT &amp; NEIGHBORHOOD REVITALIZATION - \$100,000</b>			<b>FY2013</b>	<b>FY2014</b>	<b>Funding NOTES</b>	<b>Subrecipient Selection</b>
~Remove Barriers to Accessibility and provide safe and convenient access to transportation routes.	<b>Remove barriers to accessibility</b>	Fund <b>curb ramp improvements</b> near public facilities and services in LMI census tracts.	\$20,000	\$50,000	Fund @ \$50,000 after 1st yr.	<b>City staff to manage programs.</b> Projects over \$100,000 must be contracted out through competitive bidding process.
~Eliminate blighting influences and the deterioration of property and facilities in LMI neighborhoods.	<b>Neighborhood Revitalization</b> of Low and Moderate Income (LMI) census tracts and with higher percent minority concentration)	<b>Sunrise Park:</b> replace equipment, fix ADA accessibility, safety and access issues (match to supplement other funds).	\$30,000	\$0		
~Improve safety and livability of LMI neighborhoods.		<b>Periwinkle Path:</b> several sections may need to be closed if can't be repaired (match to supplement other funds).	\$50,000	\$50,000	Funding for Periwinkle Path or public improvements - sidewalks, curbs, etc. in LMI areas.	
~Improve public facilities in LMI neighborhoods.		<b>Sidewalk and other public infrastructure improvements</b> in LMI areas.	\$0			
<b>ECONOMIC OPPORTUNITY - \$50,000</b>			<b>FY2013</b>	<b>FY2014</b>	<b>Funding NOTES</b>	<b>Subrecipient Selection</b>
~Create and retain jobs for LMI persons.	<b>Job Creation or retention or special economic development activities</b> (land acquisition, building improvements, public improvements), where at least 51% of the jobs are for LMI persons, or helps a business stay in operation in a slum or blighted area or in an LMI residential area.	<b>Loan or Grant</b> to business or entity that creates full-time jobs available to LMI persons and <b>eligible economic development activities</b> in LMI census tracts.	\$38,000	\$38,000	Set aside \$\$ to help businesses create new jobs for LMI persons: through competitive or as needed basis.	Consider <b>"open door" or competitive application</b> process to be responsive when project is ready . Use criteria to evaluate requests and capacity of agencies.
~Establish, stabilize and expand micro businesses (5 or fewer employees).	<b>Microenterprise Assistance</b> - technical assistance to a new or existing microenterprise or general support to owners of a microenterprise or persons developing one	Funding for <b>Microenterprise</b> training program or direct assistance to a micro business (5 or fewer employees)	\$12,000	\$12,000	Evaluate program demand and performance annually.	<b>Partner with LBCC</b> Small Business Development Center who runs the Microenterprise program and is experienced with CDBG/HUD requirements.
<b>PUBLIC SERVICES - about \$50,000 (max is 15% of total award)</b>			<b>FY2013</b>	<b>FY2014</b>	<b>Funding NOTES</b>	<b>Subrecipient Selection</b>
~ Numerous goals and objectives related to homeless prevention, decent and affordable housing, economic opportunity and revitalization of LMI areas	<b>New public service or quantifiable increase in existing service</b>	<b>Eligible Public Service Activities:</b> employment services (job training), crime prevention and public safety, child care, health services, services for seniors, services for homeless persons, substance abuse services, fair housing counseling, educational programs, energy conservation, welfare services, recreational services, and down-payment assistance.	\$50,000	\$50,000	Some services may request funding annually and overtime these programs and subrecipients can be specifically identified in the Annual Action Plan.	Consider <b>competitive application process</b> once or twice a year. Use criteria to evaluate requests, goals and performance measures against the Plan, and capacity of agencies to meet/follow HUD guidelines.
<b>AMI = Area Median Income; LMI = Low and Moderate Income; LMI areas or census tracts are those where 51% of households earn less than 80% of the AMI ; HHs = Households</b>						