

ACTIVITIES	CURRENT YEAR 2017-18 (Includes Unprogrammed Funds)	PROPOSED Entitlement FUNDING 2018-19 Program Year	+	Potential Unprogrammed Funds <sup>1</sup>	=	TOTAL FUNDING 2018-2019 PROGRAM YEAR
<b>I. Rehabilitation</b>						
A. Major Home Rehab	\$ 60,000.00	\$ 72,368.00		\$ 30,000.00		\$ 102,368.00
B. Emergency Rehab	\$ 20,000.00	\$ 20,000.00				\$ 20,000.00
C. Minor Home Repair	\$ 50,255.00	\$ 30,000.00				\$ 30,000.00
D. Rehab Inspection	\$ 2,500.00	\$ 2,500.00				\$ 2,500.00
<b>SUBTOTAL</b>	<b>\$ 132,755.00</b>	<b>\$ 124,868.00</b>		<b>\$ 30,000.00</b>		<b>\$ 154,868.00</b>
<b>II. Acquisition of Tax-Reverted Properties</b>						
A. Acquisition, Rehabilitation & Razing of Single Family Homes	\$ 30,000.00	\$ 30,000.00				\$ 30,000.00
<b>SUBTOTAL</b>	<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>		<b>\$ -</b>		<b>\$ 30,000.00</b>
<b>III. CDBG Scattered-Site Rental Homes</b>						
A. Maintenance of (14) Scattered-Site SF Homes i.e. mechanical, heating, plumbing, structural improvements (#832)	\$ 78,593.00	\$ 36,000.00		\$ 45,000.00		\$ 81,000.00
B. Management of (14) Rental Homes (#833)	\$ 55,000.00	\$ 15,000.00		\$ 40,000.00		\$ 55,000.00
<b>SUBTOTAL</b>	<b>\$ 133,593.00</b>	<b>\$ 51,000.00</b>		<b>\$ 85,000.00</b>		<b>\$ 136,000.00</b>
<b>IV. Neighborhood Revitalization</b>						
A. Lighting, Parks, Landscaping, and Infrastructure Improvements, Commercial / Residential Blight Reduction, and Feasibility / Planning Studies	\$ 64,000.00			\$ 62,000.00		\$ 62,000.00
<b>SUBTOTAL</b>	<b>\$ 64,000.00</b>	<b>\$ -</b>		<b>\$ 62,000.00</b>		<b>\$ 62,000.00</b>
<b>V. Public Facilities</b>						
A. Improvements & Maintenance of Public Services Facilities	\$ 93,000.00			\$ 80,000.00		\$ 80,000.00
<b>SUBTOTAL</b>	<b>\$ 93,000.00</b>	<b>\$ -</b>		<b>\$ 80,000.00</b>		<b>\$ 80,000.00</b>
<b>VI. Public Services<sup>2</sup></b>						
A. Senior Van Transportation	\$ 46,000.00	\$ 46,000.00				\$ 46,000.00
B. Mental Health Counseling	\$ 4,000.00	\$ 2,000.00				\$ 2,000.00
C. First Step	\$ 20,000.00	\$ 23,000.00				\$ 23,000.00
D. Emergency Asst. Program	\$ 5,000.00	\$ 5,000.00				\$ 5,000.00
<b>SUBTOTAL</b>	<b>\$ 75,000.00</b>	<b>\$ 76,000.00</b>		<b>\$ -</b>		<b>\$ 76,000.00</b>
<b>VII. Planning &amp; Administration<sup>3</sup></b>						
A. Planning & Admin.	\$ 45,000.00	\$ 45,000.00				\$ 45,000.00
B. Accounting Services	\$ 15,000.00	\$ 15,000.00				\$ 15,000.00
C. Fair Housing Initiative	\$ -	\$ -				\$ -
<b>SUBTOTAL</b>	<b>\$ 60,000.00</b>	<b>\$ 60,000.00</b>		<b>\$ -</b>		<b>\$ 60,000.00</b>
<b>GRAND TOTAL</b>	<b>\$ 588,348.00</b>	<b>\$ 341,868.00</b>		<b>\$ 257,000.00</b>		<b>\$ 598,868.00</b>

<sup>1</sup> Potential Unprogrammed Funds includes Rent, Return of Loans, MHR admin fees and Unliquidated Entitlement from previous program year

<sup>2</sup> Public Service Expenditures are capped to 15% of the sum of grant plus prior year program income. Since Prior Year Program Income is not yet known, the calculation for the proposed budget is made with PI received as of 01/15/2018. The Cap will be adjusted once the final PI amount is known.

<sup>3</sup> Planning and Admin costs are capped to 20% of the sum of grant plus current year program income, thus the cap must be adjusted throughout the program year according to the amount of program income received.

## ATTACHMENT A: CDBG Proposed 2018-2019 Budget Narrative

### COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

The CDBG program was created by Title I of the Housing and Community Development Act of 1974, as amended. The primary objective of the program is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate income. Since the City of Livonia has a population of at least 50,000 persons, it is considered an "Entitlement Community". Therefore, Livonia is entitled to receive CDBG funds each year as determined by a formula set forth in the Act. The City of Livonia has participated in the CDBG Program continuously since 1982 and prior to that in 1974 and 1975. The CDBG fiscal year begins July 1 and ends June 30. The 2018-2019 allocation is \$341,868.

Following is an explanation of the activities that are typically funded by the CDBG program in Livonia and administered by the Community Development Office of the Housing Commission:

#### I. REHABILITATION

**Major Home Rehabilitation Loan Program:** Provides deferred loans for low and moderate-income owner occupants of single family homes for the purpose of correcting code violations, weatherization, accessibility improvements and other permanent general improvements. Applications are accepted on a first-come, first-serve basis and the loan amount cannot exceed \$15,000. The loan limits may be waived to make emergency improvements or to address lead based paint hazards. A lien, in the amount of each loan, is placed on each home undergoing improvement. Loans are offered at 0% or 3% interest, based on household income. The loan becomes due when there is a transfer of title and/or property. When liens are discharged, the proceeds come back to the City in the form of program income and are placed back into the CDBG account to be further utilized in the program. \$72,368 plus \$30,000 of potential unprogrammed funds is the proposed budget for this activity with the expectation of providing rehabilitation services to 3-5 homes during a program year.

**Emergency Rehabilitation Program:** Provides rehabilitation loans and services to low and moderate income households for the repair of sudden or unexpected damages to a home that immediately threaten a household's health and safety. Emergency repairs are given priority over all other applicants for rehabilitation loans. The type and term of loans made available for emergency repairs are the same as those for the Major Home Rehabilitation loans. \$20,000 is the proposed budget for this activity with the expectation of providing rehabilitation services to 3-4 homes during a program year.

**Minor Home Repair Program:** Provides grants for minor repairs, including barrier free improvements, insulation, hot water tank replacement, and minor electrical and plumbing repairs, to low and moderate-income owner occupants of single family homes. Repairs are limited to \$5,000 per house per year. The objective of this program is to prevent or correct sub-standard conditions, or to remove safety hazards. Priority is given to clients with incomes at or below 50% of MFI (median family income for Metro Detroit area). The homeowner applying for assistance must live in the home for one year before applying with Minor Home Repair. A client co-pay for administrative services is required using the following guidelines: 30% or less MFI - donation given if able; 31-50% MFI - \$20 co-pay; 51-80% - \$50 co-pay. The Community Development loan and grant committee will have the ability to consider extenuating circumstances and adjust the co-pay as necessary. This program works closely with the Major Home Rehabilitation Loan Program for cross-referrals. \$30,000 is the proposed budget for this activity with the expectation of providing rehabilitation services to 10 homes during a program year.

**Rehab Inspection:** Each home participating in the Major Home Rehabilitation Loan Program will be required to undergo a lead inspection/risk assessment. City Building Inspectors also perform an electrical, heating, plumbing and building inspection for each property. \$2,500 is the proposed budget for this activity.

## **II. ACQUISITION AND REHABILITATION OF TAX REVERTED PROPERTIES**

This activity permits the City of Livonia to acquire tax foreclosed properties from Wayne County. Upon notification by the County through the Treasurer's Office the City/Housing Commission has the right of first refusal to purchase single family homes and vacant parcels of land. Acquisition of the homes will enable the Commission to analyze the properties for acquisition and disposition in the following categories:

- Acquisition of home/property for rehabilitation and resale to low income family;
- Acquisition of home/property for rehabilitation and retention for affordable housing rental;
- Acquisition of home/property for demolition and sale of lot for housing development;
- Acquisition of home/property for demolition and construction of a new home by the LHC for eventual sale or affordable housing rental;
- Acquisition of vacant parcels of land that are non-compliant for development but may be sold or donated to adjacent neighbors;

The primary goal of this activity is to acquire substandard property/lots in primary target areas and return the properties to the City of Livonia tax rolls. A total of \$30,000 is the proposed budget for this activity with the expectation of acquiring, rehabilitating and/or demolishing 1-2 homes during a program year.

## **III. CDBG SCATTERED-SITE RENTAL HOMES**

The City has fourteen (14) single-family homes purchased with CDBG funds. The Housing Commission oversees these single-family units which are to be utilized as rental housing for low/moderate income families as well as other special projects. In order to administer and perform management and maintenance such as plumbing, heating, mechanical and structural improvements to the scattered site homes. \$36,000 plus additional \$45,000 of potential unprogrammed funds is the proposed budget for these activities.

## **IV. NEIGHBORHOOD REVITALIZATION INITIATIVE**

This activity includes lighting, parks, landscaping, and infrastructure improvements, commercial and residential blight reduction and feasibility and planning studies. The intended activities for this program year include improvements to Compton park. \$62,000 of potential unprogrammed funds is the proposed budget for this activity.

## **V. REHABILITATION OF PUBLIC FACILITIES**

This activity includes improvements and maintenance to public services facilities. \$80,000 of potential unprogrammed funds is the proposed budget for this activity. The intended activities for this program year may include expansion of existing low income senior development Newburgh Village, capital improvements to senior developments Newburgh Village, Silver Village and McNamara Towers.

## **VI. PUBLIC SERVICES**

The various activities eligible under this category are directed to a particular need involving services to low and moderate income persons and families. The CDBG regulations limit the amount of funds that can

be allocated to this activity. Specifically, funding for public services may not exceed 15% of the total CDBG yearly allocation plus Program Income received during the prior year program. Typical Program Income includes (1) Discharged liens from the Major Home Rehabilitation Loan Program, (2) Rent receipts from City-owned homes purchased with CDBG funds, and (3) Minor Home Repair program co-pays. The proposed 2018-2019 budget year public service cap is \$86,452. The public service activities consistently funded during the life of the CDBG program are listed below:

**Senior Van Transportation:** This program, administered by the Department of Community Resources, provides transportation for senior citizens to various locations throughout the community. Senior citizens are considered a "Protected Class" and are, therefore, eligible to receive CDBG funded services regardless of income. Two buses operate daily routes within Livonia transporting seniors to nutrition programs, senior centers, banks, grocery shopping, and mall shopping. A third vehicle is used daily for medical appointments and to transport the disabled within Livonia. \$46,000 is the proposed budget for this activity with the expectation of providing services to approximately 600 citizens.

**Mental Health Counseling:** This program provides access to substance abuse and mental health services for income qualified Livonia residents. Income qualified households may receive \$400 per year or \$80 per counseling session. Each provider that enters into a contract with the City of Livonia may request reimbursement, at the aforementioned levels, for services provided to income eligible residents (provided funding is available). A client co-pay per-visit uses the following guidelines: 30% or less MFI (median family income) -0 co-pay; 31-50% MFI -\$5 co-pay; 51-80% MFI -\$10 co-pay. \$2,000 is the proposed budget for this activity with the expectation of providing approximately 25 counseling sessions to approximately 6 citizens.

**First Step, Western Wayne County Project on Domestic Violence and Sexual Assault:** First Step is a non-profit organization that provides assistance to victims of domestic violence and sexual assault. The services provided by First Step, include; temporary residence, 24 hour crisis line, counseling, information, referral and advocacy in the areas of legal, financial and permanent housing assistance, child care and transportation as well as educational programs. CDBG funds can only be used to provide services to City residents who meet the low and moderate-income criteria. \$23,000 is the proposed budget for this activity with the expectation of providing services to approximately 150 citizens.

**Wayne Metropolitan Community Action Agency:** Wayne Metro is a non-profit organization that provides services to low and moderate income individual and families. The Agency will participate in and conduct an expanded program of assistance to the City of Livonia that provides Emergency Utility Assistance services to low-mod income Livonia residents in need of gas, electric, and/or heating fuel utility assistance based on demonstration of need in the form of a "Shut-off" notice received within the last 30 days. Eligible families may receive one time assistance of a maximum of \$500 per family for utility payments. \$5,000 is the proposed budget for this activity with the expectation of providing services to approximately 10 citizens.

## **VII. PLANNING AND ADMINISTRATION**

Overall program planning and administration is provided by the Housing Commission and financial administration is provided by the Finance Department. Various other planning projects fall under the category of Planning and Administration such as the Fair Housing Initiative. The Fair Housing Center of Metropolitan Detroit is contracted to provide services such as educational programs, fair housing training for City staff, landlords and realtors, fair housing counseling and complaint reception to citizens and/or

potential citizens of Livonia. To receive CDBG funds on an annual basis, the City has to submit an application on or before May 15 after conducting two (2) public hearings and submitting the program to the City Council for its approval. Each year during January, the CDBG Committee prepares a suggested CDBG budget for the next program year based on requests made by various City departments and non-profit organizations. The budget is then discussed with the Mayor, revised if necessary, and presented at a public hearing for public comment. The budget is then submitted to the City Council for tentative approval. A second public hearing is held and if deemed necessary, revisions are made, with a final version of the budget submitted to City Council for approval. Required Environmental Assessments regarding the various planned activities are prepared, public notification is published and the necessary application materials are then sent to the Department of Housing and Urban Development no later than May 15. At the conclusion of the program year, a "Consolidated Annual Performance and Evaluation Report" is prepared and sent to HUD.

The total proposed budget for Planning & Administration, Accounting Services and Fair Housing Initiatives is \$60,000.

**ECONOMIC DEVELOPMENT:** In the 2018-2019 proposed programs there are no Economic Development Projects.

**NATIONAL OBJECTIVES:** Each CDBG program expenditure must be qualified according to one of three National Objectives: (1) benefit low and moderate income persons; (2) prevent or eliminate slums and blight; and, (3) meet an urgent community need. At least 70% of the expenditures must benefit low and moderate-income persons.

**CONSOLIDATED PLAN:** To become an entitlement jurisdiction the City must submit a Consolidated Plan to HUD once every five years. The Consolidated Plan is a comprehensive document which functions as a planning tool for cities and other governmental units to meet community development goals and to serve as a consolidated way of applying for federal funds under several formula grant programs offered by the Department of Housing and Urban Development (HUD). The Consolidated Plan consists of a Housing Market Analysis, Housing and Homeless Needs Assessment, the development of Strategies, Priority Needs and Objectives, an Annual Action Plan and, finally, a section that contains required certifications.

The Consolidated Plan has four basic functions: (1) to serve as a planning document utilizing a system of consultation with public and private agencies and groups, (2) to serve as an application for federal funds, (3) to serve as a strategy for achieving program objectives, and (4) to produce an Annual Action Plan to carry out the various planned activities and assess performance. The latest Consolidated Plan, which is prepared by the Housing Commission, covers the period of 2016-2021.