

CDBG Housing Grant Summary Review

Grant Amount: \$300,000

Purpose of Grant: Help homeowners afford to do repairs on their homes or pay for demolition of properties that are no longer viable/blighted.

Match Required: The city is required to pay the Environmental Fee of \$2,000 as the match requirement, otherwise there is not match on rehab unless it is a landlord unit and the landlord is not LMI, then the landlord must match 25%. Landlords match 15% if they are LMI. If the funds are used for rentals, the Landlord cannot raise rent for a period of time (I will need to look that up).

The city can apply for an additional \$200,000 to be used for infrastructure in the same target area (like sidewalks, curbs, etc..) but the additional \$200,000 grant funds require 50% match. I am not focused on this right now, only the rehabs and demos. Let me know if you want me redirected.

This Grant is an opportunity for the city to provide larger scale funding assistance to meet priority objective #2 in our housing assessment, which was addressing **housing rehab and demolition**. The Housing Grant will provide an opportunity to help people with low and moderate incomes fix up their homes by providing up to \$25,000 per home funding assistance. Demolition assistance can also be provided with this grant.

This could mean the potential to aid up to 11 homes, give or take depending on the number of eligible rehabs and or demos in the neighborhood selected. Note: would need at least 3 rehabs in order to include demo properties since this grant focuses on rehab primarily.

You do have to identify a target or “neighborhood” area, I will explain this more at the meeting.

What can the homeowner use the money for: Rehab is not Remodeling. Rehab is electrical, plumbing, windows, paint, siding, items that relate to health and quality rather than cosmetic.

Who is going to write the grant? SCKEDD will do it. They will write the grant and do the inspection work for a fee of \$3,000. They will also aid the property with additional weatherization funds if needed and the property qualifies.

Problem: Grant deadline is December 1st. This is the grant that only two entities have applied for in the state of Kansas in 2023 and we are being STRONGLY encouraged to apply because it is not a strong view from a statewide perspective on the longevity of the program if they cannot get people to use it. I don't know if we can make this deadline work. As of the time of typing this information I have a call in to see if all the required timelines can be met. If they cannot, we package the grant and submit it January 1 for the next grant cycle year.

Here is a link if you want to check out more information on your own:

<https://www.kansascommerce.gov/cdbg/housing-rehabilitation-demolition-or-neighborhood-development/>

The kickoff of this project is to host informational meetings with the public, one meeting in Harper on October 30th and one in Anthony November 1st to spread the word and get folks to fill out the preapplications which is all that is required from the property owner to submit the grant app (more detailed income guidelines would be required later if we get the grant). We will discuss this and more at the meeting.

Other info:

Asbestos testing only required if demo.

Lead testing required on any pre-1978. Does not come out of their \$25,000 but does come out of the \$300,00. This is why we said only around 11 homes instead of 12 to allow for the additional funding from the \$300,000. Also note, if lead is found to be present that could direct the priority focus of where the rehab dollars may need to be spent first.

If we get the grant, we will need to obtain more specific info from each property owner:

Most recent tax return

Copy of the deed showing they own the property

Most recent utility bill

Proof they are current on their taxes

Proof that they have current house insurance

This is a good program for Landlords also to help better quality rental units in town. If a rental is vacant, the landlord can apply but they would have to have a tenant that is income qualified in the property within 3 months or would have to pay back.

This is a good program to help certain candidates improve their home when they may not otherwise be able to afford to do so. It is not a golden ticket with only \$25,000 per rehab. That doesn't go as far as it once did.

Discussion:

1. Was going to host Community Info meeting however, with the 15-day deadline prior to Dec 1 to apply and the 7-day publishing requirement prior to that, and Repub's Friday before once per week submission, that means we would hold the meeting on the 1st and need to know the target area and have the apps done by the 3rd. NOT possible. Therefore, Linda H recommends we just select our target area for this round.

Things to decide for CDBG:

1. Do you want to apply?
2. Do you want to pay SCKEDD to write the grant?
3. Do you approve to dedicate \$5,000 from Demo/Housing funds to pay for grant writing and environmental review?
4. How will we determine the target area? Who is going to help?
5. If yes to above, need sample motion:

Approve the Contract for Grant Writing Services with SCKEDD to apply for a CDBG Housing Grant and approve to submit an RFP for Grant Administration and Inspection Services to be solicited by mail to qualified Firms. Costs for the Contract to be paid from Housing/Demolition Fund.