



## Folsom City Council Staff Report

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| <b>MEETING DATE:</b>   | 10/12/2021  |
| <b>AGENDA SECTION:</b> | Consent Calendar  |
| <b>SUBJECT:</b>        | Resolution No. 10721 - A Resolution of the City Council of the City of Folsom Authorizing the Community Development Department to Increase the Existing Maximum Grant Amounts for the Seniors Helping Seniors Program and Update the Guidelines |
| <b>FROM:</b>           | Community Development Department  |

### **RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council approve Resolution No. 10721 - A Resolution of the City Council of the City of Folsom Authorizing the Community Development Department to Increase the Existing Maximum Grant Amounts for the Seniors Helping Seniors Program and Update the Guidelines.

### **BACKGROUND / ISSUE**

In 1996, the City Council approved the initiation of the Seniors Helping Seniors Home Repair Program (SHS Program). The SHS Program assists extremely low to low-income senior citizens with health and safety issues in their homes. The program is open to senior citizens that are 65 years or older (special circumstances may waive the age requirement) who own a home in the City of Folsom. Under the current SHS Program Guidelines, income-qualified senior citizens can receive *minor repair grants* (generally up to \$2,500 per year with a provision for up to \$3,500 for special circumstances) for services to repair health and safety issues, such as non-functioning heating/air systems, replacing light bulbs, changing out furnace filters and other minor repair services. In addition, a once-in-a-lifetime *major repair grant* of \$7,500 is available for larger issues, such as a new deck, new HVAC system or other high-cost repairs.

From 1997 through 2011, the City utilized Redevelopment Agency funds to support the SHS Program; however, since 2011 the City has used Community Development Block Grant

(CDBG) funds, provided by the inter-agency contract with Sacramento Housing and Redevelopment Agency (SHRA), to support implementation and success of the SHS Program.

The current maximum grant amounts have not been adjusted since April of 2017 and, therefore, have not kept pace with inflation. Staff is requesting that the City Council approve increases in the current maximum SHS grant amounts to account for increases in building material costs and labor costs. Specifically, staff is proposing that the SHS *minor repair grants* be increased to \$3,500 per year per eligible senior household (with a provision for \$5,000 for special circumstances, as determined by the Community Development Department Director) and that the once-in-a-lifetime SHS *major repair grants* be increased to \$10,000. In addition, staff is recommending that the SHS guidelines be revised to allow households to receive a major grant once every five years, as opposed to the current standard of once-in-a-lifetime.

**POLICY / RULE**

The City Council has the authority to approve the maximum grant amounts for the Senior Helping Seniors Home Repair Program.

**ANALYSIS**

On average, the City’s SHS Program responds to over 200 calls for service each year with the majority of these resulting in a grant award. As previously indicated in the background section of this report, there are two types of grants available through the SHS Program: *minor repair grants* (up to \$2,500 per year with a provision for up to \$3,500 for special circumstances) and a one-time *major repair grant* (up to \$7,500.00). The table below shows the breakdown of grants awarded during the past year (September 2020 to September 2021) year and provides a good representation of prior year allocations as well.

| Grant Awards<br>September<br>2020 to<br>September<br>2021 | Minor Grant<br>Up to \$2,500 per year<br>(\$3,500 for special circumstances) |                  |                       | Major Grant<br>Up to \$7,500.00 |
|---|--|------------------|-----------------------|---------------------------------|
|   | Less than \$500  | \$501 to \$2,500 | \$2,501 to<br>\$3,500 | Up to \$7,500.00                |
| Number of Awards  | 122  | 62               | 9                     | 5                               |
| Job Cost Percentage                                       | 61%  | 31%              | 5%                    | 3%                              |
| Total Percentage  | 96%  |                  |                       | 4%                              |

### Minor Repair Grants

As shown in the table above, over 95 percent of all grants during this past year were for minor repair grants, with the vast majority (61 percent) falling in the below \$500.00 category. However, 7 percent were for special circumstances (\$2,501 to \$3,500) and included water heater replacements, as well as repairs to porches, roofs, and HVAC systems.

Since the SHS guidelines were last revised in 2017, staff has seen a year over year increase in the number of minor grants awarded that exceed the \$2,500 threshold. The primary reason for this trend is a result of rising construction costs. Construction material costs have increased dramatically over the past year as a result of reduced production during the Covid-19 pandemic, increased housing demand and climate-related events. Thus, in evaluating the SHS minor repair grants staff has concluded that it seems reasonable to adjust the maximum minor grant amount to \$3,500 annually (5,000 for special circumstances, as determined by the Community Development Department Director), given that roughly 13 percent of minor grant awards over \$500 fall into the \$2,501 to \$3,500 price range.

### Major Repair Grants

Currently, a once-in-a-lifetime *major repair grant* of \$7,500 is available to assist low-income seniors with larger home repair issues, such as a new roof, new HVAC system, re-piping, and other high-cost repairs. As construction costs have increased over the past few years, however, the \$7,500 grant amount is no longer sufficient to cover some of these high-cost repairs. This is specifically the case with regards to new roofs for mobile homes and replacement HVAC units. Based on information provided by the City's SHS contractors, the current replacement cost of a new metal roof for a single-wide mobile home ranges from \$8,000 to \$10,000 and for a double-wide mobile home, from \$9,000 to \$12,000. In addition, the price for a new HVAC unit currently is about \$9,400. Given that the City's former Redevelopment Agency low-interest mobile home rehabilitation loans are no longer an available option (as a result of the State's dissolution of redevelopment agencies) and given the fact that 95 percent of the senior households assisted by the SHS program reside in older mobile homes, staff believes that an increase of the major grant amount to \$10,000 once every five years is necessary in order for the SHS Program to continue to assist low-income mobile home owners with HVAC units and/or new roofs when their existing roof is beyond repair.

It should be noted that the Community Development Department has been very successful in annually monitoring the grant allocations each year to ensure that sufficient CDBG funding reimbursement from SHRA is available. Furthermore, in 2021 SHRA increased the City's CDBG allocation from \$165,000 annually to \$220,000 annually. The reason for the increase is due to SHRA's new CDBG allocation process that now utilizes a formula-based approach for distributing CDBG funds to the City. As such, staff does not anticipate any funding shortfalls associated with the proposed grant increases.

The SHS program is vital in assisting low-income senior citizen homeowners make necessary home repairs in order to safely age in place. As such, ensuring that grant funding levels accurately reflect program costs associated with increases in building material costs and labor

costs is important for the continued success of the Program. With approval of this resolution, the SHS Program Guidelines will be amended so that the SHS minor repair grant is increased to \$3,500 per year per eligible senior household (with a provision for \$5,000 for special circumstances, as determined by the Community Development Department Director) and the SHS major repair grant limit will be increased to \$10,000 once every five years. A copy of the amended Seniors Helping Seniors Home Repair Program Guidelines that include these revisions is attached hereto as Attachment 2.

### **FINANCIAL IMPACT**

There is no financial impact on the General Fund. The CDBG funding program requires the expenditure of funds with reimbursement requested and therefore the Community Development Block Grant Fund (Fund 201) is utilized to cover the upfront contractor and material costs and invoices are sent to SHRA monthly for reimbursement from the grant proceeds. For the 2021/22 fiscal year, \$220,000 of the Community Development Block Grant Fund (Fund 201) has been budgeted for the SHS Program to cover the cost of materials and outside contractors.

### **ENVIRONMENTAL REVIEW**

The project is categorically exempt from environmental review under Section 15061(b)(3) of the CEQA Guidelines (Review for Exemption) and Section 15301 of the CEQA Guidelines (Existing Facilities).

### **ATTACHMENTS**

1. Resolution No. 10721 - A Resolution of the City Council of the City of Folsom Authorizing the Community Development Department to Increase the Existing Maximum Grant Amounts for the Seniors Helping Seniors Program
2. Seniors Helping Seniors Home Repair Program Guidelines

Submitted,



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Pam Johns, Community Development Director

## Attachment #1

Resolution No. 10721 - A Resolution of the City Council of the City of Folsom Authorizing the Community Development Department to Increase the Existing Maximum Grant Amounts for the Seniors Helping Seniors Program

**RESOLUTION NO. 10721**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM  
AUTHORIZING THE COMMUNITY DEVELOPMENT DEPARTMENT TO  
INCREASE THE EXISTING MAXIMUM GRANT AMOUNTS FOR THE SENIORS  
HELPING SENIORS HOME REPAIR PROGRAM AND UPDATE THE GUIDELINES**

**WHEREAS**, in 1996, the City Council approved the initiation of the Seniors Helping Seniors Home Repair (SHS) Program; and

**WHEREAS**, the SHS Program assists extremely-low to low-income senior citizens with health and safety issues in their homes; and

**WHEREAS**, under the current SHS Program Guidelines, income-qualified senior citizens may receive minor repair grants (generally up to \$2,500 per year with a provision for up to \$3,500 for special circumstances) for services to repair minor health and safety issues, and a once-in-a-lifetime major repair grant (up to \$7,500) for larger home repairs; and

**WHEREAS**, the current maximum grant amounts have not been adjusted since 2017 and, therefore, do not reflect the current material costs and labor costs associated with SHS Program home repairs; and

**WHEREAS**, increasing the minor repair grant to \$3,500 per year (up to \$5,000 for special circumstances as determined by the Community Development Department Director) and increasing the once-in-a-lifetime major repair grant to \$10,000 every five years are necessary amendments to the SHS Program Guidelines in order to ensure that the SHS Program continues to provide essential home repair services that allow the City of Folsom's low-income seniors to age in place; and

**WHEREAS**, increasing the grant amounts will have no financial impact on the General Fund because Community Development Block Grant Funds (Fund 201) are, and will continue to be, utilized to fund the SHS grants.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom hereby authorizes the Community Development Department to increase the existing maximum grant amounts for the Seniors Helping Seniors Home Repair Program.

**PASSED AND ADOPTED** this 12<sup>th</sup> day of October 2021, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

## Attachment #2

### Seniors Helping Seniors Home Repair Program Guidelines





# CITY OF FOLSOM

## SENIORS HELPING SENIORS HOME REPAIR PROGRAM GUIDELINES

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### **SENIORS HELPING SENIORS HOME REPAIR PROGRAM**

*The primary purpose of this program is to assist senior citizen homeowners whose properties need health and safety repairs and who do not have the financial resources to complete the repairs. The repairs will be accomplished on a grant basis. Grants are to be funded from CDBG funds.*

### **PROGRAM GOALS**

The goals of the Seniors Helping Seniors Home Repair Program are:

- To help senior citizens in the City of Folsom with repairs to property that will promote health and safety.
- To have qualified Seniors Helping Seniors (SHS) Program Specialist assist senior citizens within the City of Folsom.
- To achieve the goals of the Program in the most cost-effective manner possible.

### **PROGRAM CONCEPT**

The concept of the program is to provide a point of contact where seniors may obtain assistance with small but important health and safety repairs at no cost. An applicant will need only to contact the SHS Program Specialist and meet eligibility requirements. The SHS Program Specialist will verify the eligibility of the senior citizen homeowner requesting assistance and then visit the applicant's home, to verify the eligibility information and confirm that the requested work falls within the guidelines of the program. If it does, the SHS Program Specialist will make the needed repairs or determine that a licensed contractor needs to perform the work. The program will also cover the cost of all materials and any permit/inspection fees that may be needed.

## PROGRAM GUIDELINES

### I. ELIGIBLE APPLICANTS

- A. **Location** - Properties must be located within the City of Folsom.
- B. **Property Type** - Owner-occupied standard or manufactured single-family homes or duplexes.
- C. **Age of Homeowner** – 65 years of age and older. 55 years of age and older if the homeowner has a verifiable disability.
- D. **Qualifying Income** – Applicant’s income cannot exceed 80% of Area Median Income for Sacramento County to be eligible for minor repairs and cannot exceed 50% of Area Median Income for Sacramento County for major repairs.
- E. **Kinds of Repair** – The intent of the program is to make repairs needed to correct health and safety deficiencies. Minor repairs may include, but are not limited to’ such jobs as: installation of grab bars, minor plumbing repairs, electrical, roof and deck repairs, installation of handrails, replacement of hard to reach light bulbs, installation of smoke detectors, and replacement of furnace filters. Major repairs may include, but are not limited to such jobs as: Re-roofs, water supply line replacement, and deck replacements.
- F. **Maximum Minor Grant Amount** – The maximum minor repair grant amount shall be \$3,500.00 per property per calendar year. The Community Development Department Director may approve up to \$5,000.00 per calendar year in exceptional cases (such as when a minor project like replacing a cracked shower pan escalates into a more substantial repair that includes replacing water damaged flooring).
- G. **Maximum Major Repair Grant Amount** – The maximum major repair grant amount shall be up to \$10,000.00 per eligible senior household once every five years.
- H. **Order of Priority** – Qualified applications for Seniors Helping Seniors Home Repair Program will generally be based on a first-come, first-served basis. However, should availability of funds become limited or multiple applications be submitted simultaneously, priority will be given to the homeowners with the greatest health and safety need.

## II. ADDITIONAL PROGRAM PROVISIONS

- A. Community Development Department Responsibilities** – In general, the Community Development Department will be responsible for:
1. Marketing and outreach to potential applicants;
  2. Preparation of a contractor's list which will include all trades with licenses;
  3. Determining the need of the applicant;
  4. Contractor payment authorization;
  5. At any time, staff may accompany or follow a contractor to the applicant's home to collect more information, verify quality of work and applicant's satisfaction.
- B. Homeowner Responsibilities** – Applicant must sign a "hold harmless" release in a form approved by the City Attorney. In addition, the applicant must sign an agreement, which states that the applicant agrees to repay the total cost of the repair in the event the property is sold within the year of the agreement date, devoid of death or a disabling illness of the applicant.
- C. Program Marketing and Outreach** – The availability of the program will be announced in the newspapers which circulate annually; to community and social service organizations; posted in City offices, libraries, and meeting places; and the City's website.
- D. Inspection and Work Verification** – Inspection of the property and verification of the needed repairs will be done by the SHS Program Specialist.
- E. Conflict of Interest Prohibition** – No member of the Folsom City Council/ and no other official, employee, consultant, or Agency of the City or Agency who exercises policy control, decision-making authority, or has responsibilities in connection with the planning and implementation of the program shall be eligible to receive assistance under this program. This ineligibility shall continue for a period of one year following the expiration of an individual's relationship with the City/Agency.
- F. Appeals** – The Community Development Department shall serve as the appellate body to hear any appeals or grievances relating to approvals or denials or the administration of the Seniors Helping Seniors Home Repair Program. Such requests for appellate consideration must be submitted in writing to the Director. The Community Development Department's decision on any such appeal shall be final.

## **OUTLINE OF THE PROCESS OF ADMINISTERING THE PROGRAM**

### **A. ESTABLISHMENT/MAINTENANCE OF CONTRACTOR“STABLE”**

Staff will periodically advertise in the local paper requesting qualified contractors who have contractors' licenses or other qualifying experience to submit a Request for Qualifications if they are interested in participating in the program. Staff will verify qualifications and licenses where appropriate. Contractors shall be required to provide any information required by the Agency for insurance purposes.

### **B. PROGRAM MARKETING**

A marketing effort will be undertaken to inform residents of the target areas about the availability of the program. The general features of the marketing program were described in II. C., above.

### **C. APPLICANT ELIGIBILITY**

Staff will determine eligibility by asking applicant to provide a California driver's license or California identification card for verification of identity and age. Ownership will be verified through the property tax roll and income may be requested if deemed necessary.

### **D. PROPERTY INSPECTION**

Once the City has determined an applicant is eligible to participate in the program, the SHS Program Specialist must inspect the property to confirm that the work falls within the scope of the program. If so, a contractor is called to perform the necessary repair.

### **E. PAYMENT DISBURSEMENT**

If the work is performed by a contractor, once the work has been completed the City will verify that the work is completed and authorize payment to the contractor.