

MEMORANDUM

DATE: November 20, 2023

TO: Melissa Marsh - City Manager

FROM: Giles Tucker - Community & Economic Development Director

SUBJECT: **CDBG REPROGRAM REQUEST: CODE ENFORCEMENT TO MINOR HOME REPAIR**

SUMMARY/BACKGROUND:

The City of Madison Heights is a subrecipient of the Community Development Block Grant. This means that our application for funding is a part of a combined application of several other Oakland County communities that is submitted to Housing and Urban Development (HUD) on our behalf. One of the factors that is taken into consideration when HUD evaluates Oakland County's application is its "timeliness ratio." This ratio is the total of program funds carried over from past years divided by the annual grant amount received. To be in good standing with HUD, Oakland County must maintain a timeliness ratio of 1.5 or less, and therefore so must its subrecipients.

Due to previous staffing issues in Code Enforcement, the amount of money in this project area was unutilized and resulted in the city's timeliness ratio going above 1.5 to 2.55. The first time HUD deems the project untimely, the applicant has 12 months to bring the timeliness ratio back down to 1.5. If they fail to do so, HUD may lower the line of credit given to the applicant to bring this ratio back down to 1.5. For this reason, Oakland County is requiring Madison Heights to develop a plan to increase its spending rate by the end of April 2024 to avoid impacting future funding levels.

Staff proposes the following course of action to bring down this spending ratio from 2.55 to 1.5:

1. Reprogram \$50,000 from Code Enforcement in PY20 to Minor Home Repair PY20.
2. Increase the number of recipients/projects by \$50,000 in Minor Home Repair funds and spend these funds by April 2024.

Minor home repair projects will be identified from the participants and applicants in the city's current minor home repair program and from Madison Heights residents that have been approved through Oakland County's Home Improvement Program. Code Enforcement funding will remain at current levels and not be affected by the reprogramming of the Minor Home Repair program.

STAFF RECOMMENDATION:

Staff recommends that the City Council authorize the Community & Economic Development Department to prepare and submit a request to Oakland County to reprogram \$50,000 from Code Enforcement Program Year 2020 to the Minor Home Repair account. A draft certified resolution has been included along with this memo for consideration.

RESOLUTION OF THE MADISON HEIGHTS CITY COUNCIL

City of Madison Heights, Michigan

WHEREAS, the City of Madison Heights has a remaining 50,169.91 allocated to Code Enforcement activity for Program Year 2020, and

WHEREAS, the City of Madison Heights has a Minor Home Repair program utilizing CDBG funds,

WHEREAS, the City of Madison Heights has duly advertised and conducted a public hearing as follows:

(Insert Public Hearing Information from portion of the 11-27-23 City Council Meeting)

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MADISON HEIGHTS, MICHIGAN THAT:

1. The City Council of Madison Heights authorizes the Community & Economic Development Department to reprogram \$50,000 from Code Enforcement Program Year 2020 and to prepare and submit the request to Oakland County for transfer of said funds into the Minor Home Repair Account.
2. The City of Madison Heights, as the applicant authorizes the filing of said reprogramming of funds with Oakland County.

Yeas:

Nays:

Absent:

Motion Carried

Certification:

I, Cheryl E Rottmann, the duly appointed City Clerk of the City of Madison Heights, County of Oakland, State of Michigan, do hereby certify that the foregoing is a resolution adopted by the Madison Heights City Council at their Regular Meeting held on November 27, 2023

Cheryl E. Rottmann
City Clerk