

COUNCIL ACTION FORM

Meeting Date: July 11, 2024

Staff Contact: Leslie Herring, City Administrator

Agenda Item: Consider Second Amendment to CDBG and HOME Cooperation Agreement between the City and Johnson County

Background/Description of Item

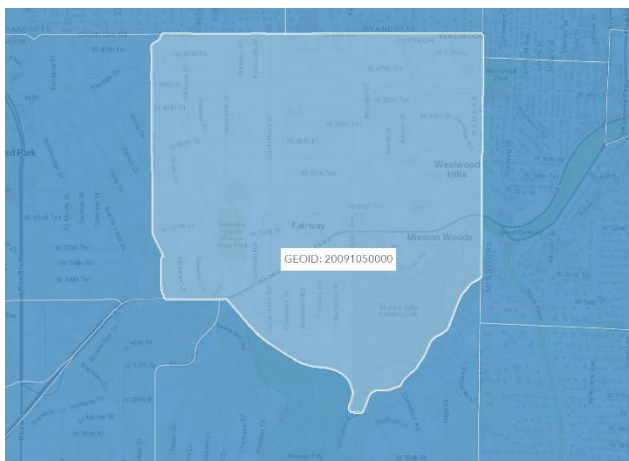
Johnson County Government participates in HUD by administering federal funding through both the CDBG and HOME Rehabilitation program to the cities in the county which don't qualify as entitlement communities (entitled to their own direct apportionment of HUD funds). Johnson County completed its Urban County requalification in 2021, and seventeen cities – including Westwood – chose to participate in Johnson County entitlement program, which permits them to participate in Johnson County's CDBG and HOME Investment Partnership programs. All cities entered Cooperation Agreements with Johnson County in 2004 and executed the first amendment in 2015; Lenexa later joined in 2021. The Cooperation Agreements included an automatic renewal provision, that Johnson County Legal Counsel re-reviews as a requirement of the Urban County Requalification process every three years, to ensure compliance.

On May 6, 2024, HUD issued CPD Notice 2024-02 (the "Urban County Notice"), establishing the requirements, procedures, and deadlines for the requalification process. The Urban County Notice included language that needs to be added to the Cooperation Agreements, which will auto-renew on December 31, 2024, to remain compliant for the above noted programs. The updated language includes specific instructions for termination of the Cooperation Agreement if the participating city wishes to be excluded from the Urban County's Entitlement Program, as well as references to the implementing Code of Federal Regulations citations, the incorporating of Section 504 of the Rehabilitation Act of 1973, Title 11 of the Americans with Disabilities Act of 1974, the Age Discrimination Act of 1975, Section 3 of the Housing and Urban Development Act of 1968.

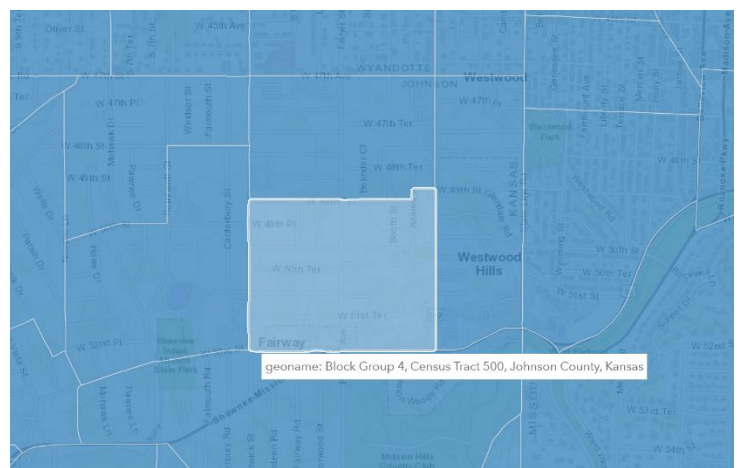
Staff Comments/Recommendation

Currently, the City of Westwood is not perfectly situated within its own Census Tract nor Block Groups, as illustrated by the maps below. Westwood shares a Census Tract with parts of four other cities and, although two Block Groups are entirely Westwood, the third Westwood Block Group is share with the Cities of Westwood Hills and Mission Woods.

2020 Census Tract



2020 Block Groups



Only Census Tracts or Block Groups with a low to moderate income (LMI) population of 38.6% or higher are eligible for CDBG program funding. Neither the Census Tract nor any of the Block Groups currently meet the LMI eligibility requirement. As of the 2020 Census, our Census Tract is 20.13% LMI and the three Block Groups in Westwood range from 22.86% to 25.55% LMI.

The City has in the past tapped into HUD CDBG funding for public projects, but those awards were made from 1989 – 1997, when the City had qualifying areas. Even though Westwood does not currently have any eligible areas, the County recommends the City still amend the Cooperation Agreement in the event the City does meet the eligibility in the future.

Regarding the HOME program, the County's website currently provides the following information:

The HOME Rehabilitation program assists eligible homeowners of Johnson County, Kansas with rehabilitation needs of their owner-occupied homes. Health and safety, accessibility and curing local code citations may be addressed through the HOME Rehabilitation program.

Assistance is provided as a deferred payment loan (at 0% interest and is forgiven 10% per year for 10 years.) The loan instrument is recorded with the Johnson County Register of Deeds Office. If at any time the property changes ownership, the remaining amount of the loan must be repaid.

Income Guidelines

Income limits are based on HUD published median income guidelines for the Kansas City Metropolitan area (MSA: Kansas City, MO-KS):

Household Size and Income Limit
• 1 person: \$57,750
• 2 person: \$66,000
• 3 person: \$74,250
• 4 person: \$82,500
• 5 person: \$89,100
• 6 person: \$95,700
• 7 person: \$102,300
• 8 person: \$108,900

Should Westwood residents desire to apply for funding through the HOME program, they would work directly with Johnson County.

By amending the Cooperation Agreement, Westwood residents are able to leverage the HOME program's HUD funds. Although the City has not been notified in recent years of Westwood residents trying to access the program, in the event Westwood residents would apply to the program, the County would likely notify the City and a financial contribution from the City would be sought to match in some way the grant awarded.

Budget Impact

Approval of the second amendment to the Cooperation Agreements does not require any city financial commitment.

Suggested Motion

I move to authorize the Mayor to execute the Second Amendment to CDBG and HOME Cooperation Agreement between the City and Johnson County.