



MEMORANDUM

March 12, 2010

TO: Board of Mayor and Alderman

FROM: Eric S. Stuckey, City Administrator *Eric*
Vernon Gerth, ACA-Community and Economic Development
Clay Matthews, Housing Development Coordinator

SUBJECT: Community Development Block Grant Program Progress

Purpose

The purpose of this memorandum is to update the Board of Mayor and Aldermen (BOMA) on the progress of the City's Community Development Block Grant Program prior to presenting the new five-year CDBG Consolidated Plan for Housing and Community Development at the next BOMA Worksession scheduled for April 13.

Background

In 2007, the U. S. Department of Housing and Urban Development (HUD) approved the City of Franklin's first three-year CDBG Consolidated Plan for Housing and Community Development which designated the City of Franklin as an "entitlement city". During each of the past three years HUD funding allocations for the City of Franklin average \$273,000 to support community development housing projects and activities in accordance with program guidelines.

In order for the City of Franklin to remain an entitlement community a new three- or five-year Consolidated Plan must be submitted for consideration by HUD prior to May 15, 2010. As the City has gained considerable experience with the program and in consideration of the limited CDBG funding available to Franklin, the Affordable and Workforce Housing Advisory Committee recommended a five-year plan be prepared. The new Consolidated Plan, which requires annual updating, will cover program years 2010 – 2014 and will be presented to the BOMA on April 13.

The attached information provides an overview of our progress during the 32 months the City has been participating in the CDBG program.

Financial Impact

CDBG funding provides a non-local funding source (Federal grant funds) for efforts that benefit the community by specifically target the needs of low and moderate income residents.

Recommendation

No specific action is required by BOMA at this time.

**City of Franklin
Community Development Block Grant
Program Descriptions and Funding**

Emergency Demonstration Repair Program

Repair program for owner occupied homes of elderly and/or disabled citizens.

Progress: 29 Homes Repaired to Date

Year 4 Allocation Narrative

Feedback from the community as well as the AWHAC identified this program as the most popular and effective use of our CDBG funding. Entering its fourth year, this program continues to evolve favorably and expenditures have accelerated in program year two to over \$160,000 per year. The program has been expanded to serve the entire corporate limits of Franklin as well as to accommodate qualifying applicants at or above age 55.

2010 Allocation: \$160,000

Community Based Development Organization

New construction program for owner occupied affordable housing.

Progress: 1 home occupied, 2 under construction, 5 more planned

Year 4 Allocation Narrative

Two CBDO's, Hard Bargain Mount Hope Redevelopment and United Community Resource Foundation, achieved certification in Program Year 2 and are in the progress of completing 4 single-family homes during the current program year. With one home complete and two under construction at the time of this document, this activity is developing favorably. Year 3 funding will carry over well into Year 4 to be fully expended. Therefore, Year 4 funding will be limited compared to Years 2 and 3 to allow expenditures to be completed.

2010 Allocation: \$50,000

Actions; Analysis of Impediments to Fair Housing

Action items identified to Affirmatively Further Fair Housing Choice in Franklin

Progress: 9 action items of 21 completed since 7/2009

Year 4 Allocation Narrative

The Fair Housing Committee will meet in late March and identify the top 3 priorities out of the 21 actions identified in the Analysis of Impediments to Fair Housing Choice, which will be their focus to implement. The \$15,000 allocated to this line item will support expenses associated with those activities.

2010 Allocation: \$15,000

City of Franklin
Community Development Block Grant
Program Descriptions and Funding

Homelessness & Special Needs Housing & Social Services Assessment

Evaluate need and services available

Progress: 3 homeless counts indicate numbers are relatively low compared to neighboring Metro areas.

Year 4 Allocation Narrative

Activities to date indicate that needs in the City are limited and of lower priority than previously identified activities. Moreover, due to the City's close proximity to Metropolitan Nashville, services for the homeless are available within reason. Based on our experiences to date and community feedback, the unexpended first year allocation of \$10,000 will be reallocated to the Emergency Demonstration Repair Program.

2010 Allocation: \$0

Grantee Administration

Manage the CDBG program within regulatory guidelines and consistent with plans approved by the Department of Housing and Urban Development.

Progress:

Year 1 expenditures of \$50,000 to "The Housing Fund" supported the first CDBG application, 3 Year Consolidated Plan for Housing and Community Development, and setting up the City's internal Program and Procedures and HUD required reporting.

Year 2 expenditures of \$45,000 included \$25,000 to "The Housing Fund" for continued assistance with the CDBG Program and the balance of \$20,000 to offset the City's administration expenses.

Year 3 expenditures will be \$50,000 to offset the City's administrative costs including \$25,000 for "The Housing Fund's" services to assist with the development of the City's new 5 Year Consolidated Plan for Housing and Community Development. (7/2010-6/2015)

Year 4 Allocation Narrative

Anticipated grantee administration fees are \$50,000 including \$20,000 for the "The Housing Fund" to assist the City with annual updating of the City's Consolidated Plan, monitoring the City's internal program and procedures, and required HUD reporting.

2010 Allocation: \$50,000

**CDBG City of Franklin
Emergency Demonstration Repair Program
Fact Sheet**

Number of Homes Repaired	29
Average Repair Cost/Home	\$10,700.00
Program Delivery Cost/Home**	\$1,939.00
Most Common Repairs	Roof, Floors, Windows
Income < 30% MFI	17 homes
Income < 50% MFI	12 Homes
Income <80% MFI	0 Homes
Over age 55	100%

****Program Delivery Includes:**

- Market the program and maintain a list of qualified households
- Certify qualifications including household income, legal ownership, property location and condition
- Perform an itemized list of eligible repairs and estimate cost
- Complete Lead Based Paint Hazard analysis in compliance with HUD regulations
- Post Bid Notices and work with City to select contractors from respondents
- Perform periodic quality inspections and authorize completion with homeowner and City
- Address complaints and grievances and elevate to the City if needed for resolution
- Maintain repair records for delivery to the City

**Community Development Block Grant Program
Proposed 2010 Program Year Allocations**

Previous Allocations CDBG

	7/1/07-6/30/08 Program Year 1	7/1/08-6/30/09 Program Year 2	7/1/09-6/30/10 Program Year 3	Proposed 7/1/10-6/30/11 Program Year 4
Emergency Repair Program	\$220,372	\$95,053	\$96,938	\$160,000
Community Based Development Organization (UCRF, HBMH) Actions; Analysis of Impediments to Fair Housing	\$0	\$125,000	\$112,244	\$50,000
Homelessness & Special Needs Housing & Social Services Assessment	\$10,000	\$0	\$15,306	\$15,000
Grantee Administration	\$45,000	\$50,000	\$51,014	\$50,000
Total	\$275,372	\$270,053	\$275,502	\$275,000

Other Grant Programs

	7/1/07-6/30/08 Program Year 1	7/1/08-6/30/09 Program Year 2	7/1/09-6/30/10 Program Year 3	Proposed 7/1/10-6/30/11 Program Year 4
CDBG-R (Stimulus Funds to purchase 2 lots for Affordable Housing)	\$0	\$73,300	\$0	\$0
Emergency Shelter Grant (Shelter Support Bridges and My Friends House)	\$0	\$34,000	\$34,000	\$34,000
Total	\$0	\$107,300	\$34,000	\$34,000