

Economic & Community Development Department

CDBG Policy Committee Meeting

Tuesday, June 18, 2024 at 4:30 PM

City Hall Conference Room 2-1

ATTENDEES: Chairman Howard Schmelder, Commissioner Thomas Hick, Mayor Jeffrey Caggiano

STAFF PRESENT: Dr. Dawn Leger, Grants Administrator; Justin Malley, ECD Executive Director;
David Sgro, Housing Rehab & Project Specialist

AGENDA

I. Call to Order

The meeting was called to order by Chairman Schmelder at 4:30pm.
The Pledge of Allegiance was recited.

II. Approval of minutes of the Special Meeting of May 14, 2024

Chairman Schmelder called for a motion to approve the minutes of the Special Meeting of May 14, 2024. Commissioner Hick made the motion to approve the minutes which was seconded by Mayor Caggiano. All were in favor and the minutes were accepted into record.

III. Discussion of proposed changes to the Residential Rehabilitation Program

Justin Malley began the discussion with a summary of the challenges facing the Residential Rehabilitation Program. The main challenge is a higher, growing demand and a limited grant fund to draw from, especially as the costs for repairs rise. The questions are then how do we do what needs to be done with less available than is needed? What changes can we/should we make to meet the demand?

David Sgro, the City's Housing Rehab & Project Specialist advised the Committee of an active Waiting List of 35 residents. The average project runs around \$6,000.00, and there are more residents reaching out for assistance than in FY2024. The overarching concern is to catch up quickly and to help as many as possible as efficiently as possible.

Discussion included ideas such as prioritizing projects by designating emergencies vs. non-emergencies, removing projects like window replacements, and adjusting the grant award percentage for each of the three income amount eligibility tiers. Currently those tiers are 100% for Extremely Low Income, 100% Very Low Income and 50% Low Income. The suggestion was made to change the Very Low Income percentage from 100% to 80%, and that with these percentage change, all projects would be capped at \$15,000.00.

It was noted that the Residential Rehab Program is federally funded by HUD who decides the yearly award amount to the City. The program is income eligibility based, and is meant to assist those most in financial need. Other guidelines are applicable including the home be owner occupied whether it is a single family or a multi-family residence.

After the discussion, the following motion was made by Commissioner Hick:

Motion to approve the recommendations of the CDBG Policy Committee to revise the Residential Rehabilitation Grant award amounts based on income limit from the current 100% for Extremely Low, 100% Very Low and 50% Low to 100% for Extremely Low, 80% Very Low and 50% Low effective July 1, 2024, pending review by, and approval of, the Economic and Community Development Board.

It was agreed that with the passing of this motion, adjustments could be made based on needs assessment, possibly mid-year. The motion was seconded by Mayor Caggiano. All were in favor and the motion passed into the record.

Discussion then continued regarding moving the grant program into a loan program. David Sgro advised that several communities operate their Residential Rehab Program using loans which are 0% interest and are filed as liens on the property. The loans are then paid back in full to the City with the sale of the home or when the homeowner refinances. Currently, the grant funding has a prorated payback schedule over the 10 years following the signing of the grant. David Sgro suggested the ECD Staff gather information on the loan programs as overseen by other cities for reference.

At this time, the following motion was made by Commissioner Hick:

Motion to move the Residential Rehabilitation Grant Program from one of a grant award process to a loan program process in which the full CDBG award is repaid upon transfer of the property, certain refinance, or other significant event, pending consultation with, and approval by, the Economic and Community Development Board.

Mayor Caggiano seconded the motion. All were in favor and the motion was accepted into the record.

IV. Motion to adjourn.

Chairman Schmelder requested a motion to adjourn. Mayor Caggiano made the motion which was seconded by Commissioner Hick. All were in favor and the meeting adjourned at 5:00pm.

Respectfully submitted,

Sharon Arsego
Recording Secretary