



CITY OF LOGAN REDEVELOPMENT AGENCY

Resolution A Resolution Approving Agency Assistance in the City of No. 13-24 RDA Logan's Housing Rehabilitation Assistance Program

WHEREAS, the City of Logan Redevelopment Agency (hereinafter "Agency") is authorized by U.C.A. §17C-1-411 and §17C-1-412 to use tax increment for affordable housing projects within Logan City; and

WHEREAS, the Housing Rehabilitation Assistance Program, administered by the City of Logan's Community Development Department, qualifies as affordable housing as defined by U.C.A. §11-38-102 (1), with said definition being adopted by the City of Logan in its Land Development Code §17.62 and by the Agency for the administration of its affordable housing funds; and

WHEREAS, the program provides grants of up to \$5,000 per eligible household, or exceeding \$5,000 when approved by the City's Affordable Housing Committee, for minor home repairs, excluding repairs to and replacements of appliances and other unattached personal property, that if neglected, pose a potential health and safety threat, such as roof repairs, bathroom repairs, correction of faulty electrical systems, individual utility hook up repairs, which repairs are made to correct hazardous situations and to keep dwellings in a safe, livable condition; and

WHEREAS, the program may also provide assistance for conversions of rental properties to single-family homes and certain home beautification projects that enhance the surrounding neighborhood; and

WHEREAS, the Economic Development Committee has reviewed the requested assistance and recommends its approval,

NOW THEREFORE BE IT RESOLVED, that the Agency does hereby approve an allocation from the Agency's affordable housing reserves, in an amount not to exceed \$50,000, to provide funding for the City of Logan's Housing Rehabilitation Assistance Program, administered by the Community Development Department, to be used for emergency home repairs, livability upgrades, or rental conversion projects on existing, owner-occupied, single-family dwellings occupied by low-to-moderate income households. Grants to eligible households will not exceed \$5,000 unless approved by the Affordable Housing Committee.

The City of Logan's Community Development Department will be expected to make an annual report to the Agency at the end of each year, summarizing the program and measuring its impact, at which time it may also request continued funding from the Agency.

BE IT FURTHER RESOLVED, that the Redevelopment Agency authorizes the Mayor/Chief Administrative Officer to execute the necessary documentation to accomplish the intent of this resolution.

This resolution duly adopted upon this day of 2013, by the following vote:

Ayes:
Nays:
Absent:

Holly Daines, Chair
Redevelopment Agency

Attest:

Teresa Harris, City Recorder



Funding Request

The Community Development department requests \$150,000 of RDA Affordable Housing funds for the City's long-standing homeownership assistance and housing rehabilitation assistance programs.

On 13 March 2013, the City's Economic Development Committee unanimously recommended that the RDA approve this request. This committee also agreed with the Community Development department's proposal that greater incentives be focused on Adams Neighborhood, as a means of addressing some of the recommendations of the neighborhood specific plan.

Upon the completion of the next neighborhood specific plan (Woodruff is scheduled), the focus of additional incentives would turn to addressing the specific needs of that neighborhood; and the additional incentive for Adams would drop off. Every eligible neighborhood would receive a similar two-year focus.

Programs Overview

"Welcome Home – Own in Logan!" Homeownership Assistance Program: Administered by Neighborhood Nonprofit Housing Corporation, this program would be revised to provide a subsidy for down payment and/or closing cost assistance to qualified buyers of:

- Up to \$6,500 outside of Adams neighborhood (\$4,000 grant, \$2,500 matched grant); or
- Up to \$12,000 within Adams neighborhood (\$9,500 grant, \$2,500 matched grant).

Homebuyer qualifications include, but are not limited to, income eligibility. To date, 130 homes have been purchased through this program, many of which were previously rentals, foreclosed upon, or abandoned properties. There is also a 10-year occupancy property lien requirement.

Housing Rehabilitation Assistance Program: To be administered by the City of Logan Building Safety division, provides grant funding to help address life-safety and livability issues on the interior or exterior of owner-occupied, income-eligible households of Logan. Applicants may apply for a:

- *Tier 1* grant; up to \$2,000 (awarded by the Building Official with oversight of the OneHome committee)
- *Tier 2* grant; over \$2,000 (awarded by the OneHome committee, as judged on criteria)

Projects previously funded include, but are not limited to, roofing repairs or replacement, electrical upgrades, lead paint abatement, siding replacement, foundation repair, ADA modifications, and egress window installation. There are also applicant match (cash, sweat equity, donated labor or materials, non-City grants) and property lien requirements tied to occupancy for two or five years.

Unit Deconstruction Program: This program will be initially test-piloted in Adams neighborhood. Jointly administered by NNHC and the Building Safety division, this program

combines funding from the two previous programs to create an incentive for homebuyers to deconstruct secondary units, turning multi-family into single family residences.

Funding from the homeownership assistance program would contribute to narrowing the equity lost from going between a multi-family and single family residence (\$15,000 is projected as a typical City investment). The HRA program would contribute to the deconstruction of the secondary unit and life-safety, livability, beautification upgrades (\$10,000 is projected as a typical City investment). Funding for each applicant property will be decided on a case-by-case basis by the OneHome committee. There are property lien requirements tied to occupancy for 10 years.

Should demand for the unit deconstruction program prove strong, a separate funding request will be made to the RDA.

Why RDA funds are better for these housing programs

DE-STRINGING. These programs, if operated with RDA funds, will have far less “strings” attached than if they were operated with CDBG funds, which is the current funding source.

Whether the successful application is for a comprehensive remodel or to simply replace a gutter, the current administrative burden for one HRA project includes:

- Completion of a Environmental Review Record
- Inspection for lead paint; stringent requirements for remediation if lead paint is found
- Sending a request of concurrence to the State Historical Preservation Office
- Sending a request for concurrence to US Fish and Wildlife
- Extensive federal reporting
- Being subject to other HUD regulations and scrutiny (auditing)

PROGRAM EFFICIENCY. An RDA-funded HRA application can be turned around in just a few days with very little administrative burden. Under CDBG, the current timeline from application to final funding approval generally exceeds a month.

CONTROL. The City can claim and reclaim multiple aspects of these programs:

- With CDBG, the City has limits as to what kind of improvements can be funded through HRA. For example, in many cases, CDBG cannot fund the deconstruction of a secondary dwelling unit; which is one of the City's greatest desires.
- The administration of the CDBG-funded HRA is presently being carried out by BRAG, who charges a 10% administration fee, which is actually quite reasonable considering the amount of work that must go into each application. An RDA-funded program would be brought back into the City due to the reduced administrative requirements.

OVERALL EFFICIENCY. CDBG funding presently shoulders both infrastructure projects and housing-related programs. Shifting the financial burden of these two housing-related programs to RDA funds allows the majority of CDBG funds to be channeled to infrastructure, allowing substantial progress towards infrastructure to be made.

Additionally, the more CDBG-funded programs and projects there are, the more administratively-intensive CDBG becomes. During the past two years, efforts to simplify the Logan's CDBG program have led to increased staff availability, which has directly led to the increased capacity of the Neighborhood Council, communication initiatives, and the

development of the OneHome initiative. Eliminating these two housing programs from CDBG will provide additional staff availability for the improvement and development of other worthwhile community development initiatives.