

AGENDA

**SPECIAL MEETING OF THE MIDLAND CITY HOUSING COMMISSION
TO TAKE PLACE TUESDAY, JULY 20, 2021 AT 4:00 P.M.,
AT COUNCIL OVERFLOW, CITY HALL,
333 W. ELLSWORTH STREET, MIDLAND, MICHIGAN**

Meeting Agenda:

- 1. Roll Call**
- 2. Public Hearing**
 - a. Amendments to the 2020-25 Consolidated Plan and 2021-22 Annual Action Plan**
 - i. CDBG (Regular)**
 - ii. CDBG-CV**
 - iii. CDBG-DDR**
- 3. Future Meeting Date**
 - a. September 13, 2021 – Regular Meeting**
- 4. Adjournment**



**STAFF REPORT TO THE HOUSING COMMISSION
FOR THE MEETING OF JULY 20, 2021**

DATE: July 15, 2021

SUBJECT: Amendments to the 2020-25 Consolidated Plan and 2021-22 Annual Action Plan

2021-22 CDBG Update

As of July 2022, the City has \$87,817 in carry-over Community Development Block Grant (CDBG) dollars that are not yet budgeted. These are unspent funds from the 2020-21 CDBG program year.

Unspent or Under-Budget Funding breakdown from 2020-21:

Home To Stay (\$2,631) Cleveland Manor (\$15,500)
Washington Woods (\$59,721) Contingency fund (\$9,965)

Another additional revenue that needs to be appropriated is the increase of the entitlement amount from the US Department of Housing & Urban Development (HUD). HUD’s initial planning estimate was \$212,944 but the formal award letter included a slight increase to \$216,082. This additional \$3,138 must also be allocated.

Budget Amendment Recommendation: To account for the additional revenue, staff recommends appropriating all of the funds by increasing the Neighborhood Improvement Fund from \$65,444.00 to \$156,399.

This fund is intended to be used for City managed projects that would directly benefit the low- and moderate-income neighborhoods that were identified in the 2018 Housing Analysis. Staff is working on a list of activities for this fund and anticipates having those activities on the agenda for the September 13, 2021, Regular Housing Commission meeting.

Note: The proposed amendment will take place within the 2021-22 Annual Action Plan.

Community Development Block Grant (CDBG) – Budget 2021-22		
Revenue	Adopted Budget	Proposed Amendments
HUD 2020-21 Entitlement	\$212,944	\$216,082

Program Income	\$20,000	\$20,000
Prior Year Carry-Forward	\$109,300	\$122,817
REVENUE TOTAL	\$342,244	\$358,899
Expenditures		
General Planning and Administration	\$46,000	\$46,000
Contingency	\$5,000	\$5,000
Affordable Housing		
Midland County Habitat for Humanity - Vacant Property Acquisition	\$30,000	\$30,000
Housing Rehabilitation		
Home To Stay - Accessibility Modification or Mobile Home Repair Program	\$10,000	\$10,000
Midland County Habitat for Humanity - Home Repair	\$50,000	\$50,000
SUBTOTAL	\$60,000	\$60,000
Public Facility Improvements		
Washington Woods - Energy Efficiency	\$57,000	\$57,000
Public Services		
Legal Services of E. MI - Fair Housing Testing	\$4,500	\$4,500
Neighborhood Improvements		
City of Midland - Improvements to public spaces in low-income neighborhoods	\$65,444	\$156,399
EXPENDITURES TOTAL	\$267,944	\$358,899

CDBG-CV Update

The City's total CDBG-CV funding available is \$336,317.

Ongoing guidance from HUD has provided much more clarity on what cities can and cannot spend the special CDBG-CV dollars on that resulted from the CARES Act in March 2020. Duplication of resources has been of particular focus by HUD and as a result, the two (2) original awards to MidMichigan Health are no longer eligible under the program rules. Staff has notified MidMichigan Health of this change and they have understood the programming constraints.

Most recent guidance has indicated that cities are encouraged to use their CARES funding to shore up public facilities and make them more resilient against future pandemics. Included in the definition of

public facilities is publically-owned housing that benefits low- and moderate-income residents. Washington Woods is eligible to receive CDBG dollars given the income levels of the residents that live within the building. The residents of Washington Woods, like most senior residents across the country, has endured an even more dramatic time during this pandemic as this demographic has been the hardest hit by the coronavirus.

As it has been presented to the Commission for many years, Washington Woods has ongoing capital improvement needs resulting from the age of the building. CDBG has been an assisting funding source to this facility to close the gap between working capital and the project expenses. Of critical recent need within the facility is the aging chiller on the east side of the building. This chiller is 33 years old. Staff has been using stop-gap measures to keep this piece of vital equipment functioning for many years but is past time for a full replacement. In early May 2021, a crack formed in the chiller which required it to be down for a couple days to repair the holding tank. In early June 2021, an underground pipe feeding the chiller broke which required emergency repairs and resulted in the chiller being out of service for some additional days. Cool, comfortable air is a vital requirement for the health of the seniors, especially during the warm and humid summer months. As such, staff has committed extra time and resources into securing funding to replace this chiller.

Understanding the critical nature of this piece of equipment and the eligibility under the CDBG-CV program rules, staff recommends funding a portion of the replacement of the east chiller at Washington Woods. Washington Woods’ fund request is included in the meeting packet which includes additional details on the proposal, the budget estimate, and where additional funding to complete the project will be leveraged.

Budget Amendment Recommendation: Staff recommends using \$315,000 of the CV funds to cover a large majority of the replacement costs for the eastside chiller at Washington Woods. The remaining \$21,317 is recommended to cover planning and administrative costs for the project; this will include the time it takes for the Assistant Senior Housing manager to administer her portion of the project. CDBG-CV requirements are the same as regular CDBG in that no more than 20% of the total grant can go to planning and administration.

Note: The proposed amendment will take place within the 2021-22 Annual Action Plan.

Community Development Block Grant – Coronavirus Relief (CDBG-CV) Budget 2021-22		
Revenue	Adopted Budget	Proposed Amendments
HUD Special CDBG-CV Allocation	\$336,317	\$336,317
REVENUE TOTAL	\$336,317	\$336,317
Expenditures		
Planning and Administration	\$0	\$21,317

Public Facility Improvements		
Washington Woods – Eastside Chiller Replacement	\$0	\$315,000
Public Services		
MidMichigan Health – Drive-thru Testing	\$6,000	\$0
MidMichigan Health – COVID Telehub	\$13,837	\$0
EXPENDITURES TOTAL	\$19,837	\$336,317

CDBG-DDR

HUD recently approached the City about receiving additional grant funding following the May 2020 dam failure and subsequent flooding event. HUD has a small fund dedicated to meeting unmet needs within a community that had a presidential disaster declaration in the last three (3) years. This small fund is referred to as the Declared Disaster Recovery fund and is a part of the CDBG program; as such, these dollars are referred to as CDBG-DDR funds. As of July 15, 2021, the approximate allocation amount to the City will be \$5.4 million. As these are specific to the recent flooding disaster, the dollars must be spent to address needs relating to disaster recovery or long term resiliency planning.

Since May 2020, the City has been working on a number of fronts to address immediate needs resulting from the record-setting flooding event. In addition to that, the City has also spent considerable effort and resources into improving the sewer systems to lessen the impacts of future floods. The sewer work has been ongoing since the 2017 flooding event.

In January 2021, the City initiated the comprehensive master planning work known as City Modern. City Modern has three broad focus areas and one is sustainability and resiliency. While the master planning work is very early on in its process, the City Modern website caught the attention of HUD and aided the City’s candidacy for this specific disaster relief funding.

Currently, the City’s five year Consolidated Plan focuses mostly on neighborhoods, affordable housing stock, and furthering fair housing. In order to allocate the special CDBG-DR dollars into the City’s CDBG program, the Consolidated Plan must be amended to include elements of how the City is going to use the funds to address the critical needs surrounding flood recovery and long term flooding mitigation. As flooding impacts neighborhoods and housing stock, adding in this specific area of focus will provide an opportunity to show how the City is strategically working to address these issues in a coordinated way.

Budget Recommendation: Staff recommends funding of the following activities.

General Planning & Administration – in order to properly administer this special allocation of funds, staff is proposing \$250,000 to cover the costs of having a number of City staff who will work on the various projects that will be funded. These staff will include members of the

Planning, Finance, and Wastewater Departments in addition to other support staff. To help assist the Planning Department team who will be directing this program, costs for an additional part time employee is included within the budget as well.

Hazard Mitigation Grant Program (HMGP) – following the May 2020 event, the City announced an opportunity for flooded properties within the 100-year floodplain to participate in a voluntary buy-out grant program. This grant program is offered by the Federal Emergency Management Agency (FEMA) through the Michigan State Emergency Management & Homeland Security Division. In May 2021, the City submitted a grant request to cover the buy-outs of approximately 30 homes totaling just under \$5 million. Included in the costs are property acquisition, demolition, site restoration, the associated fees with acquisition, and program administration to assist City staff. The HMGP requires that local jurisdiction cover 25 percent of the total costs resulting in the City needing to cover \$1.25 million. As CDBG-DDR funds can be used as this local match, staff is recommending \$1.25 million to cover this expense.

Hazard Mitigation Grant Program 1:1 Housing Replacement – with CDBG-DDR funding being utilized as the City’s local match for the HMGP property buy-out program, the City is then required to replace any housing unit that is demolished to be replaced elsewhere in the community at a 1:1 ratio. While the City has not finalized details on the specific plans that will result in meeting this requirement, staff is confident that this can be accomplished by working collaboratively with the many housing-related partners that have been engaged since the 2018 Housing Analysis. To assist in adding upwards of 30 additional units into the city, staff is recommending \$1.7 million towards this effort. While these funds cannot be used to build new housing, they can be used to cover property acquisition and infrastructure associated with new construction.

Riverside Place Flooding Restoration – Riverside Place sustain significant damage as a result of the May 2020 flooding event. Since May 2020, staff has been working with insurance and FEMA to cover the expenses associated with fully restoring this facility. The specific FEMA program that City is participating in requires a local match of 25 percent. In addition to the 25 percent, the City also must cover a gap between repair expenses and the insurance coverage. Staff is recommending \$1 million be budgeted to fund the local match and to cover the insurance gap. While Riverside Place is usually not eligible to receive CDBG dollars, the nature of the flood and the reality that the facility would not have been habitable without City intervention allows it to be eligible under the CDBG-DDR program.

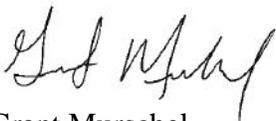
Sewer Improvement & Pump Station Flood Mitigation – following the 2017 flooding event, the City has been working diligently on a scope of work to improve the City’s storm and sanitary sewer systems, and associated pump stations, to make them more resilient during future flooding events. While the total scope of work is over \$50 million, staff is recommending \$1 million of the CDBG-DDR funds to go towards specific portions of the scope of work that will directly benefit low- and moderate-income neighborhoods.

City Modern Sustainability & Resiliency Planning – while concerted effort has been given towards planning for a more sustainable and resilient future, there is still much more work to be done in the community towards this end. The City Modern master planning work is the right vehicle to pursue further planning around sustainability and resiliency. City Modern will include more community participation and professional expertise in how the City of Midland can become more resilient in the face of climate change and other natural disasters that the area is prone to. Staff is recommending \$200,000 towards this broader planning efforts.

Note: The proposal requires amending both the 2020-25 Consolidated Plan and the 2021-22 Annual Action Plan.

Community Development Block Grant – Declared Disaster Relief (CDBG-DDR) Budget 2021-22	
Revenue	2021-22 Proposed Budget
HUD Special CDBG-DDR Allocation	\$5,400,000
REVENUE TOTAL	\$5,400,000
Expenditures	
General Planning and Administration	\$250,000
HMGP Local Match	\$1,250,000
HMGP 1:1 Housing Replacement	\$1,700,000
Riverside Place Flooding Restoration	\$1,000,000
Sewer Improvement & Pump Station Flood Mitigation	\$1,000,000
City Modern Sustainability & Resiliency Planning	\$200,000
EXPENDITURES TOTAL	\$5,400,000

Respectfully Submitted,



Grant Murschel
Director of Planning & Community Development



Tom Wyatt
Community Development Planner



Community Development Block Grant Program

PROGRAM YEAR 2021-2022 REQUEST FOR SUB-RECIPIENT PROPOSALS

DUE DATE: FRIDAY, JANUARY 29, 2021

EMAIL SUBMISSION: TWYATT@MIDLAND-MI.ORG

OR DELIVER TO MIDLAND CITY HALL BY 5:00 PM

CITY OF MIDLAND, MICHIGAN – PLANNING & COMMUNITY DEVELOPMENT



Dear Community Partner:

Thank you for your interest in the City of Midland's Community Development Block Grant program. There is a short Table of Contents that details the contents of this packet. Downloadable documents that provide further detail or guidance. Due to the covid19 pandemic and remote work conditions, staff will offer virtual technical assistance for application preparation. Contact Tom Wyatt to set up a Zoom meeting before the January 29, 2020 deadline.

CDBG Packet Contents:

- City of Midland CDBG Funding Request Submittal Instructions & Staff Contacts
- CDBG Overview, National Objectives, City of Midland Goals & Areas of Focus
- Timeline for 2021-2022 CDBG Award Process
- Subrecipient Application Form
 - Section One: Organizational Information
 - Section Two: Project Information
 - Section Three: Budget Worksheet
 - Section Four: Federally Required Attachments

Again, thank you for your interest in the program and in bettering our community!

Respectfully,

Tom Wyatt
Community Development Planner
City of Midland, Michigan

CDBG Funding Request Submittal Instructions

Applications are due by **Friday, January 29, 2021, by 5 p.m.** via email, or hand delivery.

twyatt@midland-mi.org

Planning & Community Development Department

City Hall – 2nd floor

333 W. Ellsworth Street

Midland, MI 48640

Staff Contacts

City of Midland

Planning & Community Development

<https://www.cityofmidlandmi.gov/438/Planning>

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Community Development Planner

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Grant Murschel

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Community Development Block Grant Program Overview

The City of Midland, MI anticipates receiving Community Development Block Grant funds from the US Department of Housing & Urban Development as an entitlement community. Formula-based entitlement grants are made on an annual basis with the ultimate goal of developing viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons.

Essentially, the CDBG program provides communities with funding to meet community needs while simultaneously meeting federally established objectives.

The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-530.1 et seq.

US Department of Housing & Urban Development

National Objectives

- A benefit to low and moderate-income persons or households
(Limited area, clientele, housing activities, or job creation or retention)
- Elimination of slums and blight (area basis, spot basis, or urban renewal)
- Urgent need (rare; only for activities that alleviate emergency conditions)

City of Midland overarching CDBG goals:

- Maintaining the current housing stock in a standard and code-compliant form through housing rehabilitation assistance provided through loans and grants;
- Providing decent, affordable housing to low-income families and nonprofit housing service providers through new construction and existing housing;
- Providing quality public and community facilities which meet the needs of low and moderate-income individuals and those with special needs and disabilities
- Assisting low-income residents in need of work, housing, transportation, or other support services
- Providing accessibility improvements to meet the needs of elderly persons and persons with disabilities
- Providing ongoing fair housing activities to promote non-discriminatory practices throughout the community.

City of Midland - CDBG Areas of Focus

In the framework of those goals, the City of Midland's Housing Commission has identified focus areas for the 2021-2022 CDBG Program Year. This process is informed by citizen input on community needs via public input sessions, and on the findings of the 2018 Midland County Housing Analysis.

These areas of focus are listed below:

- Geographic Focus (maps to follow in Appendix One)
 - Functionally obsolete neighborhoods
 - Bay City Road
 - Grove Park/Central Park (Midtown)
 - Near Downtown
 - Transitional Neighborhoods
 - Wallen Park
 - Vulnerable Neighborhoods
 - Longacres Park
 - Chestnut Hill Park
 - Plymouth Park
- Public Facility Improvements
 - Within neighborhoods identified above
 - Senior-citizen serving facilities
(Washington Woods, Riverside Place & Cleveland Manor)
- Housing Rehabilitation
 - Owner-occupied rehabilitation
 - Rental rehabilitation
 - Separation of sanitary sewer from the roof and/or footing drains

Timeline
CDBG 2021-2022 Program Year

January 5, 2021	CDBG Public Input Session – 5:00 pm - City Hall
January 6, 2021	CDBG Public Input Session – 3:30 pm - City Hall
January 8, 2021	Request for Proposals Packet Complete Available via City of Midland Website – Planning Page Emailed to community agencies
January 11-29	Sub-recipient technical assistance days (As needed. Call or email twyatt@midland-mi.org to make a virtual appt.)
January 29, 2021	Sub-recipient funding requests due to the City of Midland Planning & Community Development by 5:00 pm
February 8, 2021	Special Meeting of the City Housing Commission 3:00 pm (Potential sub-recipient presentations)
March 8, 2021	Regular Meeting of the City Housing Commission (Proposal evaluation, recommendation formulated for City Council)
March 22, 2021	City Council to set Public Hearing on CDBG Budget (30 day required waiting period)
March 24-April 23	CDBG Budget 30-day public review and comment period.
April 26, 2021	City Council to hold public hearing, and act on CDBG Budget (Local approval of Funding Requests)
May 14, 2021	Annual Action Plan sent to the U.S. Department of Housing & Urban Development for approval
July 1, 2021	Grant Year Begins
September 2021	Anticipated Congressional release of CDBG funds for the 2021-2022 Program Year

City of Midland Sub Recipient Request

CDBG Funding 2021-2022 CDBG Program Year

Name of Organization

Project Title

Section One: Organizational Information

Mailing Address:

Main Phone Number

Organization Website

Tax ID #

DUNS #

System of Award (SAM) #

Executive Director

Executive Director Phone

Executive Director Email

CDBG Contact Person

CDBG Contact Phone

CDBG Contact Email

What is your organization's mission statement?

How does this project seek to work toward that mission?

Has this organization received CDBG funding for this project/service?

YES

NO

Has this organization received any CDBG funding?

YES

NO

If yes, please list the program years and project title(s) below.

Section Two: Project Information

Geographic Location

National Objective met

City Area of Focus met

Need/Challenge met

Is this a collaborative project?

YES

NO

If yes, with what organization?

Is this project part of a larger initiative?

YES

NO

If yes, please define the CDBG portion of the project, as well as its role in the larger initiative in the project description and purpose sections below.

Project Description

Project Purpose

Who will evaluate the eligibility of clientele to receive services, and who will carry out the project (staff, contractors, etc)?

Please describe the work process used to verify the low/moderate-income level of beneficiaries.

Proposed timeframe for the project

Expected lifetime of project work

If requested funds involve rehabilitation or construction, please attach (email or print) up to 5 photos of the project area.

Photos attached

No photos attached

Clientele Information

Estimated number of people or Households will benefit from this project /service (not from your entire organization, unless this project will impact all clientele).

of Households

of Individuals

Please estimate the anticipated demographic profile of the beneficiaries (% or #).

Very-low income

Low-income

Moderate income

Section Three: Budget Worksheet

Please complete the table below or attach a self-prepared budget that contains these elements. Include all expenditures and funding for the total project/service budget.

Please note: CDBG is intended as start-up capital, not intended to fund ongoing program expenses.

Sources

CDBG Funded Project Larger Initiative (if applicable) Organization-Wide

CDBG Request

Other Federal

State of Michigan

Local Contributions

Other (please specify below)

Total

Other fund description

Will these funds be utilized to leverage additional funds for this project? If yes, please complete the table below.

YES

NO

Leveraged Funds

Dollar Amount

Federal

State of Michigan

Local Contributions

Other (please specify below)

Total

Funding Uses

This Project

Larger Initiative

Personnel

Contracted Services

Supplies

Total Reoccurring

Capital Outlay

Total

Other uses description:

Will this project cover contractual expenses for construction?

YES

NO

If yes, has the project budget been formulated using Davis-Bacon prevailing wage rates?

YES

NO

Section Four: Federally Required Attachments

Please include federally required attachments listed below:

- Organizational nonprofit status documentation
- Liability insurance statement (current)
- Financial audit summary (most recent)

Downloadable Appendices:

- CDBG [National Objectives](#) and [Matrices](#)
- 24 CFR Section 570.201 [Basic Eligible Activities](#)
- Midland County [Housing Analysis](#)
- Playing by the Rules: [A Handbook for CDBG Subrecipients](#)