

**Department of Community Development
Executive Summary – Table of Contents
CDBG / HOME/ ESG / HOPWA**

Description	Amount (2020 funds only)	Budget Line Items
Demolition	1,000,000	Demolition - \$1,000,000
Lot Clean-Up	1,210,999	Lot Clean-Up - \$1,210,999
General Admin. /Rehab. Program/ Comm. Revit. Admin.-CDBG/HOME	5,982,426	Rehab Adm \$900,000, Land Bank Adm \$495,000, Store Front \$260,000, CD Planners \$180,000, Gen Adm \$3,145,085, Oper Exp \$230,000, Ind. Cost \$285,000, Home Adm \$487,341
Anti-Predatory Lending, Financial Literacy and Fair Housing	90,000	Fair Housing \$90,000
Neighborhood Development Activities	7,400,000	NDA \$7,400,000
Summer Sprout	126,057	Community Gardens \$126,057
Home Repair: Incl. SHAP and CHORE -Dept. of Aging	340,000	SHAP/CHORE Adm \$280,000, Dept of Aging ESG \$60,000
AIDS Prevention Program	284,393	AIDS Prevention \$284,393
HOPWA	1,579,911	HOPWA \$1,579,911
AAH/RAH/SHAP - CDBG/HOME	2,479,862	SHAP \$1,000,000, Repair-A-Home \$425,000, Other Home \$550,000, Home Repair \$504,862
Storefront Renovation	49,889	Storefront \$49,889
CDC/Citywide Support	1,422,288	CDC Oper Sprt \$1,117,288, CityWide \$305,000
Social Service Activities	1,713,016	Third Party Social Services \$1,308,016, Senior Transportation \$405,000
Housing Trust Fund-CDBG/HOME	3,901,859	CHDO \$734,109, Housing Trust Fund \$3,167,750
Emergency Solutions Grant/Homeless Services (include NEOC)	2,471,077	ESG \$1,798,769, CDBG Homeless Services \$672,308
TOTAL	30,051,777	

- Neighborhood Development Activities line item excludes \$230,000 for Senior Transportation program proposed to City Council at the budget hearings. Included in the Social Services Activities line item.
- HTF ordinance \$3,901,859 includes \$3,167,750 of 2020 HTF & \$734,109 of CHDO line item budget.

ORDINANCE NO.

Department of Community Development Executive Summary

Demolition / Board Up – Department of Building & Housing

- Ordinance Amount:** PY 2020 Funding - \$1,000,000
- Purpose:** To authorize the Directors of Community Development and Building and Housing to spend PY2020 grant funds for program costs for nuisance abatement activities, including but not limited to board-up and demolition.
- Benefit:** The appropriation will partially fund the nuisance abatement program implemented by the Department of Building and Housing.

Lot Clean Up – Division of Park Maintenance and Properties

- Ordinance Amount:** PY2020 Funding - \$1,210,999
- Purpose:** Funds are allocated to the Division of Park Maintenance and Properties for the annual nuisance abatement and lot clean up program.
- Scope:** Nuisance abatement and lot cleaning includes cleaning, mowing and removal of weeds and debris.
- Focus:** City-wide and blighted property
- Exceptions:** A remedial order notice is published for all property owners who own vacant lots, parcels, or land in the City of Cleveland notifying them of their responsibility to maintain their property free of noxious weeds, high grass, surface water, refuse, litter or nuisance conditions. If the owner does not comply, the Division of Park Maintenance and Properties will clean the lot or otherwise abate the nuisance conditions, and send the work order to License and Assessments for processing. If the bill is not satisfied, it is referred to the County for placement on the tax billing.

Contractors: A private agency is retained to provide workers for the nuisance abatement and lot clean up duties. The Division provides the supervision and equipment.

Program Timeline: June 2020 through May 2021

General and Program Administrative Cost \$5,982,426

Purpose: To authorize Director of the Community Development Department to spend PY2020 and HOME funds for administrative expenses for the Division of Administrative Services, Neighborhood Development, the Director’s Office and Neighborhood Services. Also, included is the Indirect Cost line item budget for CDBG reimbursement to General Fund.

Ordinance Amount:	<u>Line Item</u>	<u>Estimated Amount</u>
	General Administration	\$3,145,085
	Rehabilitation Program Administration	900,000
	Commercial Revit. Administration	260,000
	Land Bank Administration	495,000
	CD Planners	180,000
	Home Program	<u>487,341</u>
	Total CDBG & HOME Salaries & Benefits	5,467,426
	CDBG Operating Expenses	230,000
	Indirect Cost	<u>285,000</u>
	Total	<u>\$5,982,426</u>

Importance of Legislation: Provides necessary funding to support the operations of Director’s Office and the three Divisions of the Department to administer all the programs administered by the department, particularly from CDBG, HOME, ESG and HOPWA grant programs.

Financial Literacy, Homeownership, Foreclosure Prevention and Fair Housing programs

Ordinance Amount: \$ 90,000

Reason for Legislation:

To authorize the Director of Community Development to enter into contracts with various agencies to provide support for financial literacy, homeownership support, foreclosure prevention counseling as well as Administration of the Fair Housing program.

Purpose:

This ordinance will enable the Department to continue to provide support for financial literacy, homeownership, foreclosure prevention and Fair Housing programming including:

- Information and educational outreach;
- Assistance in negotiations with lenders, brokers, and contractors;
- Referrals to housing and consumer advocacy organizations;
- Develop and implement a structure for more effective and consistent financial counseling;
- Pre and post homeownership counseling;
- Education on consumer rights and responsibilities
- Assistance with credit repair, debt collection, and money management;
- Increasing overall knowledge of Fair Housing Law through educational seminars and community outreaches;
- Strengthen Fair Housing partnerships and collaboration;

Source of Funds:

PY2020 Community Development Block Grant

**CDBG Neighborhood Development Activities (NDA)
Division of Neighborhood Development**

Ordinance Amount:

PY2020 Funding - \$7,400,000

Purpose:

This ordinance is the omnibus legislation that authorizes the Department of Community Development to carry out activities funded from the Neighborhood Development Activities (NDA) line item.

Funding Uses:

Specifically, the ordinance enables the Department to enter into contracts with social service agencies, community development corporations, housing agencies, non-profit corporations, private for profit entities, Cleveland Municipal School District, County, State and other governmental entities, as well as memorandum of understanding with City departments in order to implement various approved community development activities on a ward-by-ward basis. The ordinance enables each councilperson to prioritize those activities designed to address particular neighborhood

conditions within their ward.

Importance of Legislation: The ordinance sets up allocations for each ward. Funds are to be used for ward-specific projects that are eligible Community Development Block Grant activities.

Community Gardening Program

Source of Funds: PY2020

Ordinance Amount: \$126,057

Reason for Legislation: To allow the Director of Community Development to enter into contracts with non-profit organizations to administer the Summer Sprout Program.

Recommendations: Summer Sprout coordinates the use of vacant City, neighborhood agency and privately owned lots as community gardens.

Eligibility guidelines require that potential locations are authorized by the City, the Cleveland Schools, or a non-profit organization. The site is privately owned; have permission from the owner. Each site will have a minimum of five gardeners pledged to work on the site. Once approved, the site is plowed or rototilled, as needed, in the Spring (at the beginning of the season) or in the Fall (at the end of the season). Gardeners at each site are provided: vegetable seeds, plants, humus, soil amendments as needed, and fertilizer. The non-profit organization administering the program provides technical assistance to gardeners, including advice on proper garden development and maintenance, gardening techniques, and problem solving. In addition, the non-profit organization administering the program will provide workshop opportunities, education services and libraries for the Summer Sprout gardeners.

Costs include: plowing or rototilling of each site, providing seeds, plants, humus/fertilizer/soil amendments as needed, partial payment of water fees, lead testing of new garden sites, and administrative costs.

This legislation would authorize The Director of Community Development to enter into contracts with one or more non-profit organizations to administer this program.

Senior Homeowners Assistance Program (SHAP/CHORE) and the Homeless Services Emergency Solutions Grant Program

Ordinance Amount: \$340,000

Purpose: To authorize the Director of Community Development and the Director of Aging to spend CDBG funds for the administration of home repair programs, including the SHAP/Chore programs, tree removal and to conduct the Homeless Services Emergency Solutions Grant (ESG) Program.

Funding Uses: Includes \$337,000.00 for salaries and benefits for five (5) full time and three (3) part time employees. It also includes \$3,000.00 for equipment and supplies.

Program Description: The objective of the SHAP/Chore programs is to provide home maintenance and repair services for eligible Cleveland seniors and disabled adults to help them remain independent in their own homes.

CHORE– Full and part time staffs hired by the Department of Aging perform chores for elderly and disabled residents such as house cleaning, lawn mowing, raking, and installation of smoke and carbon detectors.

SHAP- Employees from the Department of Aging take applications for critical home repairs for grant funding known as the Senior Homeowners Assistance Program that is administered by the Division of Neighborhood Services.

Homeless Services- The objective of the Homeless Services ESG program is to prevent homelessness by providing case management services for seniors (60+ years of age) and adults with a disability (50-59 years of age) who are at great risk of becoming homeless.

Importance of Legislation: This funding is needed to effectively implement the CDBG SHAP/CHORE and ESG Homeless Services Programs for the Cleveland Department of Aging.

AIDS Prevention Program – Departments Community Development and Public Health

Ordinance Amount: \$284,393

Background/Purpose: This legislation authorizes the Director of Public Health to expend funds from the Community Development Block Grant (CDBG) to provide HIV prevention education.

Community Development Block Grant funds supports HIV/AIDS prevention education, HIV testing and high-risk intervention efforts for people living in the City of Cleveland. Proposed programs meet the particular needs of Cleveland's diverse populations through targeting high-risk communities within the City of Cleveland.

Goal: To reduce and ultimately eliminate AIDS in the City of Cleveland through HIV/AIDS prevention and education.

Funding Cycle: July 1, 2020 - June 30, 2021

Housing Opportunities for Persons with AIDS (HOPWA) Program – Departments Community Development and Public Health

Purpose: This legislation authorizes the Directors of Community Development and Public Health to expend Housing Opportunities for Persons with AIDS (HOPWA) funds and to enter into contracts with various agencies to provide AIDS-related services to provide housing and supportive services to people living with HIV/AIDS.

Goal: To provide housing and supportive services to prevent homelessness among people living with AIDS and sustain quality of life.

Funding Cycle: June 1, 2020 – May 31, 2021

Funding Source: Formula grant from the United States Department of Housing and Urban Development through the City of Cleveland Department of Community Development to the Department of Public Health

Estimated Budget: \$1,579,911 and Prior Year Balances

Programs for Home Repair and Rehabilitation (RAH/SHAP/SHAP-CHORE) – CDBG & HOME

Ordinance Amount:

A total of \$4,147,203 of which \$3,155,000 is from CDBG and \$992,203 is from HOME funds for the City’s housing repair program, rehab program and homeownership programs including program income of approximately \$240,000.

<u>Program</u>	<u>CDBG</u>	<u>HOME</u>
Repair-A-Home Program	425,000	504,862
Senior Homeowner Assistance Program (SHAP)	1,000,000	0
Program Administration	900,000	487,341
SHAP/CHORE Adm.-Aging	280,000	0
Furnace/Hot Water Replace	285,000	0
Furnace Repair	95,000	0
Senior Tree Trimming	75,000	0
Gutter Cleaning	<u>95,000</u>	<u>0</u>
Total	3,155,000	992,203

Purpose:

Authorize the Director of Community Development to expend funds to provide loan and grant dollars for the following home repair and rehab programs for residents of the City of Cleveland:

Senior Housing Assistance Program (SHAP) – A one-time grant to low income Cleveland residents age 60+ years or disabled, who reside in and own single or two family homes in need of critical health, or safety repairs.

Senior Initiative – SHAP – Assistance to Cleveland residents age 60+ years or disabled, who are eligible for assistance through the Senior Initiative due to a multi department intervention for home repair assistance. The applicant must reside in and own single or two family homes in need of critical health, or safety repairs so that the applicant can age in place.

Repair-A-Home Program (RAH) – The RAH program provides repair and rehabilitation assistance for very low to moderate-income homeowners. The RAH program will serve single and two-family, owner-occupied properties.

Other Programs:

The following programs are operating within the Division of Neighborhood Services and are used as program and leverage dollars in addressing the holistic approach in making a home safe and healthy.

Lead Hazard Reduction Program – The Program was created to protect children from lead-based paint hazards. The program is designed to maximize the combination of children protected from

lead poisoning and housing units where lead-hazards are controlled. All identified interior and exterior lead-based paint hazards are to be controlled so that the lead hazards are addressed. The scope of work eligible for the program will be determined by the Paint Inspection/Risk Assessment completed by the Risk Assessor. If the total cost of the unit is greater than the average unit cost, the occupant/landlord is encouraged to contribute to the cost with in-kind work or additional financial resources. All programs participants are encouraged to provide assistance to the project by either performing some of the required measures and/or making a financial contribution of \$500.00 or more per unit.

Home Weatherization Assistance Program (HWAP) – The Home weatherization assistance is provided to homeowners and renters to address energy efficiency. Items typically covered are: attic and sidewall insulation, heating safety check, client education, and weather-stripping and energy conservation measures.

Furnace and Hot Water Tank Repair and Replacement Program (\$380,000.00) – The Program provides one time only emergency furnace and hot water tank replacement assistance to owner occupants with incomes of 50% of median income or less. The program is available on a citywide basis in one or two family structures. Assistance is limited to the unit occupied by the owner. This is a collaborative program between the Department of Community Development and Cleveland Housing Solutions.

Tree Trimming Program (\$75,000.00) – The Program is designed to address hazardous and dangerous trees and tree branches. This is a collaborative program between Cleveland Departments of Aging, Community Development and Public Service. Program will only resolve major nuisances and hazards. Minor tree nuisances are not eligible. Applicant eligibility is based upon the guidelines utilized for the SHAP Program. Assistance is available as a grant.

Gutter Cleaning Program (\$95,000.00) – The Program is designed to assist low-income seniors or disabled homeowners with gutter cleaning or gutter re-attachment for their primary residence. The primary residence must be classified either as a one or two family structure only. The repair is provided to the eligible homeowner in the form of a grant.

Exterior Home Repair Programs – The program offers one time assist to Cleveland residents who reside in and own single or two family ho in need of exterior health, safety or maintenance repairs. Assistance the form of a loan with a 0%, 1%, 2% or 3% interest rate. The repayment term is dependent upon the amount of disposable income

available. Special terms are available based on the applicants' ability pay. All program participants must have exterior code violations identified by the Department of Building and Housing.

Eligible repairs include: roof replacement, porches, steps, window replacement, doors, vinyl siding, repair of walkways/driveways, driveway replacement, **(only if considered health and safety threats)**, exterior carpentry as needed, chimney repair or rebuilt and tuck pointing of exterior foundation.

To provide grant dollars to low and moderate income Cleveland homeowners and tenants in target areas for exterior maintenance of their home.

Exterior Paint Program – This Paint Program provides a valuable incentive to homeowners and tenants to maintain the exterior of their home and in reducing lead based paint hazards. To be eligible, an applicant must be a City resident and live in a one or two family structure that is being painted, and be of either low or moderate income.

The Paint Program provides grants of up to \$1,500 for exterior paint and paint supplies for owner occupants and up to \$750 for tenants. Funds granted will not exceed the cost of the exterior paint and supplies. Labor is not included. The entire property must be painted to qualify for the program. Paint vouchers are used to process payment to paint vendors. Lead regulations must be followed when houses are painted. To ensure compliance, a pre-inspection is conducted to verify property needs to be painted and that safe work practices will be followed. A certified Risk Assessor must do the final clearance exam. Final clearance as defined by the regulations is a visual clearance of the work site completed by a State Certified Lead Risk Assessor.

All painting must be completed and inspected by October 31, to be eligible for reimbursement in the same year. Requests for reimbursement must be accompanied by a copy of the original receipts dated after application approval. Income guidelines is 100% of Area Median Income.

Income Eligibility:

All the programs are subject to income eligibility indicated in Attachment A.

Strategic Importance:

These programs provide a valuable resource to the City of Cleveland's low to moderate-income homeowners, tenants and homebuyers of renovated or rehabilitated homes.

Storefront Renovation Program

Purpose: To authorize the Director of Community Development to expend funds for the operation of the Storefront Renovation Program (SRP) including entering into rebate agreements with program applicants and issuing rebates for costs related to comprehensive exterior improvements made through the Storefront Renovation Program, and to pay for expenses, professional services, or administrative costs for the implementation of the program.

Funding Total: PY2020 Funds: \$49,889

Contact Person: Terri Sandy, Manager
Division of Neighborhood Development
Department of Community Development
216 664-4031

General Program Description: The SRP provides design, technical and financial assistance to eligible commercial/retail property owners or business owners who are willing to improve the exterior appearance of their building in a comprehensive manner in accordance with the Secretary of the Interior's Standards for Rehabilitation. Buildings eligible for SRP rebate or loan assistance include traditional (display windowed) or non-traditional (no display windowed) commercial buildings that function in a retail or commercial service use. The Program is intended to improve neighborhood retail districts and service areas containing primarily traditional storefront structures.

Service Area: The CDCs market and process SRP applications for rebate and/or loan incentives in their neighborhood retail districts and service areas across the city.

Financial Products Available: Building Rebate: rebates are available to commercial property owners or business tenants who comprehensively rehabilitate the exterior surfaces of SRP eligible building types whether they are located in a SRP target area, or within the CDCs' service areas;

Signage Rebate: rebates are available to commercial/retail business tenants whose building is currently participating in or has already been renovated through the Storefront Program to provide functional, yet creative signage to support the business use located inside the building;

Step 1 Storefront Program Pilot – A one year pilot to test an a la carte approach to exterior renovation in wards that had 1 or less completed SRP building projects in the last 5 years, and in some cases where the economic recovery post 2008 has not yet occurred. The Pilot requires that the Applicant have at least \$10,000 to spend and how the SRP

uses that investment to make a visual impact that works as the first step toward being able to come back to the SRP in the future to finish the exterior.

The rebate is 60% not to exceed \$10,000. Only 1 application per CDC will be accepted and only 1 project per eligible ward(s) will receive the rebate funding. Eligible wards are:

1,2,5,7,9,13,14,16. One application per CDC(s) will be accepted from:

- Ward 1 – Harvard Community Services Center
- Ward 2 – Union Miles Dev. Corp.; Mt. Pleasant Now Dev.; Slavic Village Dev.
- Ward 5 – Burton, Bell, Carr Development
- Ward 7 – St. Clair Superior Development
- Ward 9 – Famicos Foundation
- Ward 13 – Old Brooklyn CDC
- Ward 14 – DSCDO – Metro West CLE
- Ward 16 – Bellaire-Puritas Development

Low Interest Loan: In partnership with Dollar Bank and CASH, the SRP offers a low interest loan up to \$100,000 for the comprehensive exterior rehabilitation of SRP eligible building types for credit worthy borrowers. The 2015 rates are:

- 4.5% fixed rate for 10 yrs./15 yr. amortization up to \$50,000 borrowed
- 4.75% fixed rate for 10 yrs./15 yr. amortization for over \$50,000 to \$100,000 borrowed

Loan/Rebate Combo: the pairing of both the rebate and the low interest loan products available in the rebate target areas in order to assist SRP applicants in the financing of their project. Rebate is then paid to Dollar Bank to further reduce the loan balance.

CDC/Citywide Support Funding

Ordinance Amount:	\$1,383,487	
	Community Development Corporations	\$1,117,288
	Citywide Agencies	<u>305,000</u>
	Total	\$1,422,288

Reason for Legislation: Authorization to expend CDBG funds to support

Community Development Corporations (CDCs) and Citywide agencies for general operating and/or program-specific staff support. These funds will be used for programs or services that provide tangible neighborhood improvements to real property, housing redevelopment, housing services and various commercial activities.

Ward/Councilman: All Wards

Purpose: Provide CDBG funding for HUD PY2020 (2020 HUD program year)

Recommendations: The Department will receive and review proposals for the PY2020 CDC Operating Support and Citywide Development Assistance programs for Community Development Block Grant funding in the upcoming months.

Social Services

Ordinance Amount: \$1,713,016 from the PY2020 Community Development Block Grant

Reason for Legislation: To provide CDBG funding to third party organizations and City departments administering social service programs for income eligible residents.

Ward/Councilman All Wards

Recommendations The Department received and reviewed proposals for Community Development Block Grant funding. Programs will be funded in four categories: youth, elderly, family and other. The recommendations for grantees of the social service funds are attached.

Program Timeline: Contracts span a 12-month period.

2020 Housing Trust Fund Program

Ordinance Amount: \$3,901,859

Description: Funds will be loaned for low income housing development activities selected through the Housing Trust Fund competitive process.

- Eligible Projects:** This program provides low interest loans for the construction or rehabilitation of housing units available to income eligible households, on either a rental, lease or for-sale basis. All projects must comply with the Cleveland Green Building Standards and must be consistent with city plans and strategies.
- Maximum Award:** Awards should not exceed \$600,000 and will be underwritten subject to HUD HOME regulations. Consideration for projects whose requests exceed the maximum will be reviewed on a case-by-case basis based on project complexity, strategic importance, and available funding.
- Selection Criteria:** The funds are awarded on a competitive basis. Criteria includes the following:
- Feasibility of the project for a construction start within one year, as indicated by project status such as evidence of site control and strength of financial commitments;
 - Capacity, track record and experience of the development team in successfully completing housing projects;
 - Compliance with relevant federal and local regulations;
 - Relationship of the project to the identified affordable housing needs and neighborhood revitalization strategies;
 - Cost effectiveness in terms of units produced per HTF dollar;
 - Cost effectiveness in terms of overall subsidy per unit produced
 - Leverage of non-City resources;
 - Extent to which the project fills a need for housing and associated services for a specific hard-to-house constituency;
 - Extent to which the project will offer housing for residents in close proximity (either via walking or public transit) to employment , educational opportunities, recreation and /or commercial centers;
 - Quality of design and construction of the proposed project.

2020 Emergency Shelter/Solutions Grant (ESG)

Purpose: This ordinance authorizes the Director of Community Development to enter into contract with non-profit agencies to provide shelter and related services to the homeless and to enter into contract with Cuyahoga County for the operation of homelessness prevention and rapid re-housing activities.

Amount and Sources:

\$	1,798,769	Emergency Solutions Grant
	<u>672,308</u>	CDBG
\$	2,471,077	

Background: HUD restructured the Emergency Shelter Grant program as the Emergency Solutions Grant program. In addition to the previously eligible homeless shelter services, a substantial portion of the ESG funds is required by HUD to be used to support homeless prevention and rapid rehousing activities. These are coordinated through the Cleveland/Cuyahoga County Office of Homeless Services.

Uses of Funds: Planned uses of funds include:

- Support for operating costs and services at emergency shelters.
- Operation of the Coordinated Intake System for homeless shelters that can assist persons seeking shelter to identify other housing options whenever possible.
- Rapid rehousing assistance for families in shelters to assist them in moving out as soon as possible through case management, linkage to mainstream services and benefits, housing placement services and short term rental assistance

Program Operations: Non-profit shelter providers are selected through a Request for Proposals (RFP) process carried out in cooperation with the Cleveland/Cuyahoga County Office of Homeless Services.

The Cleveland/Cuyahoga Office of Homeless Services is the primary administrator for homeless prevention and rapid rehousing activities, with ongoing responsibility for contracting, monthly payments and the extensive HUD data collection and reporting requirements of the program. The City's ESG funds will be supplemented by County and State ESG funds and local County revenues.

Matching Funds: The ESG Program requires local matching funds for homeless shelter and services on a \$ for \$ basis. Cuyahoga County has

been annually committing over \$4 million in Health and Human Services levy funds for homeless assistance, through the Office of Homeless Services.

Importance:

Current agency shelter contracts expire by the end of December 2020.