



CITY COUNCIL ACTION REPORT

October 12, 2009

TO: John Szerlag, City Manager

FROM: Mark Miller, Acting Assistant City Manager/Economic Development Services
Timothy L. Richnak, Public Works Director

SUBJECT: Community Development Block Grant (CDBG) 2010 Application and Public Hearing

Background:

- Oakland County has advised the City of Troy to use \$167,960 as our planning estimate for the program year 2010.
- The following projects are being recommended for the 2010 CDBG program:
 - Flood Drain Improvements:

Lovington Storm Sewer – Minnesota to Dequindre	\$ 115,072.00
○ Home Chore Program:	50,388.00
○ Administration:	<u>2,500.00</u>
○ TOTAL:	\$ 167,960.00
- Federal regulations require Oakland County as an “urban county” grantee to execute an annual Subrecipient Agreement with each participating community. We submit the signed Agreement with our application.
- The City of Troy has participated in the Oakland County’s Urban County Community Development Block Grant Program since 1982. (see Attachment A)

Financial Considerations:

- Oakland County will allow participating communities to spend a maximum of 30% of their annual allocation on public services. We are currently at 30%.
- Oakland County will allow participating communities to allocate a minimum of \$2,500 for each activity.

Legal Considerations:

- There are no legal considerations associated with this item.

Policy Considerations:

- Troy adds value to properties through maintenance or upgrades of infrastructure and quality of life venues.
(Outcome Statement II)

Options:

- It is recommended that Council approve the Community Development Block Grant (CDBG) 2010 application.

Oakland County's Urban County Community Development Block Grant

The City of Troy has been participating in Oakland County's Urban County Community Development Block Grant Program since 1982.

Our allocation for last year's CDBG funds was for a total of \$158,321 as detailed below:

Flood Drain Improvements:	\$84,811
Home Chore Program:	\$71,010
Administration:	\$ 2,500

We do not have a waiting list for the home chore program and we currently have 75 residents on the program. The additions we have each year are counterbalanced by the residents that either move into an assisted living facility or pass away.

On May 7, 2008 Council passed resolution #2008-05-174-F-5 to participate in Oakland County's Urban Community Development Block Grant program for the years 2009, 2010 and 2011. The City has signed a cooperation agreement for this period and is a participating community included in the Oakland County Urban County Program year 2009 funds of \$3,917,404.

While it may be possible for the City of Troy to administer its own CDBG program after the year 2011, there are several disadvantages:

- We would no longer be eligible to receive Home Improvement Program funds. Approximately \$1 million in HOME funds are combined with CDBG funds each year to improve local housing. (HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. HOME provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups to fund wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.) Oakland County completed 27 loans during the last cooperation period (Years 2006, 2007 and 2008) for Troy residents accounting for an approximate \$540,000 investment in the local housing stock.
- Currently Oakland County handles the majority of the federal paperwork involved in administering the Community Development Block Grant Program. There are some very specific and complex reporting, eligibility, accounting, auditing, contract compliance, fair housing and equal opportunity requirements in the administration of the CDBG program, that are required of the community. The reduction in administrative burden helps maximize the benefit of each dollar at the local level.
- Wages, benefits, office space, computers, supplies and materials, training and resources that would be needed to take over the Home Improvement Program are now provided by Oakland County.