

**CITY OF OAKLAND
AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2004 JUL -1 PM 2:00

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: July 13, 2004

RE: **RESOLUTION TO AMEND THE CONTRACT BETWEEN THE CITY OF OAKLAND AND THE COUNTY OF ALAMEDA, HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT IN THE AMOUNT OF \$229,210 FOR THE ADMINISTRATION OF THE MINOR HOME REPAIR PROGRAM (MHRP)**

SUMMARY

A resolution has been prepared authorizing an increase in the contract between the city of Oakland and the county of Alameda for the administration of the Minor Home Repair Program (MHRP). The current two-year (FY 2003 – 2005) contracted amount is Two Hundred Fifty Thousand (\$250,000) per year, a total of Five Hundred Thousand (\$500,000) as adopted in the 2003-2005 Policy Budget. The addition of \$229,210 would increase the annual allocation to \$364,605 for each fiscal year, and total \$729,210 for the two-year period.

The Minor Home Repair program provides small grants (up to \$1,500) for home repairs to senior and/or disabled homeowners in the City of Oakland.

As a result of the Targeted Neighborhood Housing initiatives, Resolution No. 75306 approved on October 26, 1999, the funding by the City of Oakland for the Minor Home Repair program was allocated with 50% to targeted neighborhoods and 50% to non-target areas. All of the funds allocated for the non-target areas were utilized. For the fiscal years ended June 30, 2000 through 2002, the targeted neighborhood allocations were not completely expended, resulting in carryover funds of \$229,210.

The proposed \$229,210 contract increase, if approved, would be funded with the aforementioned carryover funds.

FISCAL IMPACT

The Minor Home Repair Program (MHRP) relies on Community Development Block Grant (CDBG) funds that were appropriated in the FY2003-2005 Adopted Policy Budget. Funds in the amount of \$229,210 are available from prior years' appropriation in the Municipal Lending unit's Community Development Block Grant Fund appropriation, in the Minor Home Repair Service project (fund #2108, org #88939, project #G53800).

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The proposed resolution will reallocate these previously unused funds to the current program allocation. This reallocation will allow program services to be extended to seniors and disabled persons currently on a waiting list. No General Purpose Funds are used for the Minor Home Repair Program nor are any additional funds required to implement the proposed increase to this contract.

The 3% Contract Compliance fee is not applicable because the administering agency is a governmental unit; compliance controls are duplicated.

BACKGROUND

Council approved the contract for the Minor Home Repair Program (MHRP) in May 2003, Resolution 77823, as part of the program funding allocations under the Community Development Block Grant (CDBG) for FY2003-04.

The primary purpose of this contract is to administer a program (MHRP) that provides financial assistance to correct minor home repairs that are immediate threats to the health and safety of senior and/or disabled homeowners. The program is for very low-income owner-occupants.

The amount of assistance per household is up to \$1,500 and includes the following eligible repairs or replacements: water heaters, smoke detectors, minor plumbing and electrical repairs, security devices, grab bars, termite/dry rot damage to stairs, porches and windows.

The current funding allocations and resulting contract with Alameda County provides repair services to approximately 160 senior and/or disabled homeowners each fiscal year. The increased contract will allow the County to provide services to an additional 150 homeowners.

KEY ISSUES AND IMPACTS

The Targeted Neighborhood Housing Program (TNHP) was established as part of the City's Consolidated Plan for FY 1999-2000. The program mandated that all Housing Rehabilitation Program funds, as allocated in the FY 1999-01 Adopted Policy Budget, be limited to specific targeted neighborhoods within the City's seven Community Development Districts. Fifty percent (50%) of the MHRP allocation was available city-wide, while the other 50% was available only to the targeted areas. The limitation of some funds to target areas severely restricted the number of clients served during this period, and resulted in these funds not being completely used. The Program funds available City-wide were all expended. The targeted area program funds were not.

The requested action will reallocate these previously unused funds to the current City-wide program allocation. The FY2003-2005 Adopted Policy Budget eliminated targeted funding for this program.

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Other related issues/impacts include:

- The County's adherence to its contracted funding has resulted in an annual "waiting list" of over 180 households before the end of each fiscal year, since FY 2000.
- In the most recent two years, the County provided all contracted services and expended all funding within the first eight (8) months of the fiscal year.
- Minor repairs, when left unattended, can significantly increase the deterioration of a property and compromise the health and safety of our predominately senior, female head-of-household homeowners.
- Unprincipled handymen and contractors often take advantage of seniors and disabled property owners; County services often include repairs to correct the work of these unscrupulous handymen.
- The increased funding for this contract will provide the MHRP sufficient funding to service the increased number of households Citywide in need of necessary financial assistance as well as increase opportunities for reputable, licensed and local contractors.
- The goal of this contract increase is to provide services Citywide at a level more congruent with need and to eliminate the extensive waiting list.

PROGRAM DESCRIPTION

The contracted services provided by Alameda County, Housing and Community Development Department are outlined in its public information brochure attached herein as **Exhibit A**. The Program description of MHRP services provided to City of Oakland property owners by the Residential Lending and Rehabilitation Services unit, of the Community and Economic Development Agency are attached herein as **Exhibit B**.

SUSTAINABLE OPPORTUNITIES

The proposed contract increase does not in itself provide any economic or environmental opportunities for sustainable development. However, it supports the City's affordable and sustainable housing and community development programs, which contribute to sustainable development through smart growth, job creation and economic development, and improvements in housing and community conditions for very low-income people.

The increased contract will increase the availability of program services to disadvantaged areas of the City and improve the quality of life in residential neighborhoods by assisting in the removal of conditions that contribute to neighborhood blight and housing stock deterioration.

DISABILITY AND SENIOR CITIZEN ACCESS

The Minor Home Repair Program administered by the existing contract between the City of Oakland and the County of Alameda provides financial assistance only to very low income senior citizens and/or disabled citizens who own and occupy their home in Oakland. The proposed contract increase will allow the County to provide these program services to more seniors and disabled homeowners.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approve a resolution to increase the amount of the existing contract with the County of Alameda, Housing and Community Development Department in an amount not to exceed \$229,210, for the purpose of expending MHRP carryover funds and increasing the number of households provided with financial assistance to make minor home repairs.

The increased contract will enable the County to provide program services to approximately 150 more households and eliminate the waiting list.

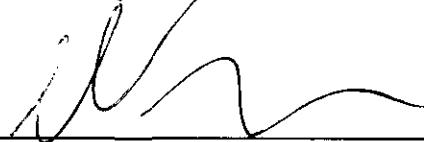
Should this change in the County of Alameda's contract not be approved, the following will continue to occur:

1. Program services will not be provided for four (4) months each year and a waiting list of over 180 homeowners will continue to increase each year
2. Seniors and disabled homeowners will be subjected to unprincipled handymen and contractors
3. Unattended minor repairs rapidly increase the deterioration and blighted condition of Oakland's older housing stock

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution to increase the amount of the existing contract between the City of Oakland and the County of Alameda, Housing and Community Development Department in an amount not to exceed \$229,210.

Respectfully submitted,



DANIEL VANDERPRIEM
Director of Redevelopment, Economic
Development, and Housing and Community
Development

Reviewed by:
Teresa Andrews, Manager
Residential Lending & Housing Rehabilitation
Services

Prepared by:
Karen Mc Neal-Luckett, Supervisor
Housing Rehabilitation Programs

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:


OFFICE OF THE CITY ADMINISTRATOR

INCOME LIMITS

Persons in Household	Maximum Income
1	\$44,850
2	\$51,250
3	\$57,650
4	\$64,100
5	\$69,200
6	\$74,350
7	\$79,450
8	\$84,600

Services for the
City of Oakland
are provided by

Alameda County
**COMMUNITY DEVELOPMENT
AGENCY**



**HOUSING & COMMUNITY
DEVELOPMENT DEPARTMENT**



or information call
510-670-5398
hearing impaired call
510-265-0253



**COMMUNITY & ECONOMIC
DEVELOPMENT CENTER**

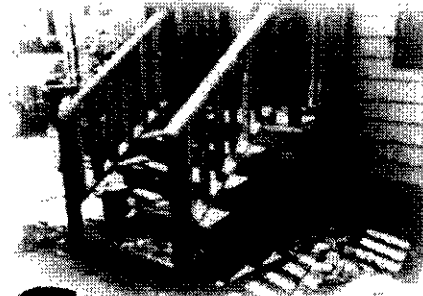
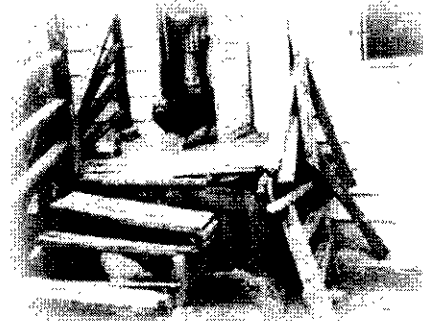
JUL 6 2004

BULK RATE
U.S. POSTAGE
PAID
Oakland, CA
Permit #256

Alameda County
**COMMUNITY DEVELOPMENT AGENCY
HOUSING & COMMUNITY DEVELOPMENT**
224 W. Winton Avenue • Room 108 • Hayward, CA 94544



HOME REPAIRS



CITY OF OAKLAND

EXHIBIT "A"

EMERGENCY MINOR HOME REPAIRS

The Emergency Minor Home Repair Program corrects immediate threats to the health and safety of homeowners. This program is for low-income owner-occupied residences only.

The amount of assistance varies by city. Assistance is available only once over a two year period.

ELIGIBLE REPAIRS:

- Water Heaters
- Smoke Detectors
- Minor Plumbing
- Minor Electrical
- Security Devices
- Accessibility

REHABILITATION LOANS

The Rehabilitation Loan Program addresses larger repairs and improvements to low income owner occupied homes. These are low-interest loans that are deferred or amortized depending on the city and the homeowner's ability to make payments.

ELIGIBLE REPAIRS:

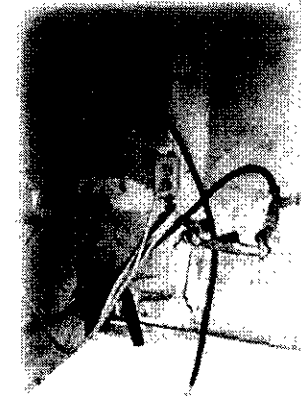
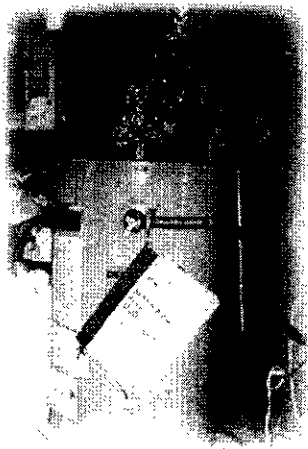
- Roof, Gutter & Downspouts
- Sewerline Repair
- Termite & Dry Rot
- Furnace
- Electrical Systems
- Kitchen/Bathroom Repairs

TARGETED GRANT PROGRAMS

Additional types of assistance may be available in the form of grants and or interest-deferred payment loans depending on the city in which your home is located. These programs can be used in conjunction with the Rehabilitation Loan Program.

ELIGIBLE GRANTS:

- Accessibility
- Exterior paint
- Exterior clean up
- Seismic retrofit
- Removal of improperly installed window guards



City of Oakland
 Community and Economic Development Agency
 Residential Lending Services

250 Frank H. Ogawa Plaza, Suite 5313
 Oakland, California 94612
 (510) 238-3909
 www.oaklandnet.com

**MINOR HOME REPAIR PROGRAM (MHRP)
 Program Description**

PURPOSE:	The Minor Home Repair Program (MHRP) provides grants for minor home repairs to disabled and/or senior homeowners. This program is administered for the City by the Alameda County Housing and Community Development Department.	
REQUIREMENTS:		
LOCATION:	<ul style="list-style-type: none"> Property must be located in one of the seven community development districts. 	
ELIGIBLE ITEMS:	<ul style="list-style-type: none"> Grant funds may only be used for minor plumbing and electrical work, water heaters, carpentry, door locks and security devices, smoke detectors, grab bars and other minor repairs. 	
MAXIMUM GRANT AMOUNT:	<ul style="list-style-type: none"> The maximum grant is \$1,500. 	
OCCUPANCY	<ul style="list-style-type: none"> Applicant must occupy the property. 	
INCOME	<ul style="list-style-type: none"> Annual household income cannot exceed 50% of the area median income. Income of all household members who are 18 years or older, will be considered to determine income eligibility. 	
INCOME LIMITS ARE REVISED ANNUALLY.	Family Size	Maximum Income
	1	\$29,000
	2	\$33,100
	3	\$37,250
	4	\$41,400
	5	\$44,700
	6	\$48,000
	7	\$51,350

In accordance with Federal, State, and local disability-related laws and regulations, it is the policy of the City of Oakland not to discriminate on the basis of disability in employment or any of its programs, activities, or services. Auxiliary aids and services may be provided upon request.

ADMINISTERED BY ALAMEDA COUNTY
Tel. No.: (510) 670-5398 or (510) 670-5399

OFFICE OF THE CLERK
APPROVED AS TO FORM AND LEGALITY
2004 JUL 17 PM 3:00
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION AUTHORIZING AN INCREASE IN THE EXISTING CONTRACT WITH THE COUNTY OF ALAMEDA, HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, BY AN AMOUNT NOT TO EXCEED \$229,210, FOR A TOTAL CONTRACT AMOUNT OF \$729,210, TO ADMINISTER THE MINOR HOME REPAIR PROGRAM

WHEREAS, the County of Alameda, Housing and Community Development Department ("County"), has had an existing contract with the City of Oakland since 1988 to administer the Minor Home Repair Program (MHRP); and

WHEREAS, the current two-year (FY 2003 – 2005) contracted amount is \$250,000 per year, for a total contract amount of \$500,000; and

WHEREAS, the City and the County desire to increase the contract amount by \$229,210; and

WHEREAS, the County has the ability, under this increased contract, to provide services to approximately 150 more very low income senior and/or disabled homeowners in addition to the 160 households served; and

WHEREAS, the goal of the increased contract amount is the elimination of the existing waiting list of senior and/or disabled homeowners; and

WHEREAS, this expanded contract will create additional job opportunities for small, local contractors; and

WHEREAS, the additional services provided under the increased contract will further reduce the deterioration of housing stock, reduce community blight, and provide healthier and safer living conditions for very low income seniors and/or disabled property owners; and

WHEREAS, funds for the increased contract amount are carryover funds from unexpended MHRP funding allocations during the Targeted Neighborhood Housing initiatives, and the additional

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JUL 6 2004

\$229,210 has been verified in the Municipal Lending unit's Community Development Block Grant Fund appropriation (fund #2108, org. #88939, project #G53800); now, therefore, be it

RESOLVED: That the City Council does hereby authorize a \$229,210 increase to the existing contract with the County to expand its services and eliminate its waiting list for Minor Home Repair Program services; and be it

FURTHER RESOLVED: That this increase will cover the remaining term of the existing agreement (July 1, 2003-June 30, 2005); and be it

FURTHER RESOLVED: That the City Administrator, or her designee, is authorized to conduct negotiations, execute documents, administer the contract, extend or modify contract terms, and take any other action necessary with respect to the contract and the amendment that is consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That a copy of said amendment will be approved for form and legality by the Office of the City Attorney and will be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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ATTEST:

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California