

**DRAFT – Pending Approval**

**Minutes**

**Block Grant Working Committee**

**Wednesday, April 3, 2019 - 4:00 pm**

**Neighborhood Redevelopment Division**

**Aurora City Hall, 5<sup>th</sup> Floor, Room 5B - 44 E. Downer Place, Aurora, Illinois**

The meeting was called to order at 4:10 p.m. by Co-Chair Ms. Walton

**I. Roll Call**

Members Present: Veva Walton, Maria Hernandez, Helen Ratzlow, Earle Robertson,  
George Scowins

Members Absent: Gerald Lubshina (Chairman), Warren Barton, Debra Meeks, Aziz Alam

Staff present: Chris Ragona, Amy Munro, Tara Neff, Liz Carrizales

**II. Minutes of meetings**

A. March 6, 2019 – Regular Meeting

A draft of the minutes was considered. The minutes were approved as prepared.

**III. Old Business**

Ms. Munro reported back to the Committee on a question that came up at their March 6, 2019 meeting regarding the classes that are being offered at the Aurora Arts Centre School of Performing Arts would qualify for any sort of academic credits. Ms. Munro reached out to the School of Performing Arts and they confirmed that the classes will not offer any academic credits.

**IV. New Business**

**A. The Neighbor Project – Safety First Program – To modify the scope of eligible activities for clients, budget, and terms to the homeowner agreement.**

Mr. Ragona provided the committee with a summary of the proposed changes to The Neighbor Project's Safety First Program. He stated that the Neighborhood Redevelopment Division (NRD) staff has been working with The Neighbor Project on its single family rehabilitation program. The goal is to expand the list of eligible activities to further accommodate homeowner needs. Mr. Ragona stated that the modifications to the Safety First Program will have to go through the formal approval process, starting with the Block Grant Working Committee; Planning and Development; Committee of the Whole; City Council.

The NRD staff and the Block Grant Working Committee (BGWC) reviewed the revised eligible activities shown as Exhibit A (attached). Mr. Ragona said that eligible activities under Category A would be changed from a deferred loan to a 3-year forgivable lien for projects below \$5,000. He said that The Neighbor Project has requested to increase the amount of funding per household for certain activities because \$5,000 is not enough for some of the most expensive home repairs. Those eligible activities are listed under Category B. The projects could not exceed \$10,000. Anything over \$5,000 would be a deferred loan against the home until the home is sold. This would allow the City to recapture funds when the home is sold and reinvest those dollars back in the community. Discussion took place.

Under the proposed program updates, Mr. Ragona said that the City's CDBG funded lead pipe replacement pilot program would be administered by The Neighbor Project rather than the City. This activity would work in partnership with the City of Aurora's Engineering Department as the Neighbor Project would rely upon direct referrals from the Engineering Department and the development of project guidelines. The proposed policies and procedures can be found as Exhibit B (attached) – Policies and Procedures for Lead Pipe Replacement. Mr. Ragona said that the NRD staff will come back at a later date to present a substantial amendment on reallocating an additional \$50,000 from Engineering to The Neighbor Project for this activity.

Mr. Ragona reviewed minor revisions made to the budget for The Neighbor Project Safety First Program. The revised budget can be found as Exhibit C (attached). Mr. Ragona hopes that with these modifications to the Safety First Program will increase the number of eligible clients. Discussion took place.

A motion to recommend to the City Council the modifications to The Neighbor Project – Safety First Program was by Ms. Ratzlow and seconded by Mr. Scowins. The motion was approved unanimously.

**B. Preliminary approval to modify City of Aurora HOME projects to adjust and update legal documents to meet Federal requirements.**

Mr. Ragona stated that this item is part of the City's long term compliance for its affordable housing portfolio. Upon review of the portfolio, revisions should be made to decrease the affordability compliance periods on several projects. These revisions will reduce financial risk while also maintaining affordable housing. In several instances, the affordability periods extend well beyond HUD's requirements. Essentially, projects will have two affordability periods. The first affordability period will meet HUD's minimum standard of affordability. The second affordability period will match the City's affordability periods which may or may not extend well beyond HUD's minimum requirement, but would not subject the City to HUD's compliance requirements. Depending upon the revisions, City Council approval may be required. Given scheduling logistics and the potential time sensitivities, the NRD staff seeks the BGWC preliminary approval on the proposed modifications. Discussion took place.

A motion to recommend preliminary approval to modify City of Aurora HOME projects to adjust and update legal documents was by Mr. Robertson and seconded by Mr. Scowins. The motion was approved unanimously.

**V. Other Matters**

Mr. Ragona stated that the RFQ for consultant's deadline is April 12, 2019 for the City's 5 year plan. NRD staff will review the submissions. Staff will present a substantial amendment to the BGWC at a later date. Discussion took place.

**VI. Upcoming Meetings and Events**

- A. Wednesday, May 1, 2019, 4:00 p.m. – Block Grant Working Committee Regular Meeting.
- B. Thursday, May 9, 2019, 10:00 a.m. – 2020 CDBG Application Workshop (Aurora City Hall, Council Chambers – 2<sup>nd</sup> Floor)

**VII. Adjournment**

A motion to adjourn the meeting by Mr. Scowins and seconded by Ms. Ratzlow. The motion was approved unanimously. The meeting adjourned at 4:45.

## **Exhibit A – Revised Eligible Activities**

### **ELIGIBLE SAFETY-RELATED REPAIRS ARE LIMITED TO:**

#### **Category A - Eligible activities that may not exceed \$4,999**

- Furnace repair or replacement
- Electrical upgrades
- Plumbing improvements
- Porch repair or replacement
- Gutters, downspouts, and fascia repair or replacement
- Septic motor repair or replacement
- Well motor repair or replacement
- Exterior door repair or replacement
- Radon remediation
- Improvements to driveway, as long as additional, eligible improvements to the house are also completed
- Other improvements to address property code violations identified by the Aurora Neighborhood Standards Department will be considered on a case by case basis

#### **Category B - Eligible activities that may not exceed \$10,000**

- Boiler repair or replacement
- Lead paint remediation
- Lead pipe replacement
- Mold remediation
- Asbestos remediation
- Replacement of sewer lines
- Roof repair and replacement
- Other improvements to address property code violations identified by the Aurora Neighborhood Standards Department will be considered on a case by case basis

## **Exhibit B – Policies and Procedures for Lead Pipe Replacement**

### **City of Aurora – Policies and Procedures – Single Family Home Lead Pipe Replacement Program**

**Drafted: February 14, 2019**

**Approved: March 12, 2019**

- 1. Background and Applicability.** The City of Aurora Lead Pipe Replacement Pilot Program provides Community Development Block Grant (CDBG) funds in the amount of up to \$4,999, and in certain circumstances, up to a \$5,000 deferred loan to remove and replace service pipes identified as containing lead. The amount of assistance and type of CDBG funds for eligible homeowners is outlined in Appendix 1 of this document. No grant funds will be awarded to households that do not contain a child under the age of 6, or a household that does not have a household income of less than 80% of the median family income as determined by the City of Aurora. The only eligible pipes to be replaced as part of this program are service line pipes that connect the main utility to the home. Additional pipes found throughout the home that are identified as lead will not be eligible under this program. Surface restoration costs will not be eligible under this program and the responsibility of the household.
- 2. Eligible Housing Type and Ownership.** Housing must be single family housing held in fee simple title and must not be in foreclosure. The land may be owned in fee simple or the homeowner may have a 99-year ground lease. For manufactured housing, the ground lease must be for a period at least equal to the applicable period of compliance/ affordability set forth below. “Single family housing” means a single family home, townhome, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot. A manufactured home dwelling unit may not have wheels, must be affixed to the ground, and may not be licensed as a vehicle under Illinois law. Tenant occupied single family housing will not be eligible for this program. Only owner occupied units will be eligible, and no rental units will be considered for this grant.
- 3. Housing Value.** In lieu of an appraisal, the housing value will be determined by the Fair Cash Value as determined by the County Assessor’s Office the home is located in. The housing purchase price may not exceed 95 percent of the median purchase price for the type of housing for the area as determined and published by the U.S. Department of Housing and Urban Development (HUD) from time to time. The City of Aurora also reserves the right to determine the 95 percent limit following HUD approved methodology, with such newly determined limit to be approved by HUD from time to time for each County the City of Aurora is located in.
- 4. Location of Real Property.** With CDBG funds, the City of Aurora may assist households within the boundaries defined as the city limits of Aurora (the program excludes unincorporated areas). A property that is wholly or in a portion of a designated FEMA

floodplain will not be eligible to participate in this program. This includes incidental portions of the property even if the home itself is not located in a designated floodplain.

- 5. Income Qualification of Household.** The housing must be owned and occupied by a household that meets the income guidelines of low-to moderate-income. In determining the income eligibility of the household, the City of Aurora must include the income of all persons living in the housing. Low–moderate income households are defined as those with incomes that do not exceed 80% of median family income (MFI) for the Chicago metropolitan area as determined annually by the Department of Housing and Urban Development. To calculate household income, the City of Aurora will use the guidelines set forth by HUD using the Income Calculator (24 CFR Part 5 income calculation) provided on the website: <https://www.hudexchange.info/incomecalculator/>
- 6. Determination of Presence and Severity of Lead Pipes.** The City of Aurora – Engineering Division will determine if lead pipes are present and determine the level of severity and need for replacement during the application process.
- 7. Requesting a larger service line.** This program will replace a water service line with the same size line. If the homeowner would like to increase the size of the water service line, the homeowner is responsible for 100% of the increase in costs associated with the modification.
- 8. Inspection.** The condition of the house must be free from life threatening conditions but may contain minor code violations as determined by the City of Aurora Building Code. Aurora staff can allow a qualified City of Aurora official to complete an inspection or request the homeowner produce a property inspection report conducted by a qualified individual. If life threatening conditions are found, the household may apply for funding as part of the Safety First rehabilitation program that is currently administered by the Neighbor Project. For homes constructed before 1978, the City of Aurora will assume lead paint is present and use safe work practices in the event paint is disturbed. Federal funds are not expected to exceed \$25,000, but in the event of this, full lead abatement throughout the home will be required.
- 9. Occupancy.** The housing must remain the principal residence of the homeowner for three years from the date of completion of the project for grants. In the event the homeowner no longer uses the home as their primary residence within the three year covenant term for grants, the City of Aurora will immediately demand repayment of the full loan amount provided by way of CDBG funds for the replacement of lead pipes. For funding that is considered deferred, the full amount of funding is due when the home is no longer owner occupied. In the event the homeowner passes away or the home is placed in a trust, the full amount of the deferred loan will become due.
- 10. Appeal.** Applicant may make a policy appeal by submitting a letter to the Neighborhood Redevelopment Department Division at least 10 days prior to the Block Grant Working Committee meeting which outlines the request for appeal and basis for the request. If the appeal letter is not received by the NRD at least ten days prior to the committee meeting,

the appeal will be delayed until the next meeting of the appropriate committee. Notwithstanding the foregoing, appeals may not be made over items that are regulatory, such as: location of property, value of property, income qualification of household, and occupancy requirement.

### Appendix 1 – Single Family Homeowner Priority List and Cost Share

Household Income Level	Terms of Funding (Up to \$4,999)	Household Priority
<30% Median Family Income with children under the age of 6	100% grant up to \$4,999	Priority #1
>30% / <50% Median Family Income with children under the age of 6	100% grant up to \$4,999	Priority #2
>50% / <80% Median Family Income with children under the age of 6	100% grant up to \$4,999	Priority #3
>80% MFI Income is not eligible or does not have a child under the age of 6.	N/A - Home is not eligible	N/A - Home is not eligible

\*No priority will be given to households located in the Neighborhood Revitalization Strategy Area. Additional code and safety issues may be referred The Neighbor Project and Rebuilding Together Aurora. Participation in the program will not disqualify the homeowner from utilizing other programs with the Aurora Department of Neighborhood Redevelopment. In certain circumstances, an additional \$5,000 may be awarded as a deferred loan that must be paid back when the home is sold or no longer the primary residence of the homeowner.

## Exhibit C – Revised Budget – Project CDBG-2017-02 – The Neighbor Project Safety First Program

Budget Status Summary				
Budget Line Item	Budget Amount	Total Requested to Date (including Current request)	Total Remaining after Current Request	
Furnace repair or replacement, electrical upgrades, plumbing improvements, porch repair or replacement, gutters, downspouts, fascia repair or replacement, septic motor repair, well motor repair, exterior door replacement, radon remediation, improvements to driveway, boiler repair or replacement, lead paint remediation, asbestos remediation, mold remediation, replacement of sewer lines, roof repair and replacement, and other improvements approved by Aurora NRD	\$183,564.50	\$38,684.00	\$144,880.50	Subtraction of \$514.58 for Marketing Subtraction of \$500 for Print Materials Subtraction of \$612.20 for Overhead Subtraction of \$1,000 for Accounting Subtraction of \$1,000 for HUD Counselor previously multiple line items
Marketing/Communication, Scheduling @ \$18.67/hr (10 hours) Project Management @ \$28.85/hr (10 hours) Executive Director @ \$53.17/hr (10 hours) all including fringe benefits	\$1,000.00	\$0.00	\$1,000.00	Addition of \$514.58 from Construction
Marketing Print Materials	\$500.00	\$0.00	\$500.00	Addition of \$500 from Construction, previously not in budget
Client Intake/Reporting: \$18.67/hr including fringe benefits (170) hours	\$3,173.90	\$2,548.45	\$625.45	
Project Management: \$28.85/hr including fringe (478 Hours)	\$13,790.30	\$5,726.72	\$8,063.58	
Accounting: \$24.82/hr including fringe (45 hours)	\$2,116.90	\$1,104.56	\$1,012.34	Addition of \$1,000 for Accounting
HUD Counselor (\$29.84/hr) (100 hours)	\$3,984.00	\$2,804.96	\$1,179.04	Addition of \$1,000 for HUD Counselor
Overhead (Safety First share of rent and utilities) \$1,077. per month	\$8,155.40	\$2,155.20	\$6,000.20	Addition of \$612.20 from Construction
<b>Total:</b>	<b>\$216,285.00</b>	<b>\$53,023.89</b>	<b>\$163,261.11</b>	