# Summary and Background of the City and County of Broomfield's Community Development Block Grant Program, including proposed uses of funding for 2014

## September 30, 2013

In September 2008, upon reaching a population of 50,000, the City and County of Broomfield received approval by HUD to receive an annual allocation of Community Development Block Grant (CDBG) funding to be used for housing and community development programs primarily benefiting persons of low and moderate incomes. To receive these funds, a community must prepare a Consolidated Plan every five years to provide a strategic framework for funding activities and an Action Plan every year to submit to HUD. The submittal to HUD of the 2010-2014 Consolidated Plan for HOME and CDBG Funds was authorized by Council on January 26, 2010. Within the Consolidated Plan, communities assess housing and general community needs through data analysis and citizen input in order to make effective choices in allocating the CDBG and HOME Investment Partnership Program (HOME) funds provided by the federal government. The Annual Action Plans outline proposed annual spending to implement the five-year Consolidated Plan.

The Consolidated Plan was prepared through the Boulder Broomfield Regional Consortium and includes information for all participants in the Consortium. The Boulder Broomfield Regional Consortium Consolidated Plan is comprised of a Market Analysis, a Needs Assessment, and a Strategic Plan for addressing priorities over a five-year period within the two counties.

The 2014 Action Plan, currently under consideration, includes the Broomfield activities proposed to be funded in 2014.

### **CONSOLIDATED PLAN STRATEGIES**

The 2010-2014 Consolidated Plan set out the following for proposed priorities among the participant communities for programs from 2010 to 2014. Activities to be funded annually must align with one of the priorities established in the Consolidated Plan.

The priorities established in the Consolidated Plan are as follows:

- Rental Programs Increase the amount and affordability of rental housing for the Consortium's lowest income renters;
- Homeownership Programs Existing Housing Preserve existing affordable owneroccupied housing stock by keeping houses safe and habitable, helping owners to age in place and providing foreclosure prevention services to all homeowners;
- <u>Home Buyer Programs</u> Support low-to-moderate income home buyers and increase the supply of affordable housing units;
- <u>Homeless Assistance Programs</u> Reduce homelessness within the Consortium's geographic area;
- <u>Community Investment Programs</u> Revitalize and invest in the Consortium's communities to ensure that all neighborhoods, particularly those of low/moderate income, enjoy a high quality of life for their residents; and
- <u>Economic Development Programs</u> Increase the economic empowerment of residents to secure a stable income and begin to build wealth.

## **SUMMARY OF THE PROPOSED 2014 ANNUAL ACTION PLAN**

The proposed draft 2014 Action Plan Resources and Objectives chart below outlines the activities proposed to be funded with CDBG and HOME funds.

In 2014, Broomfield proposes to continue funding the single-family rehabilitation and mobile home repair program; the housing counseling program, which assists homeowners in foreclosure prevention and in purchasing a home; continue an urgent housing repair program; and support private and non-profit owners of rental housing to preserve existing or add affordable units to the Broomfield rental housing stock. The HOME funds are proposed to be used to continue the Tenant Based Rental Assistance Program (TBRA).

TBRA is administered by Broomfield's Health and Human Services Department (HHS) and provides rental subsidies to clients who are receiving complementary services aimed at achieving self-sufficiency over a two-year period. HHS staff works with families within the TBRA program to develop an individualized case plan the family needs to complete in order to successfully graduate from the program with the ultimate goal of each family achieving stable housing. Of the 55 TBRA families Broomfield has served to date, 35 have successfully graduated and substantially increased their household income, 12 have been terminated from the program for noncompliance, and eight are currently in the program. There are currently 2 new families approved for TBRA who are searching for affordable housing. There were eight successful graduations in 2012; all of those families significantly increased their income. Given that families who initially qualify for TBRA are also eligible for food stamps and Medicaid, another positive outcome is the fact that 26 of the graduating families are no longer income-qualified for food stamps or Medicaid.

Recently, the TBRA Case Manager received an email from a 2009 TBRA graduate. "I wanted to let you know that everything you did for my family and I have truly helped. I think I probably took the whole process for granted while I was in it but now that it's been awhile and I have had the time to reflect it's an amazing experience that has really changed our lives for the better. Josh and I were able to buy a house, I have been working at the same place in Broomfield for three years and Josh is working full-time and going to school part-time."

Thus far in 2013, the single-family rehabilitation and mobile home repair program has processed 15 applications, made loans to 13 homeowners and overseen the repair of critical systems in their homes, upgraded windows and other energy efficiency items, and added accessibility options for health and safety. The housing counseling program, through June 2013, has assisted 49 Broomfield families with counseling and options to prevent foreclosure, debt reduction and budget management. The urgent repair program completed one emergency repair, by replacing a water heater for a very low-income homeowner, and then completed more repairs through the rehabilitation program. The Longs Peak Weatherization Program (operated through Boulder County) has felt major cutbacks in funding, however has completed 9 homes in Broomfield and are currently working on 2 homes in conjunction with the Broomfield Rehabilitation Program.

In order to reach the 2013 Action Plan goal to assist private owners in preserving or developing affordable housing, an RFP was issued on October 1, 2012, to solicit proposals for consideration of Broomfield funding. The RFP resulted in three proposals, one recommended to City Council for funding, the Imagine! group home, which will provide affordable housing for 6 seniors for a minimum of 40 years. Staff is recommending a change to the RFP process for 2014, rather than a set date for submittals; Broomfield will accept proposals and applications for funding from owner/developers, on an on-going basis, as their projects reach readiness.

The proposed 2014 Action Plan includes the following CDBG/HOME funded activities:

	POSED CATION
Single-Family Rehabilitation and Mobile Home Repair Program  Administered by Broomfield and its general contractor, H&F Services, to provide the means for homeowners with low or moderate incomes [below 80% Area Median Income (AMI)] to improve their homes to standards of safety and code compliance. A deferred or forgivable loan (depending on income level) is available. Plan to serve approximately 20 households.  Homeownership Programs - Existing Housing Fund general owner-occupied home rehabilitation programs that remove code violations or other health or safety issues, make energy efficiency improvements, and complete other exterior and interior improvements.	\$140,000
Housing Counseling Program Contract with Boulder County Housing Authority - Housing Counseling Program to support counseling for homeownership (first time buyer), home retention (foreclosure prevention), and financial literacy for future home purchase. Services include one-on-one counseling, reverse mortgage counseling and homeownership training courses.  Homeownership and Homebuyer Programs Existing Housing. Provide foreclosure prevention programs that strive to provide individuals with the ability to sustain homeownership over the long-term.  Home Buyer Programs. Provide pre-purchase classes to help prepare potential home buyers.	\$ 10,000
Emergency Repairs Program Administered by Broomfield and H&F Services, emergency loans to low income residents for repairs from sudden, unexpected and lifethreatening housing failures, such as loss of heat, hot water, plumbing breaks, and roof collapse.  Homeownership Programs - Existing Housing Fund general owner-occupied home rehabilitation programs that remove code violations or other health or safety issues, make energy efficiency improvements, and complete other exterior and interior improvements.	\$ 8,000
Preservation and/or Development of Affordable Housing Support to private and non-profit owners of affordable rental housing to preserve and/or add new affordable rental units available to Broomfield residents.  Rental Housing Programs Support, by means of loans or grants, to owners of affordable rental housing, to ensure long term affordable rental opportunities for low and moderate income persons and families.	\$ 26,000
Administration (to Broomfield)	\$ 20,000
TOTAL 2014 CDBG	\$204,000
STRATECY ADDRESSED IN 2040 2044 BROW	DOSED
ACTIVITY - HOME	POSED CATION
Tenant Based Rental Assistance (TBRA) Provides rental subsidies to clients who are receiving complementary services aimed at achieving self-sufficiency over a two-year period.  Rental Housing Programs Fund a tenant-based rental assistance program to provide rental assistance and wrap-around supportive services that stabilize extremely low income households.	\$ 56,000
Administration (to City of Boulder)	\$ 6,000
<u>TOTAL 2014 HOME</u>	\$ 62,000

#### **BROOMFIELD'S OBLIGATIONS**

Broomfield (as a recipient of CDBG funds, and as a member of the HOME Consortium) will provide the approved 2014 Annual Action Plan to HUD on or about December 15, 2013, in a document that presents one consolidated Annual Action Plan covering all the communities in the Boulder Broomfield Regional Consortium, along with a summary of any public comment received during any of the public hearings held by the Consortium members. Broomfield will hold a public meeting on September 30, 2013, and will also collect public comments at the October 8, 2013 City Council meeting.

The proposed activities to be funded in 2014 by CDBG and HOME funds allocated to Broomfield are as follows:

Sources of Funds	
Community Development Block Grant	\$ 204,000
HOME funds	\$ 62,000
Total Sources of Funds	\$ 266,000
Uses of Funds	
Housing Rehabilitation Program	\$ 140,000
Housing Counseling	10,000
Emergency Repairs	8,000
Preservation/Development	26,000
Tenant Based Rental Assistance	56,000
Planning and Administration	26,000
Total Uses of Funds	\$ 266,000

Broomfield will be required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD 90 days after the end of the program year (calendar year) that describes the resources that were received and how the resources were allocated – both geographically and by family status (income, race, ethnicity). The CAPER will also include information on the progress towards addressing the priorities established in the Consolidated Plan.

### PROCESS OF APPROVAL

Following the publication of the draft Consortium document, a 30-day public comment period is required. Following the comment period minor amendments and clarifications may be made to the Plan. The submittal of the Plan to HUD by the Consortium is scheduled by December 15, 2013. HUD will review the plan over a 45-day period and inform the Consortium if there are additions or corrections needed. Federal funding for 2014 will not be released until after the 45-day review period, HUD approval, and Congressional funding approval.