



**Fiscal Year 2019
Community Development Block Grant Program
Funding Request**

Cover Sheet

Organization	City of Lakewood, Division of Community Development
Organization Type	Municipal Government
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Project/Program Name	Affordable Housing Programs
Total FY19 Project Budget	\$170,000

FY19 CDBG Funding Request(s)

Property Revitalization Program	\$100,000
HOME Activity Delivery	\$20,000
Repair Accessibility & Maintenance Program (RAMP)	\$50,000
Total	\$170,000

Abstract

Department/Division

Lakewood Division of Community Development

Mission

Assist low-income and very low-income families and individuals by:

- Improving access to credit and financial assistance to maintain and improve their homes
- Promote long term affordability and sustainability
- Connect them with a variety of home improvement services to ensure their homes are energy efficient and well maintained.

FY19 CDBG Funding Request

The Division of Community Development is requesting FY19 CDBG funding for the Property Revitalization, Repair Accessibility & Maintenance Program (RAMP), and HOME Activity Delivery programs.

Community Needs Addressed

Maintain, fortify, and expand Lakewood's stock of decent, safe, affordable owner- and renter- housing occupied by and available to low-moderate income families.

Target Population

Low and moderate income households

Anticipated FY19 Outcomes & Beneficiaries

The Division of Community Development anticipates improving approximately 43 units of owner and renter housing via its affordable housing programs during FY19.

Project Costs

RAMP	\$50,000
Property Revitalization	\$100,000
HOME Activity Delivery	\$20,000
FY19 Funding Request	\$170,000

**City of Lakewood
Division of Community Development**

Affordable Housing Programs

CDBG Eligibility Criteria

The **City of Lakewood Division of Community Development's Affordable Housing Programs** satisfy the following CDBG eligibility criteria and are therefore suitable for CDBG funding consideration.

CDBG National Objective

Low-Moderate Income Housing (LMH): Activities including acquisition and rehabilitation that provide or improve permanent residential owner- or renter-occupied, single- or multi-family structures which, upon completion, will be occupied by low-moderate income households.

CDBG-Eligible Activity Categories

Housing Rehabilitation (Residential): The acquisition, repair, rehabilitation, and reconstruction, of single- and multi-family owner- and renter-occupied housing to be occupied by low-moderate income persons including bringing property up to local codes and standards; energy efficiency/weatherization; handicapped accessibility/visitability; and emergency repair programs.

Housing Services: CDBG funds may be used to pay for administration of the HOME program.

HUD-Designated Performance Objective

- Provide Decent Affordable Housing

HUD-Designated Performance Outcome

- Affordability

**Applicant Narrative
Lakewood Division of Community Development**

1. Mission

Assist low-income and very low-income families and individuals by:

- Improving access to credit and financial assistance to maintain and improve their homes
- Promote long term affordability and sustainability
- Connect them with a variety of home improvement services to ensure their homes are energy efficient and well maintained.

2. Geographic Target Area

City of Lakewood

3. Target Population

Low and moderate income households

4. Programs & Services

The Division of Community Development (DCD) administers a number of HUD-funded loan and grant programs for Lakewood residents and business owners interested in undertaking renovations at their residential or commercial property. Programs administered by the Lakewood DCD include the following: Low Interest Rehab Loans, Repair Accessibility Maintenance Program (RAMP), Home Improvement Grant Program, First Time Homebuyer Loans, Storefront Renovation, Weatherization, Nuisance Rehab and Demolition, Residential Purchase and Revitalization. In addition to meeting HUD requirements, our programs provide many of the resources needed to support the goals and objectives outlined in the City's Community Vision. The Vision emphasizes the importance of protecting and enhancing the quality and character of the City's residential neighborhoods. The Residential Purchase and Revitalization Program has allowed the City to demonstrate ways that the City's housing stock can be updated and diversified by incorporating new technologies and higher levels of energy efficiency when renovating vacant City owned properties and by using federal funds to constructing new homes in neighborhoods where the private market is failing to invest. These programs also support the Housing Forward Initiative by making resources available to low and moderate income homeowners so that they can proactively maintain and improve their homes.

5. Number & Demographic Profile of Households Served (FY17)

Lakewood Division of Community Development FY17 Affordable Housing Accomplishments	
Program	# Units
Weatherization	2
Repair Accessibility & Maintenance (RAMP)	4
Low-Interest Loan	14
Home Improvement Grant	10
Property Revitalization	1
HOME Down Payment Assistance	6
Total	37

6. Qualifications to Implement Proposed Project

Community Development staff have over 30 years of combined experience developing, implementing and managing federally-funded programs.

7. FY19 Division Budget

Expenses

Expenditure Type	Amount	% Budget
Salaries & Fringe Benefits	\$95,000	10%
Operating Costs	\$800,783	90%
Total Annual Budget	\$895,783	

Revenue Sources (top 3)

#	Source	Amount	% Budget
1	CDBG	\$695,783	78%
2	HOME	\$200,000	22%
	Total	\$895,783	

8. Additional Information or Data that Will Assist Lakewood's Citizens Advisory Committee and City Staff in Evaluating this Funding Request

The Division of Community Development regularly analyses market conditions to ensure that programs continue to meet the needs of the City's low and moderate income households. Current trends show that while housing values and rents continue to rise and unemployment is low, the incomes of low and moderate income households are not keeping pace. First time buyers continue to have difficulty finding entry level homes nationally and in Lakewood - demand has outpaced supply. Increases in property values have opened financial resources including home equity loans and lines of credit to more low and moderate income households.

Understanding these trends has allowed us to focus our efforts on preserving the availability of affordable one, two and three family homes through a variety of means:

- Acquiring and rehabbing vacant properties or building new affordable infill homes.
- For existing property owners, the City has focused its marketing of programs like the Home Improvement Grant where income eligible homeowners can receive rebates for exterior home improvements that bring the property into exterior compliance. Self-financing of the repairs is required.
- Low interest home improvement loans to low and moderate income homeowners unable to obtain financing through traditional lenders and those who for a variety reasons require additional assistance completing home improvements.

Project Narrative

1. Unmet Community Needs & Service Gaps Addressed

Financial assistance to low and moderate income households unable to obtain conventional financing and/or who need additional assistance to complete home repairs and improvements.

2. Target Population & Outreach Efforts to Potential Beneficiaries

Low and moderate income households. Outreach in 2018 has included messages in monthly water bills and direct mailing to homeowners meeting the following criteria – long time (20+ years) owner occupants, homeowners who have exterior violations and those who have pulled permits for exterior repairs (porches, exterior paint, etc...)

3. Geographic Service Area

City of Lakewood

4. Primary Goals & Objectives

To develop and preserve affordable housing for low and moderate income households.

5. Activities Undertaken/Services Provided & Delivery Strategy

- **RAMP** Originally developed to assist homeowners unable to finance critical home repairs due to job loss and/or lack of equity, the program additionally provides assistance to offset that cost of federal program requirements associated with lead remediation, historic preservation and sewer maintenance.
- **Property Revitalization** In an effort to preserve the supply of affordable housing for low and moderate income households, the City whenever possible acquires and rehabilitates vacant and foreclosed homes. Completed homes are sold to low and moderate income first time homebuyers.
- **HOME Activity Delivery** The HOME Activity Delivery funds allow the City to cover administrative costs not covered by the HOME Program. The City of Lakewood through the Cuyahoga Housing Consortium receives annual allocations to own, develop or sponsor affordable housing projects. Traditionally the City has used these funds for first time homebuyer down payment assistance, to build new single family homes or rehab existing properties for sale to low and moderate income homebuyers.

6. Program Design (*emphasize uniqueness and/or innovation*)

Lakewood's Division of Community Development seeks to maintain a toolbox of programs to address the various needs of the City's low and moderate income homeowners. Those that can finance or pay cash for repairs may be eligible for a rebate. Those unable to access traditional credit may obtain assistance through various grant and loan products including a 0% interest rate, no monthly payment option for seniors and permanently disabled homeowners. We continue to seek out partnerships with Lakewood Alive, local lenders and other non-profits to provide assistance to the City's most vulnerable homeowners to maximize resources and preserve safe and affordable housing.

7. Staff Responsible for Program Administration & Implementation

Job Title	Hours/Week Devoted to Program	% CDBG Funded	Brief Summary of Responsibilities
Programs Manager	15	90%	Program oversight and management; application review
Program Coordinator	15	70%	Inspection, contractor payments, application review
Administrative Assistant	5	60%	Intake and entry of applications, credit and title reports

8. Project Implementation Schedule

Milestone	Completion Deadline
Applications are accepted on a rolling basis all year long.	12/31/2019

9. Projected Accomplishments (January 1 – December 31, 2019)

Lakewood Division of Community Development Projected FY19 Affordable Housing Accomplishments	
Program	# Units
Weatherization	4
Repair Accessibility & Maintenance (RAMP)	4
Low-Interest Loan	16
Home Improvement Grant	12
Property Revitalization	1
HOME Down Payment Assistance	6
Total	43

10. Program Evaluation & Outcome Measurement

Community Development collaborates with programs offered or facilitated through organizations like Lakewood Alive and the Cuyahoga County Board of Health to maximize resources available to homeowners. As an example residents are able to receive a paint or lead remediation grant (from Lakewood Alive or the Board of Health respectively) and then receive low interest loan funding from the City to assist with payment of costs not covered by grant funding.

11. Strategy for Coordination with Other City Departments & Community Partners

Community Development collaborates with programs offered or facilitated through organizations like Lakewood Alive and the Cuyahoga County Board of Health to maximize resources available to homeowners. As an example residents are able to receive a paint or lead remediation grant (from Lakewood Alive or the Board of Health respectively) and then receive low interest loan funding from the City to assist with payment of costs not covered by grant funding.

12. Additional Information and/or Data That Will Assist Lakewood's Citizens Advisory Committee and City Staff in Evaluating this Funding Request

In order to provide programs that meet actual and future need within the housing market, ongoing research is being used to identify trends in both the residential market including rental and homeownership. To best serve our low and moderate income residents it's important to understand a variety of sectors within the economy. Currently these are the trends that stand out.

- Weak income growth among low and moderate income households (national trend)
- 43% of Lakewood homeowners pay between \$1,000 and \$1,499 on monthly housing costs
- 21% of Lakewood homeowners pay more than 30% of their monthly income on housing costs
- 72% of the 11,000 Lakewood homeowners (owner occupants) have a mortgage
- 11.4% of Lakewood families live below the poverty line – 32% of these are female head of householders

13. FY19 Budget (*programs for which funding is being requested*)

Expenses

Expense Category	Total Project (A)	CDBG Only (B)	CDBG % of Total (B/A)
Personnel			
Salaries	\$29,000	\$29,000	100%
Fringe Benefits	\$5,000	\$5,000	100%
Sub-Total	\$35,000	\$35,000	100%
Overhead & Operations			
Contractor Payments	\$332,000	\$191,413	40%
Fees (Title/Credit Reports & Filing Fees)	\$0	\$0	
Environmental Assessments	\$2,500	\$2,500	100%
Sub-Total	\$334,500	\$193,913	
Total Program Costs	\$369,500	\$228,913	

Funding Sources

Source	Requested	Committed	Total
FY18-19 CDBG Carry Forward (PRP, HOME Delivery & RAMP) (<i>est</i>)		\$58,913	\$58,913
FY19 CDBG Request	\$170,000		\$170,000
Totals	\$228,913	\$58,913	\$228,913