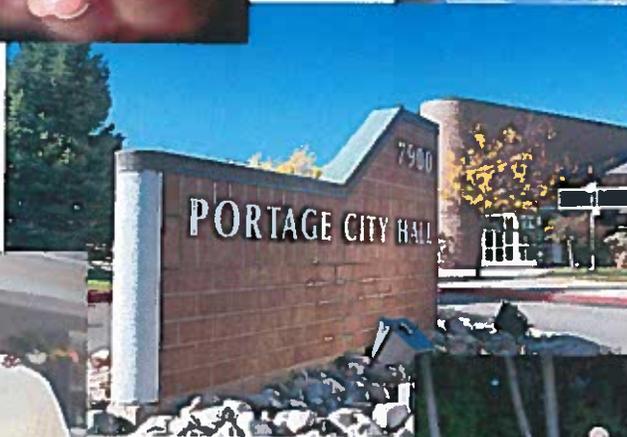


 **DRAFT**

# City of Portage CDBG Program FY 2014-15 Annual Action Plan SUBSTANTIAL AMENDMENT



**CITY OF PORTAGE  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
FY 2014-15 ANNUAL ACTION PLAN**

**DRAFT**

**SUBSTANTIAL AMENDMENT**

**Introduction**

The FY 2014-15 Annual Action Plan, Strategy for Housing and Community Development Needs, includes activities and programs to fulfill identified needs outlined in the FY 2011-15 Consolidated Plan. The five-year Consolidated Plan and the Annual Action Plan element are required in order to apply for and receive Community Development Block Grant (CDBG) entitlement program funds from the U.S. Department of Housing and Urban Development (HUD), which have been awarded to the city since the mid-1970s.

The FY 2014-15 Annual Action Plan was approved by City Council on May 13, 2014, and subsequently approved by the Detroit HUD Field Office on June 26, 2014 prior to the start of FY 2014-15. Activities and expenditures of CDBG funds must meet three national objectives: 1) benefit low and/or moderate income persons, 2) aid in the prevention or elimination of blight, and 3) meet urgent community development needs. In order to meet these national objectives, the approved FY 2014-15 Annual Action Plan includes five inter-related activities to be carried out during the program year. The table below lists the program activity, an activity description, and the planned objectives and outcomes.

<b>CDBG PROGRAM ACTIVITIES</b>			
<b>Activity</b>	<b>Description</b>	<b>Objective</b>	<b>Outcome</b>
Owner-Occupied Housing Rehabilitation	Interior and exterior rehabilitation assisted through emergency repair grants and no or low-interest deferred loans.	Decent housing.	<u>Sustainability</u> for the purpose of providing decent affordable housing.
Down Payment Assistance	First time homebuyer no interest deferred loans for down payment and closing costs.	Decent housing.	<u>Affordability</u> for the purpose of providing decent affordable housing.
Public Services	Funding for Portage Community Center for emergency assistance, transportation assistance and youth recreation.	Economic opportunity.	<u>Sustainability</u> for the purpose of creating economic opportunities.
Neighborhood Improvement – Code Enforcement	Neighborhood improvement in target low-income neighborhoods.	Suitable living environment.	<u>Sustainability</u> for the purpose of creating suitable living environments.
Program Planning and Administration	Annual planning, performance reporting, and fair housing activities.	Not applicable.	Not applicable.

The approved FY 2014-15 Annual Action Plan also allocated a specified amount of funding towards each program activity during the program year, as shown in the following table:

<b>FY 2014-15 CDBG PRORAM EXPENDITURES</b>	
Housing Programs (loans and grants)	\$159,225
Down Payment Assistance Program	\$6,000
Neighborhood Improvement-Code Enforcement	\$53,661
Human/Public Services	\$37,972
Grant Administration and Fair Housing Activities	\$21,814
<b>TOTAL</b>	<b>\$278,672</b>

### **Overview of Human/Public Services Activity Funding**

With regard to Human/Public Services, this activity is administered by the Portage Community Center through a sub-recipient contract with the city. The Portage Community Center (PCC) uses CDBG Program funding (as well as funding from the City of Portage General Fund) to assist low/moderate income city residents with the following services: Emergency Assistance (food, clothing and financial assistance), Transportation Assistance, and Youth Recreation Scholarship Assistance.

Per federal regulations, the maximum amount of CDBG funding that can be allocated to human/public services is 15% of the FY 2014-15 entitlement grant plus program income received in the prior program year. At the time of budget preparation, the maximum amount of CDBG funding determined to be eligible for human/public services was established at \$37,972 (15% of the \$218,672 entitlement grant plus 15% of program income received through December 31, 2013, which equaled \$34,474).

As indicated in the FY 2013-14 Consolidated Annual Performance Report (CAPER) prepared on September 4, 2014, program income received for the entire FY 2013-14 program year exceeded budget estimates and equaled \$79,547 (and the Unexpended Fund Balance as of June 30, 2014 was \$195,143). Therefore, during FY 2014-15 the total amount of human service funding (based on total program income received in FY 2013-14) that can be allocated equals \$44,732 or \$6,760 more than the \$37,972 specified in the FY 2014-15 Annual Action Plan.

### **Proposed Amendment to the FY 2014-15 Annual Action Plan**

As indicated in the communication from the Portage Community Center, included in Appendix A, the demand for financial assistance for residential utility service (e.g. water/sewer, gas and electric service) has increased over the past year due to a change in policy at the Michigan Department of Human Services (DHS). Beginning last fall, DHS now provides financial assistance for residential heating only during the months of November through April. This change in DHS policy has strained and/or depleted local funding from other sources for utility assistance. While the demand for home heating assistance has increased, funds available for residential water/sewer service assistance have been similarly strained. With regard to the local demand for water/sewer service assistance, over the past year the City of Portage has had an average of 38 residential customers each month with past due water/sewer bills at risk of being shut off, with an average past due bill of \$184. The need for assistance with water/sewer bills has remained steady for many years and the City of Portage Treasury Office routinely refers residents to the PCC for assistance.

Due to the additional funding that can be allocated to human/public services during FY 2014-15 and available monies from the Unexpended Fund Balance at the end of FY 2013-14, an amendment to the FY 2014-15 Annual Action Plan is recommended to allocate \$6,700 to the PCC for direct financial assistance to income eligible Portage households for residential utility shut off prevention or to resume residential utility service. As noted in the communication from PCC, the additional funding should first be allocated to assist Portage households with water/sewer service, with the goal of assisting approximately 35-40 additional households. Should the additional funding not be fully expended by the end of the 3<sup>rd</sup> quarter of FY 2014-15, funding may also be directed to assist Portage households with residential heating assistance.

### **Citizen Participation**

In accordance with the Citizen Participation Plan provided in the Consolidated Plan, a public hearing on the proposed Substantial Amendment to the FY 2014-15 Annual Action Plan has been scheduled for November 6, 2014. Subsequent to the public hearing, an additional 30-day comment period is scheduled beginning on November 7, 2014 and ending December 8, 2014. A copy of the public notice and comments received is provided in Appendix B.

### **Implementation**

At the conclusion of the public comment period, the Substantial Amendment to the FY 2014-15 Annual Action Plan will be provided to City Council for review and approval. Concurrent with the Substantial Amendment to the Plan, an amendment to the PCC sub-recipient contract for FY 2014-15 will also be prepared for City Council review and approval, which will outline the terms and conditions of the additional funding for direct financial assistance for residential utility service. Finally, subsequent to City Council approval, the Substantial Plan Amendment will be provided to the Detroit HUD Field office for file documentation purposes.

## APPENDIX A



## Portage Community Center

*Making Life Better*

October 13, 2014

Vicki Georgeau

7900 South Westnedge Ave.

Portage, MI 49002

Vicki,

As discussions have been initiated with the City of Portage about possibly have some additional funds available for Emergency Assistance, please accept this letter as our formal request for \$6,700 in additional funding for Emergency Assistance.

Currently, funding for those in need of emergency assistance for utility service is critical for us. As of October 7, 2014, we've had to put a freeze on all requests for assistance due to lack of funding. Due to a recent change in policy with how the Department of Human Services (DHS), handles requests for emergency assistance, our funds for assistance have been depleted quicker than expected. Within the past year, DHS implemented a policy that they will only offer emergency assistance for heating bills from November-May. This policy change has caused an unexpected increase in requests for assistance to organizations like us and the Salvation Army. For the first quarter of this fiscal year, the Portage Community Center has helped 59 households with financial assistance for water and/or power. To date for this year, we have spent \$10,786.65 in emergency financial assistance on these 59 households.

The \$6,700 we request in added funding will be specifically designated for help with water/sewer assistance for City of Portage residents. To date we have helped 16 households from the City of Portage with financial assistance for their water/sewer bill. The average cost per household this year has been \$171.35. This additional funding could help us serve approximately 39 more families that would otherwise not have been able to receive assistance. If for some reason, requests for water/sewer assistance are less than what we are forecasting, we respectfully request that these additional funds then be opened up to be used towards assistance for heating/power utility bills. This decision would be made in early to mid-April 2015 based on the number of requests we've received.

On behalf of the employees and Board of Directors of the Portage Community Center, I thank you for opening up these discussions and allowing us to apply for these much needed additional funds. Should you have any questions or concerns, please don't hesitate to contact me. Thank you for your continued partnership!

Respectfully Submitted,

  
Chris Buckley

Executive Director

  
Lori Knapp

PCC Board President

## APPENDIX B



## **NOTICE OF PUBLIC HEARING**

The City of Portage will hold a public hearing on Thursday, November 6, 2014 at 6:30 p.m. in Conference Room #1, City Hall, 7900 South Westnedge Avenue, Portage, Michigan to receive comments on an amendment to the Community Development Block Grant (CDBG) Program FY 2014-15 Annual Action Plan. The amendment proposes to allocate \$6,700 from the FY 2013-14 CDBG Program Unexpended Fund Balance to the Human/Public Services Program administered through the Portage Community Center. In particular, the additional funding during FY 2014-15 is proposed to be utilized for direct financial assistance to prevent residential utility service shut offs or to resume residential utility service to income eligible Portage households. The draft document is available for review at the following locations:

- Department of Community Development, City of Portage, 7900 South Westnedge Avenue, Portage, MI 49002
- Portage District Library, 300 Library Lane, Portage, MI 49002
- Portage Senior Center, 320 Library Lane, Portage, MI 49002
- Portage Community Center, 325 East Centre Avenue, Portage, MI 49002
- City of Portage web site ([www.portagemi.gov](http://www.portagemi.gov)) under: Department of Community Development, Planning, Development and Neighborhood Services, Documents

All interested persons are encouraged to attend. Comments can be submitted in writing on or before November 6, 2014 to the City of Portage, Department of Community Development, or may be presented in person at the public hearing. Subsequent to the public hearing, an additional 30-day public comment period will be provided beginning November 7, 2014 and ending December 8, 2014. Additional citizen comments after the public hearing and prior to implementation of the proposed program amendment may also be submitted in writing on or before December 8, 2014 to the City of Portage, Department of Community Development. Citizens desiring additional information should contact the City of Portage Department of Community Development, (269) 329-4477 for additional information.

Department of Community Development  
Vicki Georgeau, Director  
October 22, 2014