

To: Michael Van Milligen, City Manager

From: Alvin Nash, Housing and Community Development Department

Subject: Status of Funded Activities CONTRACT #13-NDRH-001 For Community Development Block Grant, National Disaster Resilience (CDBG-NDR) Housing Grant

Date: March 21, 2018

INTRODUCTION

The purpose of this memorandum is to provide information for a public hearing on the Status of Funded Activity (SOFA), associated with the CDBG-NDR Bee Branch Healthy Homes \$8.4 million Grant, as required by Iowa Economic Development Authority (IEDA) contract and CDBG regulations. There will be a short staff presentation of the information at the public hearing with City Council, which will meet grant requirements.

BACKGROUND

In January 2016, the State was awarded \$95.7 million in U.S. Department of Housing and Urban Development (HUD) National Disaster Resiliency Competition grant funds. Per the award, the City of Dubuque is to receive \$8.4 million for a comprehensive Bee Branch Healthy Homes Resiliency Program (BBHH) to help residents address residual impacts from the flooding experienced within the Bee Branch Watershed. The City also received \$23.3 million for storm water infrastructure improvements associated with the Bee Branch Watershed Flood Mitigation Project. All construction must be complete by June 30, 2021.

In October of 2016, the City Council adopted Resolution 363-16, authorizing the execution of a funding contract with the Iowa Economic Development Authority (IEDA) as a requirement for the City's receipt of \$8,900,165.00 in CDBG-NDR funds for Housing improvements to address damage and future vulnerabilities, related to water intrusion, in homes in the Bee Branch Watershed.

As a requirement set forth by Section 508 of the Housing and Community Development Act of 1987 requires local governments to have a public hearing on the status of a funded activity during the project regarding CONTRACT #13-NDRH-001 for the Community Development Block Grant, National Disaster Resilience (CDBG-NDR) Housing Grant. Locally known as the Bee Branch Healthy Homes Resiliency Program (BBHH).

DISCUSSION

Since 1999 there have been six Presidential Disaster Declarations due to the property damage caused by flash flooding in the Bee Branch Watershed. While the Bee Branch Watershed comprises just over 20% of the entire city by area, more than 50% of Dubuque's population either lives or works in the watershed.

The Bee Branch Watershed flood prone area qualifies as the most impacted and distressed area and the improvements represent unmet recovery needs (MID-URN). The flood prone properties include census tracts 1, 4, 5, 6, and 11.02, representing about 35% of Dubuque's population. Approximately 69% of the people in the flood-prone, at-risk area are at less than 80% median income. This is where the most vulnerable populations live, and the areas most impacted by 2011 flooding. Therefore to be eligible for the program you must live in the eligible area and be below the 80% area median income threshold, which meets the HUD CDBG National Objective benefiting low to moderate income persons.

A Status of Funded Activity (SOFA) hearing will be scheduled on an annual basis due to the size and scope of the project. This is the first SOFA hearing for the project. All documentation from the public hearing will be provided to IEDA such that future draw requests are not impacted. The purpose of the hearing is to keep the public informed on the progress of the overall project.

BUDGET IMPACT

The CDBG-NDR CONTRACT #13-NDRH-001 Bee Branch Healthy Homes Resiliency Program funding is as follows. The project integrates funding and resources from the City of Dubuque Engineering, Housing and Economic Development Departments through different programming offerings for residents and business owners. A more detailed report of project status and expended budgets is attached for reference:

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|--|-----------------------|
| Total Program Delivery Costs: | \$8,427,665.00 |
| Administrative Costs: | <u>\$472,500.00</u> |
| Total Housing Costs: | \$8,900,165.00 |
| | |
| City Lead/Healthy Homes Leverage Funds | <u>\$400,000.00</u> |
| | \$9,300,165.00 |

RECOMMENDATION

The purpose of this memorandum is to receive and file the information provided as well as receive any comment from the public.

Prepared by Sharon Gaul, Resiliency Coordinator

Cc:

Jenny Larson, Budget Director-City

John Tharp, Grant Administrator-City

Teri Goodmann, Assistant City Manager

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