

Council Action Form

SUBJECT: REQUEST TO PARTICIPATE IN THE CITY OF MARSHALLTOWN LEAD HAZARD CONTROL PROGRAM

BACKGROUND:

Back in October 2014, the City Council referred to staff a request from the City of Marshalltown to determine if the City of Ames is interested in participating in their Lead Hazard Control Grant Program. The City of Marshalltown currently administers this program in Hardin, Marshall and Tama Counties and 18 incorporated communities within those three counties.

The City of Marshalltown was notified in September 2014 that they have been awarded a three-year Lead Hazard Control Grant from HUD in the amount of \$3,400,000. The grant funds will be used to eliminate lead hazards in homes of children under the age of six in properties built prior to 1978 for households with incomes at 80% or less of the Area Median Income (AMI) limits. As part of their new grant award they are seeking to expand their jurisdiction to include Story and Benton Counties. To date the following jurisdictions in Story County are participating: unincorporated areas of Story County, McCallsburg, Cambridge, and Roland. Pending responses include: Ames, Nevada, Huxley, Maxwell, & Story City.

The program for eliminating lead hazards could cover such items as exterior and/or interior window replacement, siding, gutters, interior doors, paint stabilization, etc. Additionally, the program could provide \$3,080 of additional funds to make health and safety repairs. The grant will be in the form of a three year forgivable grant for both owner and renter occupied units. For homeowners, the amount available cannot to exceed \$23,500 per house. For rental property owners the amount available cannot to exceed \$19,999 per property and requires a 10% match. Approximately 130 homes total for all the participating jurisdiction could be serviced over three years at the maximum awards amounts.

In order for the City of Marshalltown to offer this program to the citizens of Ames, the City would need to enter into a 28-E Agreement with Marshalltown to operate in our jurisdiction.

Some highlights of the 28-E include the following;

1. The City of Marshalltown would agree to handle all administrative responsibilities related to the grant including all reporting requirements.
2. The City of Marshalltown would be responsible for all financial transactions, reporting and auditing related to the grant.
3. Program staff would be considered City of Marshalltown employees.
4. Assistance would be available to low-income (at 80% or less of the AMI) homeowners and rental property owners with low-income tenants to make housing units lead safe.
5. The Agreement shall run through November 2, 2017.
6. Program may begin in the spring of 2015.

City staff issues and concerns of the 28-E include the following:

- No provision for terminating the contract prior to November 2017.
- Service area is broad thereby limited attention can be provided to the Ames citizens.
- Program has a limited scope of services to reduce lead hazards and very minimal funds to address other major housing repair issues that can be found in the home.
- Past experience in allowing an outside agency/organization to administer housing programs in our jurisdiction has not been of a great benefit to our low income citizens. At times it has caused customer confusion on responsibility for programs.
- The City of Ames will not be implementing this type of specific program due to the limited scope, but is planning to have a more comprehensive rehabilitation program available in the spring of 2015 as well.

Alternatives:

1. The City Council can direct the City Attorney to review the proposed 28-E Agreement and direct staff to place the item on the next agenda for Council approval.
2. The City Council can decline to be a participating jurisdiction in the Lead Hazard Program as outlined by the City of Marshalltown.

City Manager Recommendation:

Staff initially sought to make modifications to Marshalltown's standard 28-E Agreement to address some administrative concerns about the program and to offer an expanded partnership option that would overlap their program with our upcoming CDBG Housing Improvement program. If both parties could have come to an agreement on how both programs could overlap and work together, this partnership could have been an excellent opportunity to serve the citizens of Ames to reduce lead hazards and improvements of general housing conditions.

Staff has been in communication with the City of Marshalltown to discuss this partnership. The City of Marshalltown staff communicated that the program has stated that they would **not be** able to administer the program differently or in conjunction with the City of Ames program. If the City of Ames would choose to participate in the program, our participation must be consistent with their standard 28-E Agreement.

Without the ability to combine efforts on overlapping program, it appears the program would be a duplication of City services and potentially confusing to our citizens.

It is the recommendation of the City Manager, that the City Council adopt Alternative #2. Under this recommendation the City of Ames would decline to be a participating jurisdiction in the Lead Hazard Program as outlined by the City of Marshalltown.