

Finance Committee Meeting

Report to Council of the Committee Meeting of Oct. 17, 2024 (unapproved)

Approved  
10-29-24

Chair Ed Lohnes called the meeting to order at 5:24pm, 2<sup>nd</sup> floor Conference Room, City Hall. In attendance were committee members Lohnes, Councilwoman Kiko, Councilman Bugara, Mayor Grove, Auditor Knowles, Councilwoman Cherry, Director of Planning & Development Pete Wearstler, Director of Habitat for Humanity, Nikki McIlvain, Mark Locke, Jen Skolosh.

Lohnes read the Public Notice

Old Business: Lohnes made a motion to approve the minutes from the Oct. 7, 2024 FC meeting, seconded, Approved.

New Business: Lohnes introduced Nikki McIlvain, Director of Habitat for Humanity, informed those in attendance that the main purpose of today's meeting is discussion about affordable housing. McIlvain passed out two handouts: East Alliance Revitalization Project and Critical Home Repair Fund. McIlvain proceeded with her presentation reviewing both handouts. Currently, individuals that fall into 30% to 60% median income of Stark County are caught in a tough situation when they make too much money for assistance but not enough to keep up with the cost of living expenses. She's recommending to establish a program of low interest loans for home repairs, 10 yr. repayment period, no repayment if owner is over 65 yrs. old. She is asking for \$500,000 from ARPA funds. She concluded her presentation at 5:40pm.

Lohnes asked Knowles if we do indeed have funds available in ARPA account that can be used for this request? Knowles: Yes, we have funds available but we need to verify if these funds can be used for this purpose.

Kiko asked, how does this application process work? McIlvain went over her process to verify need.

Skolosh asked, what is ARPA and emergency funding language used in ordinances? Knowles answered.

Kiko: Do you currently fund critical home repair projects? Yes, with CDBG funds. Also asks: Do you offer finance/housing classes? Yes, the classes are supported from the GAF (Greater Alliance Foundation)

Mayor Grove asked: Would the city be done with oversight of the money if the request if funded and will Habitat for Humanity be in charge? McIlvain: Yes, with corresponding reports provided to council.

Knowles: Stated that research must be done and get a legal opinion to see if this request can be granted.

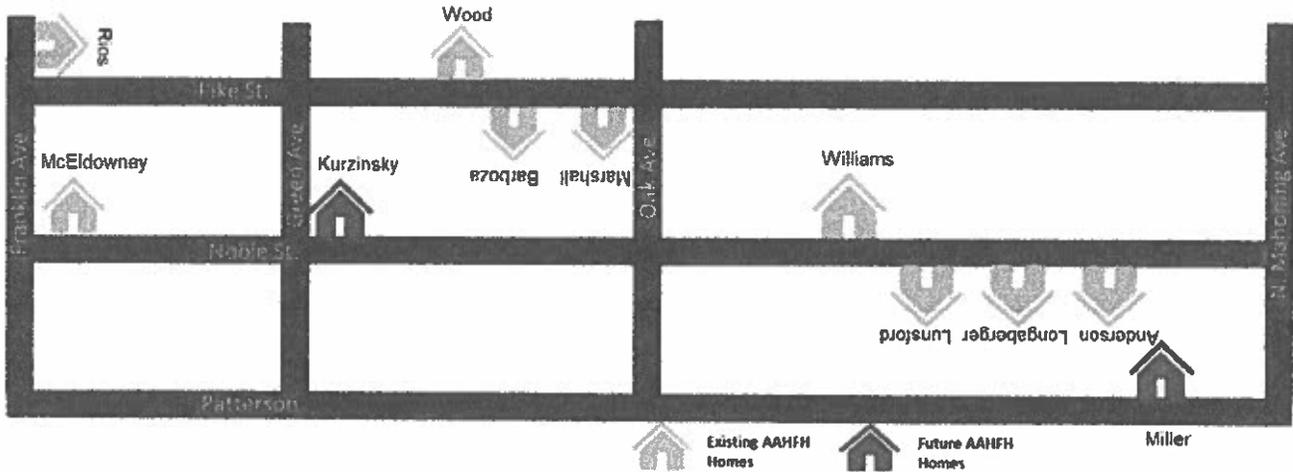
Cherry stated that a workshop with McIlvain and Wearstler will happen next week to discuss next year's CDBG Grant cycle and the criteria needed for ARPA fund distribution.

6:10 Lohnes asked if there are no more questions at this time, can he have a motion to adjourn, motion made seconded, meeting adjourned.



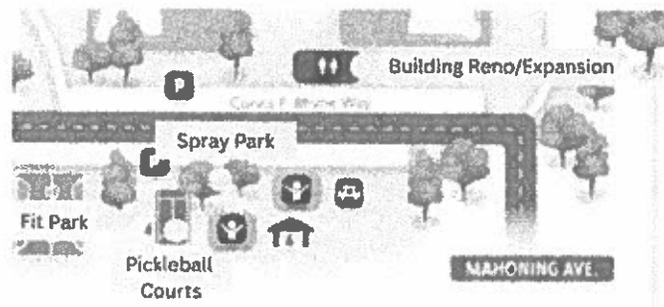
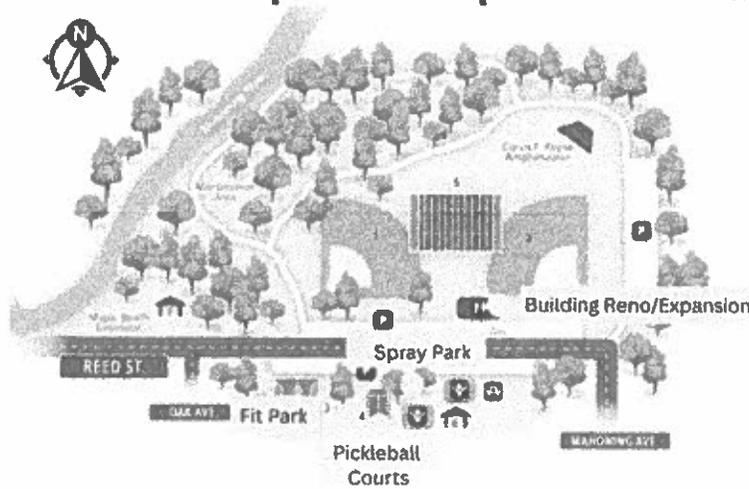
# East Alliance Revitalization Project

A holistic neighborhood revitalization effort.



- Construction and Rehabilitation of safe, affordable housing
- Critical Home Repairs of owner-occupied structures
- Advocacy
- Community wide, free financial literacy courses
- Resources at the Alliance Area Habitat for Humanity ReStore

## Proposed Maple Beach Layout



**Niki McIlvain**

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Alliance Area Habitat for Humanity (AAHFH) is recommending the creation of a Critical Home Repair Fund within the city. This fund would initially be funded through ARPA/CDBG Funds in the first year, and moving forward funds could be requested and allocated from various state, federal, and private sources. Qualifying agencies can apply for funds and execute the individual application processes and labor.

1. Growing Need
  - a. 83% of housing stock in Alliance was built before 1979, creating a large pool of structures with deferred maintenance
  - b. Preventing blight and the condemning of homes should be a priority following the Neighborhood Initiative Program, and the demolition of nearly 300 residential structures in Alliance
  - c. We have had an increase in phone calls inquiring about assistance with home repairs and accessibility, it has proven to be an equal need to affordable housing.
2. Empowerment
  - a. Homeowners will be able to afford the maintenance of their home and to live with dignity.
  - b. Possible repayment similar to our mortgage program.
3. Accountability, Code Enforcement, Alliance Property Owners
  - a. With assistance options in place, it is more appropriate to hold homeowners accountable and enforce codes in low-income neighborhoods.
  - b. One of the primary concerns of APO is that homeowners will not also be held accountable or to the same standard as landlords. I have had this discussion with them and they support empowering homeowners. This is a compromise to show efforts are being made to improve our overall housing stock and neighborhoods, both owner occupied and tenant occupied.

AAHFH can manage the program and a series of projects with an award, or a fund could be created at the city for vendors/housing organizations to apply. Other possible vendors/applicants:

- Hammer & Nails
- Project Rebuild

There is no dollar amount in mind, but the average range for a critical home repair is between \$10,000-\$15,000. We would create criteria and a specific scope of qualifying work.

Alliance Area Habitat for Humanity (AAHFH) is recommending the creation of a Critical Home Repair Fund within the city. Home repair programs are a critical part of any community's effort to improve housing conditions and can also improve the effectiveness of other policies and programs implemented to stabilize housing and promote community health. In communities working to establish a proactive rental inspection program, home repair programs can help overcome concerns and create opportunities to also hold homeowners accountable, regardless of income and resources.

Home repairs and preservation cost significantly less than demolition and home construction.

This fund would initially be funded through ARPA/CDBG Funds in the first year, and moving forward funds could be requested and allocated from various state, federal, and private sources including the repayment of loans issued to homeowners for the repairs.

**1. Growing Need**

Deteriorating housing stock is a health hazard to resident health and safety.

- a. 83% of housing stock in Alliance was built before 1979, creating a large pool of structures with deferred maintenance
- b. Preventing blight and the condemning of homes should be a priority following the Neighborhood Initiative Program, and the demolition of nearly ~~300~~ 400 residential structures in Alliance. Prevention is more effective than reacting.
- c. We have had an increase in phone calls inquiring about assistance with home repairs and accessibility, it has proven to be an equal need to the construction of affordable housing.

**2. Empowerment**

- a. Homeowners will be able to afford the maintenance of their home and to live with dignity.
- b. Possible repayment like our mortgage program.

**3. Accountability, Code Enforcement, Alliance Property Owners**

- a. With assistance options in place, it is more appropriate to hold homeowners accountable and enforce codes in low-income neighborhoods.
- b. One of the primary concerns of APO is that homeowners will not also be held accountable or to the same standard as landlords. I have had this discussion with the group directly, and they support empowering homeowners. This is a compromise to show efforts are being made to improve our overall housing stock and neighborhoods, both owner occupied, and tenant occupied.

**4. Health and Safety Outcomes – National Center for Healthy Housing**

- a. Increased fire safety through mechanical and physical improvements
- b. Decreased falls and risks created by accessibility issues
- c. Physical health improvements – asthma and respiratory illness, accessibility
- d. Mental Health improvements

The average range for a critical home repair is between \$10,000-\$15,000. We would create criteria and a specific scope of qualifying work.

## **Management and Operations**

Many states and communities' partner with non-profit organizations to execute their program instead of hiring an employee in-house. Canton awarded \$3.5 million directly to Habitat for Humanity of East Central Ohio. Per the Ohio Auditor, ARPA funds can be transferred directly to private nonprofit organizations, public benefit corporations, or special-purpose units of state or local government and do not have to be distributed on a reimbursement basis, simplifying the process between the city and the organization. Detailed quotes and reporting would be submitted upon completion.

### **Developing the Program:**

- **Determine the scope of work and services offered**
  - Roofs, Electrical, Structural Improvements related to accessibility, accessibility accommodations including ramps, knobs, and adaptations, hot water tanks.
  - Other programs offer assistance with HVAC and weatherization, we recommend not including these items in our scope and instead offer quality referrals.
- **Determine eligibility guidelines and application process**
  - Federal guidelines: below 80% AMI
  - Habitat guidelines: between 30%-60% AMI
  - Online application, hard copy at area agencies
  - Repayment vs. non-repayment
  - Proof of homeownership and insurance
- **Determine budget**
  - Repair budget & Administrative fees
  - Admin fees are permitted for both ARPA and CDBG funds, we are requesting 10%.

### **Program Execution - AAHFH**

We have completed home repairs and will execute the following:

- **Application, qualifying, and intake**
  - Application cycles will be limited and opened twice per year
  - Qualifications will align with established criteria
  - Our team will complete the application process
- **Case Management**
  - Our established construction committee will conduct in home inspections to verify the need and scope of the project
  - AAHFH will coordinate with subcontractors to complete the repair
  - AAHFH will work with the homeowners on contracts and repayment
  - Our mortgage software includes micro-loan repayment, and we have processed these loans before
  - We will provide a statement of completion and satisfaction for each repair signed by homeowner.
- **ARPA/City requirements**
  - We are experienced with federal reporting and can handle any requirements on the back end.

**ARPA Funded Program Examples:**

- Vermont Housing Improvement Program: providing grants to property owners to repair properties that are vacant or threatening to become vacant due to code violations. Later rounds of this funding require property owners to rent the units to tenants exiting homelessness.
- City of Pittsburgh: providing funds to replace lead service lines and support implementation of the new Pittsburgh Lead Safety Law, which addresses hazards in paint, water, renovation and repairs, and demolitions.
- North Carolina Division of Public Health: testing water for lead and mitigating hazards in public schools, and supporting inspections and abatement for lead and asbestos at schools and child care facilities.
- City of Utica: projects to support exterior home repair and replace windows, as well as an indoor asthma triggers pilot project and supplemental funds for lead hazard reduction.
- Vermont Healthy Homes Programs: repairing water and wastewater systems in owner-occupied and manufactured homes.
- Linn County PATCH Program: repairing homes damaged by a derecho storm in 2020.

**In Ohio, Hamilton County allocated \$15mil, City of Cleveland 34.45mil (ARPA and general fund), and Canton allocated 3.5mil directly to affordable housing and repair efforts.**

**Our request (ranked in order by preference and priority):**

- 1. An allocation of funds awarded in a lump sum directly to the affiliate to create a Critical Home Repair Program, with admin costs of up to 10% either included with, or deducted from the award. This is a streamlined approach that requires no admin from the city, only auditing and reporting as determined by the organizations.**
- 2. An allocation of funds awarded in a lump sum directly to the affiliate to execute the construction of upcoming projects and provide gap funding as a commitment from the city to affordable housing.**
- 3. A pot of money within the city to draw from, similar to CDBG. However, this method creates cashflow issues on our end and requires more administrative time from the city.**

**Affordable housing and the preservation of our housing stock is the greatest need in our community and this is an opportunity to create a significant impact, and to be leaders in the development and support of affordable homes and residents in Alliance.**