

THE CDBG-R SUBSTANTIAL AMENDMENT TO THE CITY OF
FARGO'S 2008 ACTION PLAN



FARGO'S EFFORT TO ENSURE RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. As outlined in this document, the City of Fargo proposes to use CDBG-R funds to enhance its existing Owner-Occupied Housing Rehabilitation Program, which may include urgent housing needs generated by the 2009 flood.

HUD has strongly urged grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. With this in mind, the City determined that utilizing these funds for the Housing Rehabilitation program was most appropriate. In addition, there is a high level of need within the community for decent, affordable housing.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees have been asked to provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. Fargo's electronic spreadsheet is attached.

B. CDBG-R INFORMATION BY ACTIVITY

Activity #1:

Housing Rehabilitation (Owner Occupied) and Urgent Housing Needs caused by the 2009 flood.

(1) Activity Narrative:

The City of Fargo will utilize \$165,168 in CDBG-R funds to enhance its Owner Occupied Housing Rehabilitation program, which has been in place since 1975, and urgent housing needs created by the 2009 flood. The program directly addresses many of the central tenants of the American Recovery and Reinvestment Act, including the creation and retention of jobs and the increase of economic and energy efficiency. The enhancement of Fargo's Housing Rehabilitation Program will address the Recovery Act in the following ways:

Preservation and creation of jobs and promotion of economic recovery

It is well known that the challenging economic conditions of the past few years have had a profound effect on the housing industry and the ability of many families to remain in their homes. Fargo's Housing Rehabilitation Program is a powerful tool that serves to alleviate these negative effects of the economy. Jobs are created and retained through the renovation work completed by contractors on individual properties. Jobs are retained by family members who may remain in their homes as a result of improvements made possible with City assistance. While the City has seen a relatively steady number of rehabilitation projects within its older neighborhood housing stock, the CDBG-R funds will enable Fargo to assist the additional families that are currently enduring economic challenges.

Assistance to those most impacted by the recession

Many of those most impacted by the recession are homeowners who, whether due to the loss of a job or decrease in home value, find themselves unable to complete necessary repairs to their homes because of the cost. These delayed home repairs lead to not only the unsightly deterioration of neighborhoods, but in some cases danger to the homes' occupants. Fargo's Housing Rehabilitation Program offers zero-interest loans to individuals and families who may not otherwise be able to make necessary repairs. In other instances, the 2009 flood put a number of homes in low and moderate income neighborhoods in peril. The CDBG-R funds will help us to maintain home values in our older neighborhoods, as well as the economic well-being of these residents.

Provision of investment needed to increase economic efficiency

It can be argued that the rehabilitation of older existing homes has a much greater degree of economic efficiency than new home construction. New home construction involves many frequently overlooked costs, including new infrastructure, materials and design. Existing homes are connected to electricity, water and sewer systems. Frequently, the existing materials can be repaired rather than replaced. The Housing rehabilitation program "recycles" existing homes, eliminating the costs associated with new development. The savings are transferred directly to the owner through increases in home security and value.

Investment in transportation, environmental protection and other infrastructure that will provide long-term economic benefits

The investment of CDBG-R funds into housing rehabilitation and urgent housing needs in our community's core neighborhoods helps decrease the need for car travel and the associated environmental consequences. It also decreases the consumption of natural resources, as many home rehabilitation projects utilize existing materials. These factors provide long-term economic benefits by maintaining our City as an attractive place to work, play and raise families.

Fostering energy independence

Fargo's Housing Rehabilitation Program focuses its benefit on homes within the central core of the City, and fosters energy independence by decreasing commute distances and oil consumption. Housing Rehabilitation helps to create more efficient homes, decreasing household consumption of oil, gas and electricity. The energy-efficient repairs and changes potentially include window and/or door replacement, the addition of quality siding, new

roofing, new insulation and various other renovations that foster energy-efficiency. The central location of the housing and the energy-efficient improvements made combine to create a community and country that is less dependent on energy sources from abroad.

Compliance with Title XII of Division A and Section 1602 of ARRA

In addition to meeting the five criteria mentioned above, the CDBG-R funds allocated to Fargo's Housing Rehabilitation Program will meet the requirements of Title XII of Division A and Section 1602 of ARRA and be utilized expeditiously. Since the program already exists and is well utilized, there are no concerns with the timely drawdown of funds from HUD. This activity was given priority for funding, as the local need for decent and affordable housing is high. In addition, the activity can be started and completed in a timely fashion.

(2) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

It is estimated that approximately 70 jobs will be created and retained through utilization of the \$165,168 in CDBG-R funds in Fargo. Of those, 14 jobs are retained by families living in the rehabilitated homes, and 56 are created by contractors and construction workers employed as a result of this stimulus.

(3) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

As discussed above, the Housing Rehabilitation Program promotes energy conservation, smart growth and reduced pollution emissions. Energy is conserved through renovation methods that frequently incorporate new energy-efficient systems and materials in heating and cooling. Smart Growth is an inevitable product of this program, as resources are focused on older existing neighborhoods in close proximity to the downtown core. Residential and commercial development within the core neighborhoods is generally dense, pedestrian-friendly and in close proximity to goods and services. This smart growth pattern of development results in reduced pollution emissions from vehicles, and encourages alternate forms of transportation including walking, bicycling and mass transit.

Activity #2:

Administration

(1) Activity Narrative:

Administration costs are necessary to implement CDBG programming. These costs include a portion of the Housing Rehab Specialist's and administrative assistants salaries and fringe benefits, staff development, office materials/supplies and other eligible expenses. CDBG-R funds in the amount of \$18,000 will be used for general administrative costs incurred in the implementation of CDBG-R funded programming.

The City of Fargo will adhere to the mandated administrative cost cap. The amount proposed for this activity is in compliance with FR-5309-N-01 which states: "No more than 10 percent of the CDBG-R funds shall be expended for eligible planning and general administration activities."

(2) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

Not applicable

(3) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

Not applicable

Responsible Organization for all activities: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

City of Fargo
Dan Mahli, Senior Planner
200 3rd St N Fargo, ND 58102
(701) 241-1474
Fax: (701) 241-1526
dmahli@cityoffargo.com
<http://www.cityoffargo.com/CityInfo/Departments/PlanningandDevelopment/>

C. PUBLIC COMMENT

The public was provided notification via advertisement in the Forum on May 14, 2009. There were no public comments received. In addition, a public hearing was scheduled before the Fargo City Commission on June 1 at 5:15 PM. This Action Plan Amendment is posted on the City of Fargo's website.

CDBG-R Substantial Amendment Grantee Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the CDBG-R Substantial Amendment, Spreadsheet for Reporting Proposed CDBG-R Activities, and SF-424.

Contents of a CDBG-R Action Plan Substantial Amendment

Jurisdiction(s): _____ Lead Agency Jurisdiction Web Address: <i>(URL where CDBG-R Substantial Amendment materials are posted)</i>	CDBG-R Contact Person: Address: Telephone: Fax: Email:
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The elements in the substantial amendment required for the CDBG recovery funds are:

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Does the submission contain a paper copy of the Spreadsheet for Reporting Proposed CDBG-R Activities?

Yes No Verification found on page _____

Does the submission include an electronic version of the Spreadsheet for Reporting Proposed CDBG-R Activities sent to the email box CDBG-R@hud.gov?

Yes No Date Spreadsheet was emailed: _____

Does the Spreadsheet for Reporting Proposed CDBG-R Activities include, for each activity:

- amount of funds budgeted for each activity, including CDBG-R funds, any additional Recovery Funds used and total activity budget,
 Yes No Verification found on page(s) _____
- the Eligibility citation (eligibility regulatory cite or HCDA cite),
 Yes No Verification found on page(s) _____
- the CDBG national objective citation,
 Yes No Verification found on page(s) _____

B. CDBG-R INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, including:

- a narrative for each activity describing how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit,
Yes No Verification found on page(s) _____
- projected number of jobs created for each activity,
Yes No Verification found on page(s) _____
- whether an activity will promote energy efficiency and conservation,
Yes No Verification found on page(s) _____
- the name, location, and contact information for the entity that will carry out the activity,
Yes No Verification found on page(s) _____
- evidence that no more than 10% of the grant amount will be spent on administration and planning,
Yes No Verification found on page (s) _____
- evidence that no more than 15% of the grant amount will be spent on public services,
Yes No Verification found on page (s) _____
- evidence that at least 70% of the grant amount will benefit persons of low and moderate income,
Yes No Verification found on page (s) _____

C. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the jurisdiction’s usual methods and on the Internet for no less than 7 calendar days of public comment?

Yes No . Verification found on page(s) _____

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on page(s) _____

D. CERTIFICATIONS

The following certifications are complete and accurate:

- (1) Affirmatively furthering fair housing Yes No
- (2) Anti-displacement and relocation plan Yes No

- (3) Drug-free Workplace Yes No
- (4) Anti-lobbying Yes No
- (5) Authority of jurisdiction Yes No
- (6) Consistency with plan Yes No
- (7) Section 3 Yes No
- (8) Community development plan Yes No
- (9) Following a plan Yes No
- (10) Use of Funds Yes No
- (11) Excessive Force Yes No
- (12) Compliance with anti-discrimination laws Yes No
- (13) Lead-based paint procedures Yes No
- (14) Compliance with laws Yes No
- (15) Compliance with ARRA Yes No
- (16) Project selection Yes No
- (17) Timeliness of infrastructure investments Yes No
- (18) Buy American provision Yes No
- (19) Appropriate use of funds for infrastructure investments Yes No
- (20) 70% of CDBG-R for LMI Yes No

- Optional Certification
- (21) Urgent Need Yes No

D. STATE CERTIFICATIONS

The following certifications are complete and accurate:

- (1) Affirmatively furthering fair housing Yes No
- (2) Anti-displacement and relocation plan Yes No
- (3) Drug-free Workplace Yes No
- (4) Anti-lobbying Yes No
- (5) Authority of State Yes No
- (6) Consistency with plan Yes No
- (7) Section 3 Yes No
- (8) Community development plan Yes No
- (9) Consultation with Local Governments Yes No
- (10) Use of Funds Yes No
- (11) Excessive Force Yes No
- (12) Compliance with anti-discrimination laws Yes No
- (13) Compliance with laws Yes No
- (14) Compliance with ARRA Yes No
- (15) Project selection Yes No
- (16) Timeliness of infrastructure investments Yes No
- (17) Buy American provision Yes No
- (18) Appropriate use of funds for infrastructure investments Yes No
- (19) 70% of CDBG-R for LMI Yes No

Optional Certification
(20) Urgent Need

Yes No