



# City of Auburn, Maine

Business & Community Development

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## **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM Program Year 2023 Revised ACTION PLAN and BUDGET**

The City of Auburn is amending its PY23 Action Plan with the U. S. Department of Housing and Urban Development (HUD). This Action Plan revision is in response to emergent community needs described in detail below. These new CDBG funded activities still meet and advance the goals and objectives set forth in the Auburn 2020-2024 Consolidated Plan.

### **2020-2024 CONSOLIDATED PLAN**

The City of Auburn has adopted a 2020-2024 Consolidated Plan for the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program which includes both the City of Auburn and Lewiston. The Consolidated Plan identifies many community challenges, establishes priorities, and describes how Community Development resources will address these needs. Although this plan was adopted prior to Covid-19 and many housing-related crises, these amendments still meet the original four goals:

**Goal 1: Provide Safe & Affordable Housing**

**Goal 2: Improve Infrastructure & Reduce Blight**

**Goal 3: Promote Economic Opportunities**

**Goal 4: Provide Essential Services**

### **2023 FUNDING**

Funding for the Community Development Program is derived from Community Development Block Grant and HOME Investment Partnerships Program allocations for both Auburn and Lewiston. These yearly allocations are supplemented by their respective program income derived from current loan principal paybacks expected within the program year and unspent funds carried over from previous years. Allocations are presented as indicated on our FY23 Award letter from HUD and internal reports designating available program income and available carryover funds.

**Annual Community Development Block Grant Funds:** The proposed budget for FFY2023 is \$1,877,316 from the following sources of Community Development funds:

CDBG Allocation	\$534,778
Anticipated Program Income	\$200,000
Carry Over Funds	\$1,251,738

## DRIVERS OF CHANGE

After the adoption of the PY23 Action Plan there were three new, substantial needs identified within the city. By amending the CDBG budget the city will be better able to respond to the changing needs of the community.

- a. **PAL Center Expansion:** The PAL Center is located in qualified LMI census tract and provides essential youth and family support services including teen mentoring, youth sports, clothing and hygiene products for needy families as well as most recently operating an emergency food pantry which serves over 250 families each week. The PAL center expansion project is being made possible by congressionally directed spending dollars as well as ARPA and voter approved bonding.

The city of Auburn has received a memo from Woodard & Curran, project manager for the PAL center expansion citing previously unknown site conditions recently made known by on-site geological explorations. This letter dated November 16, 2023 detailed the identified solutions for the soil stabilization as well as an estimated budget of \$575,000- \$650,000.

- b. **Blight & Health Hazard:** The city has identified an existing multi-unit building that has been cited as a health hazard requiring remediation by the Department of Environmental Protection. The existing income-qualified tenants will need assistance finding and attaining new housing before the building can be razed and the site decontaminated per DEP requirements. Per federal and city policy, the removal of these housing units will require a plan and investment to create a new 1-for-1 replacement of a matching amount of affordable units within the city.
- c. **Winter Oaks Affordable Housing Development:** In October 2023 the City Council approved a plan and grant application to develop a sizable portion of city owned property into a mixed income housing development with a priority focus on creating homeownership opportunities for qualified LMI residents. In order to begin this work, and under the guidance of HUD CPD Notice 2023-10, the city intends to contract for the essential master planning services needed to begin surveying and engineering this development.
- d. **Lead Hazard Control & Home Rehab Performance:** Current performance of the Lead Hazard Control grant and Home Rehab programs has left underutilized funds. These programs have received substantial applications. Of the 92 applications started for single-family rehab, only 10 have successfully qualified. For the 42 multi-unit investor/landlord applications in which a majority of the tenants need to income qualify only 8 have successfully qualified. These rates are driven in part by inflated construction costs but are dramatically exacerbated by federally established maximum rent rates required for all units rehabbed.
- e. **Pedestrian Safety projects:** The current pedestrian safety project being completed on Library Ave had an original budget of \$990,000. The current contract price for the completion of the project was only \$708,000 with additional funds being utilized for project delivery costs. The remaining unencumbered funds for this activity are in excess of \$200,000, which can now be reallocated to the newly identified needs.

## **NEW ACTIVITIES:**

Funds from the existing under-utilized programs, which have been struggled to perform under the current housing market rental rate as well as a dramatic increase in contractor scarcity and material cost increase, will be reallocated to meet the growing needs of the community detailed below:

- \$200,000 in Blight Remediation will be made possible by reallocating funds from the existing underutilized neighborhood challenge and public infrastructure budget. This project will cover costs associated with the federally required relocation of income-qualifying tenants from premises currently under a remediation action by the Department of Environmental Protection. After the successful relocation the remaining funds will be used as a s city match to demolish and abate environmental concerns on the site.
- \$500,000 in Public Improvements for the PAL Center Expansion. Considering the recent documented site and soil conditions there is now a budget shortfall in excess of \$500,000 for the completion of this project. The addition of available CDBG funds will serve to make possible the expansion of the future public services that are housed within the center and improve the impact of federal funds on qualified LMI populations served.
- \$150,000 in Affordable housing development funds will make possible the completion of an environmental review and master plan development for the proposed 100 new mixed income neighborhood being developed for the city-owned property known as “Winter Oaks.” This first step is essential to not only meet the city’s requirement to replace the unhealthy housing being removed from another site in the city, but also to advance existing efforts and funding sources being utilized to develop new affordable housing within the city.

**Budget Detail:**

<b>ACTIVITIES</b>	<b>PY23 Budget</b>	<b>Amendment</b>	<b>DELTA</b>
<b>PLANNING AND ADMINISTRATION</b>	<b>\$106,762.86</b>	<b>\$106,762.86</b>	<b>\$0.00</b>
PROGRAM ADMINISTRATION	\$85,162.86	\$85,162.86	
GOODS AND SERVICES	<b>\$17,000.00</b>	<b>\$17,000.00</b>	
<b>ECONOMIC DEVELOPMENT</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>-\$50,000.00</b>
<b>AFFORDABLE HOUSING</b>	<b>\$579,045.08</b>	<b>\$217,045.08</b>	<b>-\$362,000.00</b>
Critical Repair LOAN PROGRAM	\$400,000.00	\$50,000.00	-\$350,000.00
LMI LEAD Match Grants	\$150,000.00		-\$150,000.00
LEAD TESTING/CLEARANCE/TRAINING	\$15,000.00	\$3,000.00	-\$12,000.00
Project Delivery Costs	\$14,045.08	\$14,045.08	
Winter Oaks Affordable Housing Development		\$150,000.00	\$150,000.00
<b>PUBLIC IMPROVEMENTS</b>	<b>\$1,040,000.00</b>	<b>\$1,462,000.00</b>	<b>\$422,000.00</b>
Pedestrian Safety Projects	\$990,000.00	\$762,000.00	-\$228,000.00
Neighborhood Challenge Grants	\$35,000.00		-\$35,000.00
Spot/Blight Remediation	\$15,000.00	\$200,000.00	\$185,000.00
PAL Center Development		\$500,000.00	\$500,000.00
<b>PUBLIC SERVICES</b>	<b>\$80,032.00</b>	<b>\$80,032.00</b>	<b>\$0.00</b>
Public Service Coordinator (50%)	\$15,032.00	\$15,032.00	
Recreation Scholarships	\$20,000.00	\$20,000.00	
Safe Voices	\$20,000.00	\$20,000.00	
SeniorsPlus	\$25,000.00	\$25,000.00	
<b>Contingency</b>	<b>\$10,000.00</b>	<b>\$0.00</b>	<b>-\$10,000.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,865,839.95</b>	<b>\$1,865,839.95</b>	<b>\$0.00</b>
<b>CDBG Allocation</b>	<b>\$534,778.00</b>	<b>\$534,778.00</b>	
<b>CDBG Program Income</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	
<b>CDBG Funds Rolled Forward</b>	<b>\$1,251,738.86</b>	<b>\$1,251,738.86</b>	
Administrative CAP 20% Allocation and Program Income	<b>\$ 146,955.60</b>	<b>\$ 146,955.60</b>	
Public Services CAP 15% Allocation and Program Income	<b>\$ 113,516.70</b>	<b>\$ 113,516.70</b>	
Previous Year activity To-Be-Drawn Current Year	\$109,200.00	\$109,200.00	
<b>TOTAL FUNDS AVAILABLE TO BUDGET</b>	<b>\$1,877,316.86</b>	<b>\$1,877,316.86</b>	