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COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-102  
Series of 2006

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Series of 2006

A RESOLUTION DESIGNATING THE 2007 COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS.

WHEREAS, City Council's Community Development Block Grant (CDBG) Committee has recommended that all of the City's 2007 CDBG funding, which is projected to be approximately \$190,000, be used by the Northglenn Neighborhood Development Corporation (NNDC) to fund a revolving loan fund to assist low income seniors and the handicapped with home improvement, with the balance to be allocated to the NNDC Redevelopment Fund to engage in neighborhood revitalization activities; and

WHEREAS, details of the proposed uses are described on the memorandum attached to this resolution as "Exhibit A;" and

WHEREAS, City Council conducted a public hearing regarding the use of the City 2007 CDBG allocation on August 24, 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT THE CITY'S 2007 CDBG ALLOCATION BE USED AS FOLLOWS:

1. Approximately \$50,000 shall be used by the Northglenn Neighborhood Development Corporation for a revolving loan fund to assist low income seniors and the handicapped with home maintenance.
2. Approximately \$140,000 shall be allocated to the NNDC Redevelopment Fund to engage in neighborhood revitalization activities.

Dated at Northglenn, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
DIANA L. LENTZ, CMC  
City Clerk

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COREY Y. HOFFMANN  
City Attorney

**EXHIBIT A  
COUNCIL RESOLUTION CR-102**

**To MEMO**

To: City of Northglenn Community Development Committee  
From: Bill Sullivan, Executive Director, NNDC  
Date: July 27, 2006  
Subject: Proposal to Council for 2006 Application to utilize  
CDBG

NNDC appreciates the continued support that the City Council and the administration have contributed to the organization to address housing needs in Northglenn. The financial support and the cooperation received from the city have been and remain to be essential if NNDC is to meet its goals. Using HUD dollars from the CDBG program expands the NNDC resource base and enables NNDC leverage more money for the benefit of Northglenn's neighborhoods.

**Northglenn Neighborhood Development Corporation (NNDC) 2007 CDBG Application**

In 2006, NNDC established a Capital Fund that serves capital needs of the efforts of NNDC. In the initial phase of capital accumulation, NNDC applied for and received through the City of Northglenn \$31,000 from the Adams County Community Development Block Grant (CDBG). While the 2006 CDBG award does not meet the complete reinvestment needs of NNDC, it initiated the accumulation of capital necessary to properly fund a reinvestment strategy for the housing stock in Northglenn. The 2006 CDBG award is used as Revolving Loan Fund for reinvestment in the homes of low income seniors or disabled.

In 2007, NNDC proposes that NNDC continue establishing a Capital Fund to be used in two ways:

**Revolving Loan Fund (RLF)**

NNDC requests that the RLF, be funded to a level of \$50,000 out of the 2007 CDBG award to the City of Northglenn. The RLF would be administered as it is in 2006, restricted to deferred payment loans to low income seniors or disabled. In 2006, NNDC received \$31,000, from CDBG through the city. The application stated that the funds would be used in the manner mentioned above.

NNDC would continue to make money available to seniors and disabled homeowners who are low income to perform rehab and repairs so as to make their homes safe and habitable.

Examples of work are: new roof, landscaping, bathroom remodeling or any other repairs up to a \$7,500 limit on the RLF amount. Other monies can be used to supplement the amount necessary to complete the project.

The interest rate on the loan, determined by staff and the loan committee so as to fit the need of the applicant, will be below market rate and compounded annually. Payment on the loan will be deferred until the transfer of the property.

### **Redevelopment Fund**

NNDC requests that the Redevelopment Fund be funded to the level of the remaining the amount, approximately \$141,000 of the 2007 CDBG award to the City of Northglenn. NNDC will utilize the Redevelopment Fund to add to the resources available to engage in neighborhood revitalization activities. Such activities may include acquisition and redevelopment of properties to sell to owner occupants, provide rehab money for homeowners desiring to improve their properties, and provide short term capital to promote reinvestment activities.

The Redevelopment Fund will be supplemented by other funds from Foundations, bank Community Development Corporations, state and federal governments, and any other source that is intended to be used for community development. NNDC will adhere to HUD regulations for all Redevelopment Fund projects using CDBG monies.

### **How NNDC activities meet HUD National Objectives:**

Over a 1, 2, or 3-year period, as selected by the grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet *one* of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

### **How NNDC Capital Fund, through the RLF and the Redevelopment Fund, meets the following Council Goals:**

#### *Clean and beautiful City*

- Objective 2. More attractive Commercial Areas and Neighborhoods throughout Northglenn

- Objective 4: Well-Maintained Landscaping, Homes and Buildings Throughout Northglenn
- Objective 5: More Attractive Landscaping With Trees and Flowers, Emphasizing Xeriscapes

*Livable Neighborhoods and homes*

- Objective 1: Upgrade the Quality and Diversity of Housing Stock
- Objective 2: Increase Home Ownership
- Objective 3: Modernization of Older Homes
- Objective 4: Homes/housing Units