

**CITY OF BUFFALO  
DEPARTMENT OF AUDIT AND CONTROL**

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**INFORMATIONAL REPORT**

**EMERGENCY REHABILITATION OF HOUSING LOAN  
PROGRAM CONDUCTED BY THE CITY OF BUFFALO AS  
OF SEPTEMBER 30, 2016**

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**MAY 2017**

**Overview**

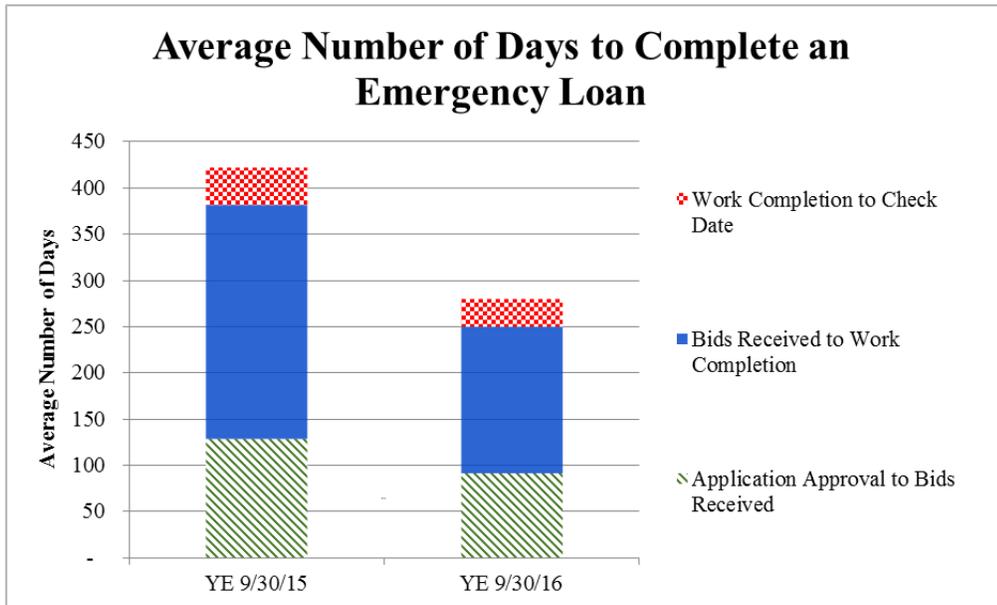
This report details the City of Buffalo expenditures of the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). This report covers HUD funding used for the CDBG emergency rehabilitation of housing loan program (The program). The City contracts with Buffalo Urban Renewal Agency (BURA) to operate this program. The program provides loans to lower income individuals to complete emergency housing repairs, such as replacement of a roof, furnace or hot water tank. As these are emergency repairs, it is of extreme importance to minimize the time from loan application to repair completion. To qualify for the program, the homeowner must have an existing emergency condition such as a leaking roof or broken furnace. The HUD Program Year runs from October 1 to September 30 and will be labeled YE 9/30/16 for the year ended September 30, 2016, YE 9/30/15 for the year ended September 30, 2015, etc.

**Timeliness of Program**

As the program has been underway for multiple years, it is reasonable to assume that the process would be operating efficiently, and that the time from loan application to repair completion would be minimal. The following chart and graph document the length of time it takes to complete an emergency loan. The timeline does not consider the time from when the applicant initially requests assistance to the time the application is approved.

- Application Approval – The date the loan application was approved.
- Bids Received – The date contractor bids were received and approved.
- Work Completion – The date the repair was completed, and contractor submitted an invoice.
- Check Date – The date the check is printed by the City and delivered to BURA.

<b>Average Number of Days to Complete an Emergency Loan</b>		
	<b>YE 9/30/15</b>	<b>YE 9/30/16</b>
Number of Loans	165	93
Application Approval to Bids Received	128	91
Bids Received to Work Completion	253	158
Work Completion to Check Date	40	33
<b>Total Days to Complete</b>	<b>421</b>	<b>282</b>



The average homeowner receiving assistance from the program in YE 9/30/16 had to struggle with a leaky roof or broken furnace for 9 months prior to the situation being remedied. This is a vast improvement from the average of 14 months for the YE 9/30/15. While there has been considerable improvement in the timeliness of the program, citizens are still forced to contend with emergency home situations for far too long. Effort must be continued to improve the timeliness of the program.

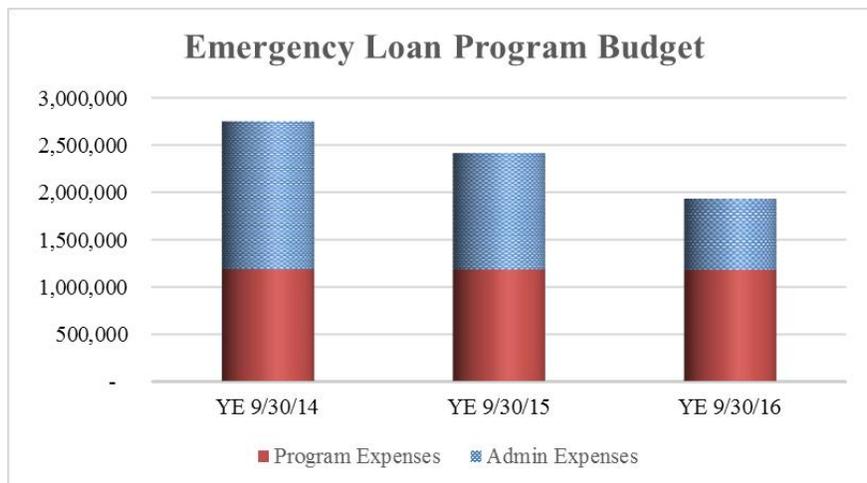
**Administrative Burden of Program**

Program expenses are directly related to the repair of a roof or any other emergency repair to a home, such as payment to the contractor performing the work.

Administrative expenses are not directly related to the operation of the program. Expenses would include BURA salaries and benefits.

The following data shows the budgeted expenditures of the program:

<b>Emergency Loan Program Budget</b>				
Period	YE 9/30/14	YE 9/30/15	YE 9/30/16	Average
Admin Expenses	1,562,411	1,230,700	752,693	1,181,935
Program Expenses	1,187,118	1,184,300	1,180,000	1,183,806
<b>Total Budget</b>	<b>2,749,529</b>	<b>2,415,000</b>	<b>1,932,693</b>	<b>2,365,742</b>



The ratio of administrative expenses to program expenses has steadily improved. As seen above, administrative expenses have declined from 57 percent of the total budget in 2014 to 39 percent in 2016, while program costs have remained consistent. Continued improvement in this area will help to better serve the citizens and accomplish the program mission.