



Memo

City Manager's Office

TO: Human Service Agencies & Community Support Partners

FROM: Sheila Lundt *Sheila*

DATE: October 11, 2007

SUBJECT: Human Services Campus

On Tuesday October 16th, the City Council will host a round table discussion on the prospects for a joint human services facility (campus) for Story County. This meeting is scheduled to begin at 7:00 p.m. and will be held in the City Council Chambers, 515 Clark Avenue.

This will be an opportunity for representatives of the interested agencies to present service needs and explain the advantages to be gained by a joint facility. This will also be a time for City staff to discuss eligible activities for which the City's Community Development Block Grant Funds may be used, and discuss a map of tax-exempt parcels, which are between 3 and 7 acres in size within the City of Ames.

Lastly, this will be an opportunity to establish next steps in the process of researching the feasibility of a human services campus which may include but not be limited to

- o Creation of a facility feasibility team
- o Scheduling of site visits to existing multi-use facilities
- o Research into fundraising capacity
- o Possible site locations

In order to have the most productive discussion possible, it is hoped that directors and board members of interested agencies, other elected officials and their staffs, as well as representatives from the public, business community, and other stakeholders will be able to attend.

The City Council looks forward to discussing this issue with you on the 16th.

**City of Ames
Human Services Campus Study
in Conjunction with the use of
Community Development Block Grant (CDBG) Funding**

Overall CDBG funds must be used to meet the following National Objectives:

- a. Principally benefit to low and moderate income persons (LMI);
- b. Prevent or eliminate Slums or Blight;
- c. Meet an urgent need (conditions that pose a serious and immediate threat to the health or welfare of the community where financial resources are available to meet such need)

For this project CDBG funding can be used as follows:

1. Activities related to Real Property such as;
 - a. Acquisition;
 - b. Disposition;
 - c. Public facilities and improvement that could include the following:
 - Acquisition, installation, construction and rehabilitation of infrastructure (e.g. water/sewer lines, streets and sidewalks);
 - d. Clearance and demolition;
 - e. Rehabilitation activities;
 - f. Renovation of closed buildings (such schools, churches, offices, etc.)
2. How this project would need to meet the Benefit to Low and Moderate-Income persons National Objective:
 - At least 51% of the facility would need to serve persons of low and moderate-income (LMI);
 - Not all of the agencies located in the facility would need to serve low and moderate-income persons. The LMI benefit could be determined on an aggregated basis for the whole facility, provided that all of the entities are paying fair market rent** to lease their space. If any entity pays less than fair market rent, the entity is considered to be subsidized (assisted with CDBG) and that entity would have to meet a national objective in its own right (so that entity would have to serve at least 51% LMI by itself). Any entities paying fair market rent could be aggregated.
 - Aggregation would need to be on the raw number of all people assisted by all agencies and not by the percentage of people served by each entity and then aggregated.

Here's an example. Agency 1 served 100 people and all were LMI (100%); Agency 2 served 200 people and 125 were LMI (62.5%), and Agency 3 served 300 people and 100 people were LMI (33.33%). A total of 600 people were served and of that number 325 were LMI. Therefore, the aggregate benefit would be 54.17% and not 65.28%.

3. Ownership Issues using CDBG funds:

-If the City retains ownership/control of the facility, the planned use for the facility to meet the LMI National Objective is permanent, until five (5) years after the final submittal and HUD approval of the Consolidated Annual Performance Report (CAPER) of the City's last year as an entitlement community.

If the facility ceases to be a benefit to at least 51% LMI prior to the above timeframe, the City would need to first notify the affected citizens. Then the City may retain or dispose of the property for another use. However, the City would be responsible for reimbursing the CDBG program in the amount of the current fair market value of the property, less any portion of the value that applies to expenditures of non-CDBG funds for the acquisition and/or improvement to the property.

- If the property is owed by a Non-Profit Organization, the City must enter into an subrecipient agreement that specifies that the subrecipient transfer to the City any CDBG funds on hand at the time of the expiration of the agreement *including any accounts receivable attributable to the use of CDBG (i.e. rents, utilities, etc. being collected by the subrecipient).*

The agreement must also stipulate that if any additional buildings or improvements were made to the property using CDBG funds, the entire facility must be used to meet the 51% benefit to LMI until minimum of 5 years (or longer period as determined by the City) after the expiration of the agreement.

If the facility ceases to be a benefit to at least 51% LMI prior to the above timeframe, the Non-Profit Organization shall repay to the City an amount equal to the current fair market value of the property, less any portion of the value that applies to expenditures of non-CDBG funds for the acquisition and/or improvement to the property.

If the Non-profit fails to repay the City, the City would still be responsible for reimbursing the CDBG program.

**Going rate for leased space as determined by the market.