

## COUNCIL ACTION FORM

### **SUBJECT:2010-11 ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT**

#### **BACKGROUND:**

In order to receive federal Community Development Block Grant (CDBG) funds, the City must submit a Consolidated Plan to the Department of Housing and Urban Development (HUD). The Consolidated Plan is the planning document (Comprehensive Housing Affordability Strategy, or CHAS) for the jurisdiction. This Plan requires detailed background information on the community derived from both census data and other comprehensive studies performed by the community. The Plan must identify, over a five-year period, the goals and priorities to address the housing and community development needs of low- and moderate-income persons and the housing and community development needs of non-low- and moderate-income persons in the community. The goals and priorities that the City identified in its 2009-14 Consolidated Plan are outlined in Attachment 1. The City's Consolidated Plan was submitted and approved by HUD in October 2009.

The Consolidated Plan requires that the City develop an Annual Action Plan that outlines the program activities that will be undertaken to address or meet those goals and priorities. The Annual Action Plan can address **one or all** of the goals and priorities of the housing and community development needs to be identified in the Consolidated Plan.

The regulations require that the Annual Action Plan be submitted for HUD's approval within 45 days before the beginning of the program fiscal year (i.e., on or before May 17, 2010). It also requires that the Plan be published for 15 days to allow for citizen input on the proposed project(s) for the utilization of the funds.

At this time, the City has **not** yet received notification of the amount of CDBG funds that it would be receiving for FY 2010. However, in order to meet the above time frame, it is time to begin the process for determining the 2010-11 Annual Action Plan Projects for the City's CDBG Program. As in the past, staff will meet with the Council to review proposed plan priorities and projects prior to conducting forums for public input.

Prior to proposing activities for the Annual Action Plan, staff reviews the following HUD guidelines that outline the key steps that should be utilized:

- Determine if the proposed activity is included in the listing of eligible activities;
- Determine if the proposed activity meets the City's Consolidated Plan priority goals for addressing the needs of low- and moderate-income person within the community;
- Determine if the proposed activity can meet one or more National Objective;
- Ensure that carrying out the activity will meet HUD's requirement that 70% of the

grantee's CDBG expenditures, over a three-year period, will be on activities that benefit low- and moderate-income persons; and

- Meet the new performance measurements requirements effective October 2006.

Staff continues to work closely with HUD on identifying program activities that not only meet the above key steps, but most importantly are activities that can be successfully administered by the City of Ames from year to year. HUD has continually stressed to staff that their expectation for the City as an entitlement is to ensure compliance with program time lines in regards to both projects completed and dollars expensed, program compliance for projects and expenditure of funds, and accurate documentation that the funds are being spent on eligible activities. The City will also be held accountable for program activities done in partnership with sub-recipients and must ensure that sub-recipients have the administrative and financial capacity and experience to carry out the required activities.

Attachment 2 is a table showing the proposed 2010-11 Annual Action Plan program activities.

The rationales for the staff recommendations are as follows:

- the proposed projects are currently being implemented and have proven to be very successful in addressing the needs of low- and moderate-income persons and/or areas in our community through the first five-year Consolidated Plan, and they met all of the expectations of the national objectives of the CDBG Program;
- the proposed projects are consistent with the City Council's goals and vision for the City of Ames;
- the proposed projects reduce the downtime for starting new programs that can affect the City's ability to meet HUD's timely expenditure requirements.
- the activities proposed would address activities that would greatly benefit human services agencies located in the community as well as programs that can benefit homeowners in maintaining their properties;
- the new performance measurements require that programs implemented have measurable outcomes of beneficiaries.

All of the activities proposed are 100% benefit to low and moderate-income persons, which is meeting the primary objective for the use of our CDBG funds, and will help us to exceed HUD's requirement that at least 70% of the aggregate funds received during the 5 year Consolidated Plan period will be accomplished.

If City Council is in agreement with the 2010-11 proposed Action Plan Projects, the next steps are to conduct a public forum to gain input from citizens on the proposed projects and then to prepare the Action Plan document, which is comprised of narratives in regard to our mission, needs and goals, etc. The Plan must then be published for 15 days to allow for citizen input prior to a public hearing approving the plan and submittal to HUD on or before May 17, 2010.

**ALTERNATIVES:**

1. The City Council can approve the attached 2010-11 proposed Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program.
2. The City Council can approve, with modifications, the 2010-11 proposed Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program.
3. The City Council can refer this item back to staff for further information.

**MANAGER'S RECOMMENDED ACTION:**

It is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve the 2010-11 Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program, as required by the Department of Housing and Urban Development. This will also authorize staff to proceed with conducting public forums, preparing the Action Plan document for the 15-day public comment period, and setting May 11, 2010, as the date of the Public Hearing.

# ATTACHMENT 1

## **2009-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR LOW AND MODERATE-INCOME PERSONS**

1. CDBG funds should be used to strengthen neighborhoods by implementing affordable housing programs and services through acquiring, demolishing, and rehabilitating housing units that support homeowners, homebuyers, and renters to obtain and remain in affordable housing

2. CDBG funds should be used to promote one community by implementing programs that support a continuum of new or expanded housing and services targeted for homeless, transitional housing clients, and persons with special needs

3. CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services

## **2004-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR NON- LOW AND MODERATE-INCOME PERSONS**

1. CDBG funds should be used for slum and blight removal in non-low and moderate income areas to assist in redevelopment projects to decrease the number of substandard housing units through acquisition, demolition, and new construction to the maximum limit that CDBG funds are allowed

## ATTACHMENT 2

### PROPOSED 2010-11 ANNUAL ACTION PLAN PROGRAM ACTIVITIES

Project Activity Descriptions	Program Categories	Priority Goal	CDBG National Objective
<p>The Renter Affordability Program is comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> <li>• Deposit Assistance</li> <li>• Utility Bill Assistance</li> <li>• Childcare Assistance</li> <li>• Transportation Assistance (Cy-Ride Bus Passes or Fuel Vouchers)</li> </ul>	<p>The overall goal of the Renter Affordability Programs is to provide assistance to low-and moderate-income households at 50% or less (80% or less for Childcare only) of the Story County median income limits in order to gain access to housing, to improve their housing status and to secure economic stability for up to 3 months.</p>	1,2	Low- & Moderate-Income Benefit
<p>The Neighborhood Sustainability Program is comprised of the following subcomponent programs:</p> <ol style="list-style-type: none"> <li>1. Acquisition/Reuse</li> <li>2. Slum &amp; Blight</li> <li>3. Housing Improvement Programs: Emergency and Non-Emergency Repair Assistance</li> <li>4. Homebuyer Assistance</li> </ol>	<p>The overall goal of the Neighborhood Sustainability programs is to increase the availability of housing to low income families and to maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods. The programs would continue to seek to acquire and rehabilitate single-family properties, or to demolish/remove properties for lots to be reused for affordable housing to assist low- and moderate-income (80% or less of AMI) families. This program, where possible, will have a more comprehensive approach at targeting single-family properties as follows:</p> <ol style="list-style-type: none"> <li>1. Converting single-family rentals or non-rentals properties in existing neighborhoods that are “for sale” back into single-family homeownership.</li> <li>2. Matching, where possible, with eligible low-income</li> </ol>	1,2	Low- & Moderate-Income Benefit

	<p>(80%) first-time homebuyers through the Homebuyer Assistance Program and/or sale to Non-Profit Organizations.</p> <ol style="list-style-type: none"> <li>3. Assisting in code enforcements by acquiring and demolishing abandoned, deteriorated properties and then re-selling the lots to non-profit organizations and/or for profit developers for affordable housing or the removal and demolition of deteriorated properties in floodplains or other environmentally unsafe areas through the Slum and Blight Program.</li> <li>4. Acquiring vacant lots and re-selling them to non-profit organizations and/or for profit developers for affordable housing.</li> <li>5. Providing downpayment and closing cost assistance to first-time homebuyers to purchase homes available on the open market.</li> </ol>		
<p>The <b>Public Facilities Improvement Programs</b> are comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> <li>• Minor Repair for Non-profits</li> </ul> <p>Infrastructure improvements (curb, streets, sidewalks, etc.) in targeted low- and moderate-income census tracts</p>	<p>The overall goal of the Public Facilities Improvement Programs Is to preserve and enhance facilities of non-profit agencies that house and/or provide service to homeless, very low and low-income residents, and to improve and enhance the viability and aesthetics of our core existing neighborhoods.</p>	3	Low- & Moderate-Income Benefit