

COUNCIL ACTION FORM

SUBJECT: SUBMITTAL OF THE 2013-14 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ANNUAL ACTION PLAN

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 also 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 for this program were originally established by the City in its 2009-14 Consolidated Plan.

The Consolidated Plan requires that the City develop an Annual Action Plan that outlines the program activities to 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 identified in the Consolidated Plan.

HUD regulations require that the Annual Action Plan be submitted for approval within 45 days before the beginning of the program fiscal year (i.e., by May 17, 2013). It also requires that the Plan be published for 30 days to allow for citizen input on the proposed project(s) for utilization of the funds (the comment period ended on Friday, May 10, 2013, with no comments being received).

The 2013 CDBG funding allocations for entitlement cities **have not** been determined at this time. Therefore, as suggested by our HUD Field Office, the staff projected the 2013-14 budget based on the City's 2012 CDBG allocation of \$511,276.

In February staff hosted three public forums for public input. The feedback received was presented to City Council. **Attachment 1** is a table showing the 2013-14 Proposed Annual Action Plan program activities. The programs being recommended for the upcoming year are **Neighborhood Home Improvement Rehabilitation, Homebuyer Assistance, Dangerous Building, Operation/Repair, Neighborhood Infrastructure Improvement Program, and Deposit and/or First Month Rent Assistance**, these activities continue to focus on the Council's goal of strengthening our neighborhoods. **Attachment 2** is a table showing the proposed budget for each of the projects (again based on the 2012 CDBG allocation), including administration.

Staff's rationale for recommending the continuation of these programs is as follows:

- The proposed projects are consistent with the Council's goals and priorities to focus on neighborhood sustainability by improving both the housing stock and the infrastructure in low- and moderate-income vital core neighborhoods. The goals are outlined in our 2009-14 Five-Year Consolidated Plan.
- FY 13-14 will mark the last year of the five-year period of the Consolidated Plan. Having administered this program over the five-year period has created a consistent impact and benefit to low- and moderate-income households in our community.
- 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 limited number of programs proposed for FY 2013-14 reflect the workload capabilities of staff assigned to the CDBG program.

All of the proposed activities (except for the Dangerous Buildings Activity) would be of 100% benefit to low- and moderate-income persons and/or neighborhoods. Attached for your review is the Executive Summary of the 2013-14 Annual Action Plan.

ALTERNATIVES:

1. The City Council can approve submittal of the 2013-14 Annual Action Plan Program Projects to HUD in connection with the City's Community Development Block Grant Program.
2. The City Council can approve, with modifications, submittal of the 2013-14 Annual Action Plan Program Projects to HUD.
3. The City Council can refer this item back to staff with further direction.

MANAGER'S RECOMMENDED ACTION:

The programs being recommended for next year (Home Improvement Rehabilitation, Homebuyer Assistance, Operation and Repair, Dangerous Buildings, Neighborhood Infrastructure Improvements, and the Deposit and/or First Month's Rent Assistance) focus on the City Council's goal of strengthening our neighborhoods and are consistent with the priorities of the City's 2009-14 Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the 2013-14 Annual Action Plan Program Projects to be submitted to HUD by or before May 17, 2013.

ATTACHMENT 1

PROPOSED 2013-14 ANNUAL ACTION PLAN PROGRAM PROJECTS

Project Activities	Program Description	Priority Goal	CDBG National Objective
<p>The Neighborhood Sustainability Program comprises the following subcomponent programs:</p> <ul style="list-style-type: none"> a. Home Improvement Rehabilitation Program b. Homebuyer Assistance c. Dangerous Buildings Program d. Deposit and/or First Month Rent Assistance Program e. Operation & Repair 	<p>The overall goal of the Neighborhood Sustainability program is: (a) maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods by providing home repair grants for owner-occupied housing units; (b) provide down payment and closing cost assistance to first-time homebuyers; (c) demolish deteriorated properties in conjunction with our Dangerous Building Initiatives; (d) provide deposit and/or first month rent assistance to low-income households; (e) to increase the availability of housing to low- and moderate-income families; and (f) provide repair assistance when purchasing foreclosed properties to sell to first-time homebuyers or to a non-profit housing organization for homeownership.</p>	<p>1, 2</p>	<p>Low- & Moderate-Income Benefit</p>
<p>The Public Improvement Program comprises the following subcomponent programs:</p> <ul style="list-style-type: none"> • Neighborhood Infrastructure Improvements (curb, street resurfacing, sidewalks, etc.) in targeted low- and moderate-income census tracts 	<p>The overall goal of the Public Improvement Program is to preserve and enhance the viability and aesthetics of our core existing neighborhoods by maintaining the public infrastructure.</p>	<p>3</p>	<p>Low- & Moderate-Income Benefit</p>

ATTACHMENT 2

Proposed 2013-14 Action Plan Expenditure Budget**:

<u>Programs</u>	<u>Budget</u>
Operation and Repair (Rehab/Maintenance)	\$ 103,000
Dangerous Building Program (Slum & Blight)	\$ 48,021
Neighborhood Home Improvement Program	\$ 379,696
Renter Affordability Assistance Program	\$ 77,000
Homebuyer Assistance Program	\$ 105,000
Neighborhood Infrastructure Improvements Program	\$ 350,000
2013-14 Program Administration	\$ <u>124,429</u>
Total	\$1,187,146

Proposed 2013-14 Action Plan Revenue Budget:

2013-14 CDBG Allocation	\$511,276
2013-14 Anticipated Program Rollover	\$565,000
2013-14 Anticipated Program Income	\$ <u>110,870</u>
Total 2013-14	\$1,187,146



Fifth Program Year Action Plan

The CPMP Fifth Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 5 Action Plan Executive Summary:

The City of Ames Planning & Housing Department has prepared a Consolidated Housing and Community Development Plan for the years 2009 through 2014 that provides a strategic vision for the community. The Plan has been approved by HUD. The Executive Summary and other materials can be found on the U.S. Department of Housing and Urban Development web site at <http://www.hud.gov/>, and on the City of Ames web site at: <http://www.city.ames.org/housing>. Please contact the City of Ames, Planning & Housing Department at (515) 239-5400 for additional information.

As part of updating the 2009-2014 Consolidated Planning process, the City of Ames' strategies toward serving the needs of extremely low-income, low-income, and moderate-income families are: to **continue** to seek public input; to continue to invest resources, both physical and financial; and to continue to implement programs that will address the community's priority needs. The main areas of focus anticipated over the upcoming five (5) year Consolidated Plan period will be **to continue** to utilize CDBG and other local and/or state funds to address the priority need categories listed below:

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

Based on community input, and after examining the five priority needs that were created in the 2004-2009 strategic planning period, it was clear that the above priority needs had been the focus during the 2004-2009 five-year period. In addition, the above priority needs provided the most positive impacts on addressing the needs of extremely low-, low-, and moderate-income households in the community. The City, during its first five years and now starting its fifth year of its second five-year plan, has been very successful in implementing the program activities that led to having exceeded the 70% low- and moderate-income benefit expenditure requirement by approximately 25%. To continue this success rate, the City, during this last year of the second five-year period, will continue to administer and focus its programming in the above three priority need areas.

One of the City Council's goals **continues** to be to Strengthen Neighborhoods. Therefore, the Action Plan projects will focus on various activities that will strengthen neighborhoods by implementing housing-related activities for both rental and owner-occupied (e.g., homeownership assistance, rehabilitation, slum and blight removal, etc.) and by implementing public facilities infrastructure activities (e.g., sidewalks, street and curb repair, water, sewer improvements, etc.). Additionally, the City plans to continue to focus on the ASSET process as a vehicle for providing financial assistance for the needs of and service delivery to persons with incomes at 50% or less of the Story County median income limit, and to the homeless.

The following is a brief overview of the 2013-14 program year activities and rollover activities that will be proposed to be implemented in fiscal year July 1, 2013, to June 30, 2014. They will focus on CDBG funds being targeted on two (2) of the above five-year priority goals that will directly address strengthening neighborhoods and the third priority goal will focus on how ASSET Funds will be used to address the continuum of care needs for agencies that provide direct services to our homeless and very low-income populations.

1. HOUSING ACTIVITIES OBJECTIVE: 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. Under this objective for 2013-14 the City **will continue** to implement the following subcomponent programs under the **Neighborhood Sustainability Programs**:

a. Acquisition/Reuse, and/or Slum and Blight Component. The objectives of these programs are to continue to seek, 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 area median income, or AMI) families. This program, where possible, will have a more comprehensive approach at targeting single-family properties as follows: 1) Converting single-family rentals or non-rental properties in existing neighborhoods that are for sale back into single-family homeownership; 2) Matching, where possible, with eligible low-income (80% or less of AMI) first-time homebuyers through the Homebuyer Assistance Program and/or sale to Non-Profit Organizations; 3) Assisting in code enforcement by acquiring and demolishing abandoned, deteriorated properties and then re-selling the lots to non-profit organizations, and/or for-profit developers, to be used for affordable housing, or the removal and demolition of deteriorated properties in floodplains or other environmentally unsafe areas through the Slum and Blight Program; 4) Acquiring foreclosure properties and vacant lots and re-selling them to non-profit organizations, and/or for-profit developers, for affordable housing; and 5) Concentrating, if possible, in targeted low-income census tracts. The overall goal of the Neighborhood Sustainability Program is to increase the availability of housing to low-income families and to maintain decent, safe, and sanitary housing stock in existing neighborhoods.

-Under the Slum and Blight Sub-Component, a “Dangerous Building Program” will be implemented. The program is designed to demolish deteriorated properties that have been identified by city code regulations as being unsafe and in need of immediate repair or in need of demolition. The budget for 2013-14 it is being proposed that \$39, 021 will come from the 2013-14 allocation, and \$9,000 will come from anticipated program income for 2013-14 for a total of \$\$48,021.

-Under the Acquisition/Reuse Component, funds have been set aside for the Operation and Repair of Foreclosed Properties that have been purchased over the past few years. The budget for 2013-14 it is being proposed that \$83,000 will come from the anticipated 12-13 rollover balance and \$ 20,000 from the anticipated program income for 2013-14 for a total of \$103,000.

-Under the Acquiring foreclosure properties, continuing to partner with our local Habitat for Humanity to sell these properties for rehabilitation to qualified Habitat for Humanity households.

b. Homebuyer Assistance Program Component. The objective under this program is to provide financial assistance to qualified low- and moderate-income first-time homebuyers, with incomes at or below 80% of the AMI limits, to purchase existing and/or newly constructed single-family housing in residentially-zoned areas. The overall goal of the Homebuyer Assistance Program is to allow low- and moderate-income households to gain access to housing and/or improve their housing status. The budget for 2013-14 it is being proposed that the total \$105,000 will come from the anticipated 12-13 rollover balance.

c. Neighborhood Housing Improvement Program Component. The Neighborhood Housing Improvement Program objective will be to provide financial assistance to qualified low- and moderate-income single-family homeowners at or below 80% of the area median income limits to improve the physical condition of their single-family homes in residentially-zoned areas. The overall goal of the Neighborhood Housing Improvement Program is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. The budget for 2013-14 it is being proposed that \$120,000 will come from the anticipated 2013-14 allocation; \$200,000 will come from the 12-13 rollover balance and \$ 42,696 from the anticipated program income for 2013-14 for a total of \$379,696.

d. The Renter Affordability Program Component. The Renter Affordability Program Component objective is to provide assistance to low-income households, who are at or below 50% or less of the Story County median income limits, gain access to rental housing units that will improve their housing status, and help them to secure economic stability in order to remain in these housing units. The activity that will be implemented will be the Deposit and/or First Month’s Rent Assistance. The budget for 2013-14 it is being proposed that all \$77,000 will come from the anticipated 12-13 rollover balance.

2. PUBLIC IMPROVMENTS OBJECTIVE: CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services.

a. Neighborhood Infrastructure Improvements Program. The Neighborhood Infrastructure Program objective will be to make various infrastructure improvements (curb, sidewalks, street, etc.) in targeted low- and moderate-income census tracts. The overall goal of the Program is to preserve and enhance the viability and aesthetics of the infrastructure in our core existing neighborhoods. The budget for 2013-14 it is being proposed that \$250,000 will come from the anticipated 2013-14 allocation, and \$100,000 will come from the 12-13 rollover balance for a total of \$350,000.

**See Attachment 1 for Project Worksheets and
Five-Year Objectives and Outcomes Table**

Proposed 2013-14 Action Plan Expenditure Budget:**

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Operation and Repair (Rehab/Maintenance)	\$103,000
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See MAPS Section for proposed 2013-14 CDBG projects and budget.

**** The program budget and revenues for 2013-14 had not been determined at the time this comment period began due to the Federal Sequestration and Continuing Resolution decisions made by Congress. Therefore, the 2012-13 amounts for expenses and revenues are being projected along with anticipated adjustments in the program rollover balance and anticipated program income. The budget may be adjusted at the public hearing if the 2013-14 allocation is announced or before the plan is submitted to HUD on or before May 17, 2013.**