

COUNCIL ACTION FORM

SUBJECT: 2015-16 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM PUBLIC FORUM FOLLOW-UP

BACKGROUND:

On February 24 and 25, City staff hosted a public forum to gather input regarding possible projects for consideration for the 2015-2016 CDBG Annual Action Plan. A total of eight persons attended and participated in the discussions, including representatives of Salvation Army, ACCESS, First National Bank, AEDC, YSS, ERP, and one citizen.

The forum attendees participated in a group activity where they were asked the following questions:

- In reviewing the recently adopted 2014-15 Action Plan Project Activities, how do you feel that they are on target for addressing the needs in the community?
- Are the project activities consistent with the goals adopted in the 2014-18 Consolidated Plan?
- Are there any other emerging needs in the community that should be addressed?

Attachment A reflects the participants feedback and comments.

The overall feedback continued to center around the lack and need for more affordable housing for low- income households in the areas of rental, shelters, transitional, and homeownership units. There was an overall consensus that the 2014-15 Action Plan activities will begin to address the needs more needs to be done.

Taking into consideration the public forum comments, staff recommends that we continue with the projects adopted in the 2014-15 Action Plan, which are outlined in Attachment B.

Staff's rationale for recommending that we **continue** these project activities for 2015-16 is as follows:

- The project activities are consistent with the recently adopted 2014-18 Five-Year Consolidated Plan goals that address the following two barriers that were outlined in the 2013 Impediments to Fair Housing Analysis Study: **1) the “lack of available, decent rental units in affordable price ranges” and 2) the “cost of housing” for both renters and home buyers.** Additionally, the **data** outlined in the Comprehensive Housing Affordability Strategy (CHAS), and the American Community Survey (ACS) information for the City of Ames is consistent with the two needs outlined above.
- The proposed projects are consistent with the **City Council's goals and priorities to focus on neighborhood sustainability by improving and expanding the**

housing stock for in low- and moderate-income households and in our vital core neighborhoods.

- The proposed implementation sequence for the project activities should help meet HUD's timely expenditure requirements.
- All of the activities proposed would be of 100% benefit to low- and moderate-income persons.
- The **late submittal** of the 2014-15 Action Plan caused a delayed the being able to implement a number of the project activities. Therefore, continuing the activities for another year will help determine if the identified needs are being impacted.

The City was notified by HUD that its **2015-16 CDBG allocation will be \$484,294**, which is approximately \$3,900 less than the 2014-15 allocation. Of this amount, approximately \$387,438 is available for programming, not including any 2014-15 program roll-over. Staff is **cautiously anticipating** a rollover balance of approximately \$700,000, which would provide approximately \$1,087,438 to be available for the 2015-16 program year.

Staff is recommending that the anticipated budget of \$1,087,438 be allocated to the project activities outlined in Attachment B. Staff feels that the need to improve and expand the supply of affordable housing for low and moderate income households can best be accomplished through the implementation of the Acquisition/Reuse for Affordable Housing (Project 1) and the Housing Improvements Program (Project 3). Therefore, Council will note that the largest percent of the anticipated budget (74%) has been allocated to these two programs.

ALTERNATIVES:

1. The City Council can approve the continuation of all of the 2014-15 Annual Action Plan Program Projects for 2015-16 and proposed budget in connection with the City's Community Development Block Grant Program, **in accordance with Attachment B.**
2. The City Council can approve the continuation of the 2014-15 Annual Action Plan Program Projects for 2015-16 and proposed budget in connection with the City's Community Development Block Grant Program, **with modifications.**
3. The City Council can refer this item back to staff with further direction.

MANAGER'S RECOMMENDED ACTION:

Although there was not a high level of participation in the Public Forums, those who attended were satisfied with the current program activities as a start in the right direction to address the needs identified in the 5-Year Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt

Alternative #1, thereby approving the continuation of all of the 2014-15 Annual Action Plan Program Projects for 2015-16 as well as the proposed budget reflected in Attachment B in connection with the City's Community Development Block Grant Program.

This alternative will also authorize staff to prepare the Action Plan document for the required 30-day public comment period and set May 12, 2015 as the date for the public hearing for the submittal of the 2015-16 Annual Action Plan to HUD on or before May 17, 2015.

Attachment A

Forum comments

Tuesday, February 24, 2015

- Acquisition/Reuse for Affordable Housing
 - Love this idea however this will impact a very small number of those in need
 - Rent control housing – apartments: what is currently taking place is taking advantage of students, leaves 0 options for low to mod. income needs
 - What is available for low to mod. is typically barely habitable, particularly for that with felonies, sex offenders, etc.
 - Money goes in, selling property then puts money back into project is great
- Operation and Repairs for Foreclosed Properties
 - Goal: yes!
 - ACCESS: potential to help survivors remain in their community of Ames with affordable housing
 - It's a solid piece of the puzzle. We need a multi-faceted approach so this constitutes one
 - Rent control! The rent is too darn high!
 - If not cost-prohibitive to get foreclosures
- Housing Improvement Rehab Programs
 - In-line with goals and objectives
 - Target LMI via public/private partnership with YSS, UWSC and other social service organizations. DMACC, ISU developers too
 - Continue to strategically target and purchase properties and turn over funds like ACPS
 - Target students and YP's where applicable
- Homebuyer/Assistance for First Time Homebuyer
 - I think sounds like on right track keep going guy! Curtis T.
- Renter Affordability Program
 - On the right track
 - Keep up the good work!
 - Notify local financial institutions that this program is available they can refer loan applicants of the resources available
- Public Facilities Improvement Program
 - This will meet goals for homeless/sp/low-income households
 - ACCESS
 - YSS
 - ERP
 - Eyerly Ball
 - Senior Centers
 - Child Care
 - Etc
 - This could be used to maintain our non-profits so the most needy clients can be served
 - Application/max?

Wednesday, February 25, 2015

- Keep public facilities dollars
- Keep acquisition reuse
- Use to increase supply
- Expand: dollar from other resources

Attachment B

1	Project Name	Acquisition/Reuse for Affordable Housing: a. Purchase of Vacant In-Fill Lots for Development b. Purchase of Foreclosure Properties for Rehabilitation
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the supply of affordable rental housing • Improve the quality of affordable rental housing • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing
	Funding	CDBG-\$600,000 (rollover)
	Description	Under the implementation of the Acquisition/Reuse for Affordable Housing, which will consist of the purchase of in- fill lots (vacant or with properties needing to be demolished), the purchase of foreclosure properties for rehabilitation, or the purchase single-family or multi-family units that can be rehabilitated components, it is anticipated that 2-4 properties will be acquired for reuse in the either affordable rental or owner-occupied units for households at 80% or less of the Story County median income limits.
2	Project Name	Operation & Repairs for Foreclosed Properties
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the supply of affordable rental housing • Improve the quality of affordable rental housing • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing
	Funding	CDBG-\$65,000 (new allocation)
	Description	Provide repair assistance when purchasing foreclosed properties to sell to first-time homebuyers or to a non-profit housing organization for homeownership or rental.

3	Project Name	Housing Improvement Rehabilitation Programs: a. Single-family Homeowners b. Rental Property Owners
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the supply of affordable rental housing • Improve the quality of affordable rental housing • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing • Provide Temporary Rental Assistance
	Funding	CDBG-\$202,438 (new allocation)
	Description	The 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 is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. Additionally, the assistance will be provided to Rental Property Owners to repair deteriorated rental units and make them available to households at 50% or less of the AMI. The overall goal is to assist low-income households gain access to decent, safe, and affordable rental units, while maintaining our rental housing stock.
4	Project Name	Homebuyer Assistance for First-time Homebuyers
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing
	Funding	CDBG-\$50,000 (rollover)
	Description	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.

5	Project Name	Renter Affordability Programs a. Deposit & 1st Month's Rent b. Transportation Assistance
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	Continue provision of the Public Service Needs for homeless, special populations, and low income households (utilities, rent, deposits, childcare, transportation, employment training, substance abuse, health services, legal services, and other public service needs) and reduce duplication of services.
	Funding	CDBG-\$60,000 (new allocation)
	Description	The Renter Affordability Program Component objective is to provide assistance to low-income households, which 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 obtain and/or remain in affordable housing units. The activities that will be implemented will be a Security Deposit, First Month's Rent, and Transportation Assistance.
6	Project Name	Public Facilities Improvement Program
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	<ul style="list-style-type: none"> Continue provision of Public Facilities Needs for homeless, special populations, and low-income households (senior centers, homeless facilities, child care centers, mental health facilities, neighborhood facilities, and other public facilities needs).
	Funding	CDBG-\$110,000 (rollover and new allocation)
	Description	Provide assistance to non-profits to repair or expand their facilities.