

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON SUBMITTAL OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2015-2016 ANNUAL ACTION PLAN

BACKGROUND:

One major requirement in receiving Community Development Block Grant (CDBG) funds is for the City to submit an Annual Action as part of its five-year Consolidated Plan to the federal Department of Housing and Urban Development (HUD). The City's current Consolidated Plan was approved by HUD for the period of July 1, 2014 through June 30, 2018. **The Annual Action Plan outlines program activities that will be undertaken from July 1, 2015 to June 30, 2016 to address or meet those goals and priorities outlined in the five-year Consolidated Plan.** The Annual Action Plan may address one or all of the goals and priorities of the identified housing and community development needs, it is not required to address all goals each year.

HUD regulations require that the Annual Action Plan be submitted for HUD's approval within 45 days before the beginning of the program fiscal year, which was May 17, 2015. **However, the City requested and received a time extension to submit the plan on or before June 12, 2015.** Additionally, the regulations also require that the Action Plan be published for 30 days to allow for citizen review of the proposed Annual Action Plan project(s) for the utilization of the funds.

City Council took input from public forums in February, and on March 3, 2015 approved the proposed 2015-16 Action Plan projects **as outlined in the attached Executive Summary (see attachment A).** The Plan was made available for public comment from May 6 through June 5, 2015. The City received one comment during this timeframe (see Attachment B). The one comment encouraged use of the funds to create additional affordable housing.

The City was notified by HUD that its 2015-16 CDBG allocation will be \$484,297, which is approximately \$3,900 less than the 2014-15 allocation. Of this annual allocation, approximately \$387,438 is available for programming. In addition to the annual allocation, Staff cautiously is anticipating a rollover balance of approximately \$700,000 and approximately \$132,063 of program income which result in an available balance of \$1,316,360 for the 2015-16 program year.

Staff is recommending that the anticipated budget for 2015-16 of \$1,316,360 be allocated to the project activities outlined below. Staff feels that the need to expand and improve 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 and the Housing Improvements Program. Therefore, Council will note that the largest percent of the anticipated budget (76%)

has been allocated to these two programs not including program administration.

Homebuyer Assistance Program	\$ 50,000
Neighborhood Housing Improvement Programs Single-Family Home Owners Rental Property Owners	\$100,000 \$100,000
Acquisition/Reuse Program for Affordable Housing	\$705,000
Operation and Repair Program for Existing Properties	\$68,502
Public Facilities Improvement Program for Non-Profits	\$100,000
Renter Affordability (Deposit & Transportation Assist)	\$70,000
2015-16 Program Administration	\$ 122,858
Total	\$1,316,360

Based on past timeliness ratios, staff estimates that approximately \$532,063 (\$400,000 plus the \$132,063 of program income) will need to be spent by April 25, 2016 in order to meet the May 2, 2016 timeliness test.

The entire 2015-16 Annual Action Plan document is available on the City’s web page at: www.cityofames.org/housing

ALTERNATIVES:

1. The City Council can approve the 2015-2016 Annual Action Plan in connection with the City’s Community Development Block Grant Program.
2. The City Council can modify, and then approve, the 2014-2015 Annual Action Plan.

MANAGER'S RECOMMENDED ACTION:

CDBG funds bring the City a unique opportunity to continue to use federal funding to address local community development priorities. In order to qualify for receipt of these funds over the next fiscal year, this document must be approved. To implement the plan, staff will rely upon some existing programs and continue those into the new year, but also new programs will need to be created to provide grants housing and public facility improvements. Staff will prioritize implementation in the following sequence: Acquisition/Reuse Program, Operations & Repair, Housing Improvement Rehabilitation, Homebuyer Assistance, Deposit and First Month’s Rent Assistance, and Public Facilities Improvements.

The recommended project activities are consistent with the public forum suggestions, the data sources identified in the Consolidate Plan, and the goals and priorities adopted of Consolidated Plan. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the submittal of

the 2015-16 Annual Action Plan Program and projects, and authorizing submittal of the plan to HUD by on or before June 12, 2015.

ATTACHMENT A



**PROPOSED
CITY OF AMES**

**Community Development
Block Grant Program (CDBG)**

2015-2016

**ANNUAL ACTION
PLAN**

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Ames Planning & Housing Department has prepared a Consolidated Housing and Community Development Plan for the years 2014 through 2018 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.

The process for development of the Plan included identifying priority needs, establishing goals to address the needs, and then identifying projects to achieve the goals. Priority needs were determined through analysis of data and an extensive public involvement process.

The goals set forth in the 2014-18 Strategic Plan and in the various Annual Action Plans will be in keeping with the overall mission of HUD's Community Planning and Development (CPD) Programs: Community Development Block Grants (CDBG).

The City of Ames has a long standing history of having as one of its primary missions to identify, address, and implement solutions and programs that serve the needs of the elderly, disabled, homeless, extremely low-income, low-income, and moderate-income, and families in its community. In identifying the needs, the City of Ames has continued to conduct and/or partner in commissioning reports and studies to collect data to assist in determining the needs and the actions that should be taken to address those needs.

Below you will find a Summary of the objectives and outcomes identified in the Plan and the activities that will be implemented in the 2015-16 program year to address these objectives and outcomes.

The rationale for determining the above priority objectives and outcomes are as follows:

- The proposed project activities are consistent with the 2014-18 Adopted Consolidated Plan goals and 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.

- The proposed project activities are consistent with the needs outlined in the Comprehensive Housing Affordability Strategy (CHAS) Data, American Community Survey (ACS) and Analysis to Impediments to Fair Housing Study (ASI) data for the City of Ames.
- The proposed implementation sequence for the project activities should help the City meet HUD's timely expenditure requirements.
- Funds will be used to contract for additional staff to accomplish the proposed project activities in FY 2015-16.
- All of the activities proposed would be of 100% benefit to low- and moderate-income persons.

Additionally, these objectives and outcomes will provided the most positive impacts on addressing the needs of homeless, extremely low-, low- and moderate-income households in the community and will be the area of focus anticipated for the Annual Action Plans over the next five (5) years in utilizing CDBG, and other local and/or state funds to address these objectives and outcomes. As the City of Ames approaches its third 5-year Consolidated Plan period, we have been very successful in implementing the program activities over the last ten years, which has led to having exceeded the 70% low- and moderate-income benefit expenditure threshold required by HUD.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

As part of the 2014-18 Consolidated Planning process, the City of Ames's strategies toward serving the needs of homeless, extremely low-income, low-income, and moderate-income families and households 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. With community participation, the following Priority Goal Objectives and Outcomes were derived:

1. Goal: Utilize and leverage CDBG Funds for Low-and Moderate-Income Persons through private and public partnerships as follows:

A1. Objective: To create, expand and maintain Affordable Housing for Homeless and Low-income persons

Outcomes:

- i. Increase the supply of affordable rental housing
- ii. Improve the quality of affordable rental housing
- iii. Increase the availability of affordable owner-occupied housing

- iv. Maintain the supply of affordable owner-occupied housing
- v. Provide temporary rental assistance
- vi. Increase the supply of mixed-use development
- vii. Expand and maintain the supply of emergency shelter and transitional housing

A2. Objective: To maintain the Community Development Services of the Community Outcomes:

- i. 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, other public service needs) and reduce duplication of services.
- ii. 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).
- iii. Continue provision of Public Infrastructure Needs in low-income census tracts (water, street, sidewalk improvements).

2. Goal: Utilize and leverage CDBG Funds for NON-Low- and Moderate-Income Persons through private and public partnerships as follows:

A1. Objective: Address Housing Needs in Non-Low- and Moderate-Income Census Tracts Outcomes:

- i. Integrate affordable and market rate residential developments
- ii. Remove blight and deteriorated housing to reuse into new housing
- iii. Support and address code enforcement of deteriorated housing
- iv. Remove blight and deteriorated housing in flood plain and other hazardous areas.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects. The preparation of the 2014-18 Consolidated Plan and now the subsequent Annual Action Plans will represent the City's third 5-year period as an Entitlement Community. Based on reviews and monitoring by the HUD Area Field Office of the City's performance over the last ten years, the City has been very successful in not only meeting the regulatory and statutory requirement of the CBDG programs, but also more specifically the timely expenditures of funds within the required time period. Through the administration of the various housing, public service, public infrastructure, and public facility activities implemented, the City has achieved a 100% cumulative benefit to low- and moderate-income persons for

each of the three 5–year periods, which exceeds the regulatory standard of 70%. Additionally, as a result of a monitoring review by HUD, the City had no findings or concerns. This was noted to be extremely rare.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City of Ames has a *Citizen Participation Plan* that details the public involvement process. The Plan is available at www.cityofames.org/housing. Public participation is an on-going process, not only in preparation of the Consolidated or Action Plans, but as an on-going part of the City of Ames’s commitment to solicit community involvement and participation.

Prior to the required public hearings, the public is encouraged to participate in public forums each year to be educated about the program and to give input on the activities being proposed to address the needs of the community. For the 2015-16 program year, like previous years, human service agencies, neighborhood associations, non-profit housing providers, Section 8 participants, faith-based organizations, and other community groups and businesses receive direct mailings inviting them to attend these public forums. This is in addition to ads in the area free newspaper, press releases, Facebook postings, and Twitter announcements.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The 30-day public comment period will begin on Wednesday, May 6, 2015, and will end on Friday, June 5, 2015. Comments received will be reported after this timeframe.

6. Summary of comments or views not accepted and the reasons for not accepting them

To be completed after the public hearing with the Ames City Council on Tuesday, June 9, 2015.

7. Summary

Below is a summary of the **major areas** addressed in the Strategic Plan for the City of Ames based on the data from the 2006-2012 American Community Survey (ACS) data, the Comprehensive Housing Affordability Strategy (CHAS) data supplied by HUD, intensive public input, 2013 Impediments to Fair Housing Analysis Study, area human service agencies, ASSET, City Departments, the State of Iowa, and other market analyses and

influences.

Geographic Priorities

The City of Ames will focus its CDBG resources from a city-wide approach. The majority of the determined benefit will be based on individual income eligibility, low- and moderate-income limited clientele benefit, and low- and moderate-area benefit (based on census tracts containing concentrations of 51% or more low- to moderate-income persons, as established by HUD).

Priority Needs

The City of Ames has identified affordable housing, community development, homelessness, and public service as priority needs to address over the next five years. High priorities for fiscal year 2015- 16 will continue to include the development of affordable housing for renters and homeowners, the maintenance of affordable housing for homeowners and renters, public services, and public facility improvements for non-profit organizations.

Influence of Market Conditions

The high cost and lack of available housing units and land continue to be the biggest influences of market conditions for the city of Ames.

Anticipated Resources

The City of Ames anticipates the following financial resources for Fiscal Year 2015-16:

15-16 CDBG Allocation	\$ 484,297
14-15 Anticipated Program Rollover	700,000
15-16 Anticipated Program Income	<u>132,063</u>
Total 2015-16	\$1,316,360

2015-2018 CDBG Allocations \$ 1,953,112*

*Anticipate receiving an average of \$488,278 over the remaining 4 years of the Consolidated Plan period.

Projects

AP-38 Projects Summary Project Summary Information

Table 1 – Project Summary

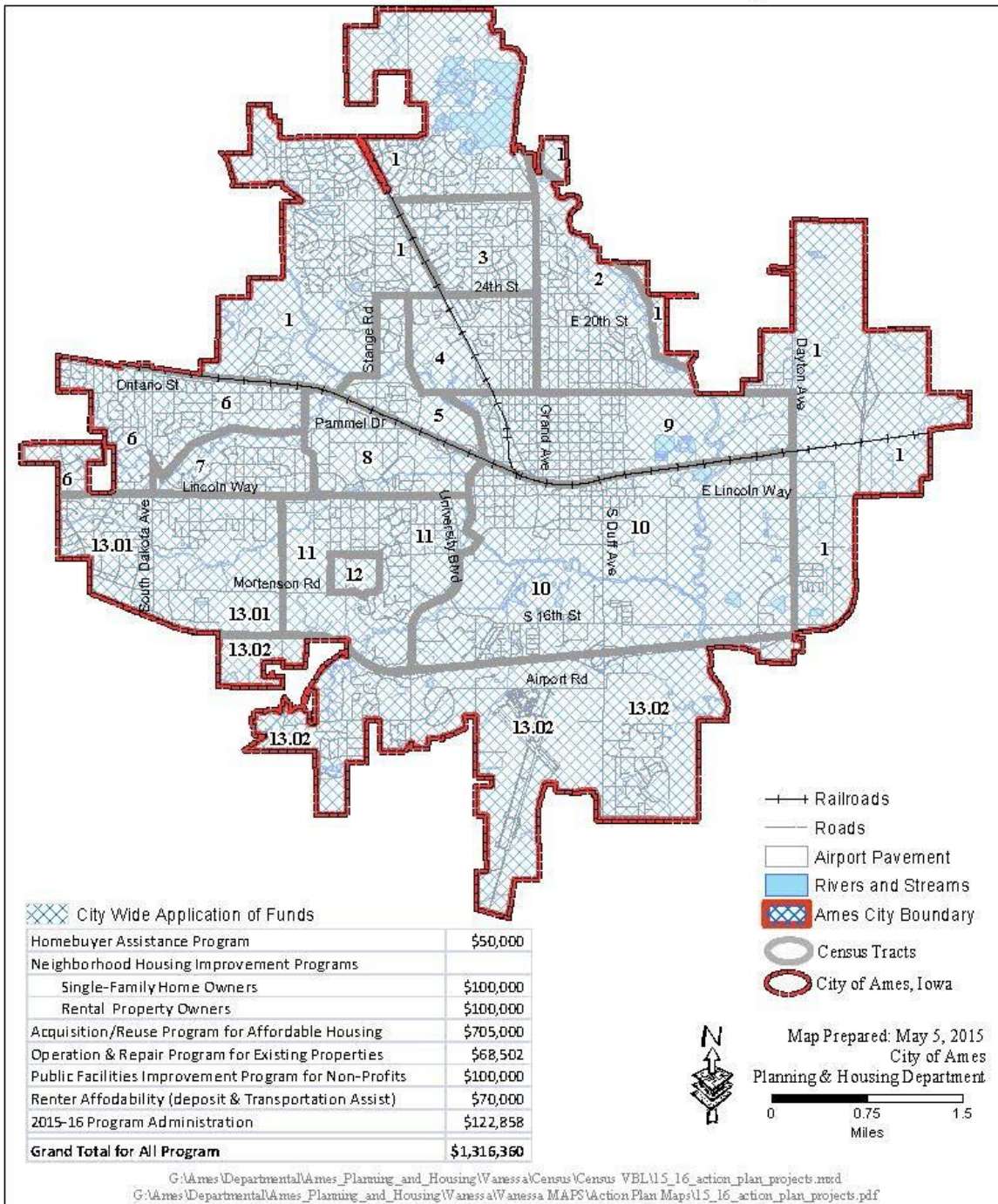
1	Project Name	Renter Affordability Program/Deposit and/or First Month Rent Assistance
	Target Area	CITY-WIDE
	Goals Supported	Create & expand Affordable Housing for LMI Persons Maintain Development Services in the Community Address Needs of Non-LMI Persons
	Needs Addressed	Renter Affordability Programs
	Funding	CDBG: \$60,000
	Description	Funds under this project will be used to provide Deposit and/or First month rent assistance to households with annual incomes at 50% or less of the area median income limits; this project is being carried over for 2015-16.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	We anticipate assisting approximately 20-25 households and/or families.
	Location Description	The assistance will be provided to eligible applicants within the city limits of Ames.
Planned Activities	The activities under this program provide one time funding to households and/or families with incomes at or below 50% of the Story County Median income limits to assist them with security deposits and/or first month's rent. The assistance may be expanded to include up to three months of rent assistance.	
2	Project Name	Renter Affordability Program/Transportation
	Target Area	CITY-WIDE
	Goals Supported	Maintain Development Services in the Community
	Needs Addressed	Affordable Rental Housing and Transportation Needs

	Funding	CDBG: \$10,000
	Description	Under this activity, funds will be used to assist households at 50% or less of the AMI with their transportation needs (fuel and/or bus vouchers). This project is being carried over into 2015-16
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	It is anticipated that the program will assist approximately 15-20 households and/or families.
	Location Description	Program will be available to eligible applicants within the Ames city limits.
	Planned Activities	The activities under this program provide financial assistance to households and/or families with incomes at or below 50% of the Story County Median Income limits with assistance with their transportation needs through either fuel vouchers or bus passes.
3	Project Name	Neighborhood Sustainability Program/Acquisition and Reuse
	Target Area	CITY-WIDE
	Goals Supported	Create & expand Affordable Housing for LMI Persons
	Needs Addressed	Acquisition Reuse For Affordable Housing
	Funding	CDBG: \$705,650
	Description	Under this activity, funds will be used to: a. Purchase vacant in-fill lots for redevelopment into affordable housing; b. Purchase foreclosure properties for rehabilitation into affordable housing. The goal is to create, expand, and maintain Affordable Housing for homeless and low-income households. This project activity will continue for the 2015-16 program year.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Under this program, activity it is anticipated that approximately 5-12 households and/or families with incomes at or below 80% of the Story County median income limits may received assistance with affordable housing units purchased under this project activity.
	Location Description	The program will be implemented within the city limits of Ames.

	Planned Activities	Under the implementation of the Acquisition/Reuse for Affordable Housing, which will consist of the purchase of infill lots (vacant or with properties needing to be demolished), the purchase of foreclosure properties for rehabilitation, or the purchase of single-family or multi-family units that can be rehabilitated, it is anticipated that 2-4 properties will be acquired for reuse in either affordable rental or owner-occupied units for households at 80% or less of the Story County median income limits.
4	Project Name	Neighborhood Sustainability Program/OR
	Target Area	CITY-WIDE
	Goals Supported	Create & expand Affordable Housing for LMI Persons
	Needs Addressed	Operation & Repairs of Foreclosed Properties
	Funding	CDBG: \$67,439
	Description	Under this activity, funds will be used to repair properties that were purchased using CDBG funds to make them available for use for affordable housing for low- and moderate-income households.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Under this project, the number of families and/or households that will benefit from this program is 3-4; the beneficiary data will be reported under the Homebuyer Assistance Program or the Acquisition/Reuse Program.
	Location Description	The project activities will be within the city limits of Ames
	Planned Activities	Under this activity, properties purchased under Acquisition/Reuse Program will be rehabilitated and maintained until such time as an eligible home buyer or renter have been identified.

Appendix I Proposed Action Plan Projects

City of Ames 2015-16 CDBG Proposed Action Plan Projects



ATTACHMENT B

Public input for CDBG annual Action Plan
Jean Nicol Jahren
to:vbakerlatimer@city.ames.ia.us
05/08/2015 09:15 AM

Ms. Baker-Latimer,

I have served as a weekly front office volunteer for Good Neighbor Emergency Assistance for the past 12 years. What I have seen during this time is an increasing demand for low income housing in Ames. Many of the clients that I meet have Section 8 vouchers and are unable to find affordable housing in Ames in the four month time period once they have received these vouchers. In addition, I have spoken to people that have been long-term rental residents of Ames but due to decisions of their landlords they are having to move and are unable to afford housing in Ames if they can even find a place.

Please consider how Ames can best use these funds in increasing the amount of low-income housing available in Ames that is close to public transportation and schools.

Thank you for your time,

Jean Nicol Jahren
1719 Grand Ave.
Ames, IA
515-233-0966

PS I also serve on the Board of Directors of the Emergency Residence Project and am a member of ERP's transitional housing committee