

COUNCIL ACTION FORM

**SUBJECT: PUBLIC HEARING ON SUBMITTAL OF COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM FY 2016-2017 ANNUAL ACTION PLAN**

BACKGROUND:

The City must submit and Annual Action Plan to the federal Department of Housing and Urban Development (HUD) to receive Community Development Block Grant (CDBG) funds. The Annual Action Plan outlines program activities that will be undertaken to address or meet those goals and priorities outlined in the five-year Consolidated Plan. The City's third Consolidated Plan was approved by HUD for the period of July 1 2014 through June 30, 2018. An Annual Action Plan can address one or all of the goals and priorities of the identified housing and community development needs.

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, which is by May 17. 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 before it is approved by the local government.

On March 1, 2016, after taking into consideration input from the February public forums, the City Council approved the proposed 2016-17 Action Plan projects **as outlined in the attached Executive Summary (see attachment A)** and directed staff to prepare the plan for public comment. The Plan was made available for public comment from April 5 through May 5, 2016. No comments were received during this timeframe.

The City was notified by HUD that its FY 2016-17 CDBG allocation will be \$490,986, which is approximately \$6,000 more than the FY 2015-16 allocation. The City allocates 20% of its annual allocation for administration and makes the remainder of funding available for programming. Therefore, approximately \$988,492 will be available in FY 2016/17, which includes \$490,986 (FY 2016/17 allocation), \$337,000 (FY 2015/16 anticipated rollover), and \$160,506 (anticipated program income). Of this total, \$870,295 will be directed towards programming as outlined below and \$118,197 will be used for administering the program.

The City Council will note that the largest percent of the anticipated budget (89%) has been allocated to address affordable housing.

Homebuyer Assistance Program	\$ 50,000
Single-Family Housing Improvements Program	\$132,506
Acquisition/Reuse Program for Affordable Housing	\$155,000
Public Infrastructure Improvements Program for State Ave. (Old Middle School Site)	\$392,789
Public Facilities Improvement Program for Non-Profits	\$100,000
Renter Affordability (Deposits, Rent & Transportation, Childcare Assistance) Programs	\$40,000
Total Programming	\$870,295
2016-17 Program Administration	\$ 118,197
Total	\$988,492

The entire 2016-17 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 FY 2016-2017 Annual Action Plan in connection with the City's Community Development Block Grant Program.
2. The City Council can modify, and then approve, the FY 2016-2017 Annual Action Plan.

MANAGER'S RECOMMENDED ACTION:

CDBG funds offer 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, the FY 2016/17 Annual Action Plan must be approved.

Staff recommends that the following implementation sequence be utilized: Renter Affordability Programs, Public Facilities Improvement Program, Acquisition/Reuse Program, Single-Family Housing Improvement, Public Infrastructure Improvements and Homebuyer Assistance Program. In addition, staff will be working on the disposition and redevelopment of the 6th properties.

The City's required timeliness test by HUD will still occur on May 2, 2017, which means the approximately \$400,000 will need to be expended by April 25, 2017. Staff, therefore, must concentrate its initial efforts on activities that can be accomplished by this timeframe to meet draw down requirements of HUD.

The project activities being recommended are consistent with the public forum suggestions and the goals and priorities adopted in the City's 2014-18 Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the submittal of the FY 2016-17 Annual Action Plan Program and projects, and authorizing submittal of the plan to HUD by on or before June 12, 2015.

ATTACHMENT A



CITY OF AMES Community Development Block Grant Program (CDBG)

PROPOSED 2016-2017 ANNUAL ACTION PLAN



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, households 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 2016-17 program year to address these objectives and outcomes. (see Appendix 1 for the 2016-17 Proposed Action Plan Projects).

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 meet HUD's timely expenditure requirements.

- Funds will be used continue 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 provide 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:

Goal 1: 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).

Goal 2: 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 annual 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 2016-17 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 Tuesday, April 5, 2016, and will end on Thursday, May 5, 2016.

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

Will be completed after public hearing on May 10, 2016

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 a majority of 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). The City is seeking a Neighborhood Revitalization Strategy Area (NRSA) designation for a 10 acre parcel of land that was acquired in 2015-16. A NRSA designation will allow for the focusing of various eligible CDBG activities to occur such as has public services, public improvements, housing rehabilitation, economic development, etc.

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 influence of market conditions for the city of Ames.

Anticipated Resources

The City of Ames anticipates the following financial resources for Fiscal Year 2016-17:

16-17 CDBG Allocation	\$ 490,986
15-16 Anticipated Program Rollover	337,000
16-17 Anticipated Program Income	<u>160,506</u>
Total 2016-17	\$ 988,492

2015-2018 CDBG Allocations \$1,464,834*

*Anticipate receiving an average of \$488,278 over the remaining 3 years of the Consolidated Plan period.