

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO 2019-20 ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).**

**BACKGROUND:**

In discussions with the Public Works and Parks and Recreation Departments, it was discovered that an opportunity became available where CDBG funds could be used to facilitate construction of a bike path from Franklin Park to S. Wilmoth Ave. This activity would be part of additional improvements being planned in the area by both Public Works and Parks and Recreation. Public Works will be installing a bike path to the west side of Franklin Park to Beedle Drive and Parks and Recreation will be installing additional recreational features in Franklin Park.

The overall bike route was originally identified as part of the 2040 Long Range Transportation Plan. The proposed CDBG Bike Path project section would involve the acquisition and demolition of a two-story single-family rental on S. Franklin. **The house is located in the pathway where the bike path would need to be installed.** The single-family unit is currently being rented; therefore pursuing this project would also involve the relocation of occupants. Staff has been in discussion with the property owner about their interest in selling the property.

**To pursue this new project, the current Annual Action Plan would need to be amended.** The current 2019-20 Program year projects, listed in Attachment 1, were submitted and approved by the Department of Housing and Urban Development (HUD) and are ready for implementation for both the CDBG and HOME programs. Attachment 2 depicts the planned bicycle facility and Attachment 3 is a concept plan for Franklin Park.

**This proposed project activity has been discussed with the HUD Field Office staff, who have determined it to be an eligible activity. However, in that this activity is not listed in our adopted 2019-20 Action Plan activities, it requires an amendment to our adopted Action Plan to add the activity. An amendment the Action Plan requires a 30-day comment period for the public and a public hearing at City Council before it can be submitted as an additional activity to the Field Office.**

In the adopted 2019-20 Action Plan, the City budgeted to implement an Acquisition/Reuse for Affordable Housing activity, which would involve the purchase of a single-family structure that we would either demolish or rehabilitate for affordable housing for a low income household. The purchase of the structure under a Bike Path activity would be considered a "public improvement" activity with no requirement for an affordable housing reuse component. The goal of the Bike Path activity would be to utilize the funding that was set aside under the Acquisition/Reuse for Affordable Housing in the amount of

approximately \$400,000.

**Attachment 1** also shows the **proposed amended program budget** for 2019-20 Action Plan program activities. The activities being recommended are the **same** as in the adopted Action Plan, however, the budget for the Bike Path activity is being substituted for the Acquisition/Reuse for Affordable Housing activity. The overall budget has been **adjusted** due to the reduction in the amount of “roll over” funds available.

Staff’s rationale for adding the Bike Path as new project activity is as follows:

- The proposed project is located in the City’s approved Neighborhood Revitalization Strategy Area (NRSA) and therefore is consistent with the goals and priorities in our 2019-23 Consolidated Plan to positively benefit low income residents in the area.
- This activity will enhance improvements to the area along with current the mixed-income subdivision development of the 321 State Avenue parcel, and the acquisition of Franklin Park.
- The activity will continue to meets the City Council’s goals of strengthening our neighborhoods.
- Continues the investment of improving both the housing stock and the infrastructure needs vital core neighborhoods.
- The proposed project would result in the City’s ability to meet HUD’s 2019-20 timely expenditure requirements.

#### **ALTERNATIVES:**

1. Direct staff to proceed with amending the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1 and set a date of public hearing for January 28, 2020.
2. Direct staff to proceed with amending the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1 in connection with modifications.
3. Reject the 2019-20 CDBG Annual Action Plan with the proposed projects as outlined in Attachment 1, and refer this item back to staff for further information.

#### **CITY MANAGER'S RECOMMENDED ACTION:**

The addition of the recommended Bike Path activity is part of a larger enhancement to the neighborhood, which will eventually connect with the Bike Path that will be installed as part of the development of the 321 State Avenue parcel. The acquisition of the property would assist in meeting our timeliness test for the 2019-20 fiscal year. This action does not affect the budget and activity adopted for the HOME funds.

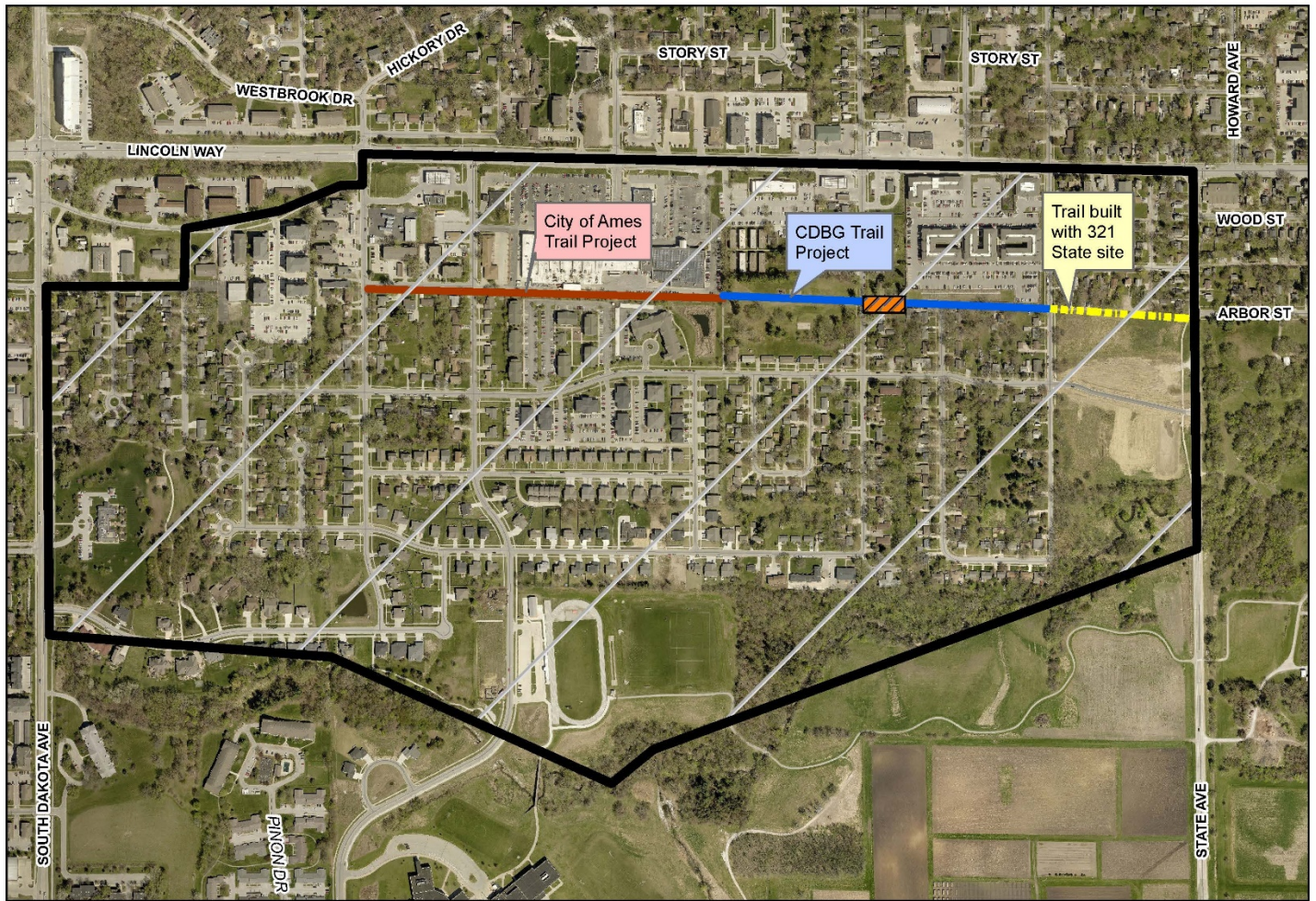
Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.

# ATTACHMENT 1

| Submitted 2019-20 Action Plan Expenditure Budget:  |                                    |
|--|------------------------------------|
| Programs   | Budget                             |
| Acquisition/ Reuse Program for Affordable Housing  | \$400,000                          |
| Homebuyer Assistance Program   | \$300,813                          |
| Public Infrastructure Improvements Program for State Avenue NRSA (including Engineering costs) | \$889,000                          |
| Rehabilitation/Disposition of 241 Village Drive  | \$45,000                           |
| HOME Homeownership Construction Program  | \$883,976                          |
| General Administration for CDBG & HOME   | CDBG :\$116,394<br>HOME: \$120,947 |
| <b>Total</b>   | <b>\$2,755,635</b>                 |
| Current 2019-20 Action Plan Revenue Budget:  |                                    |
| 2019-20 CDBG Allocation  | \$581,207                          |
| 2018-19 CDBG Anticipated Program Rollover  | \$570,000                          |
| 2019-20 CDBG Anticipated Program Income  | \$350,000                          |
| Non-CDBG Revenue-GO Bonds  | \$250,000                          |
| 2019-20 HOME Allocation  | \$481,968                          |
| 18-19 HOME Anticipated Program Rollover  | \$747,750                          |
| Adjustment for HOME CHDO Set-Aside   | -\$184,795                         |
| <b>Grand Total CDBG &amp; HOME</b>   | <b>\$2,755,635</b>                 |

| PROPOSED AMENDED 2019-20 Action Plan Expenditure Budget:  |                                    |
|---|------------------------------------|
| Programs  | Budget                             |
| Acquisition/ Reuse Program for Public Infrastructure  | \$400,000                          |
| Acquisition/Reuse Program for Affordable Housing  | \$10,000                           |
| Homebuyer Assistance Program  | \$300,813                          |
| Public Infrastructure Improvements Program for State Avenue NRSA (including Engineering costs+ GO Bond) | \$763,745                          |
| Rehabilitation/Disposition of 241 Village Drive   | \$45,000                           |
| Demolition of 3305 Morningside  | \$16,070                           |
| HOME Homeownership Construction Program   | \$923,976                          |
| General Administration for CDBG & HOME  | CDBG: \$116,241<br>HOME: \$120,947 |
| <b>Total</b>  | <b>\$2,696,792</b>                 |
| PROPOSED AMENDED 2019-20 Action Plan Revenue Budget:  |                                    |
| 2019-20 CDBG Allocation   | \$581,207                          |
| 2018-19 CDBG Anticipated Program Rollover   | \$462,820                          |
| 2019-20 CDBG Anticipated Program Income   | \$357,842                          |
| Non-CDBG Revenue-GO Bonds   | \$250,000                          |
| 2019-20 HOME Allocation   | \$481,968                          |
| 18-19 HOME Anticipated Program Rollover   | \$747,750                          |
| Adjustment for HOME CHDO Set-Aside  | -\$184,795                         |
| <b>Grand Total CDBG &amp; HOME</b>  | <b>\$2,696,792</b>                 |

# ATTACHMENT 2



CDBG NRSA Project Area



NRSA Block Group



Property to be Acquired



1 inch = 583 feet



# ATTACHMENT 3



## Franklin Park

Ames, Iowa

## Site Plan - Dimension Plan

October 22, 2019