

ITEM #: 37
DATE: 05-09-23
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: PUBLIC FORUM FOLLOW UP AND PROPOSED 2023-24 ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAMS

BACKGROUND:

On April 26th and 27th, City staff hosted in-person and virtual public forums to gather input regarding possible projects for consideration with the City's 2023-24 CDBG/HOME Annual Action Plan Program.

Seven (7) persons attended the in-person forum, and six (6) persons attended the virtual forum. Attendees included representatives from The Bridge Home, Primary Health Care, ACCESS, The Salvation Army, Electric Department, Community and Family Resources (CFR), Central Iowa Regional Housing Authority (CIRHA), and five (5) citizens from Ames.

The following agenda was presented, and the forum attendees were given the opportunity to participate in a group discussion regarding the agenda items:

1. Basic overview of the CDBG, HOME, HOME-ARP, and CARES-CV Programs
2. Review of the federal Consolidated Planning Requirements.
3. Overview of the Five-year Goals and Priorities created for 2019-23
4. Staff proposed 2023-24 Annual Action Plan suggestions
5. Group feedback and
6. Tentative Timeline for next steps

The PowerPoint presentation of the 2023-24 Annual Action Plan will also be available on the Housing Division's website at www.cityofames.org/housing.

The public feedback was centered around the need to continue to address affordable housing and neighborhoods. Staff has summarized the public comments and primary questions/comments about funding options as follows:

- Need for assistance with Deposits (Rent and Utilities)
- Need for short-term tenant based rental assistance (TBRA).
- Assistance to buy groceries for food pantries

Staff's takeaway from the public input was that there is a consensus to continue to address the need for affordable housing for lower-income households.

PROPOSED FUNDING:

In February 2023, HUD notified the City that for the fiscal year 2023, our CDBG allocation would be \$577,990 (a \$41,000 decrease from 2022), and our HOME allocation would be \$321,764 (a \$28,00 decrease from 2022).

Taking all of the above information under consideration, and that this is the last year of our 5-Year (2019-2023 Consolidated Plan), staff is recommending that three new programs be created with this action plan along with continuation of prior programs. The three new programs include deposit assistance, tenant based rental assistance, and homebuyer assistance. **Attachment A details all of the specific programs and proposed levels of fundings.**

With City Council's direction on what programs to include within the Action Plan, staff can finalize the plan and make it available for public comment prior to City Council approval on or before August 16, 2023.

ALTERNATIVES:

1. Adopt a Resolution to approve the proposed 2023-24 Annual Action Plan Program Projects with an estimated budget (Attachment A) and set August 8, 2023, as the date of public hearing for approval of submitting the plan to HUD on or by August 16, 2023.
2. City Council can adopt a Resolution to approve the proposed 2023-24 Annual Action Plan Program Projects and estimated budget (Attachment A) and set August 8, 2023, as the date of public hearing for approval of submitting the plan to HUD on or by August 16, 2023, **with modifications.**
3. Refer this item back to staff with further direction.

CITY MANAGER'S RECOMMENDED ACTION:

Now that the 2023-24 allocations have been announced, the draft of the City's Annual Plan can be prepared for the required 30-day public comment period beginning in July. **This is still a very tight timeframe to get the plan submitted to HUD by the August 16 deadline date.**

All of the projects will continue to help address the needs identified in the 2019-23 Five-Year Consolidated Plan. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 stated above.

ATTACHMENT A
2023-24 DRAFT Proposed CDBG/HOME Annual Action Plan
Projects and Budget

PROPOSED 2023-24 Action Plan Expenditure Budget:	
2023-24 Proposed Programs	
	Budget
CDBG Deposits and 1 st Month Rental Assistance Program	\$150,000
CDBG Homebuyer Assistance Program (Down payment/ Closing Cost/Education)	\$221,196
HOME-Tenant-Based Rental Assistance Program (TBRA)	\$150,000
HOME-ARP-Non Congregate Shelters	\$1,078,861
Subtotal	\$1,600,057
2022-23 Rollover Programs	
	Budget
CDBG Public Infrastructure Improvement (LMI Census Tracts)	\$535,000
CDBG Infrastructure Pocket Park Improvements-Baker Subdivision	\$130,000
CDBG Acquisition/Slum and Blight Removal Program**	\$234,024
CDBG Single-Family Housing Rehabilitation Program for Homeowners	\$150,000
CDBG Maintenance for Baker Subdivision	\$10,000
HOME Multi-Family LIHTC Assistance New Construction	1,801,000
HOME Single New Home Construction**	\$222,434
Subtotal	\$3,082,458
General Administration for CDBG & HOME & HOME-ARP	CDBG: \$115,598 HOME: \$107,295 HOME-ARP: *** \$180,387
Subtotal	\$403,280
Grand Total CDBG, HOME & HOME-ARP	\$5,085,795
PROPOSED 2023-24 Action Plan Revenue Budget:	
2023-24 CDBG Allocation	\$557,990
2022-23 Anticipated CDBG Program Rollover	\$837,828*
2023-24 Anticipated CDBG Anticipated Program Income	\$150,000*
2022-23 HOME-ARP Allocation Rollover	\$1,078,861
2023-24 HOME-ARP Allocation Rollover	\$180,387
2023-24 HOME Allocation	\$321,764
2022-23 Anticipated HOME Program Rollover (Admin & Programming-CHDO Set Aside)	\$2,007,229
2023-24 Minus Anticipated CHDO Set Aside	-\$48,264
Grand Total CDBG, HOME & HOME-ARP	\$5,085,795

*City Council should note that the anticipated revenue for the CDBG program rollover and the anticipated program income are conservative estimates being projected by staff. These projections will be adjusted when the 2022-23 program year is finalized and closed.

*** Only 5% is available (\$ 63,642) until Allocation Plan is approved.

** Funding budgeted in both years