

## COUNCIL ACTION FORM

**SUBJECT: PUBLIC HEARING ON SUBMITTAL OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) 2009-2014 CONSOLIDATED PLAN AND 2009-2010 ANNUAL ACTION PLAN**

### **BACKGROUND:**

One major requirement in receiving the Community Development Block Grant (CDBG) funds is for the City to submit a five-year Consolidated Plan to the federal Department of Housing and Urban Development (HUD). The Consolidated Plan is the planning document (Comprehensive Housing Affordability Strategy, or CHAS) for the jurisdiction. This plan requires detailed background information on the community, derived both from census data and other comprehensive studies performed by the community. The Plan must identify, over a five-year period, the goals and priorities to address the housing and community development needs of both low and moderate-income persons and non-low and moderate-income persons. It must also contain an Annual Action Plan that outlines program activities that will be undertaken to address or meet those goals and priorities. The Annual Action Plan can address one or all of the goals and priorities of the identified housing and community development needs.

The City of Ames will complete the administration of its first five-year Consolidated Plan on June 30, 2009. CDBG regulations require that the City must submit an updated five-year plan for the period from July 1, 2009 through June 30, 2014, along with an Annual Plan for the fiscal year period of July 1, 2009 through June 30, 2010.

The regulations require that the Consolidated Plan and the Annual Action Plan be submitted for HUD's approval within 45 days before the beginning of the program fiscal year, which is on or before May 17, 2009. However, in February 2009, the City requested and received a time extension to submit both plans on or before July 31, 2009. Additionally, the regulations also require that the proposed Plan be published for 30 days (June 26, 2009 to July 26, 2009) to allow for citizen review of the proposed Consolidated Plan and Annual Action Plan project(s) for the utilization of the funds.

On January 13, 2009, the City Council approved the proposed 2009-14 Consolidated Plan priorities and the 2009-10 Action Plan projects to be made available for public comment (see Attachment Summaries 1 & 2). At that time, the City had **not** yet received notification of the amount of CDBG funds that it would be receiving. The rationale for the staff recommendations were as follows:

- The proposed projects are currently being implemented and have proven to be very successful in addressing the needs of low- and moderate-income persons and/or areas in our community through the first five-year Consolidated Plan, and meet all of the expectations of the national objectives of the CDBG Program;

- The proposed projects are consistent with the City Council's goals and vision for the City of Ames; and
- The proposed projects reduce the downtime for starting new programs that can affect the City's ability to meet HUD's timely expenditure requirements.

On March 5 and 6, 2008, staff hosted public forums to inform the public about the overall CDBG Program, and to solicit input regarding the proposed 2009-14 Consolidated Plan goals and priorities and the 2009-10 Annual Action Plan Program activities. Nine (9) citizens attended two available sessions. All attendees were receptive to the proposed Consolidated Plan priorities and goals and the Action Plan projects. To date, no comments have been received.

On May 21, 2009, HUD announced the Fiscal Year 2009 CDBG allocations. The City has been allocated to receive \$491,369 in Community Development Block Grant (CDBG) funds for the fiscal year beginning July 1, 2009. This represents an \$11,709 increase in comparison to the 2008-09 allocation.

Of this amount, \$393,095 is available for programming and \$98,274 is available for administrative expenses. In addition to the \$491,369 of new allocated funding, it is anticipated that approximately \$663,500 of 2008-09 rollover funds, along with approximately \$184,336 of anticipated program income, will be included for a total program budget of \$1,339,205. Below is a table outlining the proposed 2009-10 Annual Action Plan program projected revenues and expenditures:

**Proposed 2009-10 Action Plan Expenditure Budget:**

<u>Programs</u>		<u>Budget</u>
Renter Affordability Program*	\$	84,485
Neighborhood Sustainability Programs**		845,362
Public Facilities Improvement Program***		265,000
2009-10 Program Administration		<u>144,358</u>
Total	\$	1,339,205

**Proposed 2009-10 Action Plan Revenue Budget:**

09-10 CDBG Allocation	\$	491,369
08-09 Anticipated Program Rollover		663,500
09-10 Anticipated Program Income		<u>184,336</u>
Total 2009-10	\$	1,339,205

The completed 2009-14 Consolidated Plan and 2009-10 Annual Action Plan documents are available on the City's web page at: [www.cityofames.org](http://www.cityofames.org).

**ALTERNATIVES:**

1. The City Council can approve the 2009-2014 proposed five-year Consolidated Plan and the 2009-2010 Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program.
2. The City Council can modify, and then approve, the 2009-2014 proposed five-year Consolidated Plan and the 2009-2010 Annual Action Plan Program projects.

**MANAGER'S RECOMMENDED ACTION:**

These 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 and the next upcoming 5-year planning period, both of these documents must be approved. The attached priorities and programs will help accomplish both of these purposes.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve the 2009-2014 five-year Consolidated Plan and the 2009-2010 Annual Action Plan Program projects in connection with the City's Community Development Block Grant Program and submit all documents to HUD on or before July 31, 2009.

## ATTACHMENT 1

### 2009-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR LOW AND MODERATE-INCOME PERSONS

1. CDBG funds should be used to strengthen neighborhoods by implementing affordable housing programs and services through acquiring, demolishing, and rehabilitating housing units that support homeowners, homebuyers, and renters to obtain and remain in affordable housing

2. CDBG funds should be used to promote one community by implementing programs that support a continuum of new or expanded housing and services targeted for homeless, transitional housing clients, and persons with special needs

3. CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services

### 2009-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR NON- LOW AND MODERATE-INCOME PERSONS

1. CDBG funds should be used for slum and blight removal in non-low and moderate income areas to assist in redevelopment projects to decrease the number of substandard housing units through acquisition, demolition, and new construction to the maximum limit that CDBG funds are allowed

## ATTACHMENT 2

### PROPOSED 2009-10 ANNUAL ACTION PLAN PROGRAM ACTIVITIES

Project Activity Descriptions	Program Categories	Priority Goal	CDBG National Objective	2009-10 Budget Allocations
<p>The Renter Affordability Program is comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> <li>• Deposit Assistance</li> <li>• Childcare Assistance</li> <li>• Transportation Assistance (Cy-Ride Bus Passes or Fuel Vouchers)</li> </ul>	<p>The overall goal of the Renter Affordability Programs is to provide assistance to low- and moderate-income households at 50% or less (80% or less for Childcare only) of the Story County median income limits in order to gain access to housing, to improve their housing status, and to secure economic stability for up to 3 months.</p>	1,2	Low- & Moderate-Income Benefit	\$84,485
<p>The Neighborhood Sustainability Program is comprised of the following subcomponent programs:</p> <ol style="list-style-type: none"> <li>1. Acquisition/Reuse</li> <li>2. Slum &amp; Blight</li> <li>3. Housing Improvement Program</li> <li>4. Homebuyer Assistance</li> <li>5. Housing Improvement Program (added in the 08-09 program year)</li> </ol>	<p>The overall goal of the Neighborhood Sustainability programs is to increase the availability of housing to low income families and to maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods. The programs would continue to seek to acquire and rehabilitate single-family properties, or to demolish/remove properties for lots to be reused for affordable housing to assist low- and moderate-income (80% or less of AMI) families. This program, where possible, will have a more comprehensive approach at targeting single-family properties as follows:</p> <ol style="list-style-type: none"> <li>1. Converting single-family rentals or non-rentals properties in existing neighborhoods that are “for sale” back into single-family homeownership.</li> <li>2. Matching, where possible, with eligible low-income (80%) first-time homebuyers through the Homebuyer Assistance Program and/or sale to Non-Profit Organizations.</li> </ol>	1,2	Low- & Moderate-Income Benefit	<p style="text-align: center;">Acquisition/Reuse \$158,095</p> <p style="text-align: center;">Housing Improvement Program \$587,267</p> <p style="text-align: center;">Homebuyer Assistance Program \$100,000</p>

Project Activity Descriptions	Program Categories	Priority Goal	CDBG National Objective	2009-10 Budget Allocations
	<p>3. Assisting in code enforcements by acquiring and demolishing abandoned, deteriorated properties and then re-selling the lots to non-profit organizations and/or for profit developers for affordable housing or the removal and demolition of deteriorated properties in floodplains or other environmentally unsafe areas through the Slum and Blight Program.</p> <p>4. Acquiring vacant lots and re-selling them to non-profit organizations and/or for profit developers for affordable housing.</p> <p>5. Providing downpayment and closing cost assistance to first-time homebuyers to purchase homes available on the open market. If possible, efforts will be made to target low-income census tracts.</p>			
<p>The Public Facilities Improvement Programs are comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> <li>• Facility Repair/Improvement Program for Non-profit Organizations</li> <li>• Infrastructure improvements (curb, streets, sidewalks, etc.) in targeted low- and moderate-income census tracts</li> </ul>	<p>The overall goal of the Public Facilities Improvement Programs is to preserve and enhance facilities of non-profit agencies that house and/or provide service to homeless, very low and low-income residents, and to improve and enhance the viability and aesthetics of our core existing neighborhoods.</p>	3	Low- & Moderate-Income Benefit	<p>Facility Repair/Improvement for Non-Profit Organizations</p> <p>\$265,000</p>
General Administration				\$ 144,358
Grand Total				\$ 1,339,205