

COUNCIL ACTION FORM

**SUBJECT: 2010-11 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ANNUAL ACTION PLAN**

BACKGROUND:

In order to receive federal CDBG funds, the City must submit a Consolidated Plan to the Department of Housing and Urban Development (HUD). The Consolidated Plan is the planning document (Comprehensive Housing Affordability Strategy) for Ames. The Consolidated Plan requires detailed background information on the community derived both from census data and from other comprehensive studies. The Plan must identify, over a five-year period, the City's goals and priorities to address the housing and community development needs of low- and moderate-income persons, as well as of **non-** low- and moderate-income persons in the community.

The Consolidated Plan also requires that the City develop an Annual Action Plan that outlines the 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 housing and community development needs identified in the Consolidated Plan.

Federal regulations require that the Annual Action Plan be submitted to HUD for approval 45 days before the beginning of the program fiscal year. That date is May 17, 2010. Prior to that date, the Plan must be made available for a 15-day comment period from April 23 to May 7 to allow for citizen input on the proposed projects.

On January 26, 2010, the City received notification from HUD that the City will receive \$534,545 in Community Development Block Grant funds for the fiscal year beginning July 1, 2010. This represents a \$43,000 increase compared to the 2009-10 allocation. Of this amount, \$427,636 is available for programming and \$106,909 is available to pay for administrative costs.

In addition to the \$534,545 of newly allocated funding, it is anticipated that there will be approximately \$600,000 in rollover funds from 2009-10, along with approximately \$110,870 of anticipated program income in 2010-11, for a total budget of \$1,245,415. Of this amount, \$1,116,332 is available for programming. Below is a table outlining the proposed 2010-11 Annual Action Plan program revenues and expenditures.

Proposed 2010-11 Action Plan Expenditures:

<u>Program</u>	<u>Budget</u>
Renter Affordability Program	\$ 85,132
Neighborhood Sustainability Program	441,200
Public Facilities Improvement Program	590,000
2010-11 Program Administration	<u>129,083</u>
Total	\$1,245,415

Proposed 2010-11 Action Plan Revenues:

10-11 CDBG Allocation	\$ 534,545
09-10 Anticipated Program Rollover	600,000
10-11 Anticipated Program Income	<u>110,870</u>
Total	\$1,245,415

The Renter Affordability Program includes the following subcomponent programs:

- Deposit Assistance Program
- Transportation Assistance Program
- Utility Bill Assistance Program

The Neighborhood Sustainability Program includes the following subcomponent programs:

- Acquisition/Reuse Program
- Lease to Purchase Program
- Slum and Blight Program
- Neighborhood Home Improvement Program
- Homebuyer Assistance Program

The Public Facilities Improvement Program includes the following subcomponent programs:

- Public Facilities Improvement Program for City-funded non-profit human service agencies
- Neighborhood Public Infrastructure Improvements Program

The funding proposed for the Housing Activities under the Neighborhood Sustainability Program represents 47% of the funding available for program activities. While this does not reflect the 51% priority for Housing Activities set by City Council at its March 27, 2004 goal-setting session, all of the activities proposed are of benefit to low- and moderate-income persons. This meets the primary objective for the use of our CDBG funds, and will help to **exceed** HUD's requirement that at least 70% of the aggregated funds received during a set three year period (2010-2012) must be expended on programs that directly benefit low- and moderate-income persons.

On February 17 and 18, 2010, staff hosted public forums to inform the public about the overall CDBG Program and to solicit their input regarding the proposed 2010-11 Program activities. A total of nine citizens attended the sessions, representing one human service/non-profit organization, four Section 8 Participants, three citizens, and one City Board/Commission. One e-mail was received from a neighborhood association representative. All attendees were receptive to the proposed Action Plan projects. To date, no comments have been received.

A link to the proposed 2010-11 Annual Action Plan is available on the front page of the City's web site at <http://www.cityofames.org/>.

ALTERNATIVES:

1. The City Council can approve submittal of the City's 2010-11 CDBG Annual Action Plan with the projects presented above.
2. The City Council can approve submittal of the City's 2010-11 CDBG Annual Action Plan with modifications.

MANAGER'S RECOMMENDED ACTION:

The proposed program of activities addresses community development priorities expressed by Council, and public support for these programs have been received from community members who chose to comment.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, approving approve submittal of the City's 2010-11 CDBG Annual Action Plan with the projects presented above.