

COUNCIL ACTION FORM

SUBJECT: CDBG 2011-12 AMENDED ANNUAL ACTION PLAN

BACKGROUND:

At the September 13, 2011 meeting, the City Council directed staff to amend the 2011/12 Community Development Block Grant (CDBG) Annual Action Plan with the proposed projects shown on *Attachments 1 & 2*. As a part of that action, Council redirected \$25,000 of funding for creation of a pilot program to assist a property owner with funds to rehabilitate a single-family rental property for conversion back into an owner-occupied unit.

The next steps involved preparing the action plan for public comment (which ended on October 23), and setting October 25 as the date of public hearing. The amended plan will then be submitted to the Department of Housing and Urban Development (HUD) for approval.

Also attached is the Executive Summary of the 2011-12 CDBG Amended Action Plan.

ALTERNATIVES:

1. The City Council can authorize submittal of the CDBG 2011-12 Amended Action Plan activities as attached.
2. The City Council can authorize the submittal of the attached CDBG Amended Action Plan activities with modifications.
2. The City Council can choose to not authorize submittal of the attached CDBG 2011-12 Amended Action Plan to HUD.

MANAGER'S RECOMMENDED ACTION:

The City Council has followed all required steps, and the attached Action Plan reflects the project activities supported by the Council's previous direction on September 13, 2011.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby directing staff to submit the CDBG 2011-12 Amended Action Plan to HUD.

ATTACHMENT 1

PROPOSED 2011-12 AMENDED ANNUAL ACTION PLAN PROGRAM ACTIVITIES

Project Activities	Program Description	Priority Goal	CDBG National Objective
<p>The Neighborhood Sustainability Program is comprised of the following subcomponent programs:</p> <ol style="list-style-type: none"> 1. Housing Improvement Rehabilitation Program: <ol style="list-style-type: none"> a. Exterior Maintenance b. Emergency Repair Assistance c. “Pilot” Single-family Conversion Project 2. Homebuyer Assistance 3. Slum and Blight Program 	<p>The overall goal of the Neighborhood Sustainability program is to increase the availability of housing to low- and moderate-income families and to maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods by providing <u>home repair grants</u> for owner-occupied housing units, and repair assistance to property owners of single-family rentals for conversion back to single-family homeownership and <u>down payment and closing cost assistance</u> to first-time homebuyers, and demolish deteriorated properties.</p>	1,2	Low- & Moderate-Income Benefit
<p>The Public Improvement Program is comprised of the following subcomponent programs:</p> <ul style="list-style-type: none"> • Neighborhood Infrastructure Improvements (curb, street resurfacing, sidewalks, etc.) in targeted low- and moderate-income census tracts 	<p>The overall goal of the Public Improvement Program is to preserve and enhance the viability and aesthetics of our core existing neighborhoods by maintaining the public infrastructure.</p>	3	Low- & Moderate-Income Benefit

ATTACHMENT 2

PROPOSED AMENDED 2011-12 Action Plan Expenditure Budget:	
<u>Programs</u>	<u>Budget</u>
Neighborhood Sustainability Program (Slum and Blight) Dangerous Buildings Program	135,000*
Neighborhood Housing Improvement Program (including City-owned properties)	426,762*
Pilot-Single-family Conversion Project	25,000*
Homebuyer Assistance Program	100,000
Neighborhood Infrastructure Improvements Program	406,297
2011-12 Program Administration (20% of 11-12 Allocation + 20% Anticipated Program Income)	<u>110,648</u>
Total	\$1,203,707
AMENDED 2011-12 Action Plan Revenue Budget:	
2011-12 CDBG Allocation	445,371
2010-11 Anticipated Program Rollover	650,466
2011-12 Anticipated Program Income	<u>107,870</u>
Total 2011-12	\$1,203,707

*Includes \$100,466 of Service Delivery expenses for Program Administration (inspectors, legal fees and documents, contracted staff assistance)



CITY OF AMES

Community Development Block Grant Program (CDBG)

AMENDED 2011-2012 ANNUAL ACTION PLAN



AMENDED Third Program Year Action Plan

The CPMP **AMENDED Third** Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

The City of Ames Planning & Housing Department has prepared a Consolidated Housing and Community Development Plan for the years 2009 through 2014 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.

Program Year 3 Action Plan Executive Summary:

Due to an unforeseen flooding event that occurred in the City of Ames in August 2010 which destroyed and/or damaged both residential and commercial properties, \$500,000 of the 2010-11 budget allocated was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division. Unfortunately, the City was notified by the State that the properties identified **did not** meet the funding threshold for acquisition for Hazard Mitigation Grant Program funding (HMGP). Therefore, the City withdrew its application for a Flood Buy-out Program, which consequently means that the \$500,000 which was set aside in the 2010-11 CDBG program year has to be reallocated into other programs/projects in the 2011-12 program year.

As outlined in the original 2011-12 action plan submitted back in May 2011, the City of Ames' strategies toward serving the needs of extremely low-income, low-income, and moderate-income families 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. The main areas of focus anticipated over the upcoming five (5) year Consolidated Plan period will be **to continue** to utilize CDBG and other local and/or state funds to address the priority need categories listed below:

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

The above priority needs continue to provide the most positive impacts on addressing the needs of very low-, low-, and moderate-income households in the community. The City, as a new entitlement community, was very successful in implementing the program activities that led to having exceeded the 70% low- and moderate-income benefit expenditure requirement by approximately 25%. Therefore the City, over the next five year period, will continue to administer and focus its programming in the above three priority need areas.

One of the City Council's goals **continues** to be to Strengthen Neighborhoods. Therefore, Action Plan projects will focus on various activities that will strengthen neighborhoods by implementing housing-related activities for both rental and owner-occupied (e.g., homeownership assistance, rehabilitation, slum and blight removal, etc.) and by implementing public facilities infrastructure activities (e.g., sidewalks, street and curb repair, water, sewer improvements, etc.). Additionally, the City plans to continue to focus on the ASSET process as a vehicle for providing financial assistance for the needs of and service delivery to persons with incomes at 50% or less of the Story County median income limit, and to the homeless.

The following is an overview of the **Amended** 2011-12 program year activities and rollover activities that will be proposed to be implemented in fiscal year July 1, 2011, to June 30, 2012, that will focus on two (2) of the above five-year priority goals that can directly address strengthening neighborhoods:

1. HOUSING ACTIVITIES OBJECTIVE: 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. Under this objective for 2011-12 the City **will continue** to implement the following subcomponent programs under the **Neighborhood Sustainability Programs:**

a. **Acquisition/Reuse, and/or Slum and Blight Component.** The objectives of these programs are to continue to seek, 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: 1) Converting single-family rentals or non-rental properties in existing neighborhoods that are “for sale” back into single-family homeownership; 2) Matching, where possible, with eligible low-income (80% or less of AMI) first-time homebuyers through the Homebuyer Assistance Program and/or sale to Non-Profit Organizations; 3) Assisting in code enforcement 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; 4) Acquiring foreclosure properties and vacant lots and re-selling them to non-profit organizations, and/or for-profit developers, for affordable housing; and 5) Concentrating, if possible, in targeted low-income census tracts. The overall goal of the Neighborhood Sustainability Program is to increase the availability of housing to low-income families and to maintain decent, safe, and sanitary housing stock in existing neighborhoods.

Under the Slum and Blight Component, a “**Dangerous Building Program,**” will be implemented. The program is designed to demolish deteriorated properties that have been identified by city code regulations as being unsafe and in need of immediately repaired or need to be demolished. The budget for this program has been **amended** to approximately \$135,000 (including administrative cost), of which \$100,000 will come from the 2011-12 allocation and \$35,000 will come from the 2010-11 rollover balance.

b. **Homebuyer Assistance Program Component.** The objective under this program is to provide financial assistance to qualified low- and moderate-income first-time homebuyers, with incomes at or below 80% of the area median income limits, to purchase existing and/or newly constructed single-family housing in residentially-zoned areas. The overall goal of the Homebuyer Assistance Program is to allow low- and moderate-income households to gain access to housing and/or improve their housing status. The program budget for 2011-12 **remains** at approximately \$100,000, which will come from the 2011-12 allocation.

c. **Neighborhood Housing Improvement Program Component.** The Neighborhood Housing Improvement Program objective will be to provide financial assistance to qualified low- and moderate-income single-family homeowners at or below 80% of the area median income limits to improve the physical condition of their single-family homes in residentially-zoned areas. The overall goal of the Neighborhood Housing Improvement Program is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. The **amended** program budget for 2011-12 is approximately \$340,466 (\$45,466 for service delivery costs) and will come from the 2010-11 rollover balance. Additionally, approximately \$86,296 (\$40,000 for service delivery costs) has been budgeted from the 2010-11 rollover balance to cover repair improvements needed on properties purchased under the Acquisition/Reuse Program. And approximately \$25,000 has been an **added** allocation from the 2010-11 rollover balance to implement a "Single-family Conversion" pilot project to offer repair funds to a property owner of a single-family rental unit to improve and make it available for purchase to low- and moderate-income homebuyers.

d. **Neighborhood Infrastructure Improvements Program.** The Neighborhood Infrastructure Program objective will be to make various infrastructure improvements (curb, sidewalks, street, etc.) in targeted low- and moderate-income census tracts. The overall goal of the Program is to preserve and enhance the viability and aesthetics of the infrastructure in our core existing neighborhoods. The **amended** program budget for 2011-12 is approximately \$406,297, of which \$256,297 will come from the 2011-12 program allocation and approximately \$150,000 from the 2010-11 rollover balance.

**See Attachment 1 for Amended Project Worksheets and
Five-Year Objectives and Outcomes Table**

Amended 2011-12 Action Plan Expenditure Budget:

<u>Programs</u>	<u>Budget</u>
Dangerous Building Program (Slum & Blight)	135,000
Neighborhood Housing Improvement Program	426,762
Single-Family Conversion Project	25,000
Homebuyer Assistance Program	100,000
Neighborhood Infrastructure Improvements Program	406,297
2011-12 Program Administration	<u>110,648</u>
Total	\$1,203,707

Proposed 2011-12 Action Plan Revenue Budget:

2011-12 CDBG Allocation	\$ 445,371
2010-11 Anticipated Program Rollover	650,466
2011-12 Anticipated Program Income	<u>107,870</u>
Total 2011-12	\$1,203,707

The overall goals of the above program activities are to increase the supply of affordable housing, to allow low- and moderate-income persons to gain access to

housing and/or improve their housing status, and to preserve and enhance the viability and aesthetics of the infrastructure in our core existing neighborhoods.

The following CDBG National Objectives will be addressed:

- Low- and moderate-income Area Benefit
- Low- and moderate-income Housing Benefit
- Slum and Blight

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.

Will be completed after public hearing.

3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 3 Action Plan Citizen Participation response:

1-3. The City of Ames' Citizen Participation Plan, found in the Attachment Section of the Consolidated Plan, lays out the general guidelines around which the Consolidated Plan was developed and outlines methods for citizens to guide and assist the City in formulating the Plan. The objective of the Citizen Participation Plan is to ensure that Ames citizens are given the opportunity to and are encouraged to participate in planning for and preparing the Five-Year Consolidated Plan; the Annual Action Plans, including amendments to the Plan; and the Annual Performance Reports. All interested parties are urged to participate, but a special emphasis is placed on participation by the following groups:

- low- and moderate-income persons;
- public and private agencies that provide assisted housing, health services, and social services; and
- public and assisted housing agencies.

The City held public forum sessions (prior to the comment period) to get feedback from various community providers and citizens about the Amended 2011-12 Action Plan. Various human services agencies, non-profit organizations, and neighborhood associations were sent letters of notification. A press release was sent out to all forms of the media indicating that the public forum would be held. Two sessions were held on Wednesday, September 7, 2011, at 9:00 a.m., and at 6:00 p.m. A total of five citizens, representing three human service/non-profit organizations, one business, and one (1) citizen, attended the sessions. One e-mail was received from a neighborhood association representative.

In an effort to inform and encourage input, the information regarding the public hearing, in the form of a special advertisement, will be placed in the FREE local newspaper (to ensure that lower income, elderly, disabled, and other minorities will have greater access to the information), and the hearing notice and plan documents will be placed on the City's website and a copy will be placed at the Ames Public Library.

The public hearing will be held on October 25, 2011, to receive comments prior to the submittal of the Action Plan. **Any comments received at the hearing will be included prior to the plan being submitted to HUD.**

See the original 2011-12 Action Plan for narratives, documents, maps, etc. for programs and information that remained the same.