

COUNCIL ACTION FORM

SUBJECT:2012-13 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BACKGROUND:

In order to receive federal Community Development Block Grant (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, or CHAS) for the jurisdiction. This Plan requires detailed background information on the community derived from both census data and other comprehensive studies performed by the community. The Plan must also identify, over a five-year period, the goals and priorities to address the housing and community development needs of low- and moderate-income persons and the housing and community development needs of non- low- and moderate-income persons in the community. The goals and priorities that the City identified in its 2009-14 Consolidated Plan are outlined in **Attachment 1**. The City's Consolidated Plan was submitted and approved by HUD in July 2010.

The Consolidated Plan requires that the City develop an Annual Action Plan that outlines the program activities to 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.

HUD regulations require that the Annual Action Plan be submitted for approval within 45 days before the beginning of the program fiscal year (i.e., by May 17, 2012). It also requires that the Plan be published for 30 days to allow for citizen input on the proposed project(s) for the utilization of the funds.

HUD recently published the 2012 CDBG funding allocations for entitlement cities. The City of Ames allocation is listed at \$511,276 for FY 2012. Although the City only recently received approval of our 2011-12 Amended Action Plan, it is time to begin the process for determining the 2012-13 Annual Action Plan Projects. As in the past, staff will meet with the Council to review proposed plan priorities and projects prior to conducting forums for public input.

Prior to proposing activities for the Annual Action Plan, staff reviews the following HUD guidelines that outline the following key steps:

- Determine if the proposed activity is included in the listing of eligible activities;
- Determine if the proposed activity meets the City's Consolidated Plan priority goals for addressing the needs of low- and moderate-income persons within the community;
- Determine if the proposed activity can meet one or more National Objectives;

- Ensure that carrying out the activity will meet HUD's requirement that 70% of the grantee's CDBG expenditures, over a three-year period, will be on activities that benefit low- and moderate-income persons; and
- Meet the new performance measurements requirements.

Staff continues to work closely with HUD on identifying program activities that not only meet the above key steps, but can be successfully administered by the City from year to year. **HUD has continually stressed to staff that their expectation for the City as an entitlement community is to ensure compliance with program time lines in regards to projects completed and dollars expensed**, program compliance for projects and expenditure of funds, and accurate documentation that the funds are being spent on eligible activities. The City will also be held accountable for program activities done in partnership with sub-recipients, and must ensure that sub-recipients have the administrative and financial capacity and experience to carry out the required activities.

Attachment 2 is a table showing the proposed 2012-13 Annual Action Plan program activities. The programs being recommended for next year (**Home Improvement Rehabilitation, Homebuyer Assistance, Dangerous Building, Single-Family Conversion, and Neighborhood Infrastructure Improvements**) are the same as 2011-12. These programs continue to focus on the Council's goal of strengthening our neighborhoods.

Staff's rationale for recommending a continuation of these programs is as follows:

- The proposed projects are consistent with the Council's goals and priorities to focus on neighborhood sustainability by improving both the housing stock and the infrastructure in low- and moderate-income vital core neighborhoods.
- The proposed projects reduce the downtime for starting new programs that can affect the City's ability to meet HUD's timely expenditure requirements.
- The limited number of programs proposed for FY 2012-13 reflect the workload capabilities of staff assigned to the CDBG program.

All of the activities proposed would be of 100% benefit to low- and moderate-income persons and/or neighborhoods.

If the proposed 2012-13 Action Plan Projects are acceptable to City Council at this time, the next steps will be to conduct a public forum to gain input from citizens on the proposed projects, and then prepare the Action Plan document, which is composed of narratives in regard to our mission, needs, goals, etc.

ALTERNATIVES:

1. The City Council can approve the proposed 2012-13 Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program. This alternative will also authorize staff to conduct public forums, prepare the Action Plan document for the 30-day public comment period, and set May 8, 2012, as the date of Public Hearing.

2. The City Council can approve, with modifications, the proposed 2012-13 Annual Action Plan Program Projects.
3. The City Council can refer this item back to staff with further direction.

MANAGER'S RECOMMENDED ACTION:

The programs being recommended for next year (Home Improvement Rehabilitation, Homebuyer Assistance, Single Family conversion, and Dangerous Buildings removal, as well as Neighborhood Infrastructure Improvements) focus on the City Council's goal of strengthening our neighborhoods and are consistent with the priorities of the City's 2009-14 Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the proposed 2012-13 Annual Action Plan Program Projects, and authorizing staff to proceed with conducting public forums, preparing the Action Plan document for the 30-day public comment period, and setting May 8, 2012, as the date of Public Hearing.

ATTACHMENT 1

2009-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR LOW- AND MODERATE-INCOME PERSONS
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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.
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3. CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services.
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2009-2014 COMMUNITY DEVELOPMENT GOALS AND PRIORITIES FOR <u>NON</u>- LOW- AND MODERATE-INCOME PERSONS
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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.
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ATTACHMENT 2

PROPOSED 2012-13 AMENDED ANNUAL ACTION PLAN PROGRAM ACTIVITIES

Project Activities	Program Description	Priority Goal	CDBG National Objective
The Neighborhood Sustainability Program is comprised of the following subcomponent programs: 1. Home Improvement Rehabilitation Program 2. Homebuyer Assistance 3. Dangerous Buildings Program 4. Single-family Conversion Program	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 in conjunction with our Dangerous Building Initiatives.	1, 2	Low- & Moderate-Income Benefit
The Public Improvement Program is comprised of the following subcomponent programs: • Neighborhood Infrastructure Improvements (curb, street resurfacing, sidewalks, etc.) in targeted low- and moderate-income census tracts	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.	3	Low- & Moderate-Income Benefit