

**COUNCIL ACTION FORM**

**SUBJECT: 2013-14 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM  
PUBLIC FORUM FOLLOW-UP**

**BACKGROUND:**

As part of the City's process for preparing the CDBG Annual Action Plan, staff on February 7, 8 and 9, 2013, hosted three public forum meeting opportunities. The goals of the public forums are to 1) educate the public about the CDBG Program, 2) receive feedback on program activities based on customer input received from staff during program implementation and/or from requests for assistance, and 3) receive input from various community groups, organizations and citizens regarding other possible program activities.

A total of 26 persons, representing AMOS, Youth & Shelter Services, Heartland Senior Services, Story County Community Housing Corporation, Emergency Residence Project, Project Iowa, United Church of Christ, St. Thomas Aquinas Church, five citizens and the Ames Tribune attended and/or gave specific input.

The overall feedback and concerns from the public forums continues to center around Affordable Housing, and more specifically this year towards affordable rental housing.

Interest was expressed to see if CDBG funds could be used in the following areas: (Staff comments follow in italics)

- 1. Support the City continuance of utilizing CDBG funds to administer the Renter Affordability Program (deposit and/or first month's rental assistance).**

*At Council's direction, this program was reinitiated for the current year, with anticipation that the program could be continued in 2013/14.*

- 2. Expand the Dangerous Buildings Program to include substandard rental properties for non-profit organizations to build new affordable housing units.**

*The existing Dangerous Buildings Program was designed to remove both residential and commercial dangerous buildings, with a focus on public safety, under our slum and blight removal program. The additional expansion for non-*

*profit organizations would require more program extensive administrative implementation and oversight to insure that the LMI benefit is achieved.*

- 3. Set aside the 15% public service cap for non-profit organizations in order for them to apply for the implementation of various programs or services.**

*Under the CDBG regulations the activity (ies) would need to be a new or expanded program or service. The City currently uses the ASSET process to fund non-profit human services.*

- 4. If any affordable housing is removed for any reason (dangerous, substandard, flooding, expansion, etc.), there should be a one-to-one replacement of each property, due to the affordable housing shortage.**

*A policy statement suggested for City Council consideration.*

- 5. Utilize CDBG funds to assist Project Iowa with job training opportunities for under-employed persons seeking living wage careers and employers seeking workers, thereby transforming lives and benefitting communities.**

*This is an eligible activity under CDBG. However, it is not one of the three priority goals for addressing the needs for low- and moderate- income (LMI) persons contained in the City's current Five-Year Consolidated Plan for 2009-2014.*

- 6. Utilize CDBG funds to subsidize K-12 students for CyRide transportation costs to attend school.**

*Council discussed this budgetary request in the past and chose not to subsidize this effort. Under CDBG regulations individual households would have to meet the LMI guidelines for qualification.*

- 7. Utilize CDBG funds to assist with expanding affordable rental housing.**

*This is an area where Council would need to determine if it desires to incentivize rental property owners.*

**8. Utilize CDBG funds to assist with the Coordination Intake Process for non-profits to track assistance provided to homeless individuals and/or households.**

*This is also an activity that should appropriately be considered and/or addressed by ASSET.*

Depending on the amount of CDBG funds that the City will receive for 2013-14, and taking into consideration the public forum comments, staff recommends the following programs be considered for implementation: **Home Improvement Rehabilitation, Homebuyer Assistance, Acquisition/Reuse, Operations & Repair, Dangerous Buildings, Deposit Assistance and Neighborhood Infrastructure Improvements.** (See attachment 1.)

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**, thus helping the City to meet HUD's timely expenditure requirements.
- The limited number of programs proposed for FY 2013-14 reflects the workload capabilities of staff available to administer the CDBG program.
- The activities meet the Housing and Community Development priority goals outlined in the City's 2009-14 Consolidated Plan.

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

**ALTERNATIVES:**

1. The City Council can approve the proposed 2013-14 Annual Action Plan Program Projects in connection with the City's Community Development Block Grant Program. This alternative will also authorize staff to prepare the Action Plan document for the required 30-day public comment period.
2. The City Council can approve the proposed 2013-14 Annual Action Plan Program Projects with modifications.
3. The City Council can refer this item back to staff with further direction.

**MANAGER'S RECOMMENDED ACTION:**

Significant public input was received regarding how the City's CDBG allocation could be spent next year. While a number of programs suggested by the public could be viable in

the future, two important factors must be considered. First, adding most of these programs at this time would require the City to go through the lengthy process of updating our current Five-Year Consolidated Plan. Second, each newly created program would involve a significant amount of staff time to create and administer. Such efforts would detract from staff's efforts to administer the current activities, which all focus on City Council's goal of strengthening our neighborhoods and which are consistent with the priorities in the City's 2009-14 Consolidated Plan. It would be most efficient to delay consideration of these new programs until 2013/14 when the City goes through the process of creating the next Five-Year Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the proposed 2013-14 Annual Action Plan Program Projects, and authorizing staff to prepare the Action Plan document for the 30-day public comment period.

## ATTACHMENT 1

### PROPOSED 2013-14 PROPOSED ANNUAL ACTION PLAN PROGRAM PROJECTS

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"> <li>1. Home Improvement Rehabilitation Program</li> <li>2. Homebuyer Assistance</li> <li>3. Dangerous Buildings Program</li> <li>4. Deposit Assistance Program</li> <li>5. Acquisition/Reuse</li> <li>6. Operation &amp; Repair</li> </ol>	<p>The overall goal of the Neighborhood Sustainability program is: (a) to increase the availability of housing to low- and moderate-income families; (b) maintain and sustain decent, safe, and sanitary housing stock in existing neighborhoods by providing home repair grants for owner-occupied housing units; (c) provide repair assistance when purchasing foreclosed properties to sell to first-time homebuyers or to a non-profit housing organization for homeownership; (d) provide down payment and closing cost assistance to first-time homebuyers; (e) demolish deteriorated properties in conjunction with our Dangerous Building Initiatives; and (f) provide deposit and/or first month rent assistance to Section 8 Housing Choice Voucher households.</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"> <li>• Neighborhood Infrastructure Improvements (curb, street resurfacing, sidewalks, etc.) in targeted low- and moderate-income census tracts</li> </ul>	<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