

COUNCIL ACTION FORM

SUBJECT: FY 2016/17 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

City staff hosted public forums on February 22 and 23 to gather input regarding possible projects for consideration in the FY 2016/17 Annual Action Plan as part the City's Community Development Block Grant (CDBG) Program. A total of twenty-two persons attended and participated in the forum discussions, including representatives from HUD, Mainstream Living, Habitat for Humanity of Central Iowa, Salvation Army, ACCESS, YSS, ERP, AMOS, Ames Community Schools, United Way, Volunteer Center, Oak-Riverside and College Creek Old Middle School neighborhood representatives, two citizens, and a representative from the Ames Tribune.

Attendees participated in a group activity where they were asked the following questions:

- Are the recently adopted FY 2014- FY 2018 Strategic Plan Goals and Priorities still consistent with addressing the needs for the community?
- Are the project activities consistent with the project activities goals adopted in the FY 2015/16 Action Plan? Which of these activities should continue in FY 2016/17?
- Are there any other emerging needs in the community that should be addressed?

Attachment A reflects the participants' feedback and comments.

Overall feedback continues to center around the lack of and need for more affordable housing for low-income persons in the form of rental, shelters, transitional, and homeownership units. In regards to public services, support continues for the Security Deposits, 1st Month's Rent, and Transportation Assistance programs. The need to add back the Childcare Assistance Program was suggested.

Taking into consideration the public forum comments, staff recommends that the City continue with only the Acquisition/Reuse for Affordable Housing, Rehabilitation, Homebuyer Assistance, and Renter Affordability Programs (adding in the Childcare Assistance Program) that were adopted in the 2015/16 Action Plan. These programs are outlined in Attachment B.

Staff's reasons for proposing that we continue only with the project activities noted above for FY 2016-17 are as follows:

- These project activities are consistent with the recently adopted 2014/18 Five-Year Consolidated Plan goals that address the following two barriers that were outlined in the 2013 Impediments to Fair Housing Analysis Study: 1) the "lack of available, decent rental units in affordable price ranges," and 2) the "cost of housing" for both renters and home buyers. Additionally, the data outlined in the Comprehensive Housing Affordability Strategy (CHAS) and in the American

Community Survey (ACS) information for the City of Ames is consistent with the two needs outlined above.

- The proposed projects are consistent with the City Council's goals and priorities to focus on neighborhood sustainability by improving and expanding the housing stock for low- and moderate-income households in our vital core neighborhoods.
- The proposed implementation sequence for the project activities should help meet HUD's timely expenditure requirements.
- All of the activities proposed would be of 100% benefit to low- and moderate-income persons.

The City was notified by HUD that its FY 2016/17 CDBG allocation will be \$490,986, which is approximately \$6,000 more than the FY 2015/16 allocation. Of this amount, approximately \$392,789 is available for programming, not including any FY 2015/16 anticipated program roll-over balance. **Staff is cautiously anticipating a rollover balance of approximately \$400,000 (not including administration), which would provide approximately \$792,789 to be available for the FY 2016-17 program year.**

From the discussion with the College Creek Old Ames Middle School Neighborhood Association and the comments from the public forum regarding the re-development of the 321 State Avenue site, staff is proposing that the FY 2016/17 Annual Action Plan also include \$392,789 from the FY 2016/17 CDBG allocation that is available for programming to go towards public infrastructure improvements for the 321 State Avenue site.

Staff is proposing that the anticipated budget of \$792,789 be allocated to the project activities outlined in Attachment B. Staff feels that the need to improve and expand the supply of affordable housing for low and moderate income households can best be accomplished through the implementation of the Acquisition/Reuse for Affordable Housing (Project 1 - \$150,000); Housing Improvements Program (Project 2 - \$150,000); Homebuyer Assistance Program for First-time Homebuyers (Project 3 - \$65,000); the Renter Affordability Program (Project 4 - \$35,000) and Public Improvements Infrastructure Program for 321 State Avenue (Project 5 - \$392,789). Council should note that this budget will reflect 100% of the dollars programmed being directed towards housing benefits.

ALTERNATIVES:

1. The City Council can approve the FY 2016/17 Annual Action Plan Program Projects and Budget in accordance with Attachment B.
2. The City Council can approve the FY 2016/17 Annual Action Plan Program Projects and Budget in accordance with Attachment B **with modifications.**
3. The City Council can refer this item back to staff with further direction.

MANAGER'S RECOMMENDED ACTION:

Utilizing all of the anticipated roll-over balance to continue the four housing related programs included in the current Action Plan in the FY 2016/17 Annual Action Plan will assure that the highest needs outlined in our 2014/18 Consolidated Plan goals and priorities are being addressed. In addition, allocating all of the FY 2016/17 CDBG program funds for the redevelopment of the 321 State Avenue (Old Ames Middle School) site will serve to further the goals of the Consolidated Plan to address the housing needs of the community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This alternative will authorize staff to prepare the FY 2016/17 Action Plan document in accordance with Attachment B for the required 30-day public comment period and set May 10, 2016 as the date for the public hearing on the amended Consolidated Plan and the 2016/17 Annual Action Plan for submittal to HUD by May 17, 2016.

Attachment A

2016 Public Forums Participant Comments/Feedback February 22 & 23, 2016

1. Continue Same Programs

- Deposit
- Transportation
- Down payment
- Rehab/Single-Family/Rental
- 321 State
- Seek NRSA Designation
- Economic Development for Businesses/Job Creation

\$392,789 + Rollover

- Continue Housing Assistance***
 - This is an immediate need
 - Work with Landlords
- Strategy Area (NRSA)
 - Provides Long-term opportunity
 - Short-term impact
 - 51% mix development provides more opportunity
- Continue housing emphasis/assistance
- Strategy area for State Street
 - Which (2) programs
 - Rehab funding for landlords
 - Deposit & interim assistance

\$392,789 + Rollover (\$300,000 possibly)

- Continue to fund programs clearly in demand and with track record of thorough funding utilization.

\$392,789 + Rollover (up to \$500,000)

- Keep Transportation assistance – including gas vouchers
- Keep Rent/Deposit Program
- Need Attention to Gap Assistance
 - For childcare- cover interviews & period before regular child care assistance kicks in.
- Continue Affordable Housing efforts
- Agree to NSRV for 321 State – but aim for 70% LI (not MI) in actual distribution to keep neighborhood's continuity.

- Assist ACCESS with acquisition of new facilities
- Assist home for awhile & ERP with more transitional housing properties.
- Add utility deposit assistance to rental deposit/1st month rent program
- Leverage influence to develop a housing trust fund for Story County
- Minimize use of CDBG funds for existing infrastructure improvement.

A.1 Keep Goals for addressing the creation and expansion of affordable housing for rental and homeownership!

A.2 Goals to address Community Services

1. Park improvements for children & Special Needs.
2. Expanding services for children & Special Needs for activities like skating, swimming, etc.
3. Continue rent/utility/transit assistance

321 State Avenue:

51% yes but don't allocate all funds to this

Attachment B

1	Project Name	Acquisition/Reuse for Affordable Housing: a. Purchase of Vacant In-Fill Lots for Development b. Purchase of Foreclosure Properties for Rehabilitation
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the supply of affordable rental housing • Improve the quality of affordable rental housing • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing
	Funding	CDBG-\$150,000 (rollover)
	Description	Under the implementation of the Acquisition/Reuse for Affordable Housing, which will consist of the purchase of in- fill lots (vacant or with properties needing to be demolished), the purchase of foreclosure properties for rehabilitation, or the purchase single-family or multi-family units that can be rehabilitated components, it is anticipated that 2-4 properties will be acquired for reuse in the either affordable rental or owner-occupied units for households at 80% or less of the Story County median income limits.
2	Project Name	Housing Improvement Rehabilitation Programs: a. Single-family Homeowners b. Rental Property Owners
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the supply of affordable rental housing • Improve the quality of affordable rental housing • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing • Provide Temporary Rental Assistance
	Funding	CDBG-\$150,000 (rollover)
	Description	The 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 is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. Additionally, the assistance will be provided to Rental Property Owners to repair deteriorated rental units and make them

3	Project Name	Homebuyer Assistance for First-time Homebuyers
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> • Increase the availability of affordable owner-occupied housing • Maintain the supply of affordable owner-occupied housing
	Funding	CDBG-\$65,000 (rollover)
	Description	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 AMI 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.
4	Project Name	Renter Affordability Programs a. Deposit & 1st Month's Rent; b. Transportation Assistance; c. Child Care Assistance
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	Continue provision of the Public Service Needs for homeless, special populations, and low income households (utilities, rent, deposits, childcare, transportation, employment training, substance abuse, health services, legal services, and other public service needs) and reduce duplication of services.
	Funding	CDBG-\$35,000 (rollover)
	Description	The Renter Affordability Program Component objective is to provide assistance to low-income households, which are at or below 50% or less of the Story County median income limits, gain access to rental housing units that will improve their housing status, and help them to secure economic stability in order to obtain and/or remain in affordable housing units. The activities that will be implemented will be a Security Deposit, First Month's Rent, Transportation Assistance and Childcare Assistance.
5	Project Name	Public Infrastructure Improvements Program for 321 State Avenue
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	Continue provision of Public Infrastructure Needs in low-income census tracts (water, sewer, street, electric, sidewalk, storm water improvements).
	Funding	CDBG-\$392,789 (new allocation)
	Description	Provide financial assistance to install infrastructure improvements for the re-development of a mixed-use housing residential subdivision.