

COUNCIL ACTION FORM

SUBJECT: FY 2018-19 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND PUBLIC FORUM FOLLOW-UP

BACKGROUND:

City staff hosted public forums on February 5th and 6th to gather input regarding potential projects for the FY 2018-2019 Community Development Block Grant (CDBG) Annual Action Plan. A total of ten (10) persons attended and participated in the forum discussions. This included representatives from College Creek Neighborhood Association, YSS, Emergency Residence Project, Story County, and interested citizens.

An overview of the following items was shared during the forums:

- Review of the adopted 2014-18 Strategic Plan Goals and Priorities, for both low and moderate income and as well as for non-low and moderate income households.
- Review the current 2017-18 Action Plan Projects and budget.
- Overview and update on the status on the development of 321 State Avenue.
- Proposed program activities and budget for the 2018-19 Action Plan.

After reviewing the above items, the attendees were asked to give feedback and input on each item. Additionally, the participants were advised that since we are entering into the 5th and final year of the 2014-2018 5-year Consolidated Plan, no major program suggestions or changes would be recommended. However, attendees were notified that sessions for a new 5-year Consolidated Plan (2018-2023) would begin possibly in the fall of 2018.

Attachment "A" reflects the participants' feedback and/or comments.

The overall feedback continues to center around the continual need of affordable housing for low- income households in the areas of rental, shelters, transitional, and homeownership units and around the continuation of public services such as Security Deposit, 1st Month's Rent and Transportation Assistance.

There seem to be an overall consensus that the 2017-18 Action Plan activities should continue, but more emphasis be given to completing the development of 321 State Avenue for affordable housing.

Taking all of the above information under consideration staff recommends the following proposed projects and budget for the FY 2018-19 Annual Action Plan. In that the FY 2018-19 federal funding allocation has not yet been announced, the proposed budget will be based on the current fy 2017-18 funding allocation amount of \$510,515.

Anticipated/Proposed 2017-18 CDBG Program Revenue Resources	
18-19 CDBG Allocation**	\$ 510,515
17-18 Anticipated Program Rollover	\$ 626,942
18-19 Anticipated Program Income	<u>\$ 6,000</u>
Total 2018-19	\$1,143,457
Non-CDBG Revenue Resources (GO Bond)	<u>\$250,000</u>
Grand Total Revenues	\$1,393,457
** same as 2017-18 Allocation	

Proposed 2018-19 CDBG Program Action Plan Activities and Expenses	
Homebuyer Assistance Program (Assumes average of \$25,000 to \$30,000 per home for down payment assistance)	\$325,000
Public Infrastructure Improvements Program for the Neighborhood Revitalization Strategy Area (Includes CDBG and GO Bond funds)	\$851,354
Public Infrastructure Program Delivery costs (Engineering, etc.)	\$80,000
Renter Affordability Programs (Security Deposits or First Month's Rent, and Transportation Assistance)	\$35,000
Total Programming	\$1,291,354
2018-19 Program Administration	\$102,103
Grand Total	\$1,393,457

Staff's rationale for recommending that we **continue** these project activities for 2018-19 is as follows:

- The 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 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 in low- and moderate-income households and 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.

As noted previously, the City has not been notified of the amount that will be allocated for FY 2018-19. However, we have been advised to project the current FY 2017-18 allocation of \$510,515 for budgeting purpose for the 2018-19 Action Plan projects.

Of the \$510,515, approximately \$408,412 is available for programming, not including any 2017-18 anticipated program roll-over or program income. Approximately, \$102,103 would be set aside for program administration. Staff is cautiously anticipating a rollover balance of approximately \$626,942, and program income of \$6,000 which would provide approximately \$1,143,457 of CDBG “program” funds (not including administration) to be available for the FY 2018-19 program year. An additional \$250,000 was allocated to the 321 State Avenue project from excess G.O. Bond funds in FY 2017-18. The total projected revenue is \$1,393,457.

Staff is recommending that the anticipated budget of \$1,393,457 be allocated to the project activities outlined above. 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 321 State Avenue project, Homebuyer Assistance Program, and the Renter Affordability Programs. The use of rental assistance and homebuyer funds represent about 25% of the total funding used directly toward housing related programs.

ALTERNATIVES:

1. The City Council can approve the proposed FY 2018-19 Annual Action Plan Program Projects and proposed budget in connection with the City's Community Development Block Grant Program, as outlined above. *
2. The City Council can approve the proposed FY 2018-19 Annual Action Plan Program Projects and proposed budget in connection with the City's Community Development Block Grant Program, with modifications. *
3. The City Council can refer this item back to staff with further direction.

*** Approval of Alternative #1 or #2 will also authorize staff to prepare the Action Plan document for the required 30-day public comment period and set May 8, 2018 as the date for the public hearing for the submittal of the FY 2018-19 Annual Action Plan to HUD on or before May 17, 2018.**

CITY MANAGER'S RECOMMENDED ACTION:

Although there was not a high level of participation in the Public Forums, those who attended were seemed to be satisfied with the current program activities as continuing in the right direction to address the needs identified in the 5-Year Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the proposed FY 2018-19 Annual Action Plan Program Projects and proposed budget in connection with the City's Community Development Block Grant Program, as outlined above.

Attachment A

2018 Public Forums Participant Comments/Feedback February 5th and 6th

A. Infrastructure Project for State Avenue:

1. Would be nice to see progress on State Avenue since we are paying taxes and it has been taking so long.
2. Avoid high density units.
3. What should the thru road/infrastructure look like-through Tripp Street or not.
4. Permanent affordable housing.
5. Actual Brick and Mortar.

B. Renter Affordability Programs (Deposit, 1st Month's Rent, Transportation):

1. Deposit and 1st Month's Rental Assistance-could set some aside or not.
2. If not funded, need capacity from other funders to fill in the gap.