

COUNCIL ACTION FORM

SUBJECT: ADDITIONAL PROGRAM FOR PROPOSED 2018-19 ANNUAL ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS

BACKGROUND:

City Council reviewed feedback from Public Forums and directed staff to proceed with preparing a draft Annual Action Plan at its February 27th City Council meeting. **As staff has worked to prepare the Draft Plan we have determined it would be beneficial to include an Acquisition and Reuse program that was not part of the February 27th discussion. Having the Acquisition and Reuse program allows for the City to acquire properties and make them available as affordable housing. The City typically includes this type of program in its Action Plan.**

In addition to adding the program to the planned Activities, a budget for the program must be included. Staff proposes to modify the draft Planned Activities and Expenses provided to City Council on February 27th by moving \$125,000 from Homebuyer Assistance and \$15,000 from 321 State Infrastructure on the following:

Proposed 2018-19 CDBG Program Action Plan Activities and Expenses	
Homebuyer Assistance Program	\$200,000
Public Infrastructure Improvements Program for State Ave. (Includes CDBG and GO Bond funds)	\$836,000
Public Infrastructure Program Delivery costs (Engineering, etc.)	\$80,000
Renter Affordability (Deposits, 1st Month's Rent & Transportation, Assistance) Programs	\$35,000
Acquisition/Reuse Affordability Program	140,354
Total Programming	\$1,291,354
2018-19 Program Administration	\$102,103
Grand Total	\$1,393,457

Final budget figures will be included with the final plan provided for City Council approval in May.

ALTERNATIVES:

1. The City Council can direct staff to prepare a Draft 2018-19 Annual Action Plan consistent with the programs and preliminary budget described above that includes the Acquisition/Reuse program.

This action will amend the Draft Annual Action Plan by adding the Acquisition/Reuse Affordability Program for \$140,345.

2. The City Council can decline to include the Acquisition/Reuse program as part of the draft Annual Action Plan.

CITY MANAGER'S RECOMMENDED ACTION:

The proposed change provides greater flexibility for the City to address affordable housing needs in the upcoming fiscal year. The intent of adding the program would be to focus on a potential acquisition within the NRSA. Addition of the program at this time will allow for staff to incorporate it into the Draft Plan prior to the 30-day public comment period on the Action Plan. City Council previously established the public hearing date of May 8, 2018 for a final decision on the proposed Annual Action Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby directing staff to prepare a Draft Annual Action Plan that includes the Acquisition/Reuse program.

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.