

COUNCIL ACTION FORM

SUBJECT: FY 2022-23 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME PROGRAMS

BACKGROUND:

City Council reviewed draft CDBG and HOME programs for the upcoming Annual Action Plan at their March 22, 2022 meeting and directed staff to proceed with public outreach on the draft programs and budget. On April 14th, City staff hosted two **in-person/virtual** public forums to gather input regarding possible projects for consideration for the FY 2022-23 CDBG/HOME Annual Action Plan as part the City's Entitlement Program. Nine (9) persons attended the in-person forum, and three (3) persons attended the virtual forum. Attendees included representatives from The Bridge Home, Good Neighbor, Home Allies, Chamber of Commerce, Amos, and three (3) citizens from Ames.

The following agenda was presented, and the forum attendees were given the opportunity to participate in a group discussion regarding the agenda items:

1. Basic overview of the CDBG, HOME and CARES-CV Programs
2. Review of the Consolidated Planning requirements.
3. Overview of the Five-year Goals and Priorities created for 2019-23
4. Proposed 2022-23 Annual Action Plan Projects
5. Group feedback
6. Tentative timeline for next steps

The power point presentation of the FY 2022-23 Annual Action Plan will also be available on the Housing Division's website at <http://www.cityofames.org/housing>.

The public feedback was centered around the need to continue to address affordable housing and neighborhoods. Staff has summarized the public comments offered by four of the nine attendees as follows:

- Seek new proposals for the HOME Program/LHTC project in the Baker Subdivision, rather than continuing the Prairie Fire proposal.
- Prefer funds to be spent on brick and mortar.
- Good to continue with current developer for LIHTC project.
- Need a variety of bedroom sized units.

Staff's takeaway from the public input was that there still seems to be a continued consensus that affordable housing and neighborhood investment is needed in the community.

As was shared at the March 22nd City Council meeting, although the President signed the 2022 omnibus appropriations bill on March 15th, **the FY 2022-23 CDBG and HOME funding allocations for entitlement cities has not yet been announced.**

Because the City has not been notified of the amounts for FY 2022-23 program year, staff have been advised to project our current FY 2021-22 CDBG allocation of \$599,177 and HOME allocation of \$350,543 for budgeting for the purposed FY 2022-23 Action Plan projects. **Additionally, staff is recommending the proposed programs as was initially outlined to City Council at the March meeting.** The proposed programs and budget for the 2022-23 Annual Action Plan are listed in **Attachment A**.

Staff received a memo from HUD that stated that FY 2022-23 allocations maybe announced on or around May 13, 2022. HUD also provided additional guidance for grantees in the development of their draft Annual Action Plans for the 30-day public comment period. Also, HUD suggested that grantees consider adding specific “contingency language” to their plans, if they will be publishing a budget using their current year’s (FY 2021-22) allocations as estimates.

Staff does not plan to publish our 2022-23 Annual Action Plan for the 30-day comment until after HUD publishes the allocations on or by May 13th. However, if there is a substantial increase or decrease in the amounts, staff will host an additional public forum and present feedback to Council at their May 24th meeting. This should still allow enough time to prepare the final plan for the 30-day comment and conduct the public hearing on August 9, 2022, in order to meet HUD’s deadline for submitting an adopted plan by August 16th.

ALTERNATIVES:

1. The City Council can approve the proposed draft FY 2022-23 Annual Action Plan Program Projects and proposed estimated budget (Attachment A) and set August 9th as the date of public hearing for approval of submitting the plan to HUD on or by August 16, 2022.
2. The City Council can approve the proposed 2022-23 Annual Action Plan Program Projects and proposed budget (Attachment A) **with modifications** and set August 9th as the date of public hearing for approval of submitting the plan to HUD on or by August 16, 2022.
3. The City Council can refer this item back to staff with further direction.

CITY MANAGER'S RECOMMENDED ACTION:

Although there was not a high level of participation in the Public Forums, those who attended commented that the highest priority centered around affordable housing for low-income families and how funds could be used to increase the supply of affordable rental housing. All of the proposed programs help address the needs identified in the 2019-23 Five-Year Consolidated Plan. **Waiting until the FY 2022-23 allocations are announced before publishing the 30-day comment period appears to be the best option. However, this is a very tight timeframe to get the plan submitted to HUD by the August 16th deadline date.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ATTACHMENT A

2022-23 DRAFT Proposed CDBG/HOME Annual Action Plan Projects and Budget

| DRAFT PROPOSED 2022-23 Action Plan Expenditure Budget: | |
|---|---|
| Programs | Budget |
| CDBG Homebuyer Assistance Program (Down payment and Closing Cost) | \$500,000 |
| Housing Improvement Rehabilitation Program for Single-family Homeowners | \$225,000 |
| Infrastructure Pocket Park Improvements-Baker Subdivision | \$130,000 |
| Acquisition/Slum and Blight Removal Program | \$275,279 |
| CDBG-CV CARES (Rent, Mortgage & Utility) Relief Assistance | \$58,282 |
| CDBG-CV CARES Public Services Assistance-Mental Health (To Be Determined) | \$85,000 |
| HOME Multi-Family LIHTC Assistance New Construction | \$1,801,222 |
| General Administration for CDBG, HOME & CARES | CDBG: \$119,836 HOME: \$177,808 CARES: \$10,000 |
| Total | \$3,382,427* |
| DRAFT PROPOSED 2022-23 Action Plan Revenue Budget: | |
| 2022-23 Anticipated CDBG Allocation | \$599,177 |
| 2021-22 Anticipated CDBG Program Rollover | \$600,000 |
| 2021-22 Anticipated CDBG Anticipated Program Income | \$50,938 |
| 2021-22 Anticipated CDBG-CV CARES Rollover | \$153,282 |
| 2022-23 Anticipated HOME Allocation | \$350,543 |
| 2020-21 Anticipated HOME Program Rollover (Admn & Programming) | \$1,681,068 |
| 2022-23 Minus Anticipated CHDO Set Aside | - \$52,581 |
| Grand Total CDBG & HOME | \$3,382,427* |

*City Council should note that the anticipated revenue for the CDBG program rollover and the anticipated program income are cautious estimates being projected by staff. These projections will be adjusted when the 2022-23 allocations are announced.