

COUNCIL ACTION FORM

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

BACKGROUND:

At its March 22 meeting, City Council reviewed draft CDBG and HOME programs for the upcoming 2022-23 Annual Action Plan and directed staff to proceed with public outreach regarding the draft programs and budget.

On April 14, City staff hosted **in-person** and **virtual** public forums to gather input regarding possible projects for consideration for the 2022-23 CDBG/HOME Annual Action Plan as part the City's Entitlement Program. Nine people attended the in-person forum, and three attended the virtual forum. Attendees included representatives from The Bridge Home, Good Neighbor, Home Allies, Chamber of Commerce, AMOS, and three residents from Ames.

On May 18, staff was notified that HUD had announced the 2022-23 funding allocations and that the City of Ames would be receiving CDBG funding in the amount of \$569,187 (a \$29,990 decrease) and HOME funding in the amount of \$405,511 (a \$54,968 increase).

To adjust for the \$29,990 decrease in CDBG funding, the single-family housing rehabilitation program and the Acquisition/Slum and Blight activities were reduced by \$14,995 each (one half of the \$29,990). The single-family housing rehabilitation program will now be at \$210,005 and the acquisition/slum and blight program will now be \$260,284.

To adjust for the \$54,968 increase in the HOME funding, the HOME Multi-family LIHTC Assistance New Construction program was adjusted down to \$1,801,000; a single-family new home construction program in the amount of \$82,000 was added; and the allocation for CHDOs was increased to \$60,827 (15% of the HOME allocation) based on HUD requirements. (see Attachment A for both adjustments).

City Council then directed staff to proceed with preparing the 2022-23 Proposed Annual Action Plan for the 30-day required public comment period. The proposed plan was made available for public comment from July 1 through August 1. **No comments were received during this time period.**

ALTERNATIVES:

1. Approve the proposed draft 2022-23 Annual Action Plan Program Projects and proposed budget (Attachment A) in connection with the City's CDBG/HOME programs and direct staff to submit the plan for approval by HUD on or by August 16, 2022.
2. Approve the proposed draft 2022-23 Annual Action Plan Program Projects and proposed budget (Attachment A) in connection with the City's CDBG/HOME programs and direct staff to submit the plan for approval by HUD on or by August 16, 2022 **with modifications.**

CITY MANAGER'S RECOMMENDED ACTION:

All the projects included in the draft plan will continue to help address the needs identified in the 2019-23 Five-Year Consolidated Plan.

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

ATTACHMENT A

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

REVISED DRAFT PROPOSED 2022-23 Action Plan Expenditure Budget:	
Programs	Budget
CDBG Homebuyer Assistance Program (Down payment and Closing Cost)	\$501,999
Housing Improvement Rehabilitation Program for Single-family Homeowners	\$212,004
Infrastructure Pocket Park Improvements-Baker Subdivision	\$130,000
Acquisition/Slum and Blight Removal Program	\$262,285
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	\$1,801,000
HOME Single New Home Construction	\$82,000
General Administration for CDBG, HOME & CARES	CDBG: 113,837 HOME: \$142,752 CARES: \$10,000
Total	\$3,399,159
REVISED DRAFT PROPOSED 2022-23 Action Plan Revenue Budget:	
2022-23 Anticipated CDBG Allocation	\$569,187
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	\$405,511
2020-21 Anticipated HOME Program Rollover (Admin & Programming)	\$1,681,068
2022-23 Minus Anticipated CHDO Set Aside	- \$60,827
Grand Total CDBG & HOME	\$3,399,159

*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 2021-22 program year is finalized and closed.