

ITEM #:	<u>36</u>
DATE:	<u>04-14-26</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

SUBJECT: FOLLOW UP OF PUBLIC FORUMS AND 2026-27 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAMS

BACKGROUND:

As part of the City's approved 2024- 29 Five-Year Community Development Block Grant (CDBG) and HOME Consolidated Plan, the City must prepare an Annual Action Plan that outlines the proposed activities and budget to be implemented in the upcoming year, which addresses the needs of low- and moderate-income households as well as the needs of non-low- and moderate-income households in the community. Those activities should be consistent with the goals and priorities identified in the Consolidated Plan.

The Annual Action Plan can address one or all of the goals and priorities of the housing and community development needs identified in the Consolidated Plan. The goals and priorities the City identified in its 2024-29 Consolidated Plan are outlined in Attachment 1.

Prior to proposing activities for the Annual Action Plan, staff review the following HUD guidelines that outline the following key steps:

- Determine if the proposed activity is included in the list of eligible activities.
- Determine if the proposed activity meets the City's Consolidated Plan priority goals for addressing the needs of low- and moderate-income persons within the community;
- Determine if the proposed activity can meet one or more National Objectives.
- Ensure that carrying out the activity will meet HUD's requirement that 70% of the grantee's CDBG expenditures, over a three-year period, will be on activities that benefit low- and moderate-income persons; and
- Meet the performance measurements requirements.

HUD regulations require that Annual Action Plans be submitted for approval within, at least, 45 days before the beginning of the program fiscal year (i.e., for the City of Ames, that would be by May 17, 2026). However, final funding allocations have just recently been provided to the City and, as a result, staff has requested an extension to finalize the Plan and provide public notice before final Council approval later this summer.

On March 10th, the City Council reviewed a proposed list of programs and projects and funding for the projects. At that meeting, Council directed staff to proceed with seeking public input on the draft programs and projects

On March 25, 2026, City staff hosted two in-person public forums to gather input on potential projects for the 2026-27 CDBG/HOME Annual Action Plan. Nine (9) persons attended the in-person forums. Attendees included representatives from Good Neighbor, The Bridge

Home/CISS, Christ Community Church, Heartland of Story County, Friendship Ark, ACCESS, and Pathway to Home.

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 HOME-ARP Programs
2. Review of the Consolidated Planning Requirements.
3. Overview of the Five-Year Goals and Priorities created for 2024-29
4. Proposed 2026-27 Annual Action Plan Projects
5. Group feedback and
6. Tentative Timeline for next steps

The 2026-27 Annual Action Plan PowerPoint presentation recording has also been made available on the Housing Division's website, at www.cityofames.org/housing.

Staff did not receive any comments regarding the proposed FY 2026-27 action plan activities.

At the March 10, 2026, City Council meeting and at the March 25, 2026, Public Forums, the FY 2026-27 CDBG and HOME funding allocations for entitlement cities had not yet been announced. Therefore, staff had to project the 2025-26 CDBG Allocation of \$552,927 and HOME Allocation of \$278,382 for the proposed budgeted activities, with the hopes that notifications would be announced soon.

The good news is that on April 3, 2026, HUD released the FY 2026-27 CDBG/HOME Allocations and the final budgeting can now be completed.

The City of Ames was awarded the following amounts:

- CDBG: \$547,112 = \$5,805 decrease from the projection;
- HOME: \$270,579.98 = \$7,802.28 decrease from the projection.

CDBG:

Staff has updated the proposed budget project activities with the updated FY 2026-27 CDBG/HOME allocations that were presented at the March 10th City Council meeting (See FY 2026-27 Proposed Budget Attachments) as follows:

- Homebuyer Assistance Program citywide \$160,000;
- Disposition of Properties \$12,000;
- Public Facilities Rehabilitation Program for area non-profit organizations funded through ASSET \$222,923.
- As a result of the proposed Substantial Amendment to FY2025-26 Action that will incorporate the S. Maple water main project, staff proposed to substitute a different public improvement project. This project will also be within Census Tract 10 and is street

rehabilitation project for Washington Ave estimated at \$405,300.

The total budget to implement these projects is approximately \$800,223 (including administration). See attachment budget.

HOME:

For the FY 2026-27 HOME Program, based on the reduced FY 2026-27 Allocation, staff is proposing a decrease to the following project for FY 2026-27:

- New Single Family Home Construction— \$895,732

This proposed budget would assist in the construction of approximately three (3) of the remaining six (6) affordable lots in the Baker Subdivision. (see attached budget)

Once the City Council provides direction for the proposed FY 2026-27 Annual Action Plan projects, staff will proceed with preparing the Annual Action Plan for the 30-day public comment period and return for final Council approval.

ALTERNATIVES:

1. City Council can adopt a Resolution to approve the proposed 2026-27 Annual Action Plan Program Projects and estimated budget.
2. City Council can adopt a Resolution to approve the proposed 2023-24 Annual Action Plan Program Projects and estimated budget (Attachment II)with modifications.
3. Refer this item back to the staff with further direction.

CITY MANAGER'S RECOMMENDED ACTION:

Now that the FY 2026-27 allocations have been announced, the draft of the City's Annual Action Plan can be prepared for the required 30-day public comment period. All of the projects will continue to help address the needs identified in the 2024-29 Five-Year Consolidated Plan. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ATTACHMENT(S):

[Attachment 1 Five-Year Goals and Priorities.pdf](#)

[HOME 2026-27 Proposed Budget 3-3-26.pdf](#)

[CDBG 2026-27 Proposed Budget-4-10-26-R.pdf](#)