

ITEM #:	<u>39</u>
DATE:	<u>08-13-24</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON RESOLUTION APPROVING SUBMITTAL OF 2024-2029 CONSOLIDATED PLAN AND 2024-2025 ANNUAL ACTION PLAN IN CONNECTION WITH THE CITY'S COMMUNITY DEVELOPMENT (CDBG) AND HOME PROGRAMS

BACKGROUND:

One major requirement in receiving the Community Development Block Grant (CDBG) funds is for the City to submit a Consolidated Plan with a duration of 3-5 years to the federal Department of Housing and Urban Development (HUD). The Consolidated Plan is the planning document (Comprehensive Housing Affordability Strategy, or CHAS) for the jurisdiction. This plan requires detailed background information on the community, derived both from census data and other comprehensive studies performed for the community. City Council previously reviewed background data and draft goals for a five-year plan at its April 9 meeting. Council directed staff to proceed with finalizing a draft Plan for public comment and to return for final approval. **Council is now asked to review and approve the final draft 2024-2029 Five-Year Plan and the updated budget for the 2024-25 Annual Action Plan for submittal to HUD on or by August 16, 2024.**

The Plans must identify, over the selected period, the goals and priorities to address the housing and community development needs of both low and moderate-income persons and non-low and moderate-income persons. The City of Ames has selected the five-year period option to submit its Consolidated Plan. The Action Plan is always a one-year plan approved annually. CDBG regulations require that the City must now submit an updated five-year plan for the period from July 1, 2024 through June 30, 2029, along with a 2024-25 Annual Action Plan, which will cover the period of July 1, 2024 through June 30, 2025.

The regulations require that the Consolidated and Action Plans be submitted for HUD's approval within 45 days before the beginning of the program fiscal year, which is on or before May 17, 2024. **Due to the late notification of the City's 2024-25 funding allocation by HUD, staff requested and received approval to submit the Plans on or before August 16, 2024, which is the latest statutory submittal date.**

Additionally, the regulations require that both proposed Plans be published for 30 days to allow for citizen review of the proposed Consolidated Plan and Annual Action Plan project(s) for the utilization of the funds. That occurred from July 9, 2024 to August 8, 2024 (see Attachment A- Executive Summary). The City received two comments during the period (Attachment B). One comment focused on the missing data regarding homelessness in the Plan, updating agency names and services provided, along with informational edits. Staff discussed the issue with the commenter and the City's consultants and the all of the comments were addressed.

The second comment letter does not suggest specific changes to the Plan but has general programming and land use comments. Staff has responded to the commenter with specific information regarding past and current programming that may address their comments.

Additionally, staff updated tables in the Public Housing section, along with making formatting and

grammatical updates throughout the Plans. These updates were published in a separate document during the comment period. No changes to the conclusions, goals or priorities were part of the updated portions of the Plan.

Preparation of the 2024-29 Five-Year Consolidated Plan and the required Fair Housing Impediments Study, using both the ACS and the CHAS data, continued to identify the following top two as barriers and needs of the community: 1) the cost of housing for lower income households for both renting and home buying was #1 and 2) the supply of housing for lower income households for renting was #2. The overview of this data was presented to Council at a February workshop.

Based on the information staff presented, on April 9, 2024 the City Council approved the proposed 2024-29 Consolidated Plan goals and priorities and approved the proposed 2024-25 Action Plan projects to be placed for public comment as outlined below:

2024-29 Five-Year Consolidated Plan:

Attachment A is the Executive Summary of the Plan that includes the: Executive Summary 2023 Fair Housing Impediments Study, the 2024 Limited English Proficiency Plan, the 2024 Citizen Participation Plan, and the 2024 Neighborhood Revitalization Strategy Area Plan Update for City Council review.

The full and complete documents will be located on the housing website at www.cityofames.org/housing.

City Council directed staff to prepare goals for the Plan that utilize and leverage CDBG and HOME Funds through “private, non-profit and public” partnerships to:

1. To create and expand sustainable, affordable housing for low and moderate-income households through the following outcomes:

- Increase the supply of single-family and multi-family housing in the Neighborhood Revitalization Strategy Area (NRSA) and Citywide;
- Reduce the cost burden for low-income households to access or maintain rental housing and/or homeownership in the NRSA and citywide;
- Strengthen neighborhoods by implementing housing programs and services, including acquiring, demolishing, and rehabilitating housing units that support homeowners, homebuyers, and renters in obtaining and remaining in affordable housing.
- Strengthen neighborhoods by implementing programs that increase or improve public facilities, infrastructure, and services in low and moderate-income census tracts.

2. To create and expand sustainable, affordable housing for NON-low-and moderate-income households through the following outcomes:

- Integrate affordable and market-rate residential developments;
- Remove blight and deteriorated housing to reuse into new housing;
- Support and address code enforcement of deteriorated housing;
- Remove blight and deteriorated housing in floodplains and other hazardous areas.

Staff believes these goals are easily understood and broad enough to allow the flexibility and variety to implement annual programs during the five-year period.

2024-25 Annual Action Plan:

At the April 9th City Council meeting, HUD had not announced the 2024 CDBG/HOME funding allocations; therefore, staff presented a "proposed" project activities budget based on funding received for 2023. **The City was notified on May 18, 2024, of its new allocations of \$534,122 for CDBG and \$256,483 for HOME, which were less than the amounts anticipated (original assumptions were CDBG: \$557,990, HOME: \$273,500). Staff has modified the draft project budgets to reflect the changes in funding. No projects are proposed to be eliminated; only the funding was adjusted to reflect the reduced funding amounts. Attached is a table summarizing the proposed 2024-25 Annual Action Plan funding resources as described within the draft Action Plan.**

ALTERNATIVES:

1. Approve the submittal of the proposed 2024-2029 Five-year Consolidated Plan and the proposed 2024-25 Annual Action Plan Activities, (that includes the Executive Summary 2023 Fair Housing Impediments Study, the 2024 Limited English Proficiency Plan, 2024 Citizen Participation Plan, and the 2024 Neighborhood Revitalization Strategy Area Update Plan) in connection with the City's Community Development Block Grant and HOME Programs.
2. Modify, then approve the submittal of the proposed 2024-2029 Five-year Consolidated Plan and the proposed 2024-25 Annual Action Plan Activities, (that includes the Executive Summary 2023 Fair Housing Impediments Study, the 2024 Limited English Proficiency Plan, the 2024 Citizen Participation Plan, and the 2024 Neighborhood Revitalization Strategy Area Update Plan) in connection with the City's Community Development Block Grant and HOME Programs.

CITY MANAGER'S RECOMMENDED ACTION:

These CDBG and HOME grant funds continues to provide the City a unique opportunity to use federal funding to address local housing and community development priorities for the City of Ames. All of these documents must be approved in order to utilize these funds over the five-year planning and current fiscal year. The above priorities and programs will help accomplish both of these purposes. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ATTACHMENT(S):

[Action Plan Project Budget 24-25.xlsx](#)

[Attachment A-Executive Summary.pdf](#)

[Attachment B.pdf](#)