

ITEM #:	28
DATE:	04-09-24
DEPT:	P&H

COUNCIL ACTION FORM

SUBJECT: PROPOSED 2024-29 CONSOLIDATED PLAN FIVE YEAR GOALS AND 2024-25 ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAMS AND FOLLOW UP FROM PUBLIC FORUM INPUT

BACKGROUND:

One major requirement in receiving the Community Development Block Grant (CDBG) funds is for the City to submit a three or five-year Consolidated Plan 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 by the community. The Plan must identify the goals and priorities to address for the housing and community development needs of both low and moderate-income persons and non-low and moderate-income persons. On an annual basis, the City adopts an Annual Action Plan for programs that implement the goals of the Consolidated Plan.

The City of Ames has selected the five-year period to submit its plan and will complete the administration of its fourth five-year Consolidated Plan on June 30, 2024. **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. City Council is now being asked to approve Goals and Priorities to include in the draft Consolidated Plan and Annual Action Plan. The staff will then prepare both a five year plan and annual action plan for the required 30 day public comment period.**

If HUD has released the funding allocation amounts for the upcoming year, the regulations require that the Consolidated Plan be submitted for HUD's approval within 45 days before the beginning of the program fiscal year, which is on or before May 17th. However, HUD has not released the 2024-25 funding allocation at this time. Therefore, staff will be requesting approval to submit the plan on or before August 15, 2024, which is the maximum statutory submittal date.

The process for updating the Five-Year Consolidated Plan began at the February 20, 2024, City Council workshop where the public was invited to participate with the City Council to solicit public input regarding possible goals and priorities for the 2024-29 Five-Year Consolidated Plan. Twenty (20) persons attended the workshop representing non-profit organizations, citizen action groups, students, Ames High, and residents.

During the workshop, staff presented an overview of the CDBG Program and HOME Program along with a review of the 2004, 2009, 2014, and 2019 goals/priorities and the City Council's current goal supporting diverse housing opportunities. (see Attachments A-D, F). Staff also presented data from the Fair Housing Impediments Study (Attachment E). At the conclusion of the presentation, the public and the City Council members broke into small group settings to discuss the needs for low- and moderate-income persons as well as the needs of non-low and moderate-income persons in the community to determine if either continue to reflect the needs if they should be updated and to discuss new perceived needs of the community.

After the small group discussions, each group was asked to share their comments on the goals and any proposed goals. This input is included as Attachment G.

CONSOLIDATED PLAN:

Based upon all of the above information and community input, which included similar conversations and themes, staff proposes the following goals and priorities for the draft 2024-2029 Five-year Consolidated Plan for the City Council's consideration:

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.

ANNUAL ACTION PLAN:

The next step in the process of planning for the upcoming budget year, was to conduct public forums to gain feedback on potential projects for the 2024-25 CDBG/HOME Annual Action Plan. On March 19 and 20th, staff hosted public forms to gain input regarding potential projects for the 2024-2025 CDBG/HOME Annual Action Plan, which will need to be submitted with the 2024-2029 Five-Year Consolidated Plan.

Fifteen (15) persons attended the sessions over the two days. Attendees included the six non-profit agencies, two Ames Climate Action Team representatives, five citizens, one City of Ames employee, and one representative of the media. The following agenda was presented, and forum attendees were given the opportunity to participate in a group discussion regarding the following agenda items:

1. Basic overview of the CDBG, HOME, HOME-ARP, and CARES-CV Programs
2. Review of the Consolidated Planning Requirements.
3. Overview of the Five-year Goals and Priorities adopted for 2019-23 and the proposed Goals and

Priorities for 2024-29.

4. Review of the current 2023-24 Annual Action Plan projects
5. Group feedback and
6. Tentative Timeline for next steps

The public feedback was centered around the need to continue to address affordable housing and neighborhoods. Staff has summarized the public comments and primary questions/comments about funding options as follows:

- Need for assistance with Deposits (Rent and Utilities)
- Single-family housing Rehabilitation Assistance (including solar power and new energy-efficient appliances)
- Homebuyer Assistance (Down payment)
- Mitigation Assistance (damage and repair)
- Tenant/Landlord Education
- Rehabilitation Assistance for Non-Profits
- Expanded Program Marketing (outreach to ISU student population, i.e. social media)

Taking into consideration all of the above public input and information (including the proposed 2024-29 Consolidated Plan Priorities and Goals, staff is recommending the following five proposed projects and budget for the 2024-25 Annual Action Plan (see Attachment H).

CDBG: Deposit and First Month's Rental Assistance	\$148,800
CDBG: Homebuyer Assistance Program (Down payment/Closing Cost/Education)	\$148,796
CDBG: Single-Family Housing Rehabilitation Program	\$148,796
HOME: Tenant Based Rental Assistance	\$150,000
HOME; New Single -Family Home Construction	\$91,324
Administration: CDBG	\$111,598
Administration: HOME	\$32,176
Grand Total	\$831,490**

**Since HUD has not announced our funding allocations for 2024-25, staff is projecting the current 2023-24 allocation for programming as follows: CDBG-\$557,990 and HOME-\$273,500. Once the 2024-25 allocations are announced, the budget will be adjusted accordingly prior to the plan being submitted to HUD. In addition to our upcoming allocation, staff will continue to implement previously approved programs with rollover funds.

ALTERNATIVES:

1. The City Council can approve the proposed 2024-29 Five-Year Consolidated Plan Goals and Priorities and the proposed 2024-25 Annual Action Plan Program Projects, including the proposed estimated budget (Attachment H) for the City's CDBG/HOME Programs.
2. The City Council can modify the proposed 2024-29 Five-Year Consolidated Plan Goals and Priorities and the proposed 2024-25 Annual Action Plan Program Projects, including the proposed estimated budget (Attachment H) for the City's CDBG/HOME Programs.
3. The City Council can refer this item back to staff for additional information.

CITY MANAGER'S RECOMMENDED ACTION:

These CDBG and HOME funds offer the City a unique opportunity to continue to use federal funding to address local housing and community development needs. Establishing new goals and priorities is essential to the continued use of these funds. Approving proposed goals, priorities, and programs will assist staff with finalizing the draft plans and working within the established HUD timelines.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve the 2024-2029 proposed five-year Consolidated Plan goals and priorities and the proposed 2024-25 Annual Action Plan Program projects in connection with the City's Community Development Block/HOME grant programs. Staff will then proceed with preparing the appropriate plan documents for the 30-day public comment period.

ATTACHMENT(S):

[Attachment A-H-1.pdf](#)