

Introduced by _____ Council Bill No. R 34-13

A RESOLUTION

setting a public hearing to consider an amendment to the
FY 2013 Action Plan for CDBG and HOME funds.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS
FOLLOWS:

SECTION 1. A public hearing will be held before the City Council of the City of
Columbia, Missouri in the Council Chamber in the City Hall Building, 701 E. Broadway,
Columbia, Missouri on March 4, 2013 at 7:00 p.m. to consider an amendment to the
FY 2013 Action Plan for CDBG and HOME funds. All citizens and interested persons will
be given an opportunity to be heard.

SECTION 2. The City Clerk is hereby directed to cause notice of this hearing to be
published in a newspaper of general circulation in Boone County, Missouri.

ADOPTED this _____ day of _____, 2013.

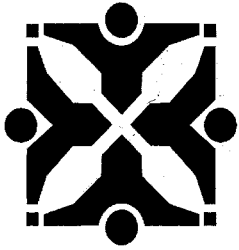
ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor



Source: Community Development - CDBG/Home

Agenda Item No:

To: **City Council**

From: **City Manager and Staff**

Council Meeting Date: Feb 18, 2013

Re: Set Public Hearing for FY 2013 CDBG and HOME Annual Action Plan Amendment

EXECUTIVE SUMMARY:

The U.S. Department of Housing and Urban Development's (HUD) Citizen Participation rules require jurisdictions to consider any comments or views of citizens at a public hearing prior to submitting an amendment to the Annual Action Plan. In order to comply with this requirement, staff has prepared a resolution setting a public hearing on the FY 2013 Annual Action Plan for March 4, 2013. The full report will be provided to the Council prior to the March 4, 2013 public hearing.

DISCUSSION:

The Annual Action Plan provides an update on the actions the City will take to meet the priority needs, goals and objectives of the 2010-2014 Consolidated Plan during FY2012. The City submitted its FY 2013 Annual Action Plan to HUD in November of 2012. The Plan was approved by HUD on January 2, 2013.

The amendment to the FY 2013 Action Plan will reallocate 2010 home ownership assistance funds for the purchase of 411 McBaine. 411 McBaine is a property that was developed by Job Point with the assistance of \$50,000 in City HOME CHDO funds. Job Point has been unable to sell the property, and currently has a construction loan on the property. HUD regulations require that housing developed for home buyers must be sold to a qualified buyer within 1 year of completing the construction. The property has been on the market for over a year, and HUD has directed the City of Columbia to convert this activity from a home buyer activity, to a rental activity. This home is currently out of compliance with HUD regulations and puts the City's HOME funding at risk. The City was required to convert this activity to rental in order to draw funds from HUD this past quarter.

Rental property management does not coincide with Job Point's organizational mission. City staff has developed a plan with the Columbia Housing Authority to own and operate the property according to HUD guidelines. City staff is seeking council approval to authorize the City Manager to purchase 411 McBaine. The purchase price will be equal to the construction loan balance (\$50,558.12) and a development fee of 5% (\$6,378.91). CHDOs are typically allowed to collect a 10% developer fee on projects. The City is compensating Job Point at 5% for completing the development of the property. The total contract price for the City purchasing 411 McBaine from Job Point is \$56,937.03. Closing costs for the purchase of 411 McBaine are estimated to be \$789.00. The Action Plan Amendment will reallocate funds to cover the purchase price and closing costs (\$57,726.03).

Once the City purchases 411 McBaine, it plans to donate this property to the Columbia Housing Authority (CHA). The property will be operated as a rental property under HOME guidelines. If the CHA sells the property, the proposed operating agreement between CHA and the City will require 50% of the sales proceeds to be returned to the City for further CHDO activities. Any funds retained by CHA must go towards eligible HOME affordable housing activities. The CHA is in the process of setting up a separate non-profit organization to own and operate this property, as well as other affordable housing developments. This organization is anticipated to be officially in place by February 22, 2013.

The City also has 2 remaining Neighborhood Stabilization (NSP) properties that will need to be converted to rental, due to the inability to sell the homes. City staff will be seeking Council approval to authorize the City Manager to donate the NSP properties to CHA for similar operations as the 411 McBaine property. The property will be operated as a rental property under NSP guidelines. If the CHA sells the property, the proposed operating agreement between CHA and the City will require 50% of the proceeds to be returned to the City for further CHDO activities. Any funds retained by CHA must go towards eligible NSP affordable housing activities. Operating agreements between CHA and the City of Columbia will be provided to

Council prior to the March 4, 2013 meeting, provided the CHA board approves formation of a new affordable housing non-profit organization and entering into an agreement with the City for these specific properties.

The proposed FY 2013 Action Plan Amendment also transfers \$30,000 from Downtown Sidewalks to Worley Sidewalks Phase II construction. The Worley Sidewalks project consists of constructing an ADA compliant sidewalk from Clinkscapes to Bernadette. The Downtown Ramps project consists of multiple sidewalks improvements for accessibility at several downtown sidewalk locations. Worley Sidewalks Phase II construction estimates are \$30,000 higher than the amount of CDBG funds allocated towards the project. Reallocating funds from Downtown Sidewalks to Worley Sidewalks Phase II will reduce will reduce the number of downtown sidewalk improvements, however this action is necessary for the successful completion of Worley Sidewalks Phase II.

FISCAL IMPACT:

Setting a public hearing has no fiscal impact

VISION IMPACT:

<http://www.gocolumbiainmo.com/Council/Meetings/visionimpact.php>

Setting a public hearing will have no vision impact

SUGGESTED COUNCIL ACTIONS:

The Council should pass a resolution to set a date for a Public Hearing for October 15, 2012 to consider the 2011 Consolidated Annual Performance Report.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	Yes
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	



Fourth Program Year Action Plan

The CPMP Fourth Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

ATTACHMENT A Narrative Responses

GENERAL

Executive Summary

The Annual Action Plan details the proposed sources and uses of funds available from HUD, including Community Development Block Grant (CDBG) and HOME funds, and outlines the accomplishments resulting from the use of HUD funding in the City. This year's Action Plan was written pursuant to the implementation of the third year of the City's five year Consolidated Plan for program years 2010 through 2014. The Plan was developed in accordance with the City's adopted Citizen Participation Plan, as amended as part of this year's plan to include updated technology. A more detailed summary of the 2013 CDBG and HOME Budget is presented in Tables 1 and 2.

A. Sources of HUD Funding:

1. \$802,000 of CDBG and \$463,000 of HOME funding as indicated below in Tables 1 and 2;
2. \$120,000 in reprogrammed CDBG funds;
3. An estimated \$50,000 of CDBG and \$75,000 of HOME Program Income;
4. Funding through the HUD Continuum of Care administered by the Missouri Housing Development Commission will be awarded during 2012. Funding applications are being prepared at this time. Funds awarded in 2012 with 2011 funding include:
 - \$37,450 to continue the *Salvation Army/Harbor House* program for case management and supportive services.
 - \$71,122 for a one year renewal for *Phoenix Programs/Voluntary Action Center's* Project Bridge.
 - \$74,113 for renewal of the *Phoenix Programs* "At Home" permanent housing program for those with substance abuse problems.
 - \$325,380 for Shelter plus Care funding for the Columbia Housing Authority.Total renewals are \$508,065.
4. \$75,000 in Emergency Shelter Grant(ESG) funding is estimated to be provided for Emergency Shelter projects through the State of Missouri ESG Program;
5. HUD Funding for the Columbia Housing Authority annual plan for the year ending 2012 supports the management and maintenance of 719 public housing units and 1062 rental assistance vouchers, including:
 - \$2,209,318 for its *public housing operating fund*;
 - \$835,363 for its *public housing capital fund*;

- \$6,725,683 for *Section 8 Rental Assistance Programs*;
 - \$315,000 for the Shelter Plus Care Housing Choice Vouchers;
 - *Resident Opportunity Self-Sufficiency (ROSS) Programs*:
 - *Public Housing Ross Service Coordinator*: 65,900
 - *Housing Choice Voucher Family Self-Sufficiency Program (Section 8)*: \$51,378 will provide funding to coordinate with job training and homeownership assistance classes for assisted tenants.
 - *Public Housing Family Self-Sufficiency Program*: \$52,396 to provide self-sufficiency programs for CHA Residents.
 - *Drug Free Community Grant*: \$125,000 for public housing safety and security
6. *Community Housing Options*, a local not-for-profit housing development organization is applying for funding through the Missouri Housing Development Commission for Low Income Housing Tax Credits to help build 16 units of housing on the corner of Vandiver and Oakland Gravel Road.
7. *Jeffery Smith Development Company* has been awarded Low Income Housing Tax Credits through MHDC to build an additional 42 units of housing for senior citizens. \$620,000 in federal 9% tax credits, and \$620,000 in state 9% tax credits.
8. *Burrell Behavioral Health* has been awarded Section 202 HUD funds to build supportive housing for senior citizens at Edenton & Bodie Drive in north central Columbia.
9. *The Columbia Housing Authority and New Horizons Community Support Services, Inc.* have submitted a joint application to the Missouri Housing Development Commission (MHDC) for 9% Low-Income Housing Tax Credits to support the development of a 47 unit affordable housing project.

TABLE 1: FY 2013 CDBG PROGRAM

	<u>Approved</u> 09/19/2012	<u>Amendment</u> 3/4/1013
COMMUNITY DEVELOPMENT BLOCK GRANT RESOURCES		
Estimated Entitlement Amount	\$802,000	\$802,000
Reprogrammed	\$120,000	\$120,000
PROPOSED USES of CDBG FUNDS		
Housing Programs		
Owner Occupied Housing Rehabilitation	\$60,000	\$60,000
Neighborhood Response Team Code Enforcement	35,000	35,000
Neighborhood Response Team Demolition	30,000	30,000
Homebuyers Classes	15,000	15,000
BCCA Senior Home Repair Program	36,000	36,000
SIL RAMP Program	40,000	40,000
Public Improvements		
Downtown Ramps	209,000	179,000
Worley Sidewalks Phase II Construction	164,500	194,500
Community Facilities, Services and Economic Development		
Columbia Housing Authority Park Avenue Head Start	84,000	84,000
Job Point Nursing/Heavy and Highway Training	76,180	76,180
REDI and CMCA Career Center	32,500	32,500
HUD Mandated Fair Housing Set-aside	11,500	11,500
Planning and Administration		
Administration	96,240	96,240
Community Dev., Housing & Neighborhood Planning	32,080	32,080

TOTAL CDBG	\$922,000	\$922,000
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TABLE 2: FY 2013 HOME PROGRAM

HOME RESOURCES		
HOME Entitlement	\$463,000	\$520,726.03
Proposed Uses of HOME Funds		
CHA Tenant-Based Rental Assistance	106,000	106,000
Rental Production	175,250	175,250
Community Housing Development Organizations	69,450	69,450
Reprogram 2010 HOA to Job Point CHDO		57,726.03
Homeownership Assistance	66,000	66,000
Administration	46,300	46,300
TOTAL HOME	463,000	520,726.03

B. Specific Objectives, Outcomes, and Performance of CDBG and HOME Projects

Below is a statement, by national objective and national outcome measures of the projected accomplishments for CDBG, HOME and other HUD funded activities within the next year. Where the objective is similar to one carried over from a previous year, the accomplishments to date on that objective are stated for the 2013 year.

1. National Objective of Providing Decent Affordable Housing: Through the use of CDBG and HOME funding during 2013, this Plan provides for the ability of the City to facilitate the provision of 16 units of affordable rental housing, the purchase 17 of units of affordable new and existing owner occupied housing, 53 home rehabilitation and repair projects through City and not-for-profit Agency programs, and 20 special needs households assisted Tenant-Based Rental Assistance. The City proposes to make housing assistance available for 106 units of housing.

Objective 1: Policy on Affordable Housing: The City Council should adopt an overall policy statement to further institutional changes in affordable housing. The policy should be part of a new comprehensive plan currently being developed by the City. For 2013, completion of a draft plan including an affordable housing policy is expected.

2012: Affordable housing was identified as a contributing factor to creating a livable community including specific aspects that need to be addressed to reduce housing costs.

Objective 2: Establish a locally administered Housing Trust Fund to help provide decent affordable housing. For 2013, appoint a board to oversee a housing Trust Fund.

2012: Community Development Director, City Manager, and Columbia Housing Authority CEO have been meeting to explore implementation.

Objective 3: Create a new position for an affordable housing planner to act as the City's advocate for comprehensively developing affordable housing recommendations contained in this report.

This activity was completed in 2010 and is funded through the 2011 City fiscal year. Funding was not extended for 2012.

Objective 4: Establish one or more committees to address the following topics:

- **Removing impediments to fair housing**
- **Establishing a policy to address manufactured homes**
- **The development of a local housing trust fund**

In 2013, establish at least one committee. An update to the impediments to affordable housing, which included some impediments was provided to the City Council in 2012.

a. Specific Objectives with the Primary Outcome of Making Decent Housing Available or Accessible

Objective 5: Complete minor home repairs to make 130 owner occupied housing units accessible: 26 homes are proposed for 2013;

Accomplishments so far during 2012: 8 homes including:

- *Emergency Repair Program:* 5 homes
- *Boone County Council on Aging Senior Home Repair Program:* 3 homes

Objective 6: Complete accessibility improvement to make decent housing accessible for 30 households: 6 homes proposed for 2013

Accomplishments so far during 2012:

- *Services for Independent Living Ramp Program:* 6 homes

Objective 7: Provide home maintenance education to 150 persons to help access decent housing: 30 persons proposed for 2013

Accomplishments so far in 2012:

- *HomeWorks Classes, University Extension and Water and Light:* 13 persons

Objective 8: Provide homeownership education to 750 persons to allow access to the purchase of decent housing: 150 persons proposed for 2013

Accomplishments so far in 2012:

- *Homeownership classes:* 97 persons

Objective 9: Expand consumer education programs on energy management, conservation, budgeting, managing credit, and the home buying process to make decent affordable housing available: The goal for 2013 is to have at least one HUD certified counseling agency in the City.

During 2012, the Columbia Housing Authority conducted a survey with various lenders and real estate agents in the community to identify typical problems faced by first time home buyers. Based on these responses, CHA will be better able to determine the next step in addressing the HUD Certified Counseling Agency status.

In addition, one CHA staff member completed the required training in Feb. 2012 to become a certified Housing Counselor through Neighbor Works America.