

Introduced by \_\_\_\_\_ Council Bill No. \_\_\_\_\_

## **A POLICY RESOLUTION**

Establishing a revised Community Development Block Grant and HOME funding policy; establishing a revised review process for annual CDBG and HOME funding requests; and establishing revised CDBG and HOME Program Administrative Guidelines.

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

**SECTION 1.** Policy Resolution 6-10 adopted on January 19, 2010, which established a revised Community Development Block Grant (CDBG) and HOME funding policy, and established a review process for annual CDBG and HOME funding requests, is hereby repealed.

**SECTION 2.** The City Council of the City of Columbia, Missouri, hereby establishes the following CDBG funding policy. Funding priorities within each category are based upon evaluation criteria developed by the Community Development Commission (CDC) that further the City's goals stated in the City's Consolidated Plan document. In order to meet the timeliness requirement for the CDBG Program as specified by the Department of Housing and Urban Development (HUD), the City shall budget CDBG funding for the following program year based upon an estimate of funds to be allocated by HUD; the City shall commit CDBG funding contingent upon timely progress as necessary to ensure that projects are completed and funds are spent in a timely manner. Categories of funding shall include:

- A. **Affordable Housing:** The City shall allocate 25-40% of available CDBG funds to affordable housing projects including acquisition, homebuyer assistance, homebuyer education, rehabilitation, minor home repairs, new construction, code enforcement, and operation of the City's internal housing programs. Projects shall address at least one of the following priority needs: preservation of existing housing, increased homeownership, and increasing the number of quality affordable housing units. Affordable housing projects shall incorporate energy efficiency and universal design features to the maximum extent feasible, while maintaining reasonable project costs and scope.
- B. **Neighborhood Needs:** The City shall allocate 20-50% of available CDBG funds to neighborhood needs activities including sidewalks, crosswalks, and trails with connectivity to transportation, bus shelters, and removal of dilapidated structures. Neighborhood Needs projects shall incorporate streetscaping as feasible according to project cost and scope of project. 10% of the costs associated with CDBG sidewalk and cross walk projects shall be funded through non-CDBG funds.
- C. **Economic Development:** The City shall allocate 10-50% of available CDBG funds to economic development activities including micro-lending and vocational training that particularly targets youth.

- D. Fair Housing: The City shall allocate 0-5% of available CDBG funds towards fair housing activities including outreach and education to housing professionals and low-income households regarding fair housing rights; and fair housing counseling.
- E. Community Facilities: The City shall allocate 0-30% of its available CDBG funds to community facility acquisition, renovation, and expansion. Funding priorities for community facilities shall include mental health facilities, training centers for youth, facilities for ex-offenders, and facilities addressing homelessness.
- F. CDBG Administration and Planning: The City shall allocate up to 18% of available CDBG funds toward administration and planning costs in support of the CDBG program. Funds shall only be allocated to the Community Development Department. Activities funded shall include general program administration, preparation of the Consolidated Plan, Annual Action Plan and Consolidated Annual Performance and Evaluation Report, reporting, record-keeping, soliciting public participation, providing outreach and education regarding funding, and providing staff support to the Community Development Commission.

The City reserves the right to allocate funds outside the percentages indicated above under the following scenarios:

- 1. To ensure the City is proportionally meeting its 5-year Consolidated Plan goals for all categories;
- 2. When a unique project can only be implemented with the level of funding requested;
- 3. When no funding requests are submitted within a specific category;
- 4. Or, when funding request(s) within a category are not associated with a viable proposal.

Not more than 15% of CDBG funding may be approved for activities defined by HUD regulation 24 CFR 570.201(e) as a "Public Service" activity. Funded activities must not duplicate activities already funded through City or County social services funding.

**SECTION 3.** The City Council of the City of Columbia, Missouri, hereby establishes the following HOME funding guidelines. HOME funds shall be allocated the creation of affordable housing units through homebuyer assistance, owner-occupied rehabilitation, new owner-occupied housing construction, rental production and administration. In order to meet the timeliness requirement for the HOME Program as specified by the Department of Housing and Urban Development (HUD), the City shall budget HOME funding for the following program year based upon an estimate of funds to be allocated by HUD; the City shall commit HOME funding contingent upon timely progress as necessary to ensure that projects are completed and funds are spent in a timely manner. Categories of funding shall include:

- A. Affordable Housing: The City shall allocate 75% of available HOME resources to affordable housing development activities including homebuyer assistance, owner-occupied rehabilitation, new owner-occupied housing construction and rental production. Projects shall incorporate energy efficiency and universal design features to maximum extent feasible according to project cost and scope.

- B. Community Housing Development Organizations: The City shall allocate a minimum of 15% of its annual HOME allocation to local Community Housing Development Organizations (CHDO) for the development or significant rehabilitation of affordable housing units. Projects shall incorporate energy efficiency and universal design features to the maximum extent feasible, while maintaining reasonable project costs and scope. CHDO projects shall be identified through an annual request for proposals after actual HOME budget allocations are provided by HUD. The City shall accept CHDO funding proposals only from qualifying organizations meeting requirements established in 24 CFR Part 92.2.
- C. HOME Administration: The City shall allocate 10% of available HOME funds toward administration costs associated with operation of the HOME Program.

**SECTION 4.** The City Council hereby established the following process for review and approval of annual project requests for CDBG and HOME funding.

- A. The Community Development Commission holds a public hearing to receive input on community development needs. Following the hearing, a summary of citizen comments, a copy of the hearing minutes, and Community Development Commission recommendations for changes to the Policy Resolution will be provided to Council, unless no changes are recommended.
- B. The City departments and local organizations prepare and submit project proposals for CDBG and HOME funding.
- C. The Community Development Commission holds public hearings to consider project proposals.
- D. The City Manager or the City Manager's designee provides any CDBG and HOME funding priorities to the Community Development Commission.
- E. The Community Development Commission determines CDBG and HOME funding recommendations for Council consideration.
- F. The City Council reviews the funding recommendations, holds a public hearing, amends as necessary, and adopts the budget.

**SECTION 5.** The City Council hereby adopts the revised CDBG and HOME Program Administrative Guidelines as shown in "Attachment A" and shall be considered a part of this policy resolution.

The form and content of the agreement listed in Section 1, 2, 3, 4, and 5 shall be substantially as set forth in "Attachment A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

ADOPTED this 4<sup>th</sup> day of August, 2014.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor