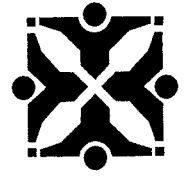


City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: R 220-14

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: December 1, 2014

Re: Setting a Hearing to Consider an Amendment to the 2014 Annual Action Plan

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

Supporting documentation includes: None.

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. The proposed resolution includes setting a hearing to consider an amendment to the FY 2014 Annual Action Plan.

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 FY 2014. The City Council approved the FY 2014 Annual Action Plan in October of 2013. An amendment allocating Community Housing Development (CHDO) funding was approved by Council on February 17, 2014, an amendment reallocating HOME and Community Development Block Grant (CDBG) funding was approved on May 5, 2014, and an additional amendment was approved on October 6, 2014 reallocating funding from the Rainbow House facility purchase. The proposed amendment reallocates CDBG funding originally identified for the Columbia Housing Authority's McQuitty Square affordable housing project and REDI's IT Training Program. The amendment also includes allocation of 2014 Community Housing Development (CHDO) funding.

The FY 2014 Annual Action Plan initially included \$190,000 in CDBG funding for infrastructure costs included with the Columbia Housing Authority's (CHA) McQuitty Square affordable housing project. The CDBG funding was to primarily be used for costs associated with construction of a new road connecting Garth Avenue and Lynn Street. The McQuitty Square proposal originally consisted of constructing 6 single family structures and 6 multi-family structures with a total development cost estimated to be \$3,413,010. The proposal stated that funds would assist in leveraging additional Low-Income Housing Tax Credit (LIHTC) financing through the Missouri Housing Development Commission (MHDC) and financing from the Federal Home Loan Bank. The CHA did not acquire the additional financing necessary to complete the project as proposed, due to the need to address higher priority projects such as, the Veterans Campus and renovation of public housing through the Rental Assistance Demonstration (RAD) program.

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HUD guidelines require the City to have no more than 1.5 times its annual allocation of CDBG funding on hand each November. CHA's CDBG award of \$190,000 makes up approximately 24% of the City's annual CDBG allocation. Reallocating this funding increases the likelihood of maintaining compliance with expenditure thresholds. City staff met with CHA staff and both agreed that reallocation of CDBG funding was the best course of action, as did the Community Development Commission (CDC). CHA may re-apply for CDBG or HOME funding for the McQuitty Square Project at a later date.

REDI's IT Training Program was completed this past summer and expenditures were lower than expected. \$32,500 was allocated for the project, and a balance of \$22,480 is remaining. No additional classes are currently scheduled and reallocation of these funds will ensure the City is meeting its CDBG timeliness expenditure threshold established by HUD.

Staff provided recommendations for reallocation of CDBG funding at the November 12, 2014 Community Development Commission (CDC) meeting. The recommended reallocations were for projects currently moving forward, in order ensure timely expenditure of funds. Recommended reallocation amounts also do not result in total CDBG funds exceeding an organization's initial CDBG proposal funding request. The CDC made a minor change to staff recommendations and included funding for Welcome Home's Veteran Campus. Staff supports the CDC's CDBG funding reallocation recommendations, which are as follows:

\$131,327 Garth Sidewalk Project
\$38,673 Services for Independent Living (SIL) Ramp Program
\$20,00 Welcome Home Veterans Campus
\$5,000 Job Point Vocational Training
\$10,000 Phoenix Programs
\$7,480 Reality House
\$212,480 Total

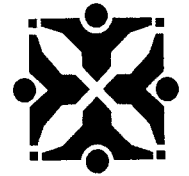
HUD guidelines require the City set-aside 15% of its annual HOME funding for Community Housing Development Organization (CHDO) funding. CHDOs are non-profit housing development organizations that meet specific requirements established by HUD guidelines. Some of the key requirements are as follows:

- Non-profit housing development organization.
- Organization mission includes the provision of affordable housing.
- Staff capacity with professional housing development experience.
- No more than $\frac{1}{3}$ board representation by public officials and no less than $\frac{1}{3}$ representation from low-moderate income individuals or low-moderate income neighborhood representatives.

The City released a CHDO Request for Proposals (RFP) on October 1, 2014, which included donation of the 106 Lynn lot and \$68,809 for the construction of an affordable housing unit on the lot. 106 Lynn was purchased with Neighborhood Stabilization Program (NSP) funds on September 5, 2014. The

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CHDO RFP consisted of constructing a three bedroom two bathroom affordable home on the 106 Lynn lot with energy efficiency features beyond current code requirements, as well as universal design features. The City received two eligible CHDO proposals from Show-Me Central Habitat for Humanity and Job Point (COMO CHDO). Both proposals were high quality and met requirements set forth in the RFP. The CDC recommended funding the proposal from Job Point (COMO CHDO), due to its utilization of low-income at-risk youth during construction. Staff supports the CDC's recommendation and will provide a full report to Council before the public hearing.

Fiscal Impact

Short-Term Impact: None, previously appropriated funding

Long-Term Impact: None, previously appropriated funding

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Health, Social Services and Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing

Comprehensive Plan Impact: Mobility, Connectivity, and Accessibility, Livable & Sustainable Communities

Suggested Council Action

Approve the resolution setting a hearing to consider an amendment to the 2014 Annual Action Plan.

Legislative History

To date the City Council has taken the following action on the 2014 Annual Action Plan:

October 21, 2013: FY 2014 Annual Action Plan Approved for submission to HUD.

February 17, 2014: FY 2014 Annual Action Plan amended to include CHDO funding allocations.

May 5, 2014: FY 2014 Annual Action Plan amended to reallocate \$175,250 in HOME funds and \$19,828.09 in CDBG funds.

October 5, 2014: FY 2014 Annual Action Plan amended to reallocation \$170,000 in CDBG funds originally allocated for Rainbow House's facility purchase.

Department Approved

City Manager Approved

Introduced by _____ Council Bill No. R 220-14

A RESOLUTION

setting a public hearing to consider an amendment to the
FY 2014 Annual Action Plan as it relates to CDBG funding and
HOME Community Housing Development Organization
(CHDO) set-aside funding.

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 January 5, 2015 at 7:00 p.m. to consider an amendment to the
FY 2014 Annual Action Plan as it relates to CDBG funding and HOME Community Housing
Development Organization (CHDO) set-aside funding. All citizens and interested persons
will be given an opportunity to be heard.

SECTION 2. The City Manager, or the Manager's designee, 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 _____, 2014.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor