

AGENDA ITEM SUMMARY

December 2, 2014

City Council

STAFF

Sharon Thomas, CDBG/HOME Program Administrator
Beth Sowder, Interim Director of Social Sustainability

SUBJECT

Second Reading of Ordinance No. 167, 2014, Appropriating Unanticipated Revenue in the Home Investment Partnership Program Fund.

EXECUTIVE SUMMARY

Ordinance No. 167, 2014, unanimously adopted on First Reading on November 18, 2014, appropriates HOME Program Income received between April 1, 2014 and September 30, 2014 for affordable housing and planning/administration uses.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, November 18, 2014 (w/o attachments) (PDF)
2. Ordinance No. 167, 2014 (PDF)

AGENDA ITEM SUMMARY

November 18, 2014

City Council

STAFF

Sharon Thomas, CDBG/HOME Program Administrator
Beth Sowder, Neighborhood Services Manager

SUBJECT

Items Relating to the Completion of the 2014 Fall Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing Funds from the Federal HOME Investment Partnership Program (HOME) and the City's Affordable Housing Fund (AHF).

EXECUTIVE SUMMARY

- A. Public Hearing and Resolution 2014-101 Approving the Programs and Projects that Will Receive Funds from the Home Investment Partnership Program and the City's Affordable Housing Fund.
- B. Public Hearing and First Reading of Ordinance No. 167, 2014, Appropriating Unanticipated Revenue in the Home Investment Partnership Program Fund.

The purpose of this item is to approve the funding of the 2014 Fall Cycle of the Competitive Process. Resolution 2014-101 will complete the 2014 Fall Cycle of the Competitive Process for allocating \$816,741 in City financial resources to affordable housing projects and the administration of the HOME program that began October 1, 2014. Ordinance No. 167, 2014 appropriates HOME Program Income received between April 1, 2014 and September 30, 2014 for affordable housing and planning/administration uses.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution and Ordinance on First Reading.

BACKGROUND / DISCUSSION

Resolution 2014-101 establishes which programs and projects will receive funding with HOME and AHF funds for the FY2014 program year that began October 1, 2014. The FY2014 HOME grant is \$539,698. During the 2014 spring funding cycle \$140,131 was allocated to a housing project, Habitat for Humanity, and \$53,969 for Planning and Administration. The remaining HOME funds of \$345,598 are available for allocation in the fall funding cycle. HUD requires that 15%, or \$80,954, of the grant be set aside for funding for Community Housing Development Organizations (CHDOs) which leaves \$264,644 for housing projects. Currently there are no certified CHDOs in Fort Collins so the CHDO funds are not being allocated at this time. HOME Program Income received between April 1, 2014 and September 30, 2014 totals \$158,096. Of that, \$143,311 is for affordable housing projects and \$14,785 is for planning and administration. The City's General Fund contributes \$313,047 of AHF dollars to the fall cycle of the Competitive Process.

The following table summarizes the total funding amounts and sources of available HOME and AHF funds for distribution in the housing and planning/administration categories during the FY2014 Fall Cycle of the Competitive Process:

Available Funding for Housing and Planning/Administration in 2014 Fall Cycle

Funding Source	Funding Amount	Planning & Administration	Housing
HOME FY2014 Grant (remaining)	\$264,644	\$0	\$264,644
HOME CHDO 15% Set-Aside	\$80,954	\$0	\$80,954
HOME Program Income (4/1 through 9/30)	\$158,096	\$14,785	\$143,311
Affordable Housing Fund	\$313,047	\$0	\$313,047
Total Available Funding	\$816,741	\$14,785	\$801,956

HOME Funds are typically approved in the spring cycle and allocated during the fall funding cycle. This year \$140,131 of the FY2014 HOME Grant was allocated to Habitat for Humanity to complete their funding request of \$700,000. The remaining grant portion for housing, \$345,598, is available for allocation in this fall cycle.

The City received six applications for affordable housing projects/programs with a total request of \$2,007,792. Application requests were \$1,176,266 more than available housing funding of \$801,956.

FINANCIAL / ECONOMIC IMPACTS

The Home Investment Partnership (HOME) Program provides federal funds from the Department of Housing and Urban Development (HUD) to the City of Fort Collins which can be allocated to housing related programs and projects, thereby reducing the demand on the City's General Fund budget to address such needs. The General Fund contributes dollars for affordable housing projects through the Affordable Housing Fund. The funds provided by the City to housing programs and projects leverage millions of dollars in funding from other sources.

Through the provision of affordable housing, more of Fort Collins' workforce can reside within the community. This creates an available labor pool within the city, which helps maintain economic sustainability.

ENVIRONMENTAL IMPACTS

Affordable housing programs help provide for a healthy environment. By offering affordable housing options for lower income people, more of Fort Collins' workforce can live in the community rather than living outside city limits and commuting to the city for work. In addition, many affordable housing projects are located within close proximity to City bus routes. This helps reduce traffic congestion and vehicle miles traveled, thereby reducing pollution and improving air quality.

Affordable housing developers, including for-profit and non-profit agencies, are utilizing green building practices in both new construction and major rehabilitation of existing housing unit projects. These practices include geo-thermal applications and other energy saving techniques.

All affordable housing projects utilizing HOME funds are required to pass a HUD Environmental Review, which covers such items as noise impacts, floodplains, hazardous materials, etc.

BOARD / COMMISSION RECOMMENDATION

The Community Development Block Grant (CDBG) Commission presents recommendations on which programs and projects should receive funding from the available funding sources presented above. Of the six proposals received the recommendation is to fully fund two proposals, partially fund one, and provide zero funding for the remaining three proposals. The following table shows the allocations recommended by the Commission to City Council.

Housing Category

Applicant Project/Program	Funding Request	Commission's Recommended Funding	Unfunded Balance	Percent of Request Funded
CARE Housing: Uniform Federal Accessibility Standards (UFAS) Accessibility	\$127,356	\$0	\$127,356	0%
Fort Collins Housing Authority: Administrative Fee for the Community Dual Disorders Treatment (CDDT) Program	\$26,449	\$0	\$26,449	0%
Fort Collins Housing Authority: Tenant Based Rental Assistance for CDDT	\$225,730	\$0	\$225,730	0%
Fort Collins Housing Authority: Village on Redwood: A Vibrant, Sustainable Community	\$1,500,000	\$592,745	\$907,255	40%
Loveland Housing Development Corp: Larimer Home Improvement Program (LHIP)	\$85,000	\$85,000	\$0	100%
Neighbor to Neighbor: Coachlight Plaza Windows Phase 2	\$43,257	\$43,257	\$0	100%
Housing Total	\$2,007,792	\$721,002	\$1,286,790	

The justifications for the CDBG Commission's recommendations can be found in the minutes from the October 16, 2014 meeting (not yet approved by the CDBG Commission), submitted here as **Attachment 3**.

PUBLIC OUTREACH

HUD regulations require a 30-day public comment period on the proposed allocation of HOME funds as recommended by the CDBG Commission. Staff placed an ad in the *Coloradoan* on October 20, 2014, presenting the list of recommended funding for programs/projects, and indicated the public comment period would run from October 21, 2014-November 18, 2014. Additionally, the public notice announcing funding recommendations was placed on the Social Sustainability Department's website and distributed to 12 entities serving a majority of clients in legally protected classes-including those in a racial/ethnic minority, those with a disability, or female heads of household-or serving those community members who might otherwise have barriers to public participation in the City's civic engagement processes. To date no public comments have been received.

ATTACHMENTS

1. Background Summary of Recommendations Fall 2014 (PDF)
2. Affordable Housing Board 2014 Priority Rankings (PDF)
3. CDBG Commission minutes, October 16, 2014 (PDF)
4. Powerpoint presentation (PDF)

ORDINANCE NO. 167, 2014
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED REVENUE IN THE HOME
INVESTMENT PARTNERSHIP PROGRAM FUND

WHEREAS, the Home Investment Partnership Program (the “HOME Program”) was authorized by the National Affordable Housing Act of 1990 to provide funds in the form of Participating Jurisdiction Grants for a variety of housing-related activities which would increase the supply of decent, safe, and affordable housing; and

WHEREAS, on March 1, 1994, the City Council adopted Resolution 1994-092 authorizing the Mayor to submit to the Department of Housing and Urban Development (“HUD”) a notification of intent to participate in the HOME Program; and

WHEREAS, on May 26, 1994, HUD designated the City as a Participating Jurisdiction in the HOME Program, allowing the City to receive an allocation of HOME Program funds as long as Congress re-authorizes and continues to fund the program; and

WHEREAS, the City has received unanticipated HOME Program income in the amount of \$158,096; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, do not exceed the then current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of the HOME Program funds as described herein will not cause the total amount appropriated in the HOME Program Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during the 2014 fiscal year; and

WHEREAS, Article V, Section 11, of the City Charter provides that federal grant appropriations shall not lapse if unexpended at the end of the fiscal year until the expiration of the federal grant.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated for expenditure from unanticipated program income revenue, upon receipt thereof, in the HOME Program Fund the sum of ONE HUNDRED FIFTY-EIGHT THOUSAND NINETY-SIX DOLLARS (\$158,096), for approved HOME Program projects.

Introduced, considered favorably on first reading, and ordered published this 18th day of November, A.D. 2014, and to be presented for final passage on the 2nd day of December, A.D. 2014.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 2nd day of December, A.D. 2014.

Mayor

ATTEST:

City Clerk