

AGENDA ITEM SUMMARY

September 5, 2017

City Council

STAFF

Beth Rosen, Affordable Housing Program Administrator
Ingrid Decker, Legal

SUBJECT

Items Relating to Additional Allocations of Funding to Projects Funded in 2017 Spring Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing Funds from the Federal Community Development Block Grant Program, Federal HOME Investment Partnerships Program, the City's Affordable Housing Fund Program and the City's Human Services Program (HSP).

EXECUTIVE SUMMARY

- A. Second Reading of Ordinance No. 109, 2017, Appropriating Unanticipated Revenue in the Community Development Block Grant Fund.
- B. Second Reading of Ordinance No. 110, 2017, Appropriating Unanticipated Revenue in the HOME Investment Partnerships Fund.

These Ordinances, unanimously adopted on First Reading on August 15, 2017, appropriate the additional funding received from the Department of Housing and Urban Development (HUD) for 2017 and distribute the final funding allocations proportionately in accordance with the Community Development Block Grant Commission's (CDBG) recommendations. This will complete all funding allocations related to the 2017 Spring Cycle of to Competitive Process.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on Second Reading.

BACKGROUND / DISCUSSION

In response to additional questions regarding how the City ensures for compliance with diversity expectations related to the implementation of federal funds, the City does the following: implements a Citizen Participation Plan which incorporates outreach and input from diverse and under-served populations, monitors grantees annually for compliance with related federal regulations, and seeks to affirmatively further fair housing by regularly assessing the barriers and impediments experienced by Fort Collins residents and developing strategies to ensure an open, diverse and equitable community.

ATTACHMENTS

- 1. First Reading Agenda Item Summary, August 15, 2017 (w/o attachments) (PDF)
- 2. Ordinance No. 109, 2017 (PDF)
- 3. Ordinance No. 110, 2017 (PDF)

AGENDA ITEM SUMMARY

August 15, 2017

City Council

STAFF

Beth Rosen, Affordable Housing Program Administrator
Ingrid Decker, Legal

SUBJECT

Items Relating to Additional Allocations of Funding to Projects Funded in 2017 Spring Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing Funds from the Federal Community Development Block Grant Program, Federal HOME Investment Partnerships Program, the City's Affordable Housing Fund Program and the City's Human Services Program (HSP).

EXECUTIVE SUMMARY

- A. Resolution 2017-075 Rescinding Resolution 2017-042 and Approving Revised Allocations to the Programs and Projects that Will Receive Funds from the Federal Community Development Block Grant Program, HOME Investment Partnerships Program, the City's Affordable Housing Fund, and the City's Human Services Program.
- B. First Reading of Ordinance No. 109, 2017, Appropriating Unanticipated Revenue in the Community Development Block Grant Fund.
- C. First Reading of Ordinance No. 110, 2017, Appropriating Unanticipated Revenue in the HOME Investment Partnerships Fund.

The purpose of this item is to appropriate the additional funding received from the Department of Housing and Urban Development (HUD) for 2017 and distribute the final funding allocations proportionately in accordance with the Community Development Block Grant Commission's (CDBG) recommendations. This will complete all funding allocations related to the 2017 Spring Cycle of the Competitive Process. Resolution 2017-075 rescinds the resolution passed by the City Council in May 2017 to allocate funding and completes the final distribution of funding to the 2017 Spring Cycle of the Competitive Process for allocating \$1,174,289 in City financial resources to human service programs, affordable housing projects and the administration of the CDBG and HOME programs for the fiscal year that begins October 1, 2017. Ordinance No. 109, 2017, appropriates the increase in allocations to the FY2017 CDBG from HUD and Ordinance No. 110, 2017 appropriates the increase in allocations to the FY2017 HOME Participating Jurisdiction (PJ) Grant from HUD.

STAFF RECOMMENDATION

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

BACKGROUND / DISCUSSION

Resolution 2017-042, adopted by City Council May 16, 2017, established which programs and projects would receive funding with CDBG, HOME, AHF and HSP funds for the FY2017 program year that begins October 1, 2017. CDBG and HOME are federal dollars allocated through HUD.

At the time the recommendation was brought to City Council, the City had not yet received the final FY2017 budget allocations from the Department of Housing and Urban Development (HUD). In anticipation of potential budget cuts, the CDBG Commission estimated HUD funding at 75% of the prior year grant awards. These recommendations also did not include any City funding that had not yet been reappropriated to either affordable housing or human services. The recommendation from the CDBG Commission outlined the course of action for proportionately increasing funding across all applications not receiving their full request in the event the HUD grant exceeded the estimated amounts.

Since the May 16, 2017 adoption of funding recommendations, an additional \$21,000 in AHF fund dollars became available through re-appropriation and the City received notification from HUD regarding the FY17 CDBG and HOME Allocations. CDBG funding increased by \$253,378 over the estimated amount and the HOME award increased by \$214,704. These funds are now being proportionately distributed across the previously approved projects according to the guidance provided by the CDBG Commission.

FY2017 Funding Increase

Additional Project Funding	CDBG	HOME
FY2017 Planning & Administration	\$50,675	\$21,470
FY2017 Public (Human) Service	\$38,006	\$0
Unallocated*	\$164,697	\$193,234
Total	\$253,378	\$214,704

*The unallocated balance will be carried forward for allocation to eligible housing projects in the FY2018 Spring Competitive Process

The following table shows both the estimated and final dollars available in each funding category:

FY2017 Funding Categories

Funding Source	Estimated Funding	Final Allocation
FY2017 Housing	\$3,145,480	\$3,524,375
FY2017 Public (Human) Service	\$859,069	\$897,067
FY2017 Planning and Administration	\$202,476	\$274,611
Appropriation Shortfall (prior year commitments)	\$26,014	\$26,014
Total	\$4,233,039	\$4,722,067

Total CDBG money for FY2017 is \$ \$1,449,191. The represents an increase of \$253,378 over the estimated amount of \$1,195,867 which was used for deliberations. HUD regulations allow a maximum of 20% of CDBG Entitlement grant to be used for CDBG planning and program administration. The maximum limit allowed by HUD regulations in the Public (Human) Service category for the CDBG Entitlement grant is 15%.The following table provides a summary of 2017 CDBG funding sources:

FY2017 CDBG Funding Sources

Funding Source	Estimated Funding	Final Allocation
FY2017 CDBG Entitlement Grant	\$712,415	\$965,793
CDBG Reconciled Funds	\$483,452	\$483,452
Total	\$1,195,867	\$1,449,245

The City’s contribution to the Public (Human) Service category is \$739,648. This amount remains unchanged. The following table provides a summary of 2017 HSP funding sources:

FY2017 HSP Funding Sources

Funding Source	Estimated Funding	Final Allocation
FY2017 HSP GF	\$371,601	\$371,601
FY2017 HSP KFCG	\$368,047	\$368,047
Total	\$739,648	\$739,648

Total HOME money for FY2017 is \$1,987,181. This represents an increase of \$214,704 over the estimated amount \$1,722,477 which was used for deliberations. HUD regulations allow a maximum of 10% of the HOME Grant (\$62,163) and a portion of HOME FY2016 Program Income (\$19,301) for a total of \$81,464 to be used for HOME program administrative purposes. The following table summarizes the 2017 HOME funding sources:

FY2017 HOME Funding Sources

Funding Source	Estimated Funding	Final Allocation
FY2017 HOME Grant (estimated 75% of prior year funding)	\$406,927	\$621,631
FY2016 HOME Program Income 10/16-3/17	\$22,629	\$22,629
FY2016 HOME Program Income	\$284,014	\$284,014
FY2016 Uncommitted	\$1,058,907	\$1,058,907
Total	\$1,772,477	\$1,987,181

The City's contribution to the housing category is \$546,017. This is an increase of \$21,000 over the estimated amount of \$525,047 which was used for deliberations. The following table summarizes the 2017 AHF funding sources:

FY2017 AHF Funding Sources

Funding Source	Estimated Funding	Final Allocation
FY2017 AHF GF	\$325,047	\$325,047
FY2017 AHF KFCG	\$200,000	\$200,000
FY16 - AHF Re-appropriation of prior year funds		\$21,000
Total	\$525,047	\$546,047

At the April 13, 2017 Competitive Process Deliberations, the CDBG Commission chose to move forward with the funding recommendations using 75% of FY2016 allocations with the following guidance: If the City receives fewer FY2017 dollars than anticipated, the CDBG Commission will prioritize which housing applicants should receive funding at its May 11 meeting. The CDBG Commission voted to recommend adjusting the funding amounts to each of the Public (Human) Service applicants that are being recommended for funding. If the amounts are higher, each applicant receiving funding will get an equal amount of additional funds, unless they received 100% of their request. If the amount received is lower, each applicant recommended for funding will have an equal amount of their funding recommendation lowered.

The following funding adjustments are in accordance with those above recommendations:

Planning and Administration Category

Applicant Project/Program	Estimated Funding	Final Funding	Increase
City of Fort Collins: CDBG Administration/Planning	\$142,483	\$193,147	\$50,664
City of Fort Collins: HOME Administration/Planning	\$59,993	\$81,464	\$21,471
Administration/Planning Total	\$202,476	\$274,611	\$72,135

Housing & Public Facility Category

With enough funding dollars in the Housing category, and with good housing proposals submitted, the CDBG Commission recommended full funding for all five housing proposals. All projects were approved on May 16, 2017.

Public Service Category

The CDBG Commission recommended 30 human service applications for funding, with the guidance that any increase in funding be proportionately distributed among the applications, with no applicant exceeding 100% of

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their request. The increase in the CDBG award made an additional \$37,998 available in funding to the human service agencies. The Final (Adjusted) Funding Recommendation shows the proportional increase for each of the applicants.

Applicant Project/Program	Funding Request	Commission's Recommended Funding	Revised Funding	Percent of Request Funded
Alliance for Suicide Prevention: Suicide Prevention & Mental Health Education	\$10,000	\$5,000	\$5,259	53%
B.A.S.E. Camp: Childcare Scholarships	\$70,000	\$50,000	\$52,592	75%
Bike Fort Collins: Upshift-Supporting Opportunity Through Bikes	\$8,880	\$0	\$0	0%
Boys & Girls Clubs of Larimer County: Great Futures Start Here	\$30,000	\$22,000	\$23,141	77%
CASA Program: Court Appointed Special Advocates	\$31,429	\$13,500	\$14,200	45%
CASA Program: Harmony House Supervised Visitation	\$31,046	\$15,000	\$15,778	51%
Catholic Charities: Senior Services	\$35,000	\$25,000	\$26,296	75%
Catholic Charities: The Mission Shelter	\$70,000	\$30,000	\$31,555	45%
ChildSafe Colorado: Child Sexual Abuse Treatment Program	\$40,000	\$37,000	\$38,918	97%
Colorado Health Network : Northern Colorado AIDS Project (NCAP)	\$7,500	\$7,500	\$7,500	100%
Crossroads Safehouse: Advocacy Project	\$118,727	\$40,634	\$42,741	36%
Disabled Resource Services: Access to Independence	\$31,116	\$30,000	\$31,116	100%
Elderhaus Adult Day Program: Community Based Therapeutic Care	\$53,000	\$39,976	\$42,048	79%
Ensign Skills Center: Low Vision Training Program	\$30,733	\$0	\$0	0%
Food Bank for Larimer County: Kids Café	\$33,000	\$23,500	\$24,718	75%
Health District of Northern Larimer County: Dental Connections	\$36,500	\$18,500	\$19,459	53%
Heart of the Rockies, Kids at Heart: Fundango	\$22,721	\$0	\$0	0%
Homeless Gear: Murphy Center Programs	\$36,000	\$30,000	\$31,555	88%
Homeless Gear: Homeless Gear Programs	\$35,000	\$33,000	\$34,711	99%
Larimer County Partners: One to One Mentoring	\$15,000	\$0	\$0	0%
Neighbor to Neighbor: Homelessness Prevention & 1 st Month's Rent	\$80,000	\$80,000	\$80,000	100%
Neighbor to Neighbor: Housing Counseling	\$60,000	\$32,500	\$34,185	57%
Project Self-Sufficiency: Creating Pathways to Self-Sufficiency	\$30,000	\$30,000	\$30,000	100%
Project Self-Sufficiency: Healthy Families Program	\$30,000	\$0	\$0	\$0

Applicant Project/Program	Funding Request	Commission's Recommended Funding	Revised Funding	Percent of Request Funded
RVNA/CO Visiting Nurse Association: In Home Support	\$35,000	\$20,000	\$21,037	60%
Respite Care: Childcare Scholarships	\$35,000	\$31,000	\$32,607	93%
SAVA Center: Sexual Assault Victim Services	\$50,000	\$25,459	\$26,779	54%
SummitStone Health Partners: Community Behavioral Health Treatment Program	\$27,200	\$25,000	\$26,296	97%
SummitStone Health Partners: Mental Health Services at the Murphy Center	\$27,200	\$18,000	\$18,933	70%
Teaching Tree Early Childhood Learning Center: Childcare Scholarships	\$60,000	\$49,000	\$51,540	86%
Team Fort Collins dba TEAM Wellness and Prevention: Pay it Forward-Alcohol Level II Classes	\$34,050	\$0	\$0	0%
The ARC of Larimer County: Neuropsychiatric Evaluations for I/DD Populations	\$20,000	\$0	\$0	0%
The Center for Family Outreach: Low-Income Scholarship Program	\$20,000	\$0	\$0	0%
The Family Center/La Familia: Childcare Scholarship Program	\$50,000	\$40,000	\$42,074	84%
The Growing Project: Community Food Production, Education and Distribution Program	\$25,000	\$0	\$0	0%
The Matthews House: Empowering Youth Program	\$35,000	\$19,000	\$19,985	57%
Turning Point Center for Youth and Family Development: Crisis Intervention Services	\$30,000	\$12,500	\$13,148	44%
Voices Carry Child Advocacy Center: Victim Services	\$25,000	\$22,000	\$23,141	93%
Volunteers of America: Home Delivered Meal Service	\$38,500	\$34,000	\$35,763	93%
Public Service Total	\$1,457,602	\$859,069	\$897,075	62%

CITY FINANCIAL IMPACTS

The CDBG and HOME programs provide federal funds from HUD to the City of Fort Collins which can be allocated to housing and community development related programs and projects and administration of the funds, thereby, reducing the demand on the City's General Fund budget to address such needs These dollars allow applicants to leverage other funding sources to provide needed services in our community.

Through the provision of affordable housing, more of Fort Collins' work force can reside within the community. This means there is an available labor pool within the city, which is a positive benefit to economic sustainability.

Public (Human) Service programs contribute to economic sustainability and homelessness prevention by providing such programs as education, childcare, counseling, and rent assistance, so workers can maintain their employment and housing. By providing funding to these programs for needed upgrades to their facilities

or for partial purchase of service locations, the agencies are better able to utilize other available funds to serve their clients.

BOARD / COMMISSION RECOMMENDATION

At the April 13, 2017 Competitive Process Deliberations, the CDBG Commission chose to move forward with the funding recommendations using 75% of FY2016 allocations with the following guidance: If the City receives fewer FY2017 dollars than anticipated, the CDBG Commission will prioritize which housing applicants should receive funding at their May 11 meeting. The CDBG Commission voted to recommend adjusting the funding amounts to each of the Public (Human) Service applicants that are being recommended for funding. If the amounts are higher, each applicant receiving funding will get an equal amount of additional funds, unless they received 100% of their request. If the amount received is lower, each applicant recommended for funding will have an equal amount of their funding recommendation lowered.

The justifications for the CDBG Commission's recommendations can be found in the April 13, 2017 CDBG Commission minutes. (**Attachment 1**)

PUBLIC OUTREACH

Applicants had the opportunity to make presentations to the CDBG Commission on four evenings in March 2017 and the CDBG Commission held a meeting on April 13, 2017 to deliberate the proposals and make funding recommendations. All meetings were open to the public and added to the City calendar.

HUD regulations required a 30-day public comment period on the original proposed allocation of CDBG and HOME funds. Staff placed an ad in the Coloradoan newspaper on April 16, 2017 presenting the list of recommended funding for programs/projects and held a public comment period from April 17, 2017 through May 16, 2017. The Council meeting held on May 16 served as a Public Hearing and comments were recorded and reported to HUD in August. The public notice of funding recommendations was placed on the Social Sustainability Department's website. It was also distributed to applicants and 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 households, or serving those community members who might otherwise have barriers to public participation in the City's civic engagement processes. Many recipient organizations made public comments during Citizen Participation at the May 16, 2017 City Council meeting to express appreciation for the award recommendations.

ATTACHMENTS

1. CDBG Funding Deliberations (PDF)

ORDINANCE NO. 109, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED REVENUE IN THE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

WHEREAS, the City has received unanticipated additional CDBG funding from HUD for 2017 in the amount of \$253,378; and

WHEREAS, Article V, Section 9, of the City Charter permits 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, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of all unanticipated CDBG program revenue as described herein will not result in total appropriations in excess of the current estimate of actual and anticipated revenues for fiscal year 2017.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from unanticipated revenue, upon receipt thereof into the Community Development Block Grant Fund, the sum of TWO HUNDRED FIFTY-THREE THOUSAND THREE HUNDRED SEVENTY-EIGHT DOLLARS (\$253,378), for approved Community Development Block Grant projects.

Introduced, considered favorably on first reading, and ordered published this 15th day of August, A.D. 2017, and to be presented for final passage on the 5th day of September, A.D. 2017.

Mayor

ATTEST:

Interim City Clerk

Passed and adopted on final reading on the 5th day of September, A.D. 2017.

Mayor

ATTEST:

Chief Deputy City Clerk

ORDINANCE NO. 110, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING UNANTICIPATED REVENUE IN THE
HOME INVESTMENT PARTNERSHIPS 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 that would increase the supply of decent, safe, and affordable housing; and

WHEREAS, on March 1, 1994, the City Council adopted Resolution 1994-042 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 been notified by HUD that the City’s HOME Participating Jurisdiction Grant for the federal fiscal year 2017-2018 is \$214,704 more than anticipated; 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 2017 fiscal year; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from unanticipated revenue in the federal fiscal year 2017-2018 in the HOME Program Fund the sum of TWO HUNDRED FOURTEEN THOUSAND SEVEN HUNDRED FOUR DOLLARS (\$214,704), upon receipt from federal fiscal year 2017-2018 HOME Participating Jurisdiction Grant Funds.

Introduced, considered favorably on first reading, and ordered published this 15th day of August, A.D. 2017, and to be presented for final passage on the 5th day of September, A.D. 2017.

Mayor

ATTEST:

Interim City Clerk

Passed and adopted on final reading on the 5th day of September, A.D. 2017.

Mayor

ATTEST:

Chief Deputy City Clerk