

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

## A POLICY RESOLUTION

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

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

SECTION 1. Policy Resolution PR 137-14 adopted on August 20, 2014, 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(CDBG) and HOME funding policy, and established a review process for annual CDBG and HOME funding requests, is hereby repealed.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 Housing and Community Development Commission (HCDC) that further the City's goals stated in the City's 2020-2024 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 30-48% (midpoint-39%) of available CDBG funds to affordable housing projects including acquisition, disposition, homebuyer assistance, homebuyer education, homebuyer counseling, credit counseling, 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, infill development, increased homeownership and increased accessibility. Affordable housing projects shall prioritize energy efficiency, storm water enhancements, universal design features, durability, healthy indoor air quality, and other amenities that promote sustainability, while ensuring that producing affordable and reasonably sized units to meet the growing needs of all low to moderate income households is the primary goal. Affordable housing efforts shall ensure funded projects meet the criteria of affordability within Council Bill No. R-87-19, with affordable housing defined as "housing for which the occupant(s) is/are paying no more than 30% of gross monthly income for gross housing costs including utilities."
- B. Neighborhood Revitalization and Stabilization: The City shall allocate 10-30% (midpoint-20%) of available funds to neighborhood revitalization and stabilization activities including sidewalks, crosswalks, and trails with connectivity to transportation, storm water improvements, sanitary sewer improvements, electrical undergrounding, removal of dilapidated structures and code enforcement.
- C. Economic and Workforce Development: The City shall allocate 8-15% (midpoint-11.5%) of available CDBG funds to economic development activities including

vocational training, small business technical assistance and special economic development assistance.

- D. Community Facilities: The City shall allocate 8-15% (midpoint-11.5%) of its available CDBG funds to community facility acquisition, renovation and expansion in accordance with 24 CFR 570.201c. Priority may be considered for viable projects that address our community's efforts to work towards a functional zero for individuals that are chronically homeless.
  
- E. 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, Consolidated Annual Performance and Evaluation Report, reporting, record-keeping, soliciting public participation, providing outreach and education regarding funding, and providing staff support to the Housing and Community Development Commission and other City appointed boards and commissions.

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.

No more than 15% of funding may be approved for activities defined by HUD regulation 24 CFR 570.201(e) as a "Public Service" activity. Funded activities shall be funded in a manner that are complimentary to existing Division of Human Services and/or County Social Services funded activities, unless funds can assist in furthering a unique project in need of additional capacity.

SECTION 3. The City Council of the City of Columbia, Missouri, hereby establishes the following HOME funding guidelines. HOME funds shall be allocated towards the creation of housing affordability through homebuyer assistance, owner-occupied rehabilitation, new owner-occupied housing construction, rental production, tenant-based rental assistance and administration. Affordable housing projects shall prioritize incorporating energy efficiency, storm water enhancements, universal design features, durability, healthy indoor air quality, and other amenities that promote sustainability, while ensuring that producing affordable and reasonably sized units to meet the growing needs of all low to moderate income households is the primary goal.

Affordable housing efforts shall ensure funded projects meet the criteria of affordability within Council Bill No. R-87-19, with affordable housing defined as "housing for which the occupant(s) is/are paying no more than 30% of gross monthly income for gross housing costs including utilities." Categories of funding shall include:

- A. Homeownership Assistance: The City shall allocate 25-35% (midpoint-28%) of funds to homebuyer assistance. Assistance shall be in accordance with the Homeownership Assistance Program and Homeownership Assistance Neighborhood Development Program.
- B. Production and Preservation of Owner-Occupied Housing: The City shall allocate 15-30% (midpoint-23%) of annual HOME funds to the production and/or preservation of affordable owner occupied housing. A minimum of 15% of the City's annual HOME resources shall be reserved for qualified Community Housing development Organizations (CHDO) for the development or preservation of affordable housing units.
- C. Rental Production: The City shall allocate 20-35% (midpoint-28%) of HOME funds annually to the support the production or preservation of affordable rental units. Allocation of City funds will in general be provided for projects leveraging additional funding from the Missouri Housing Development Commission (MHDC), Federal Home Loan Bank (FHLB) and other federal and state resources.
- D. Tenant Based Rental Assistance: The City shall allocate 5-15% (midpoint-10%) of annual HOME funding for the purpose of providing vouchers to housing insecure households. Funding awards shall prioritize the Columbia Public Housing Authority to complement its existing voucher programs, while also prioritizing the utilization of coordinated entry, coordination with local service providers serving chronically homeless populations and collaboration with the Functional Zero Task Force.
- E. 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 of the City of Columbia, Missouri, hereby establishes the following non-CDBG and HOME fund guidelines. The City shall allocate non-CDBG and HOME funding identified by the City Council in manner to complement existing affordable housing goals within the City's 2020-2024 Consolidated Plan, or for a specific Council priority. Eligible categories of funding shall include:

- A. Acquisition and Site Improvements: Acquisition of land for the development of affordable housing and construction of infrastructure improvements necessary to facilitate the development of affordable housing.
- B. Homeownership Assistance: Assistance shall be in accordance with the Homeownership Assistance Program and Homeownership Assistance Neighborhood Development Program.
- C. Production and Preservation of Owner-Occupied Housing: City support of the production and preservation of owner-occupied housing shall prioritize permanently affordable housing.
- D. Rental Production: The City may allocate funds annually to support the production or preservation of affordable rental units. Allocation of City funds will in general be provided for projects leveraging additional funding from the Missouri Housing

Development Commission (MHDC), Federal Home Loan Bank (FHLB) and other federal and state resources.

- E. Administration: The City may allocate up to 10% of funds toward administration costs associated with the Housing Programs Division's administration and operation of funding.

SECTION 5. The City Council hereby established the following process for review and approval of annual project requests for funding.

- A. The Housing and Community Development Commission holds a public hearing to receive input on housing and community development needs. Following the hearing, a summary of citizen comments, a copy of the hearing minutes, and Housing 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 and any non-CDBG and HOME funds made available.
- C. The Housing and Community Development Commission reviews applications for the following criteria:
  - 1. How well the project aligns with City goals and policies identified within the 5-year Consolidated Plan and most current Analysis of Impediments to Fair Housing Choice.
  - 2. Alignment with most recent annual Housing and Community Development Needs survey responses.
  - 3. Average Commissioner viability rating of proposals ranked from high to low and per funding category.
- D. The Housing and Community Development Commission holds public hearings to allow presentations of project proposals.
- E. The Housing and 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 desired by Council, and adopts the budget.

The form and content in Section 8 shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

ADOPTED this 21st day of October, 2019.

ATTEST:

---

City Clerk

---

Mayor and Presiding Officer

APPROVED AS TO FORM:

---

City Counselor