



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: April 6, 2020

Re: Public Hearing to Consider the FY 2019 CDBG and HOME Annual Action Plan

## Executive Summary

City Council approved a resolution setting a public hearing for April 6, 2020 to consider an amendment to the FY 2019 Community Development Block Grant (CDBG) and HOME Annual Action Plan. The FY 2019 Annual Action Plan was previously approved on June 17, 2019. A public hearing is required by HUD in accordance with the City's Citizen Participation Plan, since the amendment is greater than 10% of the City's Annual budget for HOME funds. The 2019 Action Plan is the 5<sup>th</sup> year of implementing the 5- Year Consolidated Plan for 2015-2019. A draft of the amendment was made available to the public after the March 3, 2020 Council meeting.

## Discussion

Approval of the amendment to FY 2019 Action Plan is required in order to allocate funds identified for the Cullimore Cottages project. The amendment also includes the allocation of Community Housing Development Organization funds from FY 2018 that were previously identified for the Cullimore Cottages project.

HUD regulations require that the City of Columbia allocate at least 15% of its annual HOME funding allocation to Community Housing Development Organizations (CHDO). CHDOs are non-profit housing development organizations with the development of affordable housing as its primary purpose. CHDOs also must maintain a specific board structure with at least a 1/3 of its board representing the interests of low to moderate income populations and no more than 1/3 of its board being appointed by or having director positions being held by government officials. Further HUD guidance for defining CHDOs is described at 24 CFR Part 92.2

The City of Columbia Housing Programs Division previously maintained a budget of \$166,187 in 2018 CHDO funds and \$222,448 in 2019 CHDO funds for the Cullimore Cottages project, or a total of \$388,635. These amounts were previously recommended by the HCDC for Council approval and Council has previously approved these allocations within its 2018 and 2019 Annual Action Plans. These amounts were above the required 15% threshold. Previous plans also included 5 of the 10 homes at the Cullimore Cottages to go to CHDOs, while the remaining 5 would be built by the Columbia Community Land Trust (CCLT).

Current CDBG and HOME Administrative Guidelines allow for the utilization of non-CHDO builders through the Homeownership Assistance Neighborhood Development (HOAND), provided that each development meet program criteria and is authorized by City Council. The Housing and Community Development Commission and City staff are recommending



# City of Columbia

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decreasing the level of funds going to CHDOs and reallocating these funds to the Columbia Community Land Trust (CCLT) through the HOA ND program. This recommended change is due to the significant cost savings ranging from \$20,000-\$40,000 per home. This change in funding would result in 3 homes being completed by CHDOs and 7 being completed by the CCLT. The attached Amendment to the FY 2019 Annual Action Plan incorporates all of these recommended changes and allocates all funds necessary to complete the Cullimore Cottages project.

A 30 day comment period began on March 5, 2020 and will end on April 3, 2020. A public hearing must be scheduled during this public comment period.

## Fiscal Impact

Short-Term Impact: Allocates \$236,903 in previously approved CHDO funding and reallocated \$232,049 to the Homeownership Assistance Program.

Long-Term Impact: Additional program income due to loan repayments.

## Strategic & Comprehensive Plan Impacts

### Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Infrastructure, Tertiary Impact: Economy

### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities,

## Legislative History

Date	Action
10/7/2014	City Council adopted the 2015-2019 CDBG and HOME Consolidated Plan and 2015 Annual Action Plan.
6/17/2019	Council approved the FY 2019 Annual Action Plan

## Suggested Council Action

Conduct the public hearing on the Amendment to the FY 2019 Annual Action Plan.