



FY 2017 ANNUAL ACTION PLAN

COLUMBUS CONSOLIDATED GOVERNMENT

THE COMMUNITY REINVESTMENT DEPARTMENT



Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

Currently, Columbus receives CDBG and HOME funds for housing construction, rehabilitation initiatives, public service activities, economic development, and other eligible activities. These funding sources are expected to be available over the next five years.

In addition to its annual allocation, the City has approximately \$165,804 in CDBG prior year resources and \$940,972 in HOME prior year resources that have not been budgeted. The City plans to budget these funds as follows:

- The \$165,804 in CDBG prior year resources will be allocated to the following activities, which will require a substantial amendment to the FY 2017- FY 2021 Con Plan and FY 2017 AAP:
 - Owner-occupied housing rehabilitation (including accessibility modifications)
 - Property disposition
- The \$940,972 in HOME prior year resources will be allocated to the following activities, which will require a substantial amendment to the FY 2017- FY 2021 Con Plan and FY 2017 AAP:
 - Homebuyer assistance (second mortgages)

Because the City was unable to formally allocate these funds prior to the adoption of this Con Plan, the City is in the process of drafting a substantial amendment to the FY 2017 – FY 2021 Con Plan and the FY 2017 AAP that addresses the aforementioned changes. In accordance with the requirements at 24 CFR 91.505, the draft substantial amendment will be available for public review and comment for a minimum of 30 days prior to submitting the revised Con Plan and AAP to HUD.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	Acquisition						Block grant from HUD to address housing, community development and economic development needs in the City.
		Admin and Planning						
		Economic Development Housing Public	\$1,328,478	\$0	\$165,804	\$1,494,282	\$5,313,912	
		Improvements Public Services						
HOME	Public - Federal	Acquisition						Grant from US Department of Housing and Urban Development to address affordable housing needs in the City.
		Homebuyer rehabilitation and down payment assistance						
		Multifamily rental new construction	\$644,801	\$0	\$940,972	\$1,585,773	\$2,579,204	
		Multifamily rental rehab						
		New construction for ownership						

Table 52 - Expected Resources – Priority Table

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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The nonprofit organizations funded have additional financial capacity through foundations and fundraising campaigns. Federal funds provide these organizations with the opportunity to expand their services to benefit more low- and moderate-income persons.

The City of Columbus receives a 50% HOME match reduction. It requires organizations who receive HOME assistance to provide the necessary match using non-federal funds, which is verified through a report submitted to the City on an annual basis.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City owns approximately 25 properties that could be used for the construction of affordable housing. Additionally, the Columbus Land Bank Authority has six properties in its portfolio, with a stated goal of providing land to be used in the creation of affordable housing and jobs for LMI citizens through residential, commercial and industrial development.

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Yr. 1 Funding	Goal Outcome Indicator
1	Improve access to and quality of housing	2017	2021	Affordable housing	Citywide	Expand affordable housing opportunities Preserve existing affordable housing units	\$580,321.00	Homeowner Housing Added: 3 units Tenant-Based Rental Assistance/Rapid Rehousing: 8 households Homeowner Housing Rehabilitated: 4 units
2	Remove slum and blight	2017	2021	Non-Housing Community Development	Citywide	Blight Removal	\$76,710.70	Buildings Demolished: 10
3	Economic development	2017	2021	Non-Housing Community Development	Citywide	Reduce poverty/expand economic opportunity	\$786,800.00	Businesses Assisted: 5 Jobs Created/Retained: 70
4	Provide public services	2017	2021	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services	\$149,271.70	Public service activities other than Low/Moderate Income Housing Benefit: 3,136 persons
5	Housing/services for persons who are homeless	2017	2021	Public Housing Homeless	Citywide	Housing/services for the homeless/at-risk	\$50,000.00	Public Services for LMI Housing Benefit: 1,148 households Public service activities other than LMI Housing Benefit: 1,350 persons
6	Planning and administration	2017	2021	Administration	Citywide	Planning & administration	\$330,175.60	Other: 1

Table 53 – Goals Summary

Goal Descriptions

1	Goal Name	Improve access to and quality of housing
	Goal Description	Creation/preservation of affordable housing including housing rehabilitation assistance, down payment/closing cost assistance, and new construction.
2	Goal Name	Remove slum and blight
	Goal Description	Demolition of vacant and unsafe structures.
3	Goal Name	Economic development
	Goal Description	Direct technical and business assistance. (Includes Section 108 loan repayment)
4	Goal Name	Provide public services
	Goal Description	Expand and continue non-housing community development supportive services.
5	Goal Name	Housing/services for persons who are homeless
	Goal Description	Preservation of short- and long-term homeless facilities and associated services.
6	Goal Name	Planning and administration
	Goal Description	Administrative and planning costs to operate the CDBG and HOME programs successfully.

AP-35 Projects – 91.220(d)

Introduction

The following project information for FY 2017 provides a comprehensive overview of CDBG and HOME activities.

Projects

#	Project
1	CDBG Administration
2	HOME Administration
3	Housing – New Construction
4	Housing – CHDO
5	Tenant Based Rental Assistance
6	Demolition
7	Economic Development – Technical Assistance
8	Economic Development – Section 108
9	Direct Service Corporation
10	The Literacy Alliance – Pre-School
11	Homeless Resource Network
12	Boys & Girls Club
13	The Literacy Alliance – Adult Education
14	Columbus Community Center
15	Home for Good – CoC
16	Parks and Recreation – Swim Program
17	Fair Housing

Table 54 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City of Columbus is committed to allocating funds that serve the needs of the lowest income and most disadvantaged residents, which is reflected in the table of projects selected above.

The following are obstacles to meeting underserved needs in the City:

- The reduction of funding at the local, state, and federal levels will significantly limit the resources available to meet the needs of low and moderate income residents. With declining resources from various sources, the City and non-profit organizations will be unable to serve all persons who are in need of services and, in some cases, programs may cease to exist due to the decrease in funding.
- As the population of Columbus continues to grow, continuing limitations on affordable housing will become a major barrier.

AP-38 Project Summary

Project Summary Information

#	Project	Description	\$ Source	\$	Location	Activities
1	CDBG Administration	Planning and administration for CDBG program.	CDBG	\$265,696.60	Citywide	Planning and administration.
2	HOME Administration	Planning and administration for HOME program.	HOME	\$64,480.00	Citywide	Planning and administration.
3	Housing - New Construction	NeighborWorks will be constructing three new single-family homes for sale to low-income households.	HOME	\$351,571.00	Citywide	Improve access to and quality of housing
4	Housing - CHDO Operating Support	Funds will be used for the acquisition and/or rehabilitation of homebuyer properties; new construction of homebuyer properties; and/or direct financial assistance to purchasers of HOME-assisted housing that has been developed with HOME funds by the CHDO.	HOME	\$96,720.00	Citywide	Improve access to and quality of housing
5	Tenant-Based Rental Assistance (TBRA)	In partnership with Open Door Community House, TBRA vouchers will be provided to 8 low-income individuals who are homeless or at risk of becoming homeless. These vouchers will assist individuals with security deposits, utility deposits, and rental assistance for 24 months.	HOME	\$132,030.00	Citywide	Improve access to and quality of housing
6	Demolition	The City's Codes and Inspections Department will use this funding to demolish up to 10 blighted properties throughout the City. There are currently 125 structures on the demolition list.	CDBG	\$76,710.70	Citywide	Remove slum and blight
7	Economic Development - Section 108	The City will continue to make payments to meet its Section 108 repayment obligations.	CDBG	\$766,800.00	Citywide	Economic development

#	Project	Description	\$ Source	\$	Location	Activities
8	Economic Development - Technical Assistance	The City will work with a subrecipient to certify Section 3 businesses and to provide training to low-income individuals to be certified as Section 3 residents. These businesses and individuals will be referred to developers and contractors who are hired to work on HOME and CDBG projects.	CDBG	\$20,000.00	Citywide	Economic development
9	Direct Service Corporation	Provides home delivered meals to 14 income eligible senior citizens.	CDBG	\$25,000.00	Citywide	Provide public services
10	The Literacy Alliance - Pre-School	The Youth Program will provide kindergarten readiness educational programs for 186 pre-school youths aged 4 to 5.	CDBG	\$25,000.00	Citywide	Provide public services
11	Homeless Resource Network	Program will assist 48 income eligible clients in securing affordable housing within Muscogee County.	CDBG	\$18,750	Citywide	Improve access to and quality of housing
12	Boys & Girls Club	Provides educational and career development programs to youths ages 6 to 12.	CDBG	\$18,750.00	Citywide	Provide public services
13	The Literacy Alliance - Adult Education	The Adult Education Program will provide literacy readiness educational programs for 45 income eligible adults.	CDBG	\$12,500.00	Citywide	Provide public services
14	Columbus Community Center	Provide literacy, educational and youth services to 91 low/moderate income eligible recipients aged 5 through 12.	CDBG	\$12,500.00	Citywide	Provide public services
15	Home for Good/CoC	As the lead agency for the Continuum of Care, Home For Good coordinates and performs all federally mandated activities necessary to secure federal homeless funds on behalf of the community's continuum of care document; including the annual enumeration, annual funding application, administration of the homeless management information system, and collection and dissemination of performance data.	CDBG	\$50,000.00	Citywide	Housing/services for persons who are homeless

#	Project	Description	\$ Source	\$	Location	Activities
16	Parks and Recreation - Swim Program	Provide swim program to 500 income eligible youths aged pre-k to 5.	CDBG	\$25,000	Citywide.00	Provide public services
17	Fair Housing	The City will carry out fair housing activities to promote awareness of the fair housing model.	CDBG	\$11,771.70	Citywide	Provide public services

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Priority CDBG funding areas in Columbus include areas where the percentage of low to moderate income (LMI) persons is 51% or higher. These areas are outlined in the attached map, “LMI Areas,” in the Unique Appendices – Maps section.

The City defines “area of minority concentration” and “area of low-income concentration” as those census tracts that have concentrations of minority populations or low-income populations, respectively, statistically and significantly larger than the minority or low-income population for the City as a whole. For the purposes of this Annual Plan, “Minority concentration” is defined as those tracts with greater than 58.5% (County average) minority concentration. “Poverty concentration” is defined as those tracts with a poverty rate greater than 23.2% (County average). These areas are highlighted in the attached maps, “Minority Concentration” and “Poverty Concentration,” in the Unique Appendices - Maps section.

Rationale for the priorities for allocating investments geographically

The City will use HOME and CDBG funds throughout the jurisdiction to serve low and moderate-income persons. A portion of HOME and CDBG funds will be used for the rehabilitation and renovation of single-family homes in low-income neighborhoods to improve the housing conditions within those neighborhoods. This method of allocation will enable the City to serve the most disadvantaged residents given the limited funding available.

AP-55 Affordable Housing – 91.220(g)

Introduction

The City will use HOME funds and a portion of CDBG funds for new affordable housing and to rehabilitate existing housing units. The special needs population will be served through grants to local service providers. The homeless population will be served through assistance grants to local service providers. Therefore, these two groups do not have easily quantifiable goals; estimates have been based on the information on the table in SP-45 by dividing the estimated number of persons served by Columbus' average household size (2.58 persons) as appropriate.

One Year Goals for the Number of Households to be Supported

Homeless: 8

Non-Homeless: 7

Special-Needs: 0

Total: 15

Table 55 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through

Rental Assistance: 8

The Production of New Units: 3

Rehab of Existing Units: 4

Acquisition of Existing Units: 0

Total: 15

Table 56 - One Year Goals for Affordable Housing by Support Type

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of Columbus, GA (HACG) was founded in 1938. Its mission is to be the foremost provider of quality, affordable housing in the Columbus region by developing, revitalizing and managing contemporary housing communities.

Actions planned during the next year to address the needs to public housing

Although the public housing stock is generally in good condition, maintaining units at this level is cost-prohibitive for the Housing Authority. Consequently, aging units are being removed from the public housing stock and converted to project-based vouchers as a result of HUD's Rental Assistance Demonstration (RAD) program. The Booker T. Washington (BTW) complex, which is over 72 years old, has reached a point of overwhelming cost to operate and maintain. This structure, which contained 392 family units, is scheduled for a two-phase demolition and redevelopment. The demolition of BTW has reduced the public housing stock by 392 units; however, the redevelopment of the site will include 100 units for the elderly in Phase I and 106 mixed-income units in Phase II. These housing stock changes continue from FY2015 and are projected to extend through FY2017. Additionally, as a result of its redevelopment activities at BTW, HACG was awarded 302 tenant-protection vouchers (TPV) in FY2015 to assist with the relocation of BTW residents.

HACG's strategy for improving living environments is based on regular unit and building maintenance and repair, including HVAC improvements, interior modernization, roof replacement, fencing, wireless internet access and painting.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HACG continues to expand services to promote and support self-sufficiency programs. Currently, HACG has resident councils, security task forces, educational opportunities, and youth programming at its public housing sites. One HACG board position is reserved for residents. HACG actively includes residents in planning meetings.

Additionally, HACG sponsors and supports self-sufficiency programs focused at helping their residents improve their economic situation and quality of living. The programs, Resident Opportunities and Self-Sufficiency (ROSS) and Family Self-Sufficiency (FSS), are voluntary self-sufficiency programs that provide participating families the opportunity to identify needs, improve skill sets, and work towards life goals, economic independence, and housing self-sufficiency. Both ROSS and FSS enlist Program Coordinators to link participating families to resources to aid them in achieving their goals. HACG's self-sufficiency programs provide families with:

- A plan specifically tailored to their family or individual goals.

- A link to community organizations geared towards education, job training and placement programs, computer and financial literacy, and increased self-sufficiency.
- An advocate and supporter to help residents work through barriers preventing self-sufficiency.

Almost 14% (490) of HACG residents have been impacted by the self-sufficiency programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable. HACG is designated as a “High Performer.”

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

As a participant in the local CoC, led by Home for Good, the City is a partner in its plan to address homelessness and the priority needs of homeless individuals and families, including homeless subpopulations.

The City has implemented a Homeless Management Information System (HMIS) database to track the effectiveness of service providers. This system provides information on services provide to eligible clients by local non-profit organizations in the City. The City funds the HMIS coordinator on an annual basis, and will continue to contribute CDBG funds to help assist local service agencies provide services.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Individuals/families can access support services either by self-presenting at most of the shelter facilities or through referrals. Regional emergency shelters refer participants to agencies that will assist them in obtaining mainstream resources so that they will have the financial ability to start along the road to self-sufficiency. Transitional housing programs generally refer participants to permanent housing programs/locations and provide the assistance necessary in obtaining resources to be successful when they make this transition.

The City will continue to support the region's CoC, Home for Good, with CDBG funds in FY17, with an allocation of \$50,000. Additionally, the City will allocate \$132,030 in FY17 HOME funds to Open Door Community House, who will provide TBRA vouchers to 8 low-income individuals who are homeless or at-risk of being homeless.

Addressing the emergency shelter and transitional housing needs of homeless persons

Each year, the CoC conducts a Point-in-Time count of the persons residing in emergency shelters and transitional housing facilities, as well as those living unsheltered, in the Columbus region. This information is used to understand the emergency and transitional needs of homeless persons so that they can be addressed adequately and efficiently. The City will continue to support the region's CoC, Home for Good, with CDBG funds in FY17, with an allocation of \$50,000. Additionally, the City will allocate \$132,030 in FY17 HOME funds to Open Door Community House, who will provide TBRA vouchers to 8 low-income individuals who are homeless or at-risk of being homeless.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Increasing the amount of permanent housing with supportive services is a top priority for the City. The majority of chronically homeless persons have severe mental illness and/or substance abuse issues. They require long-term, affordable housing options with supportive services in order to make the transition to residential stability. In addition to permanent affordable housing, the City's strategy for ending chronic homelessness addresses each of the issues that most often cause this problem:

- The high prevalence of substance abuse among chronically homeless individuals
- Inadequate education and/or job skills among many homeless persons
- The shortage of affordable housing in the City of Columbus

The City will maintain coordination and collaboration with local non-profit agencies serving the homeless population. Columbus will continue will use its entitlement grant funds to assist non-profit organizations that serve homeless individuals and families in Columbus and to continue funding for its Homeless Task Force Coordinator who creates the application for the CoC and assists in coordination homeless resources throughout the City.

In partnership with Open Door Community House, FY17 HOME funds (\$132,030) will be used to provide TBRA vouchers to 8 low-income individuals who are homeless or at risk of becoming homeless. These vouchers will assist individuals with security deposits, utility deposits, and rental assistance for 24 months. Additionally, FY17 CDBG funds (\$18,750) will be used to support the Homeless Resource Network in assisting income eligible clients in securing affordable housing within Muscogee County.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City recognizes a need for neighborhood-based homelessness prevention programs, such as a crisis response and stabilization team, a street outreach program, housing search and

placement specialists, and increased employment opportunities that provide temporary rental assistance and other services.

The following action items comprise the City's strategy for homelessness prevention:

- Development of a detoxification unit for persons in danger of becoming homeless;
- Development of programs and systems that help overcome barriers to housing and employment;
- Provide childcare;
- "Agreement of Discharge" memorandums;
- Design of an intervention and eviction prevention program;
- Rental and utility assistance payments;
- Implementation of a referral and outreach team;
- Development of a reunification program;
- Foreclosure intervention and prevention program;
- Encourage participation in national healthcare plan;
- Establish a critical document fund;
- Expand and update homeless resource guides.

In partnership with Open Door Community House, FY17 HOME funds (\$132,030) will be used to provide TBRA vouchers to 8 low-income individuals who are homeless or at risk of becoming homeless. These vouchers will assist individuals with security deposits, utility deposits, and rental assistance for 24 months. Additionally, FY17 CDBG funds (\$18,750) will be used to support the Homeless Resource Network in assisting income eligible clients in securing affordable housing within Muscogee County.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The City's housing market presents significant impediments to development of an adequate supply of affordable housing for LMI individuals and families. Loss of major manufacturing employment opportunities coupled with rising construction costs has created a significant barrier to affordable housing. The City's 2011 Analysis of Impediments to Fair Housing Choice (AI) examined a number of areas in which barriers to the development of affordable housing might exist. Barriers identified in the AI and over the course of the outreach for the development of this Consolidated Plan, include:

- Property tax freeze in Muscogee County, meaning that tax assessments are based on the value at the time of sale and frozen at that value until the property is sold or improved. This presents a disincentive to new residential investment and rehabilitation and a loss of real estate property tax that increases in real time with the market value or appraised value of the housing stock.
- Limited supply of quality affordable housing stock.
- Zoning ordinances restrict the development of affordable supportive housing (group living)
- Limited access to and availability of public transportation means that affordable housing is not necessarily located within a reasonable commute of employment centers and amenities

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

While there exist several barriers to affordable housing in Columbus, the City has taken several steps to mitigate these barriers. These include:

- The City of Columbus is currently investigating the effects of the property tax freeze in more detail;
- The City is continually monitoring the potential need for improved transit accessibility for residents, and METRA has plans to expand service;
- The City continues to utilize HUD grants to fund housing development and rehabilitation projects to increase the supply of affordable housing

AP-85 Other Actions – 91.220(k)

Introduction:

The following information illustrates other actions that the City of Columbus will take to address its priority needs.

Actions planned to address obstacles to meeting underserved needs

The primary impediment to the City's ability to meet underserved needs is the limited amount of CDBG funding to address identified priorities. The City will continue to seek public and private resources to leverage its entitlement funds in assisting with implementation of policies and programs.

Actions planned to foster and maintain affordable housing

The City will continue to support its goals of maintaining and expanding affordable housing by utilizing its CDBG and HOME allocations to create new opportunities for affordable rental and homeownership and rehabilitate existing affordable units. The amount of funds allocated for these activities for FY17 is \$580,321.

Actions planned to reduce lead-based paint hazards

The City will continue to ensure compliance with the HUD lead-based paint regulations that implement Title X of the Housing and Community Development Act of 1992, which covers the CDBG and HOME programs, among others. The City plans to continue using a certified private contractor to remove lead from housing units where funds will be invested for rehabilitation or other purposes. A private contractor is also used to conduct lead-based paint testing and Lead Risk Assessments. In any cases where testing indicates the presence of lead, it will be properly removed or abated.

Actions planned to reduce the number of poverty-level families

Specifically, the City will continue to provide assistance to LMI residents through the following initiatives:

- Provide non-profit organizations such as The Literacy Alliance with funding to assist City residents with literacy readiness
- Provide assistance to non-profit organizations such as NeighborWorks to provide affordable homeownership opportunities for LMI residents;
- Continue to implement its Section 3 policy. Additionally, the City will encourage non-profit organizations to expand housing development programs to incorporate job-training opportunities as part of their operations.

Actions planned to develop institutional structure

The City's Community Reinvestment Department plans to continue to strengthen its working relationships with social service agencies. Public and autonomous agencies that are critical to the institutional structure work cooperatively in executing required tasks. Agency staff have the ability and expertise to deliver services efficiently and effectively, and often have years of expertise in their respective fields. Additionally, nonprofit organizations work closely with the Community Reinvestment Department and often bring a significant amount of experience and expertise to the service delivery system.

The City plans to improve coordination among its partner agencies to promote a broadly shared understanding of community needs, collaborative and complementary approaches to addressing needs, and responsiveness to changes in conditions.

Actions planned to enhance coordination between public and private housing and social service agencies

Regular evaluations of the current system will highlight areas where improvements are necessary. Greater technical assistance will be provided to social service and housing providers to assist them in attaining their goals, particularly when they overlap with those of the City.

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

This section describes program specific requirements for CDBG and HOME funds.

Community Development Block Grant Program (CDBG) Reference 24 CFR

91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
Total Program Income	\$0

Other CDBG Requirements

1. The amount of urgent need activities	\$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income	74.23%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

No other forms of investment are contemplated for the use of the HOME funds except as identified in 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The HOME recapture provisions are established at §92.254(a)(5)(ii), and permit the original homebuyer to sell the property to any willing buyer during the period of affordability while the City is able to recapture a portion of the HOME-assistance provided to the original homebuyer. The City will only recapture direct HOME Subsidy from the original buyer. Direct HOME subsidy

is defined as the amount of HOME assistance, including any program income, which enabled the homebuyer to purchase the unit. The direct subsidy includes downpayment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer.

In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value, then the difference between the fair market value and the purchase price is considered to be directly attributable to the HOME subsidy.

The City has chosen to recapture a portion of the net proceeds should the property sell during the period of affordability. Net proceeds are defined as the sales price minus the superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances will the City recapture more than is available from the net proceeds of the sale.

The City will not utilize recapture provisions when a project receives only a development subsidy and is sold at fair market value because there is no direct HOME subsidy to recapture from the homebuyer.

The form of recapture to be used by the City shall be “a sharing of net proceeds”. Sharing of net proceeds is defined as the sales price of the property LESS the outstanding mortgage debt owed to the primary lender LESS the homeowner’s contribution of the initial down payment and closing costs. Net proceeds will be shared between the City and the homeowner based on an annual pro-rata share during the term of affordability if the title of the property is changed before the period of affordability.

For example, if the property were to sell in Year 1 of the affordability period, and the affordability period was 5 years, then the City would receive 100% of the net proceeds and the homeowner would receive none of the net proceeds. If the property were sold in Year 2, then the City would receive 80% and the homeowner would receive 20%. If the property were sold in Year 3, the City would receive 60% and homeowner would receive 40% of the proceeds. If the property were sold in Year 4, then the City would receive 40% and homeowner would receive 60% of the proceeds. If the property were sold in Year 5, then the City would receive 20% and homeowner would receive 80% of the proceeds. After Year 5, there would be no sharing of net proceeds; the homeowner would keep 100% of the sale proceeds.

In the event of the property changing title due to foreclosure, the City will retain any remaining net proceeds following payment of the first mortgage. The City shall have the right of first refusal to buy out the first mortgage from the primary lender in the event of foreclosure.

Enforcement mechanisms to be used to impose the City’s recapture provisions is a recorded mortgage and note that incorporates the recapture provisions and details the period of affordability based on the amount of direct HOME funds invested in the project.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See above answer.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not have any plans to refinance existing debt secured by multifamily housing as described in the question, and therefore does not have any refinancing guidelines for that activity.