



CITY OF GREELEY, COLORADO

**UPDATE AND CLARIFICATION TO THE
APPROVED AMENDMENT TO 2016 ANNUAL ACTION PLAN**

Public Review Period – March 11, 2018 – April 10, 2018

Prepared by the Greeley Urban Renewal Authority
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Executive Summary

Annually, the City of Greeley submits an Action Plan to the U. S. Department of Housing and Urban Development (HUD), which serves as the application for Community Development Block Grant (CDBG) funds. The Action Plan receives recommendation from the Citizens Committee for Community Development (CCCD) and Greeley Urban Renewal Authority (GURA) Board of Commissioners and approval from the Greeley City Council. Eligible activities to be undertaken with the CDBG funds are described, as well as how the proposed activities meet the priorities of the Five-Year Consolidated Plan. Currently, the City is operating under the 2015-2019 Consolidated Plan, which describes the priority housing and community development needs to be addressed during that time.

CDBG regulations require that the City amend an Action Plan when undertaking activities not previously identified or when expending funds in a manner other than as identified in the Plan. Prior to any substantial changes, citizens must be provided with notice of and opportunity to comment on the proposed changes. This document provides the proposed Updates and Clarifications to the Substantial Amendment approved in June 2017 and describes the citizen participation process.

Grantees receiving HUD funds are expected, by federal statute, to expend and draw funds timely. For CDBG grantees, that means having no more than 1.5x the annual CDBG grant in the Integrated Disbursement and Information System (IDIS) 60 days prior to the start of a new program year; for Greeley, that is October 31st. (IDIS is the system through which the City repays itself for the expenditures of the CDBG activities.) The penalty for not meeting the timeliness test could be a reduction in CDBG funding.

The City did not meet the 2017 timeliness test. There were two reasons for this:

- 1. Late receipt of 2017 CDBG**

The City is limited by regulation in what it can expend prior to receipt of the grant agreement and cannot even submit an Action Plan until grant awards have been announced. In 2017, the City was not able to submit the Action Plan until June 2017, and the grant agreement was not signed until September 2017, just six weeks prior to the timeliness check. The City's fiscal year (and CDBG program year) begins January 1st.

- 2. Inclusion of revolving loan funds**

Historically, HUD only looked at grant funds available at the timeliness check and did not consider program income (including revolving loan funds) on hand. While the City has not received significant program income recently, it has long had two revolving loan funds (RLF) – one for the Single-family Housing Rehabilitation Program and one for the Homes Again Purchase Program (HAPP). On April 11, 2017, the City received notification that income from revolving loan funds (RLF) would also be calculated as part of the 1.5x. Although the city put measures in place (through a Substantial Amendment to the 2016 plan and implementing two activities early), it was unable to identify a large activity and spend the

RLF down far enough to meet the timeliness check. Had it not been for the inclusion of RLF, the City would have met its timeliness check, even with the late receipt of the 2017 grant.

The City received official confirmation that it was out of compliance with the timeliness check in December 2017 and immediately put a workout plan into effect to demonstrate to HUD how it intends to return to compliance by the next checkpoint (October 31, 2018). Quarterly progress reports to HUD are required. The Updates and Clarifications to the 2016 Substantial Amendment are to provide the maximum means to meet the next checkpoint.

While the 2018 Action Plan is ready for submittal, HUD has not yet released the grant amounts or information on when it can be expected. Anticipating a late grant receipt and with a substantial amount of RLF still available, the City proposes modifications to the 2016 Substantial Amendment. The proposed Updates and Clarifications to the 2016 Substantial Amendment follows, with the approved Amendment included for reference.

The 2018 CDBG budget as approved by Council was based on a grant of \$800,000. If that were the received amount, at October 31st, the City could have no more than \$1,200,000 in IDIS available. There is approximately \$968,000 in RLF available for allocation to an activity currently (and an additional \$185,233 in Housing Rehab RLF). Those amounts increase monthly as loan payments and/or payoffs are received. Available funds and expected expenses have been reviewed, and a minimum of \$300,000 (approximately) will need to be expended by October 31st in addition to the expected expenses. The spreadsheet is attached for review.

This Amendment Update and Clarification formally approves an activity recommended by the GURA Board of Commissioners to assist the Rodarte Cultural Center (public facility) with \$420,000 for improvements to ADA accessibility and the facility entrance.

Proposed Update and Clarification to Approved Amendment – April 2018

1. Expand the Substantial Amendment’s allowable activities

The City will continue to look for ways to expend Revolving Loan Funds, which will first include funds received from the Homes Again Purchase Program, but may also include Single-family Housing Rehab Program funds (if that activity were to be discontinued). The Amendment approved in 2017 limited activities to Consolidated Plan priorities that were ranked “high” or “medium”.

To increase the options for activities, it is proposed that, (rather than limit potential activities to higher priorities), any eligible application for an activity that addresses a Consolidated Plan priority be considered, with the greatest emphasis placed on high priority activities, to the extent possible. Priorities of the Consolidated Plan follow:

High Priorities.

- Acquisition of property for blight clearance, safety, redevelopment, or neighborhood improvements.
- Infrastructure improvements, which may include improved pedestrian access, installation of curb, gutter, sidewalks, accessibility ramps, street lighting, parkway trees, and other needs to be determined.
- Affordable housing, particularly for residents with the lowest incomes and/or large families, homeless persons transitioning to self-sufficiency, and the chronically homeless. Affordable housing may be in the form of housing rehab, homeownership opportunities, or rental developments.

Medium Priorities.

- Public facilities and services that address essential needs (food, clothing, shelter, transportation) of low- moderate-income residents or neighborhoods.
- Neighborhood clean-up (clean-up weekend; area clean-up “boosts”).
- Improvement to neighborhood property conditions.
- Economic development.

Low Priorities.

- Other infrastructure activities, such as tree planting in low- moderate-income area (LMA) parks or LMA park improvements.
- Public facilities and services that address non-essential needs of low- moderate-income residents or neighborhoods.
- Rent/utility/deposit assistance.

2. Increase the amount of funding available to applications

The Amendment approved in 2017 limited the funding of activity categories (i.e. acquisition, affordable housing, public facilities) to \$500,000.

It is proposed that the “not-to-exceed amounts” are removed and that activities be considered and judged based on the need of the activity without a limiting funding cap.

3. Provision to expedite the 2018 Redevelopment District infrastructure activity

Assuming the late receipt of the 2018 CDBG grant and looking forward on the need to expend a substantial amount of funds to meet the October 31st 1.5x timeliness check, the 2018 Redevelopment District Infrastructure Phase II activity may utilize the RLF if needed to expedite the activity. Additionally, if the bid comes in higher than the awarded amount, the award may increase without further comment through the Citizen Participation Plan.

Substantial Amendment – Approved June 2017 – for Reference

In order to (1) start reducing available funds and (2) get the 2017 infrastructure underway, the 2016 Annual Action Plan is amended as follows:

1. Reallocate up to \$1,000,000 of the Homes Again Purchase Program (HAPP) revolving loan funds (RLF) to other activities that would support one or more of the 2015-2019 Consolidated Plan priorities.
 - A. Fund the 2017 Public Works activity “Redevelopment District Infrastructure-Phase I” with a maximum of \$561,500.
 - Priority Need (High Priority): Infrastructure improvements including but not limited to improved pedestrian access, installation of curb, gutter, sidewalks, ramps, street lighting, and parkway trees. Goal: One infrastructure activity as a Low- Moderate Area Benefit to approximately 4,500 persons.
 - CDBG grant funds (2017) will supplant the infrastructure activity as soon as they are available; RLF will only be accessed as draw requests are received.
 - B. Increase the funding for the identified 2017 acquisition activity with reallocated RLF in an amount not to exceed \$500,000. (The GURA Board is authorized to review and approve purchases under the City’s CDBG Acquisition Program.)
 - Priority Need (High Priority): Acquisition of properties for blight clearance, safety, neighborhood improvements, or redevelopment needs. Goal: One additional acquisition, either for clearance of slum/blight or to benefit a low- moderate-income area.
 - C. Allow for an activity in support of affordable housing in an amount not to exceed \$500,000. The activity could involve any eligible activity allowable under CDBG that supported an affordable housing activity(ies).
 - Priority Need (High Priority): Create and maintain desirable and affordable housing. Goal: One acquisition for the benefit of a to-be-determined number of households.
 - D. Allow for an activity in support of public facilities in an amount not to exceed \$500,000. (The most likely activity would assist with a cold weather and/or day center for homeless persons.)
 - Priority Need (Medium Priority): Support public facilities and services that address essential needs (food, clothing, shelter, transportation). Goal: One public facility that would assist approximately 100 low- moderate-income persons.
 - E. Reallocate \$30,000 from 2015 Acquisition funds to support the Community Action Lab.
 - Priority Need (Medium Priority): Support public facilities and services that address essential needs (food, clothing, shelter, transportation). Goal: One public service that would assist approximately 250 low- moderate-income persons.

- F. At the discretion of the GURA Board, allocations to activities under items B, C, or D above may increase by 10% without implementing the Citizen Participation Plan or approval other than that of the Board.

- G. Funding for all other approved 2016 activities remain the same.

Citizen Participation

The City is required to consult the public in the manner described in its Citizen Participation Plan (available on request). The Substantial Amendment approved in June 2017 completed its Citizen Participation as required and the particulars of which are noted in the original Amendment.

Updates and Clarifications Proposed - Consultation with Public

- The Updates and Clarifications to the Substantial Amendment to the 2016 Annual Action Plan will be available for review by the general public for a 30-day period beginning 8:00 a.m. March 11, 2018 and ending at 5:00 p.m. on April 10, 2018. Notice of the comment period was provided through legal ads in the Greeley Tribune (published March 11, 2018) and on the City's website – www.greeleygov.com.
- The Citizens Committee for Community Development was provided the Updates and Clarifications document for review and provided the following comment:
 - "The Citizens Committee has long been concerned about the urban blight occurring in the older, low-income neighborhoods of the City. The main concern is for residential property conditions and the condition of alleys in those neighborhoods. Concerns include cars parked on lawns, refuse in yards and alleyways, and overall condition of properties. They were disappointed there was not an activity category that might have helped address the urban blight issue".
- The Updates and Clarifications to the Substantial Amendment to the 2016 Annual Action Plan was provided to other City CDBG-interested agencies (in general, agencies that have applied for or are interested in CDBG funds). Written comments were requested.

Written comments to the Plan changes will be accepted during the period noted above, or by comment at one of the public hearings described below:

Public Hearings

Two public hearings were held, per the City's Citizen Participation Plan, as noted below. A copy of each public hearing ad will be attached to the Substantial Amendment when available.

- **First Public Hearing** – GURA Board of Commissioners: Ad published April 1, 2018; public hearing April 11, 2018.
- **Second Public Hearing** – Greeley City Council: Ad published April 5, 2018; public hearing April 17, 2018.

Public Comment

- See above for comment from the Citizens Committee for Community Development.
- No comments from the GURA Board Public Hearing.
- There was no public comment at the City Council Public Hearing.

Approvals

- Approval to recommend the Substantial Amendment to the Greeley City Council given on April 11, 2018 by the GURA Board of Commissioners.
- Approval to the Substantial Amendment was given by the Greeley City Council on April 17, 2018.

Other References

- City of Greeley Consolidated Plan for Years 2015-2019, link: http://greeleygov.com/docs/default-source/community-initiatives/greeley-urban-renewal-authority/reports/2016-consolidated-annual-performance-and-evaluation-report.pdf?sfvrsn=17c9d38a_2
- Annual Action Plan for 2016, link: http://greeleygov.com/docs/default-source/community-initiatives/greeley-urban-renewal-authority/plans/2016-action-plan.pdf?sfvrsn=9651db8a_2
- Draft of Updates and Clarifications to the approved Substantial Amendment, link: <http://greeleygov.com/GURA>