

Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Office of Economic and
Community Development
For reading: June 8, 2004

CLERK'S OFFICE

APPROVED

Date: 6-22-04

Anchorage, Alaska

AR No. 2004-155

A RESOLUTION ADOPTING THE AMENDMENT #1 TO THE APPROVED HOUSING AND COMMUNITY DEVELOPMENT 2004 ACTION PLAN INCLUDING COMMITMENT OF ONE MILLION THREE HUNDRED FOUR THOUSAND AND SEVEN DOLLARS (\$1,304,007) IN FUTURE YEAR AND ONE MILLION EIGHT HUNDRED SEVENTY SEVEN THOUSAND FOUR HUNDRED SIXTY ONE DOLLARS (\$1,877,461) IN REPROGRAMMED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, MAKING COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT AWARDS, AND APPROPRIATING ANNUAL AMERICAN DREAM DOWNPAYMENT INITIATIVE ENTITLEMENT GRANTS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN THE AMOUNT OF SEVENTY FIVE THOUSAND NINE HUNDRED ELEVEN DOLLARS (\$75,911) OF 2003 ENTITLEMENT AND EIGHTY NINE THOUSAND FIVE HUNDRED SEVENTY SEVEN DOLLARS (\$89,577) OF 2004 ENTITLEMENT AND APPROPRIATING SAID FUNDS TO THE FEDERAL CATEGORICAL GRANTS FUND (241).

WHEREAS, the Municipality of Anchorage has a HUD-approved *2004 Action Plan* of the *2003-2007 Consolidated Housing and Community Development Plan* to the U.S. Department of Housing and Urban Development, outlining the program of activities to be undertaken with Community Development Block Grant (CDBG), Home Investment Partnerships (HOME) Program, and Emergency Shelter Grant (ESG) funds; and

WHEREAS, the Municipality of Anchorage has proposed an Amendment #1 to the *2004 Action Plan* in order to award grant funds and apply for additional funds through the American Dream Downpayment Initiative (ADDI); and

WHEREAS, throughout the development of said *2004 Action Plan*, and Amendment #1 thereto, the Municipality of Anchorage actively sought participation of residents and representatives of lower income Anchorage neighborhoods, including community councils; and

WHEREAS, public testimony on said Amended *2004 Action Plan* and Amendment #1 was heard before the Housing & Neighborhood Development Commission; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. That the Amendment #1 to the *2004 Action Plan* outlined in AM 480-2004 and in Attachments B-E of said AM, incorporated herein by reference, is adopted.


Section 2. That \$1,877,461 in previously appropriated CDBG funds and \$1,304,007 in future CDBG entitlements are hereby allocated to the uses outlined in AM 480-2004 and Attachment B, and

1 including grant and contract awards listed in Attachment C, all of which are incorporated herein by
2 reference.

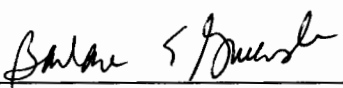
3
4 **Section 3.** That funds in the amount of \$75,911 in FY2003 ADDI entitlement and \$89,577 in
5 FY2004 ADDI entitlement within the Federal Categorical Grants Fund (241) are appropriated to the
6 AnCHOR program administered by Anchorage Neighborhood Housing Services and for program
7 administration. Accounting information is outlined in the attached Assembly Memorandum,
8 Attachment A, incorporated herein by reference.

9
10 **Section 4** That this resolution shall become effective immediately upon passage and approval by the
11 Anchorage Assembly.

12
13
14 PASSED AND APPROVED by the Anchorage Assembly this 22nd day of
15 June, 2004.

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

Chair

ATTEST:

26
27
28
29
30
31
32
33
34
35
36

Municipal Clerk

Department Appropriation:

Office of Economic and Community Development

Division of Community Development

American Dream Downpayment Initiative

\$ 165,488.00



**MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM**

No. AM 480-2004

Meeting Date: June 8, 2004

From: Mayor Mark Begich

Subject: Approval of Amendment #1 of the 2004 Action Plan of the Municipality of Anchorage's 2003-2007 Housing and Community Development Consolidated Plan, including approval of grant and contract awards for projects listed in Attachment C, program amendments in Attachments D and E, and appropriation of 2003 and 2004 American Dream Downpayment Initiative (ADDI) Entitlement funds to the federal categorical grants fund 241 to provide downpayment and closing cost assistance to Anchorage homebuyers.

The attached document supports AR 2004-155 a resolution to adopt Amendment #1 of the 2004 Action Plan of the 2003-2007 Consolidated Housing and Community Development Consolidated Plan. This Amendment accomplishes three objectives:

1) Amends Section Two of the 2004 Action Plan (CDBG Narratives and Proposed Projects) to include three new grant awards to CDBG capital projects, additional funding for one existing CDBG capital project, six grant awards to Public Service CDBG projects, allocates additional CDBG funds to other eligible uses to be performed by the Municipality of Anchorage as outlined in this AM and Attachments B and C.	Reprogrammed Funds	Additional Funds
	\$1,507,586	\$ 955,000
	100,000	349,007
	<u>269,875</u>	
	\$1,877,461	\$1,304,007

2) Amends Section Three of the 2004 Action Plan (HOME Narratives and Proposed Projects) to include appropriation, application and proposed uses for \$165,488 in American Dream Downpayment Assistance Initiative funds from the US Department of Housing and Urban Development, and makes necessary program changes and clarifications in order to apply for these funds, as detailed in Attachment D.	\$ 75,911
	<u>89,577</u>
	\$ 165,488

3) Amends Section Three of the 2004 Action Plan (HOME Narratives and Proposed Projects) to expand the options available to HOME and ADDI-funded homeownership programs in fulfilling affordability requirements, and specifies how two HOME/ADDI-funded homeownership programs will utilize each option as detailed in Attachment E.

These three objectives are explained in more detail below

1) Community Development Block Grant (CDBG)

A. Housing Programs (Reduction of \$175,000 – reprogrammed in projects below)
Anchorage Neighborhood Housing Services (ANHS) has requested its Minor Repair grant be reduced by \$175,000.

B. CDBG Capital Projects (\$1,507,586 in reprogrammed funds and \$955,000 in future year 2006 Entitlement funds)

In the 2004 Action Plan \$1,482,344 was identified as available for capital projects not yet specified. This Amendment increases the funds currently available for CDBG Capital Projects by \$25,242 and

awards said funds to the projects and activities listed below. The amendment also awards and commits a total of \$955,000 of future year (2006) CDBG funds to capital projects, pending receipt of future year CDBG entitlements. Detailed descriptions and award information is included in Attachment C. These projects are pending completion of an environmental review per 24 CFR Part 58.

CDBG Capital Project Awards and Uses included in Attachment C were made available for public comment from April 29 to June 14, 2004. The Housing and Neighborhood Development Commission (HAND) heard public comment on these projects on May 12 and are expected to pass their recommendation on these awards on June 16. A summary of all comments received during the public comment period and any HAND Commission Resolution will be provided to the Assembly via subsequent AM for the June 22nd Assembly meeting.

Proposed Capital Project Awards and Uses	Current Funds	2006	Total
1. Crisis Center Renovation (Covenant House Alaska)	376,708	0	376,708
2. Clare House Renovation (Catholic Social Services)	252,878	0	252,878
3. Special Olympics Alaska (change order)	40,000	0	40,000
4. Parks Rejuvenation Project	778,000	0	778,000
5. McKinnell Family Shelter (Salvation Army)	0	955,000	955,000
6. Capital Project Oversight	60,000	0	60,000
Total Capital Projects Awards and Uses	1,507,586	955,000	2,462,586

C. Elimination of Slum and Blight (\$100,000 in reprogrammed CDBG funds)

Up to \$100,000 is recommended for the environmental testing, possible remediation and purchase of 3901 Mountain View Drive, NE corner of Mountain View and North Bragaw. This projects meets the CDBG national objective of removal of slum and blight on a spot basis, per 24 CFR 570.208(b)(2). This is a CDBG eligible activity per 24 CFR 570.201(a), (b) and (d). This project is pending completion of an environmental review per 24 CFR Part 58.

D. Public Services (\$269,875 in reprogrammed CDBG funds, and \$349,007 in future year 2005 Entitlement Funds)

In the 2004 Action Plan \$203,875 was identified as available for public service projects not yet specified. This Amendment increases the funds currently available for CDBG Public Service projects by \$66,000 and awards said funds to the projects listed below. The amendment also awards and commits a total of \$349,007 of future year (2005) CDBG funds to public service projects, pending receipt of future year CDBG entitlements. Detailed descriptions and award information for these public service projects is included in Attachment C. These projects are pending completion of an environmental review per 24 CFR Part 58.

The Public Service Awards included in Attachment C were made available for public comment from April 3 and extended until June 14. The Human Services Allocation Task Force (HSATF) reviewed and recommended these awards as a result of a Request for Grant Proposal process for the 18-month period 7/1/04 – 12/31/05. The HSATF functions at the request of the Administration, and is comprised of six individuals with diverse backgrounds. The HSATF took public comment at a meeting on 5/6/04. The HAND Commission also accepted public comment on these projects during its May 12 meeting. A summary of all comments received during the public comment period and

any HAND Commission Resolution will be provided to the Assembly via subsequent AM for the June 22 Assembly meeting.

<u>Proposed Public Service Awards</u>	<u>Current Funds</u>	<u>2005</u>	<u>Total</u>
1. St. Francis House (Catholic Social Services)	43,711	53,802	97,513
2. Senior Vision Assessment Program (Alaska Center for the Blind and Visually Impaired)	5,689	4,259	9,948
3. Children At-Risk Project (Alaska Legal Services)	71,120	95,755	166,875
4. Multi-sensory Instruction of Illiterate Adults (Anchorage Literacy Project)	66,964	86,388	153,352
5. Job Development (Covenant House Alaska)	44,945	58,499	103,444
6. Child Advocate Program (STAR)	37,446	50,304	87,750
Total Public Service Projects	269,875	349,007	618,882

2) American Dream Downpayment Initiative (ADDI): Application and Funding

The Municipality of Anchorage has been allocated \$165,488 in FFY 2003 and FFY 2004 ADDI funds which will be used to augment the Anchorage Communities Home Ownership Resource (AnCHOR), an existing closing cost and downpayment assistance program currently funded through HOME and administered by Anchorage Neighborhood Housing Services. Minor changes in the AnCHOR program will apply to loans utilizing ADDI funds to meet funding guidelines. The complete text of this amended section of the Action Plan is included in Attachment D.

3) HOME Investment Partnerships Program Recapture Provisions

The Recapture Provisions that may be elected in programs funded with HOME or ADDI are outlined in the 2004 Action Plan. Recapture Provisions govern how direct homeowner housing assistance programs may ensure housing affordability over a period of time. The Municipality of Anchorage proposes to include the option of "shared net proceeds" in its recapture options, to be determined on a program by program basis. The complete text of this amended section of the Action Plan is included in Attachment E.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED RESOLUTION ADOPTING AMENDMENT #1 TO THE APPROVED HOUSING AND COMMUNITY DEVELOPMENT 2004 ACTION PLAN INCLUDING COMMITMENT OF ONE MILLION THREE HUNDRED FOUR THOUSAND AND SEVEN DOLLARS (\$1,304,007) IN FUTURE YEAR AND ONE MILLION EIGHT HUNDRED SEVENTY SEVEN THOUSAND FOUR HUNDRED SIXTY ONE DOLLARS (\$1,877,461) IN REPROGRAMMED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, MAKING COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT AWARDS, AND APPROPRIATING ANNUAL AMERICAN DREAM DOWNPAYMENT INITIATIVE ENTITLEMENT GRANTS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN THE AMOUNT OF SEVENTY FIVE THOUSAND NINE HUNDRED ELEVEN DOLLARS (\$75,911) OF 2003 ENTITLEMENT AND EIGHTY NINE THOUSAND FIVE HUNDRED SEVENTY SEVEN DOLLARS (\$89,577) OF 2004 ENTITLEMENT AND APPROPRIATING SAID FUNDS TO THE FEDERAL CATEGORICAL GRANTS FUND (241).

Prepared By: Carma E. Reed, Division Manager, Community Development Division

Concur: Mary Jane Michael, Executive Director, Office of Economic and Community Development

Fund Certification: Jeffrey E. Sinz, Chief Financial Officer

Reprogrammed Community Development Block Grant (CDBG) funds

241-1508G-9331 BP2000	\$ 498,145	(Previously Appropriated)
241-15234G-9331 BP2004	\$ 879,125	(Previously Appropriated)
241-1591G-9331 BP1998	\$ 19,776	(Previously Appropriated)
241-1574G-9331 BP2000	\$ 2,455	(Previously Appropriated)
241-1568G-9331 BP1999	\$ 108,085	(Previously Appropriated)
241-15234G-9331 BP2004	\$ 269,875	(Previously Appropriated)
241-15234G-9331 BP2004	\$ 100,000	(Previously Appropriated)

FY05 Community Development Block Grant (CDBG) funds

241-15245G-9331-BP2005	\$ 349,007	(Future Year Funds)
------------------------	------------	---------------------

FY06 Community Development Block Grant (CDBG) funds

241-15246G-9331-BP2006	\$ 955,000	(Future Year Funds)
------------------------	------------	---------------------

FY03 American Dream Downpayment Initiative (ADDI)

241-15253G-9331 BP2004	\$ 75,911
------------------------	-----------

FY04 American Dream Downpayment Initiative (ADDI)

241-15254G-9331 BP2004	\$ 89,577
------------------------	-----------

Subject to Signed Grant Agreements

Federal Grants - HUD - All FY2004

Concur: Denis C. LeBlanc, Municipal Manager

Respectfully Submitted: Mark Begich, Mayor

Attachment A
FY03 FUNDS APPROPRIATION

The Administration recommends appropriation of the FY2003 American Dream Downpayment Initiative (ADDI).

American Dream Downpayment Initiative

FY03 ADDI GRANT

<u>REVENUE</u>	<u>ACCOUNT NAME</u>	<u>PY03 AMOUNT</u>
241-15253G-9331	Federal Grant Revenue – Direct	\$75,911

FY03 ADDI GRANT

<u>EXPENDITURES</u>	<u>ACCOUNT NAME</u>	<u>PY03 AMOUNT</u>
241-15253G-1101	Salaries	\$7,591
241-15253G-3815	Contributions to Outside Organizations	68,320
	TOTAL	\$75,911

FY04 FUNDS APPROPRIATION

The Administration recommends appropriation of the FY2004 American Dream Downpayment Initiative (ADDI).

FY04 ADDI GRANT

<u>REVENUE</u>	<u>ACCOUNT NAME</u>	<u>PY04 AMOUNT</u>
241-15254G-9331	Federal Grant Revenue – Direct	\$89,577

FY04 ADDI GRANT

<u>EXPENDITURES</u>	<u>ACCOUNT NAME</u>	<u>PY04 AMOUNT</u>
241-15254G-3815	Contributions to Outside Organizations	\$89,577

Attachment B
Table Summarizing Financial Amendments to the 2004 Action Plan

CDBG Projects	Total Funding in Approved 2004 Action Plan	Proposed Amendment			Total Funding
		Current Funds*	Future Year Commitments		
			2005 Funds	2006 Funds	
1. Administration, Planning, Grants Management	888,500	-	-	-	888,500
2. Housing Programs	1,943,986	(175,000)	-	-	1,768,986
a. Housing Programs to be Determined	-	-	-	-	-
b. Affordable Homeownership	394,602	-	-	-	394,602
b. Minor Rehabilitation Programs	1,287,711	(175,000)	-	-	1,112,711
c. Rental Rehabilitation	123,702	-	-	-	123,702
d. Neighborhood Historic Surveys	40,000	-	-	-	40,000
e. Housing Services Project Delivery Costs	97,971	-	-	-	97,971
3. Capital Projects	1,782,344	25,242	-	955,000	2,762,586
a. New Capital Projects Activities	1,482,344	(1,482,344)	-	-	-
Crisis Center Renovation (Covenant House Alaska)	-	376,708	-	-	376,708
Clare House Renovation (Catholic Social Services)	-	252,878	-	-	252,878
Parks Rejuvenation Project (MOA)	-	778,000	-	-	778,000
McKinnell Family Shelter (Salvation Army)	-	-	-	955,000	955,000
b. Current Capital Project Awards	-	-	-	-	-
Special Olympics, Alaska	300,000	40,000	-	-	340,000
Mountain View Arts and Cultural District	-	-	-	-	-
c. Capital Projects Oversight	-	60,000	-	-	60,000
4. Elimination of Slum and Blight	324,738	100,000	-	-	424,738
5. Public Service Projects	344,647	66,000	349,007	-	759,654
a. New Public Service Awards (July 04 - Dec 05)	203,875	(203,875)	-	-	-
St. Francis House (Catholic Social Services)	-	43,711	53,802	-	97,513
Senior Vision Assessment Program (Alaska Center for the Blind and Visually Impaired)	-	5,689	4,259	-	9,948
Children At Risk Project (Alaska Legal Services)	-	71,120	95,755	-	166,875
Multi-sensory Instruction of Illiterate Adults (Anchorage Literacy Project)	-	66,964	86,388	-	153,352
Job Development (Covenant House Alaska)	-	44,945	58,499	-	103,444
Child Advocate Program (STAR)	-	37,446	50,304	-	87,750
b. Current Public Service Awards (thru June 04)	-	-	-	-	-
Bus Token Program (MOA/ASD thru Dec 04)	9,500	-	-	-	9,500
Child Advocate Program (STAR)	34,588	-	-	-	34,588
Multi-sensory Instruction of Illiterate Adults (Anchorage Literacy Project)	56,395	-	-	-	56,395
Domestic Violence Family Safety Project (Alaska Legal Services)	22,500	-	-	-	22,500
Job Ready Program (Boys & Girls Club)	17,789	-	-	-	17,789
TOTAL:	5,284,215	16,242	349,007	955,000	6,604,464

* Includes \$16,242 in previously unidentified funds

Attachment C Grant and Contract Awards

CDBG Capital and Slum and Blight Projects

These awards are to be effective during the periods identified for each award below. Grants and/or contracts will be written for the time period identified for each, below. All awards and allocations are pending the completion of an environmental review per 24 CFR Part 58.

Awards to Not-for-Profit Organizations

1. Salvation Army Alaska, McKinnell Family Shelter. Contract award not to exceed \$955,000 in FY 2006 (future year) funds for the new construction of a 16-unit family homeless shelter, located between 1701 A Street and 1695 C Street. This contract award shall be effective when signed on behalf of the Municipality and shall extend through December, 2006 with two (2) one-year (1-year) options to extend. This award is subject to receipt, appropriation, and approval of the 2006 Action Plan. The project meets a CDBG national objective by serving the presumed low-income homeless population, 24 CFR 570.208(a)2(i)A. This is a CDBG eligible activity per 24 CFR 570.201(c).
2. Catholic Social Services, Clare House Renovation. Contract award not to exceed \$252,878 for the interior and exterior painting of an existing facility, improve lighting, and internal renovations for this shelter for homeless women and women with children. This contract award shall be effective when signed on behalf of the Municipality and shall extend through December, 2004 with two (2) one-year (1-year) options to extend. The project meets a CDBG national objective by serving the presumed low-income homeless population, 24 CFR 570.208(a)2(i)A. This is a CDBG eligible activity per 24 CFR 570.201(c).
3. Covenant House, Alaska, Crisis Center Renovation and Outdoor Lobby. Grant award not to exceed \$376,708 for the construction of a secured outdoor rest area for homeless teen and young adult residents, addressing hazardous waste removal and abatement inside the Crisis Center, and performing other interior, accessibility and security upgrades. This grant award shall be effective when signed on behalf of the Municipality and shall extend through December, 2004 with two (2) one-year (1-year) options to extend. The project meets a CDBG national objective by serving the presumed low-income homeless population, 24 CFR 570.208(a)2(i)A. This is a CDBG eligible activity per 24 CFR 570.201(c).
4. Special Olympics Alaska, Facility Renovation. Grant award change order not to exceed \$40,000 in additional funds to address cost overruns experienced by this renovation project awarded by the Assembly on August 27, 2003. The project meets a CDBG national objective by serving a minimum of 51 percent low income clientele, 24 CFR 570.208(a)2(i)B. This is a CDBG eligible activity per 24 CFR 570.201(c).

Allocations to Municipal Projects

1. Parks Rejuvenation Project, \$778,000 (plus a minimum contribution of \$62,000 in Municipal funds): this project will revitalize neighborhood parks in low-income areas. One component of the originally proposed list of parks, the Nunaka North and South parks, has been taken off the list due to a determination that the park's service area is not at least 51% low-income and is not eligible for CDBG funds. Improvements are proposed in the following parks:
 - Fairview: Fairview Park (1200 block of LaTouche)
 - Government Hill: Richardson Vista (E. Bluff Rd. and Ivy St)
 - Midtown: Cuddy Midtown Park (40th Ave. and B St.)

- North Star/Fairview: Charles Smith Memorial Park (1900-2000 between A and C)
- Northeast: Nunaka Valley Park (Debarr, Beaver and Craig Dr.)
- Russian Jack: San Roberto/San Antonio Park (corner San Roberto Ave. and San Antonio St.) and Conifer Park (200 block of Lane St.)

The Cuddy Midtown Park meets a CDBG national objective by removing mobility and/or accessibility architectural barriers per 24 CFR 570.208(a)(2)(ii)(A). The remaining parks each meet a CDBG national objective by benefiting a low-income area per 24 CFR 570.208(a)(1). All parks projects are CDBG eligible activities per 24 CFR 570.201(c).

2. Mountain View Slum and Blight Removal, up to \$100,000: environmental testing, possible remediation and purchase of 3901 Mountain View Drive, NE corner of Mountain View and North Bragaw. This projects meets the CDBG national objective of removal of slum and blight on a spot basis, per 24 CFR 570.208(b)(2). This is a CDBG eligible activity per 24 CFR 570.201(a), (b) and (d).
3. Capital Projects Management. Up to \$60,000 in direct costs may be added to the slum and blight and/or capital project budgets (including those awarded to Not-for-Profit organizations and/or allocated to Municipal Projects) as necessary to cover the direct costs of Community Development Division staff managing the CDBG projects. Direct project management costs are eligible under the CDBG National Objective and Eligible Activity of the project being managed.

CDBG Public Service Projects

These awards are to be effective when signed on behalf of the Municipality and to operate from 7/1/04 – 12/31/05. Grants will be written for the full 18 month period; the portion of grants from 2005 HUD funding is subject to receipt, appropriation, and approval of next year's *2005 Action Plan*. Public service projects qualify as eligible activities under 24 CFR 540.201(e). All awards and allocations are pending the completion of an environmental review per 24 CFR Part 58.

1. Catholic Social Services St. Francis House, not to exceed \$97,513: Clothing /Food /Commodities Distribution Program to distribute items without charge to provide basic needs. Services provided at 3710 E 20th Avenue, Anchorage, AK; program will maintain income documentation per 570.208(a)2(i)B.
2. Alaska Center for the Blind and Visually Impaired, not to exceed \$9,948: Senior Vision Assessment Program provides low-vision assessments for sight-disabled individuals. Services provided at 3903 Taft Drive, Anchorage, AK; program will serve seniors age 62+ per 24 CFR 570.208(a)2(i)A.
3. Alaska Legal Services, not to exceed \$166,875: Children At-Risk Project provides legal assistance to families with children at-risk of abuse or neglect. Services provided at 1016 W 6th Ave., Anchorage, AK; program will maintain income documentation per 570.208(a)2(i)B.
4. Anchorage Literacy, not to exceed \$153,352: Multi-Sensory Instruction Program provides illiterate adults reading instruction via small classes and software programs. Services provided at 1345 Rudakof Circle, #104, Anchorage, AK; program serves presumed low income illiterate adults per 24 CFR 570.208(a)2(i)A.
5. Covenant House Alaska, not to exceed \$103,444: Job Development Program increases youth self-sufficiency skills with GED/education, driver training and work skills. Services

provided at 609 F Street, Anchorage, AK; program serves abused youth and homeless persons per 24 CFR 570.208(a)2(i)A.

6. STAR, not to exceed \$87,750: Youth Advocate Program provides victims of child sexual abuse and their families with crisis intervention, related community education. Services provided at 1057 W Fireweed Lane, Anchorage, AK; program serves abused youth per 24 CFR 570.208(a)2(i)A.

Attachment D
American Dream Downpayment Initiative (ADDI)

Proposed amendments in this Appendix insert information into the 2004 Action Plan required in order to apply for and receive \$165,488 in FFY 2003 and FFY 2004 American Dream Downpayment Initiative (ADDI). The location of the text proposed for insertion and/or change is indicated in the boxed captions below.

Formatted: Justified

Revisions beginning Page 3-7, "HOME Narratives and Proposed Projects", "HOME Resources," are indicated below:

Approximately \$1.1 million in Federal funds from the HOME program is anticipated to be available in PY 2004 to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, especially for low- and moderate-income persons. In addition, the Community Development Division anticipates the receipt of \$135,000 in recaptured funds from the HOME Investment Partnerships Program. This year, for the first time, HUD has made funds available through the American Dream Downpayment Initiative (ADDI) which adds to programs in this Action Plan. Two years of federal ADDI funds have been made available for this year's Action Plan. These are included in the Funding Resources and Proposed HOME Project Funding Summary tables below.

Formatted: Justified

Deleted: 79

Table 3-2
Funding Sources

Entitlement Grant (includes recaptured funds)	
Program	Amount
HOME PY2004	1,119,105
HOME Recaptured Funds	135,000
ADDI FY2003	75,911
ADDI FY2004	89,577
Rental Rehabilitation Funds	66,824
Total HOME	1,486,417

Deleted: allocated

Deleted: P

Formatted: Font: Bold, Underline

Deleted: 320,929

The last funding source listed in the table above is loan recoveries remaining from an old and discontinued Rental Rehabilitation program active in the 1980s and early 1990s. These funds, when used in the HOME program, may be counted as HOME match. In 1999, \$61,286 of the available loan recoveries from this program were appropriated for use in the CDBG program, but were never expended. The remaining loan recoveries (\$309,570) were appropriated for use in the AnCHOR program, of which \$5,538 remains unexpended today. This Action Plan proposes to reprogram to AnCHOR the funds appropriated for CDBG, and to utilize the unexpended funds originally appropriated for AnCHOR in 2004. This will enable greater funding of the Municipality's AnCHOR program, and will provide the HOME program with a one-time source of cash match.

Formatted: Justified

Deleted: third

Deleted: to be utilized for the HOME program in 2004

HUD's HOME Investment Partnerships Program and FY2003 ADDI funds require a 25 percent match from non-Federal sources. A more detailed description of all program sources – Federal, State, local, and private – is provided in the Consolidated Plan in Section 15, Leveraging

Formatted: Justified

Deleted: P

Inserted: PY2003 ADDI funds

Deleted: s

Resources. This section provides a list of all anticipated resources that public agencies, neighborhoods, and nonprofit organizations can use to further the strategies in the Consolidated Plan.

Proposed HOME Project Funding Summary

Table 3-3. HOME Proposed Projects

HOME Projects	Prior Year Funds			2004 HOME & 2003/4 ADDI Funds	Rental Rehab Funds	Total
	1/1/04 Estimated Balance	Revisions this Plan	Total Prior Year Funds			
1. Administration, Planning, and Grant Management	90,400	0	90,400	119,501	0	209,901
2. Anchorage Communities Home Ownership Resource (AnCHOR)	566,171	0	566,171	579,837	66,824	1,212,832
3. Homeowner Rehabilitation Program	806,500	0	806,500	0	0	806,500
4. Housing Development – Greater Opportunities for Affordable Living	0	117,247	117,247	613,033	0	730,280
5. Tenant-Based Rental Assistance Program	117,247	-117,247	0	0	0	0
6. Housing Acquisition and Rehab Program (HARP)	593,198	0	593,198	0	0	593,198
7. Anchorage Housing Initiatives	56,286	0	56,286	51,267	0	107,553
8. CHDO Operating Expense Assistance	0	0	0	55,955	0	55,955
TOTAL:	2,229,802	0	2,229,802	1,419,593	66,824	3,716,219

Deleted: 1,910

Deleted: 202,310

Deleted: 421,940

Deleted: 1,054,935

Deleted: 1,254,105

Deleted: 3,550,731

Revisions beginning Page 3-9, in Section Three "HOME Narratives and Proposed Projects", Subpart "Proposed HOME Project Descriptions," second paragraph of the Anchorage Communities Home Ownership Resource (AnCHOR) are indicated below:

A borrower's total household income may not exceed US Department of Housing and Urban Development's (HUD) established low-income limits, according to family size. These income limits are adjusted on an annual basis. The maximum amount of assistance will be \$30,000, of which only \$10,000, or six percent (6%) of the purchase price whichever is greater, may be funded from ADDI funds. The minimum amount of combined HOME and ADDI assistance for each loan is \$1,000.

Anchorage Neighborhood Housing Services (ANHS) will administer the program. ANHS will take several steps to ensure the suitability of families receiving AnCHOR assistance. Pre-purchase homebuyer counseling is required for all AnCHOR loan recipients. Homebuyers must also commit to post-purchase counseling, available through ANHS. To market the program, ANHS will create and annually evaluate its affirmative marketing plan, which will include providing brochures on the program to Alaska Housing Finance Corporation (AHFC) for distribution to public housing and

Formatted: Justified

Deleted: %

Inserted: %

Deleted: less

Inserted: less, may be funded from ADDI funds. The minimum amount of

Deleted: all

Inserted: all loans is

Deleted: s

Deleted: for existing houses and a minimum of

Formatted: Justified

Section 8 applicants and/or residents, as well as targeted outreach to residents of mobile home parks that are expected to close in the near future, among other activities. In addition, ANHS, the Municipality of Anchorage and AHFC have coordinated the AnCHOR program with AHFC's Housing Choice Voucher Homeownership Program. This program assists Housing Choice Voucher ("Section 8") recipients purchase homes, using their voucher to assist in mortgage payments rather than for rental payments, and reduces overall debt payments through use of the AnCHOR program.

Two special types of loans have been included in the HOME program this year. Zero percent interest AnCHOR loans will be available for down payment and closing costs for households participating in the Affordable Homeownership program administered by Habitat for Humanity. The loans will be deferred until the property is sold or the owner moves out of the home. The Municipality is also partnering with AHFC in the Housing Choice Voucher Homeownership Program. This program will provide AnCHOR loans to disabled individuals utilizing Section 8 assistance in becoming homeowners.

Formatted: Justified

HOME funds (Prior years):	566,171
HOME funds (PY2004):	421,940
ADDI funds (FY2003)	68,320
ADDI funds (FY2004)	89,577
HOME funds Total* Balance:	1,146,008
Rental Rehab Funds	66,824
TOTAL	\$ 1,212,832

Deleted: P

Deleted: Rental Rehab Funds

Deleted: 66,824

Deleted: HOME funds Total* B ... [1]

Formatted Table

Attachment E**HOME Investment Partnerships Program Resale/Recapture Guidelines**

Proposed amendments in this Appendix refer to the Resale and Recapture guidelines included in the 2004 Action Plan. The location of the text proposed for changes is indicated in the boxed captions below.

Formatted: Justified

Revisions to Page 3-4, "HOME Narratives and Proposed Projects", "Resale/Recapture Guidelines" are indicated below:

Resale/Recapture Guidelines

If a homeownership project ceases to comply with the affordability requirements during the affordability periods described above, the Municipality shall implement the following guidelines for recapturing all or a portion of the HOME funds used, recapturing the property itself, or requiring the property be sold to a low-income household.

Resale

In projects where HOME funds are used for acquisition and/or rehabilitation and no loan subsidy is given, a Resale provision will be utilized in the form of a second mortgage using a Promissory Note and Deed of Trust (DOT), or written directly into the DOT. The minimum terms of affordability are defined by regulation and guide the terms of the second-mortgage loans. The housing must remain the principal residence of the family for the duration of the period of affordability. A detailed description of default and actions under default reside in the Deed of Trust.

Deleted: dictate

In the event the "Borrower" intends to sell the property during the affordability period, the housing must be available exclusively to families qualifying as low-income as stipulated in the applicable program's policies and the new owner must use the property as their principal residence as defined in the Deed of Trust.

Deleted: will only

Deleted: will

The resale price shall provide the original HOME-assisted homeowner a fair return on investment to include the homeowner's investment and any capital improvements. The price shall also remain affordable to a reasonable range of low-income homebuyers. These resale-price assurances are delineated and guaranteed as provisions in the Deed of Trust as applicable.

Recapture

When down payment assistance or other loan assistance is provided, the Deed of Trust and Promissory Note will document restrictions needed to comply with HUD 24 CFR 92.254 (a)(5)(ii). The Deed default provisions may include (but are not limited to) payment schedules, superior encumbrances, occupancy requirements, use of property, materially false information and/or material, and compliance with federal regulations and program policies.

Formatted: Justified

The housing must continue to be the Borrower's principal residence throughout the applicable affordability period. Loan balances at the time of a default according to the Deed of Trust and Note shall be recaptured, including amortized loans and loans with other types of payment requirements.

Formatted: Justified

Deleted: due and payable

In the event of recapture, the amount recaptured will be either the balance of the loan at the time of default or property sale (called the "Loan Balance Recapture" method) or a portion of the net proceeds (called the "Shared Net Proceeds" method) resulting from disposition or anticipated disposition of the property, or, in the case of foreclosure, a combination of both of these methods. The amount to be returned to the HOME program utilizing the Shared Net Proceeds method shall be determined according to the formula stated in 24 CFR 92.245(a)(5)(ii)(A)(3), or homeowners may be allowed to recover their investment first, depending on the parameters of the program. Each program will designate the method (Shared Net Proceeds, Loan Balance Recapture, or combination thereof) that will be used for that program in its Policy and Procedures. For all programs, in the case of foreclosure, if insufficient funds remain to pay the full recapture amount, the amount of recapture shall not exceed the Shared Net Proceeds method utilizing the formula stated in 24 CFR 92.245(a)(5)(ii)(A)(3).

Formatted: Justified

Deleted: foreclosure

Deleted: The balance of loans reduced over a time period coinciding with the affordability periods shall also be due and payable upon default.

Formatted: Justified

HOME funds used to reduce the purchase price to an affordable price are subject to the same recapture provisions as above and may be treated as either a loan with payment requirements or loans reduced over time.

When HOME funds are used to assist homebuyers acquiring single-family housing containing one or more units, the recapture provisions apply as above to both the unit used as the homebuyer's primary residence and the assisted rental units. For the rental units, the affordability requirements of 24 CFR 92.252 will apply, except that the Municipality may terminate the affordability period upon the recapture of the HOME funds.

Revisions to page 3-9, "HOME Narratives and Proposed Projects", "(2) Anchorage Communities Home Ownership Resource", second paragraph, are indicated below:

AnCHOR offers funds for downpayment and closing costs, up to \$30,000, to families with household incomes at or below 80 percent of the area median who wish to purchase a single-family home (including condominium units) within the Municipality of Anchorage. Assistance is in the form of a second or third mortgage loan on top of the maximum affordable first and in some cases second mortgage the borrower can obtain. The AnCHOR mortgage is secured by a note and deed of trust. For the first ten years of the loan, five percent (5%) of the loan will be forgiven annually if the homeowner continues to make the property his or her principal residence. The remaining 50 percent of the loan will not be forgiven. There are no periodic payments on the loan, however, if the borrower sells or moves out of the home at any time, the unforgiven balance becomes due and payable to the Municipality's HOME Program under the Loan Balance Recapture method of recapture described under the Resale/Recapture Guidelines described earlier in this Section. However, in the event of foreclosure, if insufficient funds remain to pay the full recapture amount, the amount of recapture shall not exceed the Shared Net Proceeds method utilizing the formula stated in 24 CFR 92.245(a)(5)(ii)(A)(3).

Formatted: Justified

Deleted: second

Revisions to the page 3-11, "HOME Narratives and Proposed Projects", "7) CHDO Demonstration Project – Anchorage Housing Initiatives (CHDO)", first paragraph, are indicated below:

Anchorage Housing Initiatives will continue with the CHDO demonstration project which produces accessible housing for purchase by low- and moderate-income households with at least one member who has a disability. Housing affordability will be preserved by a Note and Deed of Trust utilizing the "Shared Net Proceeds" method of recapture, as described earlier in this Section and in the program's policies. One unit was completed and sold in 2003. A second unit will be completed and sold in 2004. Proceeds from the sale of the homes will be retained by AHI for the program, or for other eligible affordable housing activities.

Formatted: Justified

Content Information**Content ID :** 001866**Type:** AR_FundsApprop - Funds Approp Resolution

Title: A resolution adopting the amendment #1 to the approved Housing and Community Development 2004 Action Plan including commitment of one million three hundred four thousand and seven dollars (\$1,304,007) in future year and one million eight hundred seven

Author: katkusja**Initiating Dept:** DCD**Review Depts:** HHS, ECD

Description: Resolution amending the Housing and Community Development 2004 Action Plan, including Capital Project and Public Service grant awards, and application and appropriation of American Dream Downpayment Initiative (ADDI) grants.

Keywords: CDBG HOME ADDI Public Service Capital Projects HUD 2004 Action Plan Amendment #1

Date Prepared: 6/2/04 2:16 PM**Director Name:** Mary Jane Michael**Assembly****Meeting Date** 06/08/04**MM/DD/YY:**

Public Hearing
Date MM/DD/YY: 06/22/04

2004 JUN -7 AM 10:20
 RECEIVED
 ID

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
FundsAppropWorkflow	6/2/04 2:25 PM	Checkin	reedce	Public	001866
DCD_SubWorkflow	6/2/04 2:27 PM	Approve	reedce	Public	001866
HHS_SubWorkflow	6/3/04 10:00 AM	Approve	wheelerhm	Public	001866
ECD_SubWorkflow	6/3/04 10:24 AM	Approve	thomasm	Public	001866
OMB_SubWorkflow	6/3/04 2:03 PM	Approve	lohrra	Public	001866
FundsAppropWorkflow	6/4/04 10:09 AM	Reject	sinzje	Public	001866
FundsAppropWorkflow	6/4/04 2:26 PM	Checkin	reedce	Public	001866
DCD_SubWorkflow	6/4/04 2:27 PM	Approve	reedce	Public	001866
HHS_SubWorkflow	6/4/04 2:29 PM	Approve	wheelerhm	Public	001866
ECD_SubWorkflow	6/4/04 2:34 PM	Approve	thomasm	Public	001866
OMB_SubWorkflow	6/4/04 2:36 PM	Approve	lohrra	Public	001866
Finance_SubWorkflow	6/4/04 5:06 PM	Approve	sinzje	Public	001866
MuniManager_SubWorkflow	6/7/04 9:44 AM	Checkin	katkusja	Public	001866
MuniMgrCoord_SubWorkflow	6/7/04 9:53 AM	Approve	katkusja	Public	001866