

Submitted by: Chairman of the Assembly at
the Request of the Mayor
Prepared by: Department of Neighborhoods
For reading: July 25, 2006

CLERK'S OFFICE

APPROVED

Date: 7-25-06

Anchorage, Alaska
AR NO. 2006- 180

A RESOLUTION ADOPTING AMENDMENT #1 OF THE 2006 ACTION PLAN, PART OF THE MUNICIPALITY OF ANCHORAGE'S HOUSING AND COMMUNITY DEVELOPMENT CONSOLIDATED PLAN, REPROGRAMMING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FROM CANCELLED AND POSTPONED ACTIVITIES TO NEW AND EXPANDED ELIGIBLE ACTIVITIES.

WHEREAS, the Municipality of Anchorage approved the *2006 Action Plan* of the *2003-2007 Consolidated Housing and Community Development Plan* to the U.S. Department of Housing and Urban Development which outlines 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, \$501,203 in CDBG program funds became available for reprogramming subsequent to approval of the 2006 Action Plan; and

WHEREAS, public notice of Amendment #1 to the *2006 Action Plan* to reprogram these CDBG funds was given on April 12, 2006 announcing the opportunity to provide written comment for a minimum of 30 days; and

WHEREAS public testimony on Amendment #1 to the *2006 Action Plan* was heard before the Housing & Neighborhood Development Commission on May 10; and

WHEREAS the Housing & Neighborhood Development Commission passed and approved Resolution HAND 2006-2 recommending approval by the Assembly of Amendments #1, now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

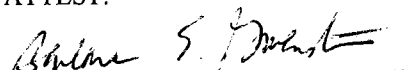
Section 1. That the *Amendment #1 to the 2006 Action Plan* is adopted, reprogramming CDBG funds from postponed and cancelled projects, as outlined in the attached Assembly Memorandum.

Section 2. That this resolution shall be effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 25th day of July, 2006.


Chair

ATTEST:


Municipal Clerk



**MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM**

No. AM 518 -2006

Meeting Date: July 25, 2006

From: Mayor Mark Begich

Subject: Adopting Amendment #1 of the *2006 Action Plan*, part of the Municipality of Anchorage's Housing and Community Development Consolidated Plan, reprogramming Community Development Block Grant funds received from the U.S. Department of Housing and Urban Development from cancelled and postponed activities to new and expanded eligible activities.

This memorandum supports AR 2006- 180 a resolution to adopt Amendment #1 to the *2006 Action Plan*, a part of the Municipality of Anchorage's *Housing and Community Development Consolidated Plan*. The proposed amendment includes changes to the *2006 Action Plan* associated with re-programming U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds from cancelled and postponed projects. All changes were recommended by the Housing and Neighborhood Development (HAND) Commission after considering all comments received during a 30 public comment period that began April 12 of 2006, and after hearing and considering all comments provided during a public hearing held on May 10 (see HAND Resolution 2006-2, Attached).

Action Plan amendments allow the Municipality of Anchorage to continue to expend Community Development Block Grant funds in a timely manner, a condition of the CDBG grant from HUD. This amendment includes reprogramming of \$501,203 in CDBG funds. Substantial amendments, such as funding new activities, must be approved by the Assembly.

Two new activities, and the expansion of two existing activities are included in this amendment. While the new activities trigger a "substantial amendment" which requires Assembly approval, the two expanded activities do not. All are included below in the description for convenience and information, however, only the new activities are included in the fund certification.

New Activities:

\$23,998 in CDBG Public Service Funds. Cares for Kids, Parent Time Out operated by the Salvation Army. Salvation Army applied for funding for this activity for the original 2006 awards, however, at the time there were insufficient funds available to fund it. This proposed activity includes a current year award of up to \$23,998 in FY06 CDBG funds, and an award of *up to* \$118,744 in FY07 CDBG funds (the annual amount requested). FY07 funds are awarded pending CDBG public service funding availability, appropriation, and approval through the *2007 Action Plan* process, and will likely not exceed the current year award. This project will provide

1 short-term emergency respite care for children (age birth through 11) to high risk families
2 without charge. Services will be provided at 3600 East 20th Avenue, Anchorage, AK. This
3 public service project qualifies as a CDBG eligible activity under 24 CFR 570.201(e), meeting a
4 CDBG national objective of serving low income households and will maintain income
5 documentation per 570.208(a)2(i)B.

6
7 **\$60,000 in CDBG general entitlement funds: Manufactured Housing.** Under this proposed
8 activity, up to \$60,000 will be utilized in pre-development costs to purchase and develop or
9 renovate a manufactured housing community in Anchorage for long-term sustainable/affordable
10 homeownership for low- and very low-income households. Future year funds of up to \$400,000
11 in CDBG funds are also proposed for the development phase of this project. Future year funds
12 are identified pending CDBG funding availability, appropriation, and approval through the 2007
13 Action Plan process, and may not be available at the full amount. The exact location of this
14 project and future year funding amount will be proposed through subsequent amendment to the
15 *2006 Action Plan*. This activity is eligible under 24CFR570.202(a)(1) or 570.201(a) and will
16 meet a national objective of serving low- and moderate-income households under
17 24CFR570.208(a)(3).

18
19 *Expanded Activities:*

20
21 **\$58,205 in additional CDBG Public Service funds to the Anchorage Literacy Project,**
22 **Multi-Sensory Instruction for Illiterate Adults.** Current year funding is increased to the
23 requested amount of \$126,500. This award was originally included in the 2006 Action Plan, but
24 the grant could not be fully funded. With the cancellation of another public service project, this
25 grant is now fully funded.

26
27 **\$359,000 in additional CDBG entitlement funds are proposed to be allocated to the Minor**
28 **Repair program.** Minor Repair provides up to \$15,000 in critical home repairs and energy-
29 saving measures to low- and moderate-income households. The increase includes 1) an
30 additional \$20,000 to complete historic building surveys, 2) \$239,000 to account for an
31 underestimate of available funds in the *2006 Action Plan* and 3) an additional \$100,000 to
32 accommodate a targeted roof program to speed up roof repairs, making other repairs and
33 maintenance more effective. This activity is an eligible activity under 24CFR570.202(a)(1) and
34 meets a national objective of serving low- and moderate-income households under
35 24CFR570.208(a)(3).

36
37 *Sources for the above projects are:*

38
39 **\$19,000** of the original total award of \$955,000 of CDBG entitlement funds made to the
40 Salvation Army Alaska McKinnell Family Shelter (16-unit homeless shelter) is postponed (*not*
41 *cancelled*) to FY2007 funds. The remaining \$936,000 has not been altered and is funded with
42 current year CDBG funds. This will allow 2006 CDBG funds to be expended in a timely
43 manner.
44

1 **\$400,000** in CDBG entitlement funds dedicated to the Rental Rehabilitation Program is being
2 reprogrammed. Na Qenq'a Community Development Financing, Inc., a non-profit subsidiary of
3 Cook Inlet Housing Authority, was under contract to administer this program through December
4 of 2005. The contract expired with no activity. This program is cancelled to allow the allocated
5 \$400,000 in CDBG funds to be reprogrammed.

6
7 **\$82,203** in CDBG public service funds previously awarded to Catholic Social Services for St.
8 Francis House is being reprogrammed. The award was declined by the grant recipient, therefore
9 this award is cancelled and funds reprogrammed to the next highest ranked applicants.

10
11 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED RESOLUTION
12 ADOPTING AMENDMENT #1 OF THE *2006 ACTION PLAN*.

13
14 Prepared By: Carma E. Reed, Director, Department of Neighborhoods

15
16 Concur: Mary Jane Michael, Executive Director, Office of Economic and Community Development

17
18 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

19
20 241-15236G-N06CP15-3815 BP2006 \$23,998 (Previously Appropriated - CDBG - FY2006)

21 241-15233G-152386-3815 BP2003 \$60,000 (Previously Appropriated - CDBG - FY2003)

22
23 Concur: Denis C. LeBlanc, Municipal Manager

24
25 Respectfully Submitted: Mark Begich, Mayor

Attachment A



Municipality of Anchorage
Housing and Neighborhood Development Commission

HANDR 2006-2
June 30, 2006

A RESOLUTION RECOMMENDING ASSEMBLY APPROVAL OF THE HOUSING AND COMMUNITY DEVELOPMENT 2006 ACTION PLAN AMENDMENT #1.

WHEREAS, the Housing and Neighborhood Development Commission has reviewed the Housing and Community Development 2006 Action Plan Amendment #1 which proposes to reprogram CDBG funds from cancelled or postponed projects to new or expanded projects in 2006; and,

WHEREAS, an advertisement was published in the Anchorage Daily News on April 12, 2006 to announce the beginning of the 30 day public comment period for Amendment #1 to the 2006 Action Plan; and,

WHEREAS, a public hearing was held at the regularly scheduled HAND Commission meeting on May 10, 4:00 p.m. in the Mayor's Conference Room, 8th Floor, of City Hall; and,

WHEREAS, due to information received during the public comment period related to the Salvation Army McKinnell Family Shelter project, staff recommended changes to the original Amendment #1, to which the HAND Commission concurs;

WHEREAS, the projects funded or expanded through the amendment are consistent with the 2003-2007 Consolidated Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Housing and Neighborhood Development Commission hereby recommends approval by the Assembly of the Housing and Community Development 2006 Action Plan Amendment #1, as amended and evidenced by the attached Amendment #1 to the 2006 Action Plan, Revision May 10, 2006, Part of the 2003-2007 Housing and Community Development Consolidated Plan.

PASSED AND APPROVED by the Housing and Neighborhood Development Commission this thirtieth day of June 2006.

[signature on file with hard copy] _____
Carma E. Reed, Secretary

[signature on file with hard copy] _____
Timothy M. Sullivan, Sr., Chair

Amendment #1 to the 2006 Action Plan

Revision May 10, 2006

All funding commitments are pending completion of an Environmental Review per 24 CFR Part 58. A summary of all substantial changes included in this amendment are included below:

New or Expanded CDBG Projects

1. Anchorage Literacy Project, Multi-Sensory Instruction for Illiterate Adults. Current year funding is increased to the requested amount of \$126,500. This increase does not require a substantial amendment to the 2006 Action Plan but is identified here for informational purposes.
2. The Salvation Army, Cares for Kids, Parent Time Out. Current year award of up to \$23,998, plus up to \$118,744 (the annual amount requested) in 2007 program year funds. This project will provide short-term emergency respite care for children (age birth through 11) to high risk families without charge. Services will be provided at 3600 East 20th Avenue, Anchorage, AK and will operate from June 1, 2006 to December 31, 2007. Future year funds are awarded pending funding availability, appropriation, and approval through the 2007 Action Plan process, and will likely not exceed the current year award. This public service project qualifies as a CDBG eligible activity under 24 CFR 570.201(e), meeting a CDBG national objective of serving low income households and will maintain income documentation per 570.208(a)(2)(i)B.
3. Manufactured Housing. Up to \$60,000 will be utilized in pre-development costs to purchase and develop or renovate a manufactured housing community in Anchorage for long-term sustainable/affordable homeownership for low- and very low-income households. Future year funds of up to \$400,000 is also being committed to the development phase of this project. The exact location of this project and future year funding amount will be proposed through subsequent amendment to the **2006 Action Plan**. This activity is eligible under 24CFR570.202(a)(1) or 570.201(a) and will meet a national objective of serving low- and moderate-income households under 24CFR570.208(a)(3).
3. Minor Repair. Additional funding for this program totaling \$359,000. Minor Repair provides up to \$15,000 in critical home repairs and energy-saving measures to low- and moderate-income households. The increase includes an additional \$20,000 to complete a historic survey for the Fairview neighborhood, and \$239,000 to account for an underestimate of available funds in the **2006 Action Plan**. An additional \$100,000 has been added to accommodate a targeted roof program to speed up roof repairs, making other repairs and maintenance more effective. This activity is an eligible activity under 24CFR570.202(a)(1) and meets a national objective of serving low- and moderate-income households under 24CFR570.208(a)(3).

CDBG Projects Cancelled or Postponed

1. The Salvation Army Alaska McKinnell Family Shelter (16-unit homeless shelter) was previously awarded \$955,000 in FY 2006 funds. Salvation Army originally requested the project be postponed to secure necessary other funding sources. During the comment period for this amendment Salvation Army presented evidence that it has secured sufficient funding to fill the financial gap. This amendment reduces the 2006 Salvation Army allocation by \$19,000, to 936,000. The remaining \$19,000 will be funded from FY2007 funds. This will allow 2006 CDBG funds to be expended in a timely manner.
2. Rental Rehabilitation. Na Qenq'a Community Development Financing, Inc., a non-profit subsidiary of Cook Inlet Housing Authority, was under contract to administer this program through December of 2005. The contract expired with no activity. This program is cancelled to allow the allocated \$400,000 in CDBG funds to be reprogrammed.
3. Catholic Social Services, St. Francis House award for \$82,203 in CDBG public service funds have been declined by grant recipient, therefore this award is cancelled and funds reprogrammed to the next highest ranked applicants.

Content Information**Content ID :** 004130**Type:** AM_CitingFunds - Citing Funds Memorandum

A resolution adopting amendment #1 of the 2006 Action Plan, part of the Housing and Community Development Consolidated Plan,

Title: reprogramming Community Development Block Grant (CDBG) funds received from HUD from cancelled and postponed activities to new and**Author:** reedce**Initiating Dept:** DCD**Review Depts:** ECD**Description:** A resolution adopting amendment #1 of the 2006 Action Plan, part of the Housing and Community Development Consolidated Plan, reprogramming Community Development Block Grant (CDBG)**Keywords:** CDBG HUD Consolidated Plan 2006 Action Plan**Date Prepared:** 7/6/06 3:09 PM**Director Name:** Carma Reed**Assembly****Meeting Date** 7/25/06**MM/DD/YY:**M.O.A.
2006 JUL 17 AM 10:36
CLERKS OFFICE**Workflow History**

Workflow Name	Action Date	Action	User	Security Group	Content ID
CitingFundsWorkflow	7/6/06 3:15 PM	Checkin	reedce	Public	004130
ECD_SubWorkflow	7/6/06 3:17 PM	Approve	thomasm	Public	004130
DCD_SubWorkflow	7/6/06 3:17 PM	Approve	reedce	Public	004130
Finance_SubWorkflow	7/10/06 12:21 PM	Approve	sinzje	Public	004130
MuniManager_SubWorkflow	7/13/06 11:21 AM	Approve	leblancdc	Public	004130
MuniMgrCoord_SubWorkflow	7/14/06 2:23 PM	Approve	abbottmk	Public	004130