

FY24 Annual Action Plan Substantial Amendment #1 October 3, 2024

A. Reprogramming HOME Funds

In FY24, the City awarded \$110,000 (HOME) to United Action for Youth (UAY) to acquire and/or rehab at least one rental unit in Iowa City to be utilized as transitional housing. Due to the complexity of the applicable regulations at the units identified and the required timeframe, UAY formed a partnership with The Housing Fellowship to acquire a property with non-federal resources.

The same year, \$200,000 (HOME) was awarded to The Housing Fellowship for a rental construction activity on Ronalds Street. Due to the project's location in a historic district, the State Historic Preservation Office review process took longer than anticipated. This project included a partnership with the Iowa City School District and provided the opportunity for students to learn various trades. To meet the deadlines of the school year, The Housing Fellowship ultimately identified other funding sources and the project was completed with non-federal resources.

In order to proceed with the original intent of expanding affordable rental housing in Iowa City, staff propose shifting the funding for both of the previously described projects to The Housing Fellowship to acquire two additional rental units with \$310,000 of HOME funding.

According to the City's Citizen Participation Plan, a substantial amendment is required to change the use of federal funds from one eligible activity to another.

B. Programming Unanticipated CDBG Program Income

The City recently received an unanticipated loan repayment of CDBG funds that will be recorded as program income. Both program income and regular entitlement grant funds are subject to spending deadlines established by HUD. Staff propose allocating additional funding to the City's ongoing Greenstate and Hills Downpayment Assistance Partnership Program. Reprogramming the funding in a timely manner towards an activity that will proceed on schedule is critical to meet spending deadlines established by HUD. Failure to meet spending deadlines may result in noncompliance with HUD and a reduction in annual grant funds.

The City was awarded FY22 and FY24 funds for the Greenstate and Hills Downpayment Assistance Partnership Program totaling about \$430,000. To date, about 70% of the funding has been expended to assist 14 income eligible homebuyers. The City also collaborated with Iowa Valley Habitat for Humanity on six of the units sold through this program. An additional \$300,000 allocated to this program will assist up to 12 additional income eligible homebuyers.

According to the City's Citizen Participation Plan, a substantial amendment is required to carry out a project using funds from any program covered by City Steps not previously described in the AAP (including program income, reimbursements, repayment, recaptures, or reallocations from HUD).

C. Public Comment and Approval Process

The public comment period of 30 days is scheduled to begin October 3, 2024 through November 4, 2024. The Housing and Community Development Commission will review the amendment at their October 21, 2024 meeting and consider a recommendation to City Council. The City Council will consider this recommendation on November 4, 2024. If approved, the amendment will be submitted the U.S. Department of Housing and Urban Development.

Jurisdiction: City of Iowa City, Iowa	Contact Person
Jurisdiction Web Address: http://www.icgov.org/actionplan	Erika Kubly 410 E. Washington Street Iowa City, IA 52240 319.356.5121 Erika-Kubly@Iowa-City.org

Proposed Amendment

The proposed amendments include the following:

- Update Appendix B of the FY24 Annual Action Plan to be consistent with this amendment.
- Update other text and appendices as needed to be consistent with this amendment.

Proposed Amendments to Appendix B

Project	Planned activities	CDBG Award	HOME Award	Persons / Households / Facilities Assisted
Public Service Activities	Aid to Agencies - Neighborhood Centers of Johnson County	\$ 64,000	NA	2,460
	Aid to Agencies - DVIP	\$ 60,000	NA	1,002
Public Facility Activities	Shelter House - Shelter Improvements	\$ 120,000	NA	950
Neighborhood and Area Benefits	Neighborhood Improvement Program (Curb Ramps)	\$ 150,000	NA	300
Homeowner/Rental Housing Rehabilitation	Comprehensive Rehabilitation	\$ 285,000	\$ 90,000	22
Other Housing Activities	The Housing Fellowship – Rental New Construction	\$ -	\$ 200,000	4
	Iowa Valley Habitat for Humanity - Downpayment Assistance	\$ -	\$ 80,000	2
	City of Iowa City, GreenState, & Hills - Downpayment Assistance	\$ 300,000	\$ 300,000	24
	The Housing Fellowship - Rental Acquisition	-	\$ 310,000	2
	United Action for Youth – Acquisition and Rehab of Transitional Housing	\$ -	\$ 110,000	4
	Community Housing Development Organization Operations	\$ -	\$ 25,000	NA
Community Housing Development Organization Reserve Activities	The Housing Fellowship - Rental Rehab	NA	\$ 78,000	1
Economic Development	Economic Development Program	\$ 50,000	NA	2
Administration & Planning	CDBG Administration	\$ 160,000	NA	NA
	HOME Administration	NA	\$ 59,000	NA