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CITY OF LINCOLN™ NEBRASKA

Annual Action Plan: FY 2015

One Year Use of Funds for HUD Entitlement Programs

Submitted by:

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Executive Summary

P-05 Executive Summary

Introduction

As part of the *Five-Year Strategic Plan,* Lincoln's *Annual Action Plan* provides a unified, comprehensive vision for community development for the 2015-16 Fiscal Year (September 1, 2015 through August 31, 2016). The Annual Action Plan specifically addresses the use of funds received from the U.S. Department of Housing and Urban Development (HUD): Community Development Block Grant (CDBG) , HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) funds. The *Annual Action Plan* describes actions that will take place in the next year to accomplish the goals identified in the *Five-Year Strategic Plan*. This Action Plan represents the third year of the five-year strategic planning period.

The goals in the Annual Action Plan are based on the three major statutory goals for HUD's Community Planning and Development Programs: provide decent housing, a suitable living environment, and expanded economic opportunities, all primarily for low- and moderate-income persons.

The lead agency for Lincoln's community development activities is the City's Urban Development Department. Other agencies responsible for administering the programs outlined in the Annual Action Plan include NeighborWorks®Lincoln, the Lincoln Housing Authority, the League of Human Dignity, and the Homeless Coalition.

Summarize the objectives and outcomes identified in the Plan

Please reference the summary tables in AP-20 on pages 6-7, and in AP-38 on pages 9-10.

Evaluation of past performance

Overall, the City of Lincoln has met the goals identified in the current and past Strategic Plans. As often happens with plans, some projects or programs were completed ahead of schedule and others fell behind schedule.

To better accomplish the overall goals, the City, with HUD's approval, designated a Neighborhood Revitalization Strategy Area or NRSA. Because the needs in the NRSA area are high, that is where strategies to reduce poverty and promote economic integration have been, and continue to be, focused.

UDD continues to use GIS tools on an ongoing basis - applied to Census and locally-generated data - to analyze changes at the city and neighborhood levels and to help evaluate and improve performance. In addition, on-going public and agency input reaffirms that the goals identified in the Strategic Plan and projects in the Action Plan continue to address identified needs.

Summary of Citizen Participation Process and Consultation Process

The City of Lincoln has a *Citizen Participation Plan* that details the public involvement process. The Plan is available at www.lincoln.ne.gov, keyword: urban. Public participation is an on-going process, not confined to preparation of the Strategic Plan. The public is encouraged to participate by becoming involved with their neighborhood associations, in other community organizations and in business associations. Residents are also encouraged to attend public hearings and open houses held for special projects and plans.

Public information about CDBG and HOME funded programs is provided by mail, email, newspaper announcement/advertisement, and through the City's Web page. This includes: a quarterly newsletter, housing program brochures (in English, Spanish, Vietnamese, and Arabic), housing application forms, open houses, and public hearings. Staff also attend community meetings, events, and festivals to obtain input throughout the year. A wide range of published materials are available on the City's Web site. These include: federally mandated plans, the Citizen Participation Guide, guidelines and applications for housing programs, focus area and redevelopment area plans, and neighborhood association support materials.

The Mayor's Neighborhood Roundtable serves a broader, more structured role as a forum at which neighborhood organizations present concerns and learn about community resources. The opportunity to provide input into the FY 15 Action Plan was announced at the May 11, 2015 Roundtable meeting. The meeting was attended by 15 people representing 15 different neighborhood associations. In addition, a public information meeting was held June 8, 2015 at the Urban Development Department and the draft plan was posted on the City's web site. Public notice of the meeting was published in the local newspaper, the *Lincoln Journal Star*, on May 14, 2015 which also announced the beginning of the 30 day comment period beginning May 15 and ending June 15, 2015. A public hearing on the Action Plan was held by the Lincoln City Council on June 29 where it was **COMPLETE AFTER PUBLIC HEARING.**

Summary of public comments

COMPLETE AFTER PUBLIC HEARING/COMMENT PERIOD.

Summary of comments or views not accepted and the reasons for not accepting them

COMPLETE AFTER PUBLIC HEARING/COMMENT PERIOD.

Application for Federal Assistance and Certifications

The Application for Federal Assistance, Form 424, for each federal program is attached, along with the required Certifications.

Expected Resources

AP-15 Expected Resources

Introduction

The City of Lincoln receives funding from three Federal grant programs, Community Development Block Grant, HOME Investment Partnership Program and Emergency Solutions Grant Program. These three grant programs combined will bring $2,482,320 in to Lincoln to support affordable housing, homelessness and community development. CDBG and HOME program income bring $986,127 in additional funding for a total of $3,468,447 for the third year of the Consolidated Plan. All consecutive years use these same amounts as an estimate of the future entitlement funds to be received.

Anticipated Resources

Table 1 - Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected $ Amount Available Year 2				Expected $ Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	public - federal	-Acquisition -Admin and Planning -Economic Development -Housing -Public Improvements -Public Services	1,607,817	536,127	0	2,143,944	5,287,820	CDBG funds utilized in LMI neighborhoods and the NRSA will leverage other federal, local and private funds
HOME	public - federal	-Acquisition -Homebuyer assistance -Homeowner rehab -Multifamily rental new construction -Multifamily rental rehab -New construction for ownership -TBRA	725,561	450,000	0	1,175,561	1,846,568	Evaluation criteria for funding HOME places heavy emphasis on financial capacity and ability to secure other funding. Match requirements will be meet by donated labor, construction materials, cash and bond financing

Table 1 - Expected Resources – Priority Table								
Program	**Source of Funds**	**Uses of Funds**	**Expected $ Amount Available Year 2**				**Expected $ Amount Available Remainder of ConPlan**	**Narrative Description**
			Annual Allocation	**Program Income**	**Prior Year Resources**	**Total**		
ESG	public - federal	-Convert TH to RRHP or PH Beds -Financial Assistance Overnight shelter -Rapid re-housing (rental assistance) -Rental Assistance Services -Transitional housing	148,942	0	0	148,942	169,936	All organizations applying for ESG funds must provide a 100% match of the funds they are seeking.

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

The Home improvement Loan Program (HILP) will use CDBG funds to subsidize the interest rate to the borrower. The Nebraska Investment Finance Authority (NIFA) works with the four lenders involved in the program to supply the non-federal loan funds. HOME funds will be used for Habitat for Humanity to purchase buildable lots. The materials and labor for construction of the house will be donated. The 25% match requirement for the HOME funds will be exceeded. The First Home Program will use HOME funds for down payment and "gap" financing for low- and moderate-income buyers purchasing new and existing houses. The assistance of non-federal funds to make new construction affordable and the HOME funds to assist the buyer in the purchase will make it possible for the buyers to obtain their first mortgage from a private lender.

CDBG funds for public facility improvements leverage funds from other City departments including Public Works & Utilities and Parks & Recreation. In most cases, CDBG provides only a portion of funds needed for infrastructure projects.

Homeless service providers use ESG funds, in conjunction with additional local (United Way, JBC), State (Homeless Shelter Assistance Trust Funds), and Federal funding to provide a wide array of homeless services. Traditionally, the vast majority of ESG recipients use state Homeless Shelter Assistance Trust Funds for match.

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 of Lincoln does not have publically owned land within our jurisdiction that we intend to use to address the needs identified in the Plan.

Discussion

This Consolidated Plan cannot achieve the goals identified using only the three federal entitlement programs. Other federal, state and local public funds must be included. While some project/actions may include primarily public funds, public funds alone would also be insufficient to achieve the goals of this Plan and private funds from individuals, non-profit organizations and private organizations will be needed.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Table 2 – Goals Summary							
Goal Name	**Start Year**	**End Year**	**Category**	**Geographic Area**	**Needs Addressed**	**Funding**	**Goal Outcome Indicator**
Chronic Homeless	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,824	Housing for Homeless added: 2 Permanent Housing Units
Permanent Housing	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,824	Other: 95% of PSH residents will remain in PSH for 6 months or longer.
Transitional Housing	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,824 **HOME:** $25,000	Other: 85% of TH leavers will move to PSH or PH.
Employment - Homeless	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,824	Other: 25% of adult leavers will gain or increase employment income from entry to exit.
Mainstream Benefits	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,824	Other: 70% of adult leavers will gain or increase access to mainstream benefits from entry to exit.
Homeless	2013	2017	-Homeless	-City-wide Program Area	-Homelessness	**ESG:** $24,822 **CDBG:** $22,000	Other: 75% Persons Assisted: 10,000
Increase Neighborhood Livability	2013	2017	-Non-Housing Community Development	-Neighborhood Revitalization Strategy Area (NRSA) -South Capitol -Low & Moderate Income Area -Clinton Impact Area -Antelope Valley Area	-Neighborhood Revitalization	**CDBG:** $220,000	Public Facility or Infrastructure Activities other than Low/ Moderate Income Housing Benefit: 1140 Persons Assisted

Table 2 – Goals Summary							
Goal Name	**Start Year**	**End Year**	**Category**	**Geographic Area**	**Needs Addressed**	**Funding**	**Goal Outcome Indicator**
Increase Food Security	2013	2017	-Non-Housing Community Development	-City-wide Program Area	-Neighborhood Revitalization	**CDBG:** $25,000	Public service activities other than Low/ Moderate Income Housing Benefit: 60 Persons Assisted
Employment - Low Income	2013	2017	-Non-Housing Community Development	-City-wide Program Area	-Neighborhood Revitalization	**CDBG:** $30,000	Other: 14 Other
Rehabilitate owner-occupied housing units	2013	2017	-Affordable Housing	-Neighborhood Revitalization Strategy Area (NRSA) -Low & Moderate Income Area -City-wide Program Area	-Affordable Housing	**CDBG:**$1377,756	Homeowner Housing Rehabilitated: 77 Household Housing Units
Direct Financial Assistance	2013	2017	-Affordable Housing	-City-wide Program Area	-Affordable Housing	**CDBG:** $40,742 **HOME:** $658,217	Public service activities for Low/ Moderate Income Housing Benefit: 100 Households Assisted Direct Financial Assistance to Homebuyers: 50 Households Assisted
Increase Housing Stock	2013	2017	-Affordable Housing	-City-wide Program Area	-Affordable Housing	**HOME:** $375,518	Homeowner Housing Added: 6 Household Housing Unit
Support Non-Homeless Special Needs	2013	2017	-Non-Homeless Special Needs	-City-wide Program Area	-Non-Homeless Persons with Special Needs		Other: 1 Other
Administration	2013	2017	-Admin	-City-wide Program Area	-Neighborhood Revitalization -Affordable Housing -Homelessness -Non-Homeless Persons with Special Needs	**CDBG**: $428,446 **HOME:** $116,826	Other: 100 Other

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

Of the fifty households projected to participate in our First Home Program annually, we estimate one household will be extremely low-income, sixteen will be low-income and thirty will be moderate-income. Habitat for Humanity should complete construction of three homes annually on lots acquired with HOME funds. Of those three, two are estimated to be low-income and one extremely low-income. The Troubled Property Program, administered by NeighborWorks®Lincoln, should complete construction of two new houses, both of which will have low-income buyers.

Projects

AP-38 Project Summary

Project Summary Information

Table 3 – Project Summary				
Project Name	**Target Area**	**Goals Supported**	**Needs Addressed**	**Funding**
Public Improvements: General	-South Capitol -Clinton Impact Area -Antelope Valley Area -NRSA	-Increase Neighborhood Livability	-Neighborhood Revitalization	CDBG: $100,000
Public Improvements: Parks	-Low- and Moderate-Income Area	-Increase Neighborhood Livability	-Neighborhood Revitalization	CDBG: $25,000
Community CROPS	-City-wide Program Area	-Increase Food Security	-Neighborhood Revitalization	CDBG: $25,000
NeighborWorks Neighborhood Revitalization	-NRSA	-Increase Neighborhood Livability	-Neighborhood Revitalization	CDBG: $95,000
Job Training	-City-wide Program Area	-Employment - Low Income	-Neighborhood Revitalization	CDBG: $30,000
Support Chronic Homeless Population	-City-wide Program Area	-Chronic Homeless	-Homelessness	ESG: $24,824
Support Permanent Housing	-City-wide Program Area	-Permanent Housing	-Homelessness	ESG: $24,824
Support Transitional Housing	-City-wide Program Area	-Transitional Housing	-Homelessness	ESG: $24,824
Support Employment - Homeless	-City-wide Program Area	-Employment - Homeless	-Homelessness	ESG: $24,824
Support Mainstream Benefits	-City-wide Program Area	-Mainstream Benefits	-Homelessness	ESG: $24,824
Support the End of Homelessness	-City-wide Program Area	-Homeless	-Homelessness	ESG: $24,822
First Home Program	-Neighborhood Revitalization Strategy Area (NRSA) -Low- and Moderate-Income Area -City-wide Program Area	-Rehabilitate owner-occupied housing units -Direct Financial Assistance	-Affordable Housing	HOME: $621,939
Security Deposit Assistance	City-wide Program Area	-Direct Financial Assistance	Affordable Housing	HOME: $25,000
Troubled Property Program	-Low- and Moderate-Income Area	-Increase Housing Stock	-Affordable Housing	HOME: $275,518

Project Name	Target Area	Goals Supported	Needs Addressed	Funding
Housing Development Loan Program: Lot Acquisition	-City-wide Program Area	-Increase Housing Stock	-Affordable Housing	HOME: $100,000
CHDO Operating	-Neighborhood Revitalization Strategy Area (NRSA)	-Increase Housing Stock	-Affordable Housing	HOME: $36,278
Direct or Deferred Loan Program	-Neighborhood Revitalization Strategy Area (NRSA) -Low- and Moderate-Income Area -Clinton Impact Area -Antelope Valley Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $396,578
Emergency Repair Loan Program	-City-wide Program Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $210,000
Home Improvement Loan Program	-City-wide Program Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $149,274
Barrier Removal Program	-City-wide Program Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $30,000
Housing Rehabilitation Administration	-City-wide Program Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $466,904 HOME: $116,826
HMIS	-City-wide Program Area	-Homeless	-Homelessness	CDBG: $22,000
Non-Homeless Special Needs: Policy	-City-wide Program Area	-Support Non-Homeless Special Needs	-Non-Homeless Persons with Special Needs	
First Time Home Buyer Education Class	-City-wide Program Area	-Direct Financial Assistance	-Affordable Housing	CDBG: $40,742
Lead-Based Paint Mitigation	-City-wide Program Area	-Rehabilitate owner-occupied housing units	-Affordable Housing	CDBG: $125,000
Administration	-City-wide Program Area	-Provide Decent and Affordable Housing	-Neighborhood Revitalization -Affordable Housing -Homelessness -Non-Homeless Persons with Special Needs	CDBG: $428,446

AP-35 Projects

Introduction

As part of the five-year Strategic Plan, Lincoln's Annual Action Plan provides a unified, comprehensive vision for community development for the 2015-16 Fiscal Year (September 1, 2015 through August 31, 2016). The Annual Action Plan specifically addresses the use of funds received from the U.S. Department of Housing and Urban Development (HUD): Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Shelter Grants (ESG). The Annual Action Plan describes actions that will take place in the next year to accomplish the goals identified in the five-year Strategic Plan. This Action Plan represents the third year of the five-year strategic planning period.

The goals in the Annual Action Plan are based on the three major statutory goals for HUD's Community Planning and Development Programs: provide decent housing, a suitable living environment, and expanded economic opportunities, all primarily for low- and moderate-income persons. The projects outlined in this Plan facilitate goals, which in turn address priority needs in specified geographic areas. Also see the attached AP 2015 Goals and 2015 Projects.

Table 4 – Project Information

#	Project Name
1	Support Chronic Homeless Population
2	Support Permanent Housing
3	Support Transitional Housing
4	Support Employment - Homeless
5	Support Mainstream Benefits
6	Support the End of Homelessness
7	Public Improvements: General
8	Public Improvements: Parks
10	Community CROPS
11	Job Training
12	First Home Program
13	Troubled Property Program
14	RESCUE Program
15	Housing Development Loan Program: Lot Acquisition
16	Direct or Deferred Loan Program
17	Emergency Repair Loan Program
18	Home Improvement Loan Program
19	Barrier Removal Program
20	HMIS
21	Non-Homeless Special Needs: Policy
22	First Time Home Buyer Education Class
23	Lead-Based Paint Mitigation
24	Administration

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

See the priority needs section in the current 2013-2017 Five Year Strategic Plan.

AP-50 Geographic Distribution

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

The Lincoln city limit boundaries define the jurisdiction and an area of entitlement; however, assistance will be directed primarily in the low- and moderate-income area (LMI) and the Neighborhood Revitalization Service Area (NRSA). Additional programs will be directed into the Antelope Valley Area, South Capitol Area and Clinton Impact Area. A map of these areas is in the appendix of the five year Strategic Plan.

Table 5 - Geographic Distribution	
Target Area	**Percentage of Funds**
NRSA (Neighborhood Revitalization Strategy Area)	10
South Capitol Area	5
Low- and Moderate-Income Area	50
City-wide Program Area	25
Clinton Impact Area	5
Antelope Valley Area	5

Rationale for the priorities for allocating investments geographically

Allocating investments geographically was based on the City of Lincoln boundary, LMI and NRSA and three City priorities: 1) the Stronger, Safer, Neighborhoods Initiative in the Near South and Everett Neighborhoods (i.e. South Capitol Area); 2) the Antelope Valley Project; and 3) the Clinton Impact Area. In addition, client-based programs are based on individual income eligibility. Assigning priorities was based on:

1. Public input through a Community Needs Survey, conducted by Urban Development and other community surveys
2. City priorities: Mayor's Energy and Sustainability Policy, Antelope Valley, and the Stronger, Safer Neighborhoods Initiative
3. The needs assessment completed for the Consolidated Plan.

Lincoln has identified a Neighborhood Revitalization Strategy Area that was approved by HUD as part of the FY 2009-2012 Strategic Planning process. There are changes to the NRSA in the current Strategic Plan. Again, a map of the NRSA in the appendix of the Strategic Plan illustrates the boundaries.

The NRSA is geographically smaller than the LMI area and generally covers the oldest residential neighborhoods in the City with some exceptions. The purpose of the NRSA is to provide increased flexibility for the use of Community Development Block Grant (CDBG) funds in meeting the following types of goals (1) Economic Development - Low Priority, (2) Housing - High Priority and (3) Public Services - High Priority. Additionally, the Urban Development Department has used the delineation of the NRSA to concentrate homeownership and neighborhood revitalization activities. The methodology

originally used to define the NRSA can be found in the 2005-2009 Consolidated Plan. A copy of that plan is available in the Urban Development office at 555 South 10th Street, Suite 205.

To evaluate progress in the existing NRSA, Urban Development staff re-evaluated it. For example, maybe goals and objectives are being met for the most part, but the impact is not being achieved. A re-evaluation may determine (1) that different goals and objectives need to be set; (2) the NRSA area needs to be more concentrated, (3) more funds are needed or (4) funds need to be retargeted.

An in-house study that mimics HUD's CHAS program data projections found that the current boundaries are not visually/spatially reasonable in terms of the theories and methodology used and were adjusted. In short, areas of concentrated disadvantage were determined and then modified using an operationalization differential association theory, developed for this process. While the theory initially concentrated on the impacts of individuals … it is also by proxy a reasonable predictor of neighborhood distress.

Indicators analyzed include population characteristics (poverty, disability, unemployment, minority, education), housing data (single family homes, housing cost burdens, vacant housing, housing built before 1939, mortgages), neighborhood crime types, neighborhood social resources (Great Neighborhood graduates, neighborhood coordinator, neighborhood association presidents, Neighborhood Watch members, election poll workers, community facilities) which can be assessed against voting behavior, building and safety issues, health department issues, and Lincoln Public Schools achievement scores to determine correlations. The results of this analysis concluded that the NRSA which was initially defined via 2000 US Census data and augmented with current data and theoretical processes is not only defensible but very communicable to the general public. That report 'Differential Association: A Pilot Neighborhood Assessment Tool' is located in the appendix of the 2010 – 2012 Strategic Plan should a fuller explanation be required.

Affordable Housing

AP-55 Affordable Housing

Introduction

Assisting homeless, non-homeless special and special needs with affordable housing is a goal and project for the City of Lincoln. Our efforts are largely constrained by adequate direct funding. However, through in-kind support we will work to achieve 20 units of affordable housing in addition to what the market creates.

Rental assistance is provided through a program in conjunction with the Lincoln Housing Authority where households apply for security deposit assistance. New units will be created through the Troubled Property Program, RESCUE and Habitat for Humanity. Rehabilitation of existing units is through four Urban Development Housing Rehab programs and funded rehab projects with the League of Human Dignity. The Troubled Property Program and RESCUE acquires existing units for redevelopment.

Table 6 - One Year Goals for Affordable Housing by Support Requirement	
Homeless	10
Non-Homeless	10
Special-Needs	0
Total	**20**

Table 7 - One Year Goals for Affordable Housing by Support Type	
Rental Assistance	45
The Production of New Units	6
Rehab of Existing Units	77
Acquisition of Existing Units	3
Total	**131**

AP-60 Public Housing

Introduction

The Lincoln Housing Authority (LHA) owns and operates 320 units of housing developed and/or acquired and operated under the federal "Public Housing" program administered by the U.S. Department of Housing and Urban Development (HUD) and have an average inspection score of 83. The enhancement and development of current and future public housing is limited by federal involvement/funding and private partnerships.

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

The LHA is currently seeking local, state and federal funds to help address the needs of aging inventory in public housing.

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

The LHA encourages residents to become more involved in management and participate in resident council meetings as well as fill out annual surveys to ensure all is being done to provide quality and safe housing. LHA encourages residents to buy their own homes for several reasons: homeownership develops wealth, there are tax benefits, and residents become a part of a community in a more stable way.

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

N/A

AP-65 Homeless and Other Special Needs Activities

Introduction

The one-year homelessness goals are derived from—and considered integral to the furthering of—the Continuum of Care (CoC) Homelessness Strategy.

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

Lincoln's FY 2013 CoC Application includes a comprehensive overview of goals, objectives, and strategies related to all facets of homelessness in the community. The plan can be found by searching the keyword: "HOMELESS" at www.lincoln.ne.gov.

Although the City of Lincoln does not receive or provide funding for homeless activities other than Emergency Solutions Grants, the City does support the goals, objectives and strategies outlined in Lincoln's FY 2013 CoC Application.

Goal: Decrease the number of homeless households with children in Lincoln's 2016 PIT count to 75 or less.

Goal: Increase the percentage of participants in all CoC-funded projects that are employed at program exit to 25% or more.

Addressing the emergency shelter and transitional housing needs of homeless persons

Goal: Increase the percentage of participants in CoC-funded transitional housing that move into permanent housing to 85% or more.

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

Goal: Increase the percentage of participants remaining in CoC funded permanent housing projects for at least six months to 95% or higher.

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 State of Nebraska has mandated Policy for discharge from Foster Care, Health Care, Mental Health, and Corrections that ostensibly forbids discharge to homelessness. However, Lincoln's CoC will continue to work closely with stakeholders in each system of care to ensure that appropriate coordination, collaboration, and case management is in place to prevent discharge into homelessness. Please refer to Lincoln's FY 13 CoC Application for a more detailed discussion of discharge policy and goals.

AP-75 Barriers to Affordable Housing

Introduction

Affordable housing is crucial to a growing community. Along with employment, education and basic needs, the overall health and well-being of a community improves when there is adequate affordable housing. In addition to the actions described below, the City of Lincoln Analysis of Impediments to Fair Housing (completed in FY 13, updated in FY 14) also addresses barriers to affordable housing.

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

The City offers an impact fee exemption to low income, owner-occupied home buyers. This popular and successful program has been in existence for six years. The funding source is the City's General Fund. The purpose of the incentive is to provide home buyers with additional funds for down payment or payment of fees associated with originating their mortgage.

In the Strategic Plan FY 2005-2009, one strategy identified to remove the barriers to affordable housing specified that the City would work with developers on ways to reduce the length of the development process. In March 2010, the City opened the Development Services Center (DSC). The DSC is a centralized location with the capacity to meet efficiently all the development services needs for builders, developers and property owners. This centrally located function includes staff from five departments including Urban Development. Today new Accela automation and public-facing access further increases efficiencies and transparency.

The City of Lincoln Planning Department has proposed an update to its zoning code called "reForm". Although not currently an active project, conversations about the proposed changes are ongoing and include:

- Allowing developers to count one-half of an alley right-of-way towards the required side/rear setbacks
- Provide relaxation to height and setback requirements to allow for more flexibility in site design.
- Allow residential use in the first floor of commercial buildings
- Allow residential units in select H-zoned areas
- Eliminate penalty provisions limiting density in Community Unit Plans
- Require more parking lot trees and additional screening between residential and adjacent B-1, B-3, and H-2 zoning districts, and eliminate current parking lot screening exemptions
- Create a new B-1 district with lower intensity retail/service uses and signage that is more compatible with nearby residential

The Urban Development Department and NeighborWorks®Lincoln have established programs to help finance the rehabilitation of owner-occupied units in the NRSA and LMI areas that help to remove or ameliorate the negative effects that some public policies may have on affordable housing.

AP-85 Other Actions

Introduction

Below are responses to other actions for which the grantee is responsible. Topics such as obstacles to meeting underserved needs, actions planned to foster and maintain affordable housing etc. are addressed.

Actions planned to address obstacles to meeting underserved needs

The largest and most obvious obstacle is funding for programs and staff to address underserved needs. The City of Lincoln will continue to evaluate student support from the University of Nebraska Lincoln, find efficiencies in its programming and develop innovative ways to address long term obstacles. An example of such efforts was the development of the Lincoln community SCAN tool.

Actions planned to foster and maintain affordable housing

Existing affordable housing is located primarily in the low- to moderate-Income (LMI) area. The majority of Urban Development housing rehabilitation funds are allotted in the same area. Other programs offer financial incentives for owning within the LMI area. The First Home Program administered by NeighborWorks®Lincoln, offers partial forgiveness on down payment assistance if a buyer purchases a home in the LMI area, and total forgiveness on a home purchased in the NRSA.

The Home Improvement Loan Program (HILP) limits the amount of funds that can be loaned outside the LMI area. Urban Development maintains a philosophy of economic integration which does not limit low-income households to low-income neighborhoods. Accordingly other Urban Development programs are available city-wide.

Urban Development has assisted low- and moderate-income buyers in obtaining housing outside of the LMI area by partnering with Habitat for Humanity and the Lincoln Housing Authority. Large families and households with a special need benefit greatly from the custom features possible through new construction.

Actions planned to reduce lead-based paint hazards

Urban Development's Rehabilitation Specialists are trained and certified as Risk Assessors. NeighborWorks®Lincoln also has a certified Risk Assessor for the inspection work involved in the homebuyer program. Urban Development has also brought in HUD-certified instructors to train and certify local contractors.

The Lead-based Paint Hazard Reduction Program is designed to offset additional costs to the homebuyer due to the implementation of the final rule on lead-based paint issued by HUD. The homeowner receives a grant for the portion of the rehabilitation project that is lead-related, such as the additional cost of safe-work practices, hazard reduction, clean-up, clearance, and items required by the contractor to meet the new rules. The Housing Rehabilitation staff conducts a lead evaluation on every rehabilitation project and provides technical assistance to other agencies on lead issues.

Actions planned to reduce the number of poverty-level families

Reducing the number of families living at the poverty-level can only be accomplished with a community-wide effort: HUD programs cannot do it all. In 2014, the Lincoln Community Foundation commissioned the University of Nebraska Public Policy Center to complete a significant effort called Lincoln Vital Signs. A Funders and Advisory Council guided the study and was comprised of representatives from local foundations, City and County government, and economic and community organizations. Indicators were studied in seven areas: Community Profile, Economy and Workforce, Basic Needs, Education, Health, Safety, and Community Involvement and Culture. In terms of poverty, the following findings were reported in the Executive Summary:

A growing proportion of Lincoln's population faces real need.

- Lincoln's per capita income trails the national average by $4,000, and trails by $1,400 when adjusted for cost of living.
- The number of people in Lincoln below the poverty threshold increased 48% since 2005 and the city now has a higher rate of poverty than the nation or Nebraska.
- Since 2007, Lincoln's number of homeless individuals has risen 41%.
- In 2000, Lincoln had no neighborhoods in extreme poverty. By 2010, Lincoln had six neighborhoods in extreme poverty.

Lincoln's children fare poorly on many measures.

- The percent of children in poverty has doubled since 2008, which is now equivalent to national rates. This translates to 12,500 children in Lincoln living in poverty. Since 2009, the age group with the largest proportion in poverty in Lincoln is children (22%).
- Nearly 30% of all families with more than two children have incomes at or below the poverty threshold. For female headed households with more than two children, 68% are at or below the poverty threshold.
- In the 2013 single day count, one-third of homeless individuals were children 19 years of age or younger (*n* = 312); this number has increased 26% since 2007.
- Approximately 44% of Lincoln Public School students participate in the Free or Reduced Price Lunch Program (*n* = 16,077). Most of these students receive free lunch (*n* = 13,315).

In May, 2015, an updated Vital Signs report will be released. Following the release, community leaders are launching Prosper Lincoln, a new initiative to obtain input and ideas about addressing the Vital Signs findings. The results of Prosper Lincoln are intended to be, "a shared community agenda to be put into action across Lincoln" (Vital Signs website). This effort represents significant private sector involvement in addressing poverty in Lincoln.

Social service agencies also play a key role in efforts to reduce the number of families living at the poverty-level. The work of social service providers in efforts to achieve this goal include programs offered by the Community Action Partnership of Lancaster and Saunders Counties, a nonprofit agency that has been a leader in reducing poverty by working with families to achieve economic stability. Community Action utilizes Dr. Beverly Ford's case management model focusing on empowerment. Building upon the strengths of its program participants, Community Action provides education, resources, links to other services and encouragement to support the work necessary to achieve self-reliance.

Other agencies provide case management targeted at special populations such as people with developmental disabilities or illness or people with substance abuse problems. Examples of such agencies are St. Monica's, Fresh Start, Catholic Social Services, Cedar's Youth Services, CenterPointe, and Vocational Rehabilitation.

The Center for People in Need is also a community leader in working to reduce poverty. Its mission is to provide comprehensive services and opportunities to support low-income, high needs families and individuals as they strive to lift themselves out of poverty and achieve economic self-sufficiency. In support of this mission, they assist other human service agencies that are providing for the social and economic needs of low-income, high needs families and individuals; provide for the emergency, basic needs of families through delivery of direct services; actively advocate for systemic changes through

federal, state and local policy makers; and develop and support educational programs, increase job training, and improve computer skills for low-income workers.

Providing affordable housing is a primary goal for reducing poverty. In keeping with the goals, programs, and policies outlined in the Strategic Plan, for this third year Action Plan, Urban Development will work and coordinate with the agencies listed below and others in producing and preserving affordable housing stock:

- NeighborWorks Lincoln through the Homebuyer Training Program, Troubled Property Program, and the First Home Program which assists with down payment assistance.
- Habitat for Humanity
- The Lincoln Housing Authority which administers the Security Deposit Program.
- The League of Human Dignity which operates the Barrier Removal Program.

Lincoln's CoC is an organization of homeless service providers, homeless individuals, and other community stakeholders. Organizational responsibilities include the development of Lincoln's annual CoC Grant, an agency peer review process, administering the "Point in Time" count, and strengthening collaboration and efficiency in services proved to the homeless. Urban Development will continue to provide primary staff support to the CoC and administer ESG funds.

Good paying jobs are also a priority goal for reducing poverty. Under the Workforce Innovation and Opportunity Act (WIOA), the Greater Lincoln Workforce Development Board oversees the operation of the Greater Lincoln Area Workforce System and the American Job Center that offers services to job seekers and area businesses. Funding is being provided to the American Job Center in this FY15 Annual Action Plan.

Actions planned to develop institutional structure

The City of Lincoln has a well-established institutional structure. Urban Development continues to participate in a number of initiatives and activities to strengthen this structure and to enhance coordination. Activities include the following:

- Working with the Lincoln Housing Authority, in partnership with Lincoln Public Schools on affordable housing options.
- Working with the Nebraska Investment Finance Authority (NIFA), Lincoln Public Schools, and NeighborWorks®Lincoln to support Community Learning Centers.
- Working with NeighborWorks®Lincoln on neighborhood issues and homeownership. A staff member regularly attends the monthly Lincoln Policy Network meetings. The Policy Network was created in FY 07 by NeighborWorks®Lincoln to address policies and issues facing older neighborhoods.
- Working with the Nebraska Department of Economic Development on creating affordable housing.
- Supporting the League of Human Dignity to assist low-income people with disabilities to remove or modify architectural barriers in their homes.
- Participating in the Problem Resolution Team which is a group of City staff, Mayor, and City Council representatives that address problem properties.
- A staff member is an active member of the Continuum of Care and the Homeless Coalition.
- Support for, and working with, Stronger Safer Neighborhoods.

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

Coordination currently exists on an on-going basis that will continue through Urban Development staff involvement with housing providers and social service agencies. Staff relationships that exist with the Lincoln Housing Authority, NeighborWorks®Lincoln, Habitat for Humanity and the League of Human Dignity, for example, benefit from other established relationships with the CoC member agencies, the Social Service Federation and other social service providers. Efforts range from participation in monthly member board meetings and other general meetings, to regular phone calls and communication on as-needed basis. In addition, Lincoln's CoC features a Landlord/Tenant subcommittee that meets on a monthly basis to address the specific needs of homeless consumers seeking rental assistance, and private landlords who work with social service agencies to house them. The Landlord/Tenant Committee has developed Memorandum of Understanding that is signed by service agencies, tenants, and property owners, which formalizes expectations and formalizes a protocol for communicaton regarding homeless tenants.

Program Specific Requirements

AP-90 Program Specific Requirements

Introduction

The City of Lincoln receives funding from three Federal grant programs, Community Development Block Grant, HOME Investment Partnership Program and Emergency Solutions Grant Program. These three grant programs combined will bring $2,482,320 into Lincoln to support affordable housing, homelessness and community development. CDBG and HOME program income bring $986,127 in additional funding for a total of $3319,505 for the third year of the Consolidated Plan. All consecutive years use these same amounts as an estimate of the future entitlement funds to be received.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220.(l)(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. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. Years covered: FY 2013, 2014, 2015	80.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220.(l)(2)

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

   The City of Lincoln does not use other forms of investment beyond those identified in Section 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 **First Home Program** offers first mortgage financing from participating lenders and second mortgage financing from the City of Lincoln. The City uses a CHDO, Neighborworks-Lincoln to administer the homebuyer assistance.

   The second mortgage uses HOME funds to assist a home buyer with down payment assistance, closing cost and rehabilitation.

   The City of Lincoln reduces the amount of direct HOME subsidy received by the homebuyer on a pro-rata basis for the time the homebuyer has owned and occupied the housing, measured against the required affordability period. The resulting ratio is used to determine how much of the direct HOME subsidy the City will recapture. The prorated amount is calculated annually on each anniversary of the signing of the promissory note. The pro rata amount recaptured by the City will not exceed what is available from net proceeds. *Net proceeds are the sale price minus loan repayment (other than HOME funds) and closing costs.*

   For example: A home buyer receives $10,000 in down payment assistance from the First Home Program and the entire amount is forgiven over the five year affordability period (one fifth each year for five years). The buyer purchased the house on June 10, 2010. On June 10 of 2011, $2,000 is forgiven. Before the next anniversary date could arrive (i.e. June 10, 2012) the house is sold. The amount of funds recaptured would be $8,000. However, let us say in this example, that the net proceeds (defined above) from the sale are $7,000. The City will only recapture $7,000.

   No resale provisions are used however there are different sets of recapture provisions used in the First Home Program depending on where in the city the property is purchased.

   If the property is purchased in the City of Lincoln's Neighborhood Revitalization Strategy Area (NRSA), the buyer can borrow up to $14,999 which is forgiven over the five year affordability period. If the house is sold before the end of the five year affordability period, a pro rata share is recaptured if available from net proceeds.

   If the property is outside the NRSA but inside the Low to Moderate Income Area (LMI), the buyer can borrow up to $12,000 in which half is forgiven over the five year affordability period. The other half is deferred. If the house is sold before the end of the five year affordability period, a pro rata

share of the forgiven amount and the entire deferred amount is recaptured if available from net proceeds.

If the property is outside the LMI but inside the city limits, the buyer can borrow up to $8,000 in which half is forgiven over the five year affordability period. The other half is deferred. If the house is sold before the end of the five year affordability period, a pro rata share of the forgiven amount and the entire deferred amount is recaptured if available from net proceeds.

The City of Lincoln imposes the recapture provisions by written agreement using the Promissory Note and the recorded lien in the Deed of Trust.

The **Housing Development Loan Program**, **Troubled Property Program** and the **RESCUE Program** use HOME funds to purchase and rehabilitate or redevelop properties. The buyers of these properties are then assisted under the First Home Program. Since the City provides HOME assistance to develop the units and HOME funds to lower the purchase price for the buyer, the resale provision is not used with these programs.

The properties are sold for a fair market price by the PJ or the nonprofit housing developer to a qualified buyer and the PJ recovers an amount up to the net proceeds available from the sale. The development subsidy (the difference between the cost of producing the unit and the value of the unit) is a grant.

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:**

All properties acquired with HOME funds are rehabilitated or redeveloped. The buyer must complete home buyer training and use the First Home Program for down payment assistance. The buyer will follow the guidelines for recapture as described above for home buyer activities.

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 of Lincoln does not use HOME funds to refinance existing debt secured by multifamily housing.

Emergency Solutions Grant (ESG)

1. **Include written standards for providing ESG assistance (may include as attachment)**

   In 2013, Lincoln's CoC Executive Committee collaborated with the state to develop and codify ESG standards, which were formally adopted by the CoC Executive Committee in May of 2013. The standards are available on the City of Lincoln website, keyword: Homeless.

2. **If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

   Lincoln's CoC has developed a community wide in-take form that is used across the CoC, and completed a coordinate access pilot program in 2014. However, work remains on developing the information sharing, policies, and procedures necessary to develop a true coordinated assessment system. The development of a coordinated assessment system is one of the primary goals in *Lincoln's Homeless Strategic Plan*.

3. **Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

   Lincoln conducts a formal RFP process for determining ESG grant allocation. A notice of RFP availability was sent to the Lincoln CoC email list, posted on the City's website, and discussed widely at various subcommittee, stakeholder, and community meetings. The CoC email list and the various announcements and outreach activities publicizing the ESG RFP included a broad array of community and faith-based organizations.

   Grants will be evaluated by a team of reviewers that includes City staff, homeless service providers, State HHS administration, HMIS providers, and community funders familiar with Lincoln's Homeless System. Grants applications will be evaluated by a standardized scoring system that was developed in collaboration with the CoC. Grants will be scored and funding allocations will be determined accordingly.

   The ESG program will be administered according to the Emergency Solutions Federal Regulations, effective January 4, 2012. Regarding sub-awards and ESG allocation to nonprofit and faith-based organizations, the City of Lincoln will follow requirements in the Federal Regulations, in particular ESG regulations subpart B, C, and E.

4. **If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

   The City of Lincoln will have a minimum of one homeless or formerly homeless individual on the ESG review committee to provide input and regarding policies and funding decisions.

5. Describe performance standards for evaluating ESG.

Lincoln's ESG eligibility and performance standards can be found by searching the keyword: "HOMELESS" at www.lincoln.ne.gov.