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# **Consolidated Plan 2010-2015 Amendment #1 and Annual Action Plan FY2012 Amendment #1**

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Submitted to HUD:  
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# Amendment #1

The purpose of this document is to amend Ogden City's Five Year Consolidated Plan July 1, 2010 to June 30, 2015 (ConPlan) and to amend the Annual Action Plan July 1, 2011 to June 30, 2012 (AAP FY12).

Consolidated Plan 2010-2015 Amendment #1 proposes the addition of a new program, the Loan Loss Guaranty Program, which will be administered by the Business Development Division.

Amendment #1 to Annual Action Plan July 1, 2011 to June 30, 2012 proposes to redefine the scope and change the name of the Central Business District Infill program and to update the Analysis of Impediments to Fair Housing Choice. In addition, Amendment #1 updates the AAP FY12 Budget for actual Carry-over funds from last year, adjusts Entitlement funds which were reduced by Congress and adjusts Program Income (PI) estimates for this year. This amendment will affect the allocation of Community Development Block Grant (CDBG) funds, HOME Partnership Investments Program (HOME) funds, HOME Match funds, Economic Development Initiative (EDI) funds, City Revitalization funds (City) and Special Purpose Grant (SPG) funds.

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## 5 Year Consolidated Plan (2010-2015) Amendment #1 Addition of a new Program

Business Development Division proposes the creation of a Loan Loss Guaranty Program, which will utilize CDBG funds to create jobs meeting Priority Objective #6, Job Creation, of the ConPlan. The ConPlan will be updated to insert a page (after ConPlan page 103) that includes a Loan Loss Guaranty Program description and program goals as is submitted in Attachment A.

**Loan Loss Guaranty Program** – Provides direct financial assistance to businesses. The use of CDBG funds to assist businesses with job creation activities. The funds are used to build lending capacity for targeted projects within the Central Business District. Each loan meeting CDBG qualifications is lent a reserve amount which is escrowed to the borrowers benefit to create better loan coverage ratios for loans utilizing funds through the Ogden Reinvestment Corporation (ORC). The funds are designed to help extend the capacity in the ORC while reducing the risk exposure to that loan through the creation of a reserve to the benefit each loan.

Goals for the Loan Loss Guaranty Program are to create 24 Full-time Equivalent (FTE) jobs during Fiscal 2012, 66 FTE jobs Fiscal Year 2013, 69 FTE jobs Fiscal Year 2014, and 82 FTE jobs Fiscal Year 2015.

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## Annual Action Plan FY12 Amendment #1 Program Changes

### **Analysis of Impediments to Fair Housing Choice Amendment #1:**

An Analysis of Impediments to Fair Housing Choice (AI) dated July 1, 2010 was submitted to HUD. A full Analysis of Impediments will be conducted every five years, along with the Consolidated Plan, and will be reviewed each year in conjunction with Ogden City's Annual Action Plan. During the AAP FY12 process a review of the AI was conducted. In conclusion, an

Amendment to the AI is proposed that identifies the actions the city will take to address impediments to fair housing choice. Attachment B is the proposed Analysis of Impediment to Fair Housing Choice Amendment #1.

**Central Business District Infill Program:** The Central Business District Infill Program limits the use of CDBG funds to assist businesses with construction or reconstruction projects. The City has analyzed the needs of the Central Business District and has concluded that expanding the scope of the program to include a wider range of projects especially in those cases where job retention is an issue, will better meet the economic development goals identified in the ConPlan. The outcomes to the Central Business District (CBD) are greater by securing a comprehensive revitalization program that is responsive to changing economic conditions in the CBD. It is proposed to expand the scope of projects undertaken in the Central Business District and to rename the program the Central Business District Revitalization program.

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## AAP FY12 Budget Changes

**Entitlement Funds:** HUD requires Ogden City to submit Annual Action Plans no later than May 15<sup>th</sup> each year. At that time Congress had not finalized a budget; therefore, the AAP FY12 Budget submitted to HUD included an estimate of CDBG and HOME Entitlement funds. Amendment #1 reduces Entitlement funds according to the budget approved by Congress. In addition, City funds have been allocated to the Community Development Division to undertake neighborhood development activities in the East Central neighborhood.

**Program Income Funds:** Estimates for CDBG Program Income have increased due to the sale of CDBG-funded and completed Community Development Division Infill projects and from the sale of six CDBG-funded small business loans sold to the Ogden Reinvestment Corporation (ORC). Estimates of HOME Program Income, and Special Purpose Grant (SPG) Program Income have decreased due to a slowing of loan payoffs and due to timing of loan payoffs between fiscal years. HOME Match Program Income has increased due to a Rental Rehabilitation loan payoff. In an agreement with HUD, Rental Rehab Program Income funds can only be used as HOME Match. City Revitalization Program Income funds have increased due to loan payoffs received and not anticipated in the original budget.

**Carry-over Funds:** In the adopted budget, carry-over funds were estimated prior to the completion of the fiscal year. Now the actual dollar figure is known. The differences of the estimated and actual carry-over funds have been programmed to complete viable carryover projects and programs for the period from July 1, 2011 to June 30, 2012.

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## Overview of Changes to AAP FY2012 Budget

Annual Action Plan FY12 Approved Budget	Total	\$3,628,834
Annual Action Plan FY12 Proposed Budget Amendment #1	Total	\$5,138,982
Percentage Change		42%

## Revenues (Sources of Funds)

	<u>Budget</u>	<u>Amended Budget</u>	<u>% Change</u>
<b>ENTITLEMENT FUNDS</b>			
CDBG Entitlement	\$1,202,465	\$1,006,495	-16%
HOME Entitlement	\$564,021	\$496,851	-12%
City Revitalization Funds	\$60,850	\$610,850	904%
Housing Fund	\$150,000	\$150,000	0%
<b>TOTAL</b>	<b>\$1,977,336</b>	<b>\$2,264,196</b>	
<b>NET EFFECT: ENTITLEMENT INCREASE</b>		<b>\$286,860</b>	<b>15%</b>
<b>PROGRAM INCOME (PI) ESTIMATES</b>			
CDBG Program Income	\$354,692	\$804,789	127%
HOME Program Income	\$132,169	\$109,654	-17%
HOME Match Program Income	\$0	\$77,523	100%
EDI Program Income	\$4,396	\$4,396	0%
SPG Program Income	\$198,330	\$147,385	-26%
Housing Fund Program Income	\$18,281	\$18,281	0%
City Revitalization Program Income	\$0	\$100,000	100%
<b>TOTAL</b>	<b>\$707,868</b>	<b>\$1,262,028</b>	
<b>NET EFFECT: PROGRAM INCOME INCREASE</b>		<b>\$554,160</b>	<b>78%</b>
<b>CARRY-OVER ADJUSTED FROM ESTIMATE TO ACTUAL</b>			
CDBG Carry-over	\$602,402	\$913,600	52%
HOME Carry-over	\$82,718	\$123,885	50%
HOME CHDO Carry-over	\$15,000	\$103,372	589%
HOME Match Carry-over	\$0	\$111,951	100%
EDI Carry-over	\$85,396	\$89,738	5%
SPG Carry-over	\$121,632	\$240,689	98%
City Revitalization Carry-over	\$16,844	\$9,886	-41%
Housing Fund Carry-over	\$19,638	\$19,638	0%
<b>TOTAL</b>	<b>\$943,630</b>	<b>\$1,612,759</b>	
<b>NET EFFECT: CARRY-OVER FUNDS INCREASE</b>		<b>\$669,129</b>	<b>71%</b>
<b>TOTAL INCREASE IN REVENUES:</b>		<b><u>\$1,510,149</u></b>	

## Expenditure Changes (Uses of Funds)

	<u>Budget</u>	<u>Amended Budget</u>	<u>% Change</u>
<b>CDBG</b>			
Infill housing/Purchase, Rehab & Resale	\$200,000	\$376,048	88%
East Central Revitalization Program	\$193,127	\$249,004	29%
Small Business Loan Program	\$390,000	\$367,327	-6%
Loan Loss Guaranty Program	\$-	\$305,247	100%
CDBG Administration	\$311,431	\$362,257	16%
<b>HOME</b>			
Community Development Housing Organization (CHDO)	\$99,603	\$177,900	79%
East Central Revitalization Program	\$324,686	\$295,211	-9%
HOME Administration	\$69,619	\$60,651	-13%
<b>HOME MATCH</b>			
East Central Revitalization Program	\$150,000	\$339,474	126%
<b>EDI</b>			
East Central Revitalization Program	\$75,396	\$79,738	6%
<b>SPG</b>			
East Central Revitalization Program	\$226,741	\$294,853	30%
<b>CITY REVITALIZATION FUNDS</b>			
East Central Revitalization Program	\$77,694	\$420,736	442%
Infill housing/Purchase, Rehab & Resale	\$-	\$300,000	100%
<b>TOTAL INCREASE IN EXPENSES:</b>		<b><u>\$1,510,149</u></b>	

## Summary

This Amendment to the Annual Action Plan 2010-2012 and Consolidated Plan 2010-2015 will allow Ogden City to continue to address its community and economic development goals, strategies and programs that improve the quality of life for Ogden residents.

Amendment #1 to the Five Year Consolidated Plan 2010-2015, proposes a new job creation program and goals to be administered by Business Development Division.

Amendment #1 to Annual Action Plan FY12 proposes program changes to expand the scope of projects to be undertaken using CDBG funds for economic development and amends the Analysis of Impediments to Fair Housing Choice to include a list of actions the city will undertake to affirmatively further fair housing choices in Ogden. In addition, Amendment #1 proposes adjustments to the Annual Action Plan Budget to adjust for actual entitlement and carry over funds, to update program income estimates for the fiscal year and to allocate funds to new the new program and to projects and programs initiated in the prior year, but not completed as of June 30, 2011. This Amendment is balanced in its approach to provide business and economic development, neighborhood improvements, new housing and rehabilitate existing housing. These funds will improve owner-occupied housing conditions and will continue to encourage homeownership, job creation, and business development.

The Ogden City Department of Community and Economic Development is seeking City Council approval for proposed Amendment #1 to the Five Year Consolidated Plan July 1, 2010 to June 30, 2015 (ConPlan) and to amend Annual Action Plan July 1, 2011 to June 30, 2012 (AAP FY12).

The Ogden City Citizen Advisory Committee (CAC) reviewed this Amendment #1 on February 2, 2012 and recommended approval. HUD also requires a 30-day notice public comment period to provide public input concerning this amendment. That comment period began February 15, 2012 and ended March 16, 2012.

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## RECOMMENDATION

The Department of Community and Economic Development requests the City Council hold a Public Hearing and adopt the Resolution approving Amendment #1 to Ogden City's Five Year Consolidated Plan July 1, 2010 to June 30, 2015 (ConPlan) and approving Amendment #1 Annual Action Plan July 1, 2011 to June 30, 2012 (AAP FY12).

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## FISCAL IMPACT

The total change to the Annual Action Plan July 1, 2011 – June 30, 2012 Budget is an increase of \$1,510,149 with changes in sources and uses identified in Amendment #1.

## ATTACHMENT A

(To be inserted in Ogden City's Consolidated Plan 2010-2015 after page 103.)

### Priority Objective #6 – JOB CREATION

Increase economic opportunities through the creation or retention of permanent jobs.

#### 6.1 Small Business Loan Program – Direct financial assistance to businesses

The growth of small businesses to create jobs is needed to expand the economic base in the NRSA. Available funding is not sufficient to meet the needs of those requesting financial assistance to start-up or grow a business in the NRSA. The area lacks lenders willing to risk lending to NRSA business owners or potential NRSA business owners. The Small Business Loan program provides a maximum of \$90,000 of CDBG in lower-than-market interest rate loans. The program targets assisting businesses located in the NRSA's Central Business District.

**6.2 Loan Loss Guaranty Program – Direct financial assistance to businesses.** It will allow larger loan amounts than under the current Small Business Loan Program. The Loan Loss Guaranty program will magnify job creation by creating greater loan capacity. It will begin to offset decreasing amounts available through the existing program also.

Priority Objective #6: Job Creation				
#	HUD Goal	Strategy	Outcome	Funding
6.1	3	Small Business Loan Program: Direct financial assistance to for-profit businesses to create permanent full-time jobs	<ul style="list-style-type: none"> <li>• Reduce unemployment</li> <li>• Increase Ogden's economic base</li> <li>• Attract economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• CDBG</li> <li>• Leverage private resources</li> </ul>
6.2	3	Loan Loss Guaranty Program: Direct financial assistance to for-profit businesses to create permanent full-time jobs. The program allows for lending larger loan amounts and leverages CDBG to increase lending capacity through bank participation.	<ul style="list-style-type: none"> <li>• Create jobs with a minimum of federal funds</li> <li>• Participation with banks and Ogden Reinvestment Corporation to expand funding opportunities and to share the risk.</li> <li>• Provide new funding streams to fill the gap for businesses turned down or unable to be fulfilled by traditional banks.</li> </ul>	<ul style="list-style-type: none"> <li>• CDBG</li> <li>• Leverage private resources</li> </ul>

#	Expected Units of Accomplishment	Year 1	Year 2	Year 3	Year 4	Year 5	Aggregate
6.1	Full-time Equivalent jobs created/retained	8	8	8	8	8	40
6.2	Full-time Equivalent jobs Created/retained	-	24	66	69	82	241

## ATTACHMENT B

# Analysis of Impediments to Fair Housing Choice – Amendment #1

## Fair Housing

### Analysis of Impediments to Fair Housing Choice

An Analysis of Impediments to Fair Housing Choice dated July 1, 2010 was submitted to HUD. This is intended to correspond with Ogden City's 5-year Consolidated Planning process. A full Analysis of Impediments will be conducted every five years, along with the Consolidated Plan, and will be reviewed each year in conjunction with Ogden City's Annual Action Plan.

### Summary

Although Ogden City is supportive of Fair Housing policies and practices, the need for public education and informational venues will always be present. The common problem that seems to consistently emerge from survey information and public outreach is that although residents may be aware of their rights, and know that discrimination is against the law, they do not know how to file a complaint, who to contact for assistance or are hesitant to pursue their rights under the law.

Although the Ogden City application for Fair Housing Education funding in 2008 was denied, there are still many practices that can continue to be implemented by the city at little or no cost. By partnering with public housing providers and non-profit human service organizations, educational efforts toward Fair Housing awareness will continue to be offered;

- Ogden City will continue to associate with the Utah Apartment Association, Weber County Housing Authority, Ogden Housing Authority and Greater Ogden Area Association of Realtors to promote Fair Housing education among rental property owners, property management companies and real estate professionals.
- Ogden City will continue to provide Good Landlord Training to rental property owners.
- Fair Housing informational brochures will be prominently displayed at city offices.
- The Business Information Center will continue to help low and moderate income persons in protected classes who are seeking assistance in new business start-up ventures.
- Ogden City will continue to require that remodel and construction projects within the city meet applicable International Building Code accessibility requirements.
- Fair Housing practices will continue to be utilized in the marketing of city-owned properties.
- Fair Housing awareness messages will be posted in the At Your Service newsletter that accompanies monthly utility billings throughout the city.
- Fair Housing information and brochures will be included at all public service functions where city staff members conduct citizen outreach activities to promote city programs and projects.



## **ACTIONS TO ADDRESS IMPEDIMENTS**

**Impediment #1: Lack of education – (How to file a complaint.)** Although Ogden City supports Fair Housing policies and practices, the need for public education and informational venues is present. A common problem that consistently emerged from Fair Housing survey responses (during the 5 Year ConPlan) and public outreach is that residents may be aware of their rights, and know that discrimination is against the law, they do not know how to file a complaint, who to contact for assistance, or are hesitant to pursue their rights under the law.

### **Measurable Results:**

Disseminate Fair Housing information to the public, facilitate FH training to landlords and Promote FH through marketing.

### **Impediment #2: Low household incomes impede Fair Housing Choices:**

The Analysis of Impediments to Fair Housing identified “income” as a real impediment to fair housing or decent, safe and sanitary housing, in Ogden. Fair Housing Choice is “the ability of persons regardless of race, color, religion, sex, handicap, familial status, or national origin of similar incomes to have available to them the same housing choices”. Many persons surveyed during the AI process who reported experiencing impediments to Fair Housing also reported as having low incomes.

### **Measurable Results:**

Promote economic development opportunities for citizens and work with non-profit organizations who serve low-mod income residents to improve the financial status of Ogden citizens.

Each year, Ogden City monitors the progress in meeting the above actions and reports results in the CAPER. In addition, the CAPER will include a discussion showing that while the needs of minority and low-income populations correspond, Ogden City does not perpetuate segregation or subject individuals to segregated living or separate treatment.