

**City of Fairbanks, Alaska**  
*“Golden Heart City”*

**Housing and Community Development Annual Action Plan**

for the period

**July 1, 2004 to December 31, 2004**



**Housing and Community Development Annual Action Plan**  
**July 1, 2004 to December 31, 2004**

**Executive Summary**

This document is part of the U.S. Department of Housing & Urban Development (HUD) Consolidated Plan describing the needs and strategy for using certain HUD funds for housing and community development. The City of Fairbanks will participate in only the Community Development Block Grant (CDBG) program during the next year. This Annual Action Plan describes the specific actions that will be undertaken during the period from July 1, 2004 to December 31, 2004 using those funds.

The City expects to spend its entire CDBG allocation of \$304,000 during the program period. No income is projected. Twenty percent (20%) of funds will be allocated toward the administrative expenses involved in managing the program, promoting public participation, monitoring activities, preparing program and financial reports, reporting and publicizing progress toward program objectives, and assuring adherence to program requirements.

Five activities will be carried out with the funds during the year. These activities are primarily non-housing community development activities. All activities will benefit neighborhood blocks and census tracts where more than 51% of the households meet HUD criteria as low or moderate income. These projects are in the following HUD categories: community development – blight removal project; infrastructure – street lights and drainage; public facilities – fire fighting equipment lease; and public service – support for Volunteers In Policing program.

In addition to these activities, the City will monitor Alaska Division of Public Health surveillance of lead blood levels in children to respond rapidly if lead-based paint becomes a problem in the jurisdiction. It also will support ongoing abatement efforts of the public housing authority.

Program and financial monitoring and reporting will be conducted by a designated City employee working under the general supervision of the Chief Financial Officer. The monitor will assure compliance with all program and financial requirements of the CDBG program.

**City of Fairbanks, Alaska**  
**Housing and Community Development Annual Action Plan**  
**July 1, 2004 to December 31, 2004**

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**City of Fairbanks, Alaska**  
*Golden Heart City*

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for the period  
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**Introduction**

The City of Fairbanks is an entitlement community for Community Development Block Grant (CDBG), funds from the U.S. Department of Housing & Urban Development (HUD). These funds are provided to eligible communities on a formula basis. They can be used for a broad range of activities as determined by the local community. The three national goals of the program are to improve communities by providing:

- decent housing;
- a suitable living environment; and
- expanded economic opportunities.

By law, the principal beneficiaries of activities carried out with these funds must be persons with low and moderate incomes residing in the community.

To receive these funds, HUD requires eligible communities to submit two types of plans – a five (5) year Consolidated Plan and an Annual Action Plan. The Consolidated Plan describes the needs and sets out the vision for the community development projects to be carried out with the Community Development Block Grant and certain other HUD funds. Since Fairbanks does not receive those other funds, the Consolidated Plan and Annual Action Plan will describe only CDBG funds. The second major plan required is the Annual Action Plan describing the specific projects to be funded during the upcoming year.

The citizens of Fairbanks, particularly people of low and moderate income, are invited to review these plans and submit their comments before they are submitted to HUD for approval. The City administration will review and respond to each comment submitted.

**Time Period**

This Annual Action Plan describes activities to be carried out between July 1, 2004 and December 31, 2004.

**Required Annual Action Plan Elements**

A. Sources of Funds

1. *Program income.* The activities described in this Annual Action Plan will be funded solely by the annual CDBG grant. The total amount available is \$304,000. No additional income is anticipated from funds deposited to revolving loan funds, float-funded activities, or from prior year float-funded activities described in a previous plan.

2. *Float-funded activities.* There are no float-funded activities in this Annual Action Plan.
3. *Contingency.* No activity requiring establishment of a contingency reserve for cost overruns.
4. *Other (non-federal) funds.* The following additional funding sources are expected to be available to address the needs identified in this plan.
  - a. City of Fairbanks – in kind – this includes the non-monetary contributions to the plan from the City of Fairbanks. Contributions include project planning and development, involvement of city equipment in projects (FBK04-001, -002, -003), and costs to provide reasonable accommodations for persons with handicaps participating in the public comment and review aspects of the plan.
  - b. Private contributions - \$22,014 – necessary to match the CDBG funds used for the Volunteers in Policing project (FBK04-005). These are expected to be donated by individuals, corporations, and civic organizations.

#### B. Project Description and Annual Objectives

HUD Table 3 documents the projects included for funding from this year's Annual Action Plan. Twenty percent (20%) of funds available will be used towards the costs of administration of Community Development Block Grant program. These costs include those associated with promoting public participation, disseminating plan documents, monitoring expenditures, preparation and sending program financial reports and activity progress reports, and preparing annual performance reviews for public review and comment.

Individual activities and performance objectives follow.

**Applicant's Name:** City of Fairbanks

**Priority Need:** Community Development

**Project Title:** Blight Removal

**Project Description**

This project involves the removal of buildings that have been abandoned and are not suitable for rehabilitation. This project will benefit low and moderate income neighborhoods by removal of blight and a safety hazard. Structures will be demolished, rubble removed, and holes filled. Land will be made available for low/moderate housing or commercial use primarily benefiting low/moderate residents.

**Location**

The structures will be selected by the City code enforcement office based on proximity to concentrations of low/moderate income housing and immediacy of threat to health and safety of neighborhood residents.

**Funding Sources:**

CDBG	..... \$69,600
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	..... \$69,600

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

Objective Number 1	Project ID FBK04-001
HUD Matrix Code 04	CDBG Citation 570.201 (d)
Type of Recipient Local government	CDBG National Objective Suitable living environment
Start Date (mm/dd/yyyy) 07/01/2004	Completion Date (mm/dd/yyyy) 12/31/2004
Performance Indicator Structures removed	Annual Units 3
Local ID	Units Upon Completion 8

**Applicant's Name:** City of Fairbanks

**Priority Need:** Infrastructure

**Project Title:** Street Lighting

**Project Description**

Installation of new or replacement of obsolete street lights for which replacement parts are no longer available in low/moderate income neighborhoods.

**Location**

The locations will be selected based on low/moderate housing density, street crime in area, and safety (e.g., cross walk used by children going to school). Residents living in the area will benefit.

**Funding Sources:**

CDBG	..... \$25,000 .....
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	..... \$25,000 .....

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

Objective Number 2	Project ID FBK04-002
HUD Matrix Code 17B	CDBG Citation 570.230 (a)
Type of Recipient Local government	CDBG National Objective Suitable living environment
Start Date (mm/dd/yyyy) 07/01/2004	Completion Date (mm/dd/yyyy) 12/31/2004
Performance Indicator Number of street lights installed	Annual Units 8
Local ID	Units Upon Completion 40

**Applicant's Name:** City of Fairbanks

**Priority Need:** Infrastructure

**Project Title:** Drainage

**Project Description**

Installation of drainage in locations subject to annual flooding or large pools of water during spring melt or following heavy rains. Residents of affected neighborhoods will benefit.

**Location**

The locations will be selected based on low/moderate housing density, threat to property (cellar flooding), and safety (e.g., need for children to walk in road to avoid hazard).

**Funding Sources:**

CDBG	.....
	\$25,000
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	.....
	\$25,000

The primary purpose of the project is to help:  the  
Homeless  Persons with HIV/AIDS  Persons with  
Disabilities  Public Housing Needs

Objective Number 3	Project ID FBK04-003
HUD Matrix Code 031	CDBG Citation 570.201 (c)
Type of Recipient Local government	CDBG National Objective Suitable living environment
Start Date (mm/dd/yyyy) 07/01/2004	Completion Date (mm/dd/yyyy) 12/31/2004
Performance Indicator Number of drainage projects completed	Annual Units 1
Local ID	Units Upon Completion 5

**Applicant's Name:** City of Fairbanks

**Priority Need:** Public Facilities

**Project Title:** Fire Equipment Replacement

**Project Description**

Systematic replacement of fire equipment that has become unreliable because of exceeding predicted useful life or costs of repair exceed value. Units will be deployed at the downtown station. Equipment may be leased over a five year period after which the ownership of the equipment will remain with the City of Fairbanks Fire Department.

**Location**

Downtown station that services the low/moderate income tracts in the City..

**Funding Sources:**

CDBG	.....
	\$73,600
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	.....
	\$73,600

Objective Number 4	Project ID FBK04-004
HUD Matrix Code 030	CDBG Citation 570.201 (c)
Type of Recipient Local government	CDBG National Objective Suitable living environment
Start Date (mm/dd/yyyy) 07/01/2004	Completion Date (mm/dd/yyyy) 12/31/2004
Performance Indicator Blocks with new/functional sidewalks	Annual Units 1
Local ID	Units Upon Completion 1

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Applicant's Name:** City of Fairbanks

**Priority Need:** Public Services

**Project Title:** Volunteers In Policing (VIP)

**Project Description**

This project recruits and trains citizens to serve as law enforcement extenders in low/moderate income areas that have higher than average crime levels. Volunteers provide a visible presence in these areas to deter crime or detect suspected criminal activity. Volunteers report suspect activities to police department for quick response.

**Location**

Volunteers will be deployed in low/moderate income where criminal activity is present in greater amounts than other neighborhoods.

**Funding Sources:**

CDBG	..... \$50,000 .....
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	..... \$50,000 .....

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

Objective Number 5	Project ID FBK04-005
HUD Matrix Code 051	CDBG Citation 570.201 (e)
Type of Recipient Local government	CDBG National Objective Suitable living environment
Start Date (mm/dd/yyyy) 07/01/2004	Completion Date (mm/dd/yyyy) 12/31/2004
Performance Indicator # of VIP per quarter	Annual Units 20
Local ID	Units Upon Completion 20

### C. Homeless and Other Special Populations

There are no projects in this Annual Action Plan specifically addressing the homeless or populations with special needs that require supportive services to live with greater independence. The estimated cost of \$5,241,000 to construct the shelter and transitional living facilities necessary to meet the present need is not available through the CDBG funds the city is entitled to receive. The City does not receive an Emergency Shelter Grant (ESG) or Housing Opportunities for People with Aids (HOPWA) grant.

Projects in this Annual Action Plan address basic needs of low/moderate income neighborhoods to increase safety and livability. They also include removal of blight. In addition to removal of potential hazards, this activity will make neighborhoods more esthetically pleasing and, when legal obstacles are removed, make more City housing lots available for low/moderate income families who can access the home ownership programs available through Alaska Housing Finance Corporation.

### D. Public Housing Needs

Alaska Housing Finance Corporation (AHFC) is the public housing authority for the jurisdiction. AHFC is classified by HUD as performing at its highest level. It is not a “troubled” public housing authority.

The Volunteers In Policing (VIP) project should encourage people in public housing to take an active role in maintaining public safety and reducing crime in their neighborhoods. Making a positive contribution to one’s community is an essential element in developing a sense of “ownership” in that community and interest in how the affairs of that community are run. It is anticipated that an indirect benefit from the VIP project will be increased participation in tenant councils. Participation in tenant councils in turn will help these residents become better informed about fair housing laws as well as housing programs that promote home ownership. Thus, the VIP program is expected to stimulate a chain of positive indirect results that should increase home ownership among low and moderate CBDG beneficiaries. The program’s expected direct result, reduction of crime in low, moderate income neighborhoods, will have an immediate, direct impact on the lives of people in public housing and low, moderate income neighborhoods.

### E. Anti-Poverty Strategy

The needs assessment contained in the Consolidated Plan indicates that the most significant housing problem within the City, and for most of the state of Alaska as well, is “affordability mismatch.” HUD defines “affordability mismatch” as when a household expends 30% or more of its income on housing. This is particularly acute for older persons living on fixed incomes in their own homes.

There are few options to deal with the issue within the jurisdiction’s control. Utilities have been privatized with the expectation that costs will be lower in the long term. City services and costs have been reduced to keep property taxes as low as possible. School costs contribute a great deal to the property tax burden and these costs are determined by officials elected borough-wide and are not under the City’s control. An attempt to reduce City property taxes by instituting a dedicated City sales tax recently was rejected by the electorate. The latter, while not initiated

by them, received the support of many City officials. State law provides for a property tax exemption on the first \$150,000 of value of real property owned and occupied by a permanent resident 65 years old or older, or, by veterans with service connected disabilities of 50% or more. This state mandated tax abatement program has been fully funded by local governments since 1999. The average benefit for residents applying for the abatement in the Fairbanks North Star Borough during 1999 was \$1,704.

The projects included in the 2004 Annual Action Plan will have some impact on the reducing families in poverty. First, livability is improved by several projects including lighting, sidewalks, drainage, and blight removal. This will reduce the propensity of people with means to move from the City in areas of the borough. Stabilizing the population will help maintain an adequate tax base by assuring that a higher proportion of the City's available housing stock will be occupied and, consequently, contribute to the tax rolls. The more the property tax burden is spread, the greater the ability to maintain basic City services at costs reasonable to all.

A recent spurt in construction of several large retail stores in northeast Fairbanks will help reduce poverty in several ways. First, it will provide a large new tax base to fund municipal services. More important, it will provide several hundred new entry level jobs that are most likely to be filled by individuals living at or below poverty level. They also will increase competition and lower the cost of basic food and clothing. The strategy of maintaining the city as "business friendly" environment is most likely to result in a reduction of the number of people at or below poverty levels by 10% during the next year.

#### F. Lead-based Paint Hazards

As noted in the Consolidated Plan, lead-based paint poisoning has not been seen in the Fairbanks area. The Alaska Housing Finance Corporation is the public housing authority responsible for public housing in Fairbanks. The City code enforcement unit will support efforts to mitigate potential lead-based paint hazards in public housing units available to extremely low, low, and moderate income families. In addition, the City will monitor ongoing surveillance of high blood lead levels by the Alaska Division of Public Health. The Alaska Department of Health & Human Services is taking aggressive measures to increase the number of Medicaid beneficiaries 21 years old and younger participating in the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. This program includes regular "well-child" screening of children throughout infancy and adolescence. Blood tests for lead exposure are part of the screening protocol. Since Medicaid is an income-based entitlement program, increased participation in the EPSDT program will result in more extensive surveillance efforts and earlier identification for the children in extremely low and low income families who participate in the program or are participating in the state's Temporary Assistance to Needy Families (TANF) welfare to work programs.

Additionally, the blight removal program will result in City building sites available for construction of low and moderate income homes. These homes will meet all current building code requirements including the prohibitions against using lead-based paints and asbestos.

#### G. Other Actions

The City of Fairbanks Mayor and administration are pursuing a number of economic development projects. In conjunction with the mayors of other jurisdictions in the area, a list of

economic and social service development projects has been developed. Representatives of potential funding sources have been invited to the area to learn first hand about the needs and plans. All activities economic development and improved social services will benefit low and moderate income persons in the area including those with physical or mental conditions causing functional impairments. While too early to have tangible results from these efforts, it is expected that future plans will include some of these funds as CDBG funds are used to leverage or match other funding sources.

It is anticipated that the participation in the CDBG process will increase awareness of major housing issues in Fairbanks – particularly among low and moderate income residents. An enlightened constituency addressing issues having a direct impact on their own lives can only result in more creative suggestions and approaches to solve the economic and housing problems affecting the City.

#### H. Monitoring

The City anticipates using funds available through the Community Development Block Grant primarily to support its own activities conducted to benefit its low and moderate income residents. The City has a designated position, filled by a qualified accountant, to assure compliance with grant fiscal and program requirements. This position reports directly to the Chief Financial Officer and is independent of operating divisions. The incumbent will be provided training in HUD CBDG grant requirements and assigned to monitor implementation. The grant's compliance monitor also will assure accurate and timely submission of required reports and data for the program.

In this year's Annual Action Plan, no grants to non-profit or faith-based organizations will be made. While the city values "privatization" of its functions whenever possible, the costs associated with administering a grant program that assured every sub-grantee met all federal grant requirements would exceed any potential benefits that could be derived. In addition, it is very likely that the administrative cost limitations of the CBDG would make it impossible to administer such a program without placing the city a great risk of violating federal laws. If the latter occurred, the best possible result would be that the city taxpayers would be required to make up the loss. The worst outcome could be fines, imprisonment, and the loss of all federal funds coming to the city.

#### **Affirmative Fair Housing Activities**

The City of Fairbanks has accepted the analysis of impediments to fair housing conducted by Alaska Housing Finance Corporation on behalf of all Alaska communities except the Municipality of Anchorage. Six key areas of concern were identified through that analysis. These were.

1. Lack of understanding of what types of discrimination are covered by Fair Housing laws is an impediment to fair housing choice.
2. Low awareness of available fair housing enforcement mechanisms, and the lack of fair housing advocacy organizations, are identified as impediments.

3. Disabled Alaskans have limited housing opportunities because of financial barriers and the lack of accessible and appropriate housing stock.
4. Various administrative policies, procedures and practices are impediments to fair housing choice for members of protected classes.
5. Members of protected classes continue to be disproportionately represented in Alaska's homeless population.
6. The general lack of affordable and appropriate housing is an impediment to fair housing choice for members of protected classes.

The AHFC analysis will be the starting point for the city's actions to reduce and eliminate these impediments to fair housing. Specifically, the following actions will be taken in the course of this Action Plan period.

First, a study will be made to examine the relative significance of each item as applicable to conditions within the City of Fairbanks. While the sample will be smaller, a similar methodology to the one employed by AHFC will provide data to establish a level of confidence that the findings are applicable to Fairbanks. The relative priority of the items may vary from the state-wide sample, but the general results should vary little. Assuring applicability to the local jurisdiction is essential to assure "buy in" from all local jurisdiction officials and people in the housing industry including developers, realtors, and mortgage brokers.

Second, the city will begin to address the information issue. Lack of information was an overarching issue in all aspects of the AHFC analysis. Given its universality to the problems of fair housing, the city will immediately address the issue starting with its own employees and officials. The city will provide workshops in fair housing for all of its employees who are likely to encounter low, moderate income persons and members of classes protected by the fair housing laws in their regular job assignments. Through these workshops, employees will learn about the fair housing protections provided by statutes, which classes of people who are protected, and where to refer persons seeking relief or having possible complaints. Employees will be advised to be sensitive to violations and assist persons affected to understand their rights and options under the laws. This training will be extended to elected and appointed officials determining land use policies and making decisions concerning land use issues, staff of non-profit groups serving persons with handicaps and protected classes, and representatives of faith-based organizations.

Finally, residential lots resulting from the city's blight removal program funded with Community Development Block Grant funds will be made available on a priority basis to projects that benefit low, moderate income people. This addresses directly one of the impediments identified.

**Appendix A**  
**Notices of Public Hearings**  
**and**  
**Responses to Public Comments**

## **Appendix B**

### **Supplementary Information**