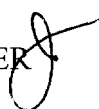


City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 18, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF AN AMENDMENT TO THE FY 2009 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT TO APPLY FOR FEDERAL STIMULUS FUNDING UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ISSUE: Consideration of a federal American Recovery and Reinvestment Act (ARRA) grant application, in the form of an Action Plan program amendment, for funding from the Community Development Block Grant Recovery program.

RECOMMENDATION: That the City Council:

- (1) Authorize the City Manager to submit the attached amendment (due June 5, 2009) to the U. S. Department of Housing and Urban Development (HUD) to apply for \$335,003 in federal stimulus funding under the Community Development Block Grant Recovery program;
- (2) Approve an increase of up to \$335,003 in the existing City loan to RPJ Housing for the Lacy Court Apartments; and
- (3) Authorize the City Manger to execute all necessary documents associated with the substantial amendment and loan.

DISCUSSION: The City of Alexandria has been allocated, by formula, \$335,003 in federal stimulus funding under the American Recovery and Reinvestment Act Community Development Block Grant Recovery (CDBG-R) program. No City match is required.

The purpose of the CDBG-R funding is to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. While the grants may be applied toward the full range of CDBG-eligible activities, according to HUD’s Notice of Program Requirements for ARRA, Congress clearly intends that the CDBG-R funds “should primarily be invested in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention.”

The federal grant application process for CDBG-R funds is a substantial amendment to the City's FY 2009 Action Plan for Housing and Community Development (the current-year Action Plan, as opposed to the recently approved FY 2010 Action Plan). The substantial amendment for the CDBG-R is due June 5, 2009. The program amendment for CDBG-R funds has a 7-day public comment period, reduced from the standard 30-day public comment period. Copies of the notice and program amendment are being sent to the interested parties list developed for the Consolidated Plan and related HUD documents, and will be placed in public libraries no later than May 18, with a comment deadline of May 26. In addition, upon request, staff will make every effort to make these documents available for non-English speaking persons and persons with disabilities within the designated comment period. Any public comments received by the Office of Housing will be reported to City Council at the May 26th legislative meeting.

Staff recommends that the City's allocation of up to \$335,003 be used to provide renovation for energy efficiency at the 44-unit Lacy Court Apartments, owned by RPJ Housing Development Corporation (RPJ Housing).¹ The City has previously provided \$6,756,000 in loans (both federal and local) to RPJ Housing for predevelopment costs, acquisition and window replacement at this property, which is located at 1502, 1506, 1512, and 1516 Commonwealth Avenue and 4, 6, and 8 West Nelson Avenue. The CDBG-R funds will be used to provide new roofing, exterior doors, Energy Star appliances, bike racks, and exterior lighting.

Staff further recommends that up to \$335,003 (depending on actual bids received) be added to the existing City loan for Lacy Court Apartments, which is a residual receipts loan with a 2 percent interest rate.

RPJ Housing has been selected as the recipient of the CDBG-R funding for the following reasons:

- 1) Between FY 2006 and FY 2008, the City assisted RPJ Housing to acquire three properties, none of which have yet been substantially renovated. The CDBG-R funding will enable the residents of this property, Lacy Court, to receive needed improvements. The two Wesley Housing properties assisted by the City during this same period have secured full renovation funding and are not in need of this assistance. Should Wesley need such funding for an older, previously rehabilitated property, it could seek funding from the City's Housing Opportunities Fund.
- 2) Based on prior assessments of the needs of this property, the proposed project is "shovel-ready" in the sense that RPJ has already developed a detailed scope of work, including a preliminary estimate of anticipated costs for the work, and can develop and circulate an RFP to obtain competitive bids within thirty days of notification that CDBG-R funds are available. Within thirty days of receipt of bids, RPJ expects to be able to select, negotiate and execute an agreement with a general contractor, in compliance with federal funding requirements, allowing work to get underway immediately.

¹ Founded by the National Capital Presbytery in 1978, RPJ Housing Development Corporation is a 501(c)(3) charitable non-profit organization whose mission is to develop and preserve affordable housing for limited income individuals and families and to strengthen communities in the Washington Metropolitan area.

- 3) Discussions have been held between RPJ Housing and Joblink staff, and it is anticipated that the Lacy Court project may provide opportunities for those trained in weatherization and green building technologies by Joblink to obtain jobs with trade subcontractors, associated with the project, consistent with the goal of job creation.
- 4) The proposed work involves a number of improvements related to energy efficiency, another CDBG-R goal.
- 5) This investment of City CDBG-R funds will be advantageous to RPJ Housing when it eventually seeks Low Income Housing Tax Credits for this property, both in terms of points for local investment (based on the amount of City investment to date) as well as by enhancing the development's "efficient use of resources" score (typically a problematic scoring factor for Northern Virginia projects), by decreasing the amount of tax credit funding required to achieve specific VHDA-mandated rehabilitation work items associated with elements to enhance energy efficiency.
- 6) This is a one-time investment of one-time federal funds, and does not create an ongoing obligation after the federal stimulus funds are expended.

FISCAL IMPACT: Upon HUD approval of the substantial amendment, HUD will release \$335,003 in CDBG-R funds to the City. Following HUD approval, the City will amend the existing loan for this property to increase it by up to \$335,003.

ATTACHMENT: Draft Substantial Amendment to the City's FY 2009 Action Plan for Housing and Community Development.

STAFF:

Mildrilyn Stephens Davis, Director, Office of Housing
Eric Keeler, Division Chief for Program Administration, Office of Housing
Lucinda Metcalf, Housing Analyst, Office of Housing

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 15, 2009

TO: INTERESTED ORGANIZATIONS AND INDIVIDUALS

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: NOTICE OF 7-DAY COMMENT PERIOD ON THE PROPOSED PROGRAM AMENDMENT TO THE CITY'S FY 2009 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT TO APPLY FOR FEDERAL STIMULUS FUNDING UNDER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City of Alexandria is accepting public comments regarding a program amendment to the City's FY 2009 Action Plan for Housing and Community Development to apply for federal stimulus funding under the Community Development Block Grant Program (CDBG-R). The attached draft program amendment (Attachment) reflects the proposed allocation of \$335,003 in CDBG-R funds. The CDBG-R funds are a direct allocation to the City under the federal American Recovery and Reinvestment Act. The program amendment for CDBG-R funds have seven day public comment which was reduced by U.S. Department of Housing and Urban Development (HUD) from the standard 30-day comment period. The proposed program amendment will be docketed for a City Council consideration at the Council meeting to be held Tuesday, May 26, 2009. Upon approval by Council, the proposed amendment will be submitted to HUD by the June 5, 2009 deadline.

Copies of the draft program amendment may be reviewed or picked up, at the Office of Housing, 421 King Street, Suite 200, from 8 a.m. to 5 p.m., Monday through Friday. Both documents will be available on the City's Web site (<http://alexandriava.gov/city/housing>) and for review at the City libraries.

The document will be in a format accessible to persons with disabilities, upon request. Written comments may be sent or delivered to the Office of Housing, Suite 200, 421 King Street, Alexandria, Virginia 22134 or emailed to eric.keeler@alexandriava.gov. Comments will be accepted until 5 p.m., Tuesday, May 26, 2009.

For further information or requests for reasonable accommodations, please call Eric Keeler or Lucinda Metcalf at the Office of Housing at (703) 746-4990, or TTY (703) 838-5056 for the hearing impaired.

City of Alexandria, VA
Community Development Block Grant Program Amendment Information for
Funding Under the American Recovery and Reinvestment Act of 2009

A. Fostering Energy Independence

The Community Development Block Grant Recovery (CDBG-R) funds will be used to renovate Lacy Court Apartments a 44-unit affordable housing complex for limited income individuals and families. Renovation will include new Energy Star membrane roofing, Energy Star kitchen appliances, Energy Star washers and dryers, and installation of R-30 insulation in the attic of the buildings. Investment in these upgrades to the apartment buildings will help conserve energy, provide clean energy, and save money on utility bills.

Heat and UV rays from the sun have contributed to damage and deterioration on the black roofs of the Lacy Court Apartment buildings. Replacing the existing roofs with an Energy Star qualified roofing systems (a white roof surface) will help the roof surface stay cooler, reduce the amount of air conditioning needed, reduce energy bills, and increase the service life of the building.

Old refrigerators will be replaced with Energy Star-rated refrigerators to reduce energy consumption. Energy Star refrigerators use high efficiency compressors to enhance temperature and defrost mechanisms, and use less energy than required by current federal standards. New Energy Star washers and dryers will be installed in the laundry rooms. The Energy Star washers and dryers will reduce the amount of hot water used in a wash cycle, as well as the energy needed to heat it.

New R-30 insulation in the attic will help preserve heat in the building by securing heat that currently leaks out through the roof, yielding utility savings.

B. Preserving and Creating Jobs and Promoting Economic Recovery

It is anticipated that renovation at the Lacy Court Apartments may create jobs in the construction and support services/trades industry. In addition to employing contractors who will be able to perform work under the CDBG-R requirements, it is hoped that individuals currently being trained by Joblink in emerging weatherization and energy audit technologies, as well as those being prepared for new “green” jobs within the skilled trades (carpentry, heating, ventilation, air conditioning, plumbing) may find employment opportunities with subcontractors associated with the project. Improvements to the Lacy Court Apartment buildings will help utilize renewable energy and promote economic recovery by reducing the development’s overall consumption of resources, and yielding savings that can be applied by RPJ to other building improvements and/or to providing programs and services which benefit its residents.

C. A Description of the Activities that will be Carried out with CDBG-R Funds that Promote Energy Conservation, Smart Growth, Green Building Technologies, or Reduced Pollution Emissions.

Energy Star-rated products and appliances were designed to help save money and protect the environment through increased energy efficiencies and decreased consumption. Education and training for residents in the appropriate use and benefit of these products will promote more conscientious energy practices among consumers. It is hoped that the use of CDBG-R funds to renovate the Lacy Court Apartment buildings will also provide opportunities for those currently being trained in skill required to support energy-related jobs and in green building technologies to obtain employment with local subcontractors.

D. Information on how to Contact Grantee Program Administrators, so that Citizens and Other Interested Parties Know who to Contact for Additional Information

City of Alexandria

Office of Housing

Eric Keeler, Division Chief for Program Administration

421 King Street, Suite 200

Alexandria, VA 22314

Phone: 703.746.4990

E-mail: eric.keeler@alexandriava.gov

CDBG-R
Program Amendment

Jurisdiction/Grantee Name: City of Alexandria		CDBG-R Formula Grant Amount: \$335,003				Date: May 13, 2009	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Lacy Court Rehabilitation Project	Funds will be provided to RPJ Housing Development Corporation for renovation work to improve energy efficiency and preserve/create new jobs including new roofing, exterior doors, Energy Star-rated appliances, bike racks, and exterior lighting. Project Location for Lacy Court Apartments: 1502, 1506, 1512, and 1516 Commonwealth Avenue, and 4, 6, and 8 West Nelson Avenue, Alexandria, VA.	570.202(a)(3)	Low/Mod Housing	335,003	TBD \$ (Workforce Investment Act and VA-funded employment programs) ¹	HOME \$105,000 ² ; HOME \$1,776,243 ³ ; and City (G.O. Bonds) \$4,838,757	335,003
	Footnote 1: Workforce Investment Act Funds (including Dislocated Worker, Adult Training and Youth Employment Funds) as well as VA program funds such as VIEW (Virginia Initiative for Employment not Welfare and VA Refugee and Resettlement) are currently being deployed by JobLink to train individuals for potential green employment opportunities on projects like the Lacy Court renovation.						
	Footnote 2: HOME funds of \$105,000 were awarded by the City in 2007 to install new windows at Lacy Courts Apartments						
	Footnote 3: In 2006, the City provided a loan comprised of HOME funds and General Obligation Bond monies to assist RPJ Housing in acquiring Lacy Courts Apartments to preserve low and moderate income housing in Alexandria						
	General Note: Future leverage of federal funds through Low Income Housing Tax Credits is an anticipated outcome of this activity.						

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