

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 2, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER *RM*

SUBJECT: CONSIDERATION OF THE ONE-YEAR ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR FISCAL YEAR (FY) 2013

ISSUE: City Council consideration of the City's One-Year Action Plan for Housing and Community Development for FY 2013.

RECOMMENDATION: That the City Council:

- (1) Approve the One-Year Action Plan for Housing and Community Development for FY 2013, which includes the City's application for Federal Fiscal Year 2012 funding for \$678,236 in Community Development Block Grant (CDBG) and \$373,796 in Home Investment Partnerships Program (HOME) monies;
- (2) Approve the transfer of \$57,500 from CDBG Program Administration to the Rental Accessibility Modification Program and \$31,967 from HOME Administration to the Affordable Housing Development and Preservation Assistance program (HOME Housing Opportunities Fund); and
- (3) Authorize the City Manager to make adjustments to the FY 2013 Action Plan and grant application based on the Approved FY 2013 Budget, and to execute all necessary documents.

BACKGROUND: The One-Year Action Plan for Housing and Community Development has been prepared in accordance with HUD regulations. These regulations require that participants in certain HUD Programs, including but not limited to the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs, develop and submit one-year updates to their five-year Consolidated Plan for Housing and Community Development. The City's current Consolidated Plan, which defines the City's strategy for addressing housing and community development needs from FY 2011 through 2015, was approved by Council on May 11, 2010.

DISCUSSION: The Citizen Summary of the Draft FY 2013 Action Plan was advertised and also distributed to an interested party list for public review on April 2, with comments due by May 2. The distribution list included more than 250 persons and organizations with an interest in housing and community development matters. City Council held a public hearing on the Draft FY 2013 Action Plan on April 14 (see attached April 14 2012 Public Hearing Docket Item Memorandum), in which no public comments were made. In addition, no written comments were received by the Office of Housing at the time of submitting this memorandum directly related to the Action Plan. *Staff will provide an oral report at the May 8th City Council legislative meeting regarding any comments received by May 2.* City Council has received comments through the budget process about the need to increase funding for the continuation of the Homeownership Assistance programs, specifically from the Affordable Housing Advisory Committee and past loan recipients. A preceding public hearing, sponsored by the City's Office of Housing and the Department of Community and Human Services, was held in September 2011. The purpose of the public hearing was to obtain the community's input on housing, homeless, community and economic development needs prior to the preparation of the Action Plan. No comments were made or received during this public hearing.

The City's FY 2013 Action Plan contains the City application for \$678,236 in CDBG funds and \$373,796 in HOME funds and reflects a combined grand reduction of \$905,611 or 46% from the FY 2012 total grant amount. The FY 2013 Proposed Budget includes two reallocation of resources from carryover funds in the CDBG and HOME programs. The CDBG Program budget includes \$57,500 in Program Administration monies available from previous years' unused grant allocations for transfer to the Rental Accessibility Modification Program. The HOME program budget includes \$31,967 in administrative monies available from previous years' unused grant allocations for transfer to the Affordable Housing Development and Preservation Assistance program (HOME Housing Opportunities Fund).

Following Council approval, the Action Plan must be submitted to HUD no later than May 15, 2012.

FISCAL IMPACT: Upon HUD approval of the Action Plan, HUD will appropriate a total of \$1,052,032 in new federal funding to the City for FY 2013, including \$678,236 in CDBG funds and \$373,796 in HOME Program funds. This FY 2013 one-Year Action Plan is consistent with the City manager's FY2013 Proposed Operating Budget.

ATTACHMENT:

April 14, 2012 Public Hearing Docket Item Memorandum and Attachments

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

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City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 9, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER

SUBJECT: PUBLIC HEARING ON THE DRAFT FISCAL YEAR (FY) 2013 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

ISSUE: Public Hearing on the City's Draft FY 2013 Action Plan for Housing and Community Development.

RECOMMENDATION: That the City Council:

1. Conduct a public hearing on the Draft FY 2013 Action Plan for Housing and Community Development, which includes the City's application for Federal Fiscal Year (FFY) 2012 funding of \$678,236 in Community Development Block Grant (CDBG) monies and \$373,796 in Home Investment Partnerships Program (HOME) monies; and
2. Docket the Draft FY 2013 Action Plan for Housing and Community Development for final Council approval on May 8, 2012.

DISCUSSION: The City's Draft FY 2013 Action Plan for Housing and Community Development has been prepared in accordance with regulations set forth by the U.S. Department of Housing and Urban Development (HUD). These regulations require that participants in certain HUD programs, including but not limited to the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs, develop and submit a one-year update to their Five-Year Consolidated Plan for Housing and Community Development. The City's current Consolidated Plan, which defines the City's strategy for addressing housing and community development needs from FY 2011 through 2015, was approved by Council on May 11, 2010.

A Draft Citizen Summary of the Draft Action Plan (Attachment 1) describes activities proposed to be undertaken to address the City's priorities for affordable housing, homeless services, and community development, along with proposed funding levels for FY 2013, the third year of the current five-year Consolidated Plan period. The Draft Citizen Summary provides an estimate of the federal, state, local, and private resources that are expected in the City's FY 2013 Proposed Budget to be available, and which may be expended, during FY 2013, as well as the number of

persons and/or households to be assisted with these funds. These items are discussed in detail in the Draft FY 2013 Action Plan.

The Draft FY 2013 Action Plan also contains the City's applications for \$678,236 in CDBG funds, a 41% reduction in FY 2012 CDBG funding, and \$373,796 in HOME Program funds, a 54% reduction in FY 2012 HOME funding. The combined CDBG and HOME grant loss from FY 2012 to FY 2013 is \$905,611, or 46%. The grant loss is attributed to a combination of federal budget reductions and grant formula adjustments based on the 2010 Census and the American Community Survey (ACS) data. The CDBG and HOME budgets are summarized in Tables B and C (Attachment 2). As a result of the federal fund reduction, the City's Homeownership Programs are planned to be substantially reduced. A Flexible Homeownership Assistance Program (FHAP) will be created to provide downpayment and closing cost home purchase assistance to eligible first-time homebuyers for the purchase of previously assisted resale-restricted units and for special projects. The FHAP program will replace the City's three downpayment assistance programs, including the Homeownership Assistance Program (HAP), the Moderate Income Homeownership Program (MIHP), and the Employee Homeownership Incentives Program (EHIP), and will operate based on loan repayments and minimal projected carryover funds from FY 2012. The reduction of funding also results in the suspension of the current homeownership counseling program.

Although no new funding is proposed for the Rental Accessibility Modification Program (RAMP), the program will continue to operate with carryover monies. The CDBG Eviction Program is not proposed for funding in FY 2013.

Activities to be supported with CDBG Program funds have been developed to meet the national objective of benefiting low- and moderate-income persons. Activities to be supported with HOME Program funds have been developed to be consistent with the HOME Program objective of expanding the supply of decent, safe, sanitary and affordable housing. CDBG Program activities will continue the City's ongoing efforts to provide housing rehabilitation assistance to income-eligible homeowners; transitional housing aid and winter emergency shelter to homeless families; as well as to identify and eliminate illegal housing discrimination and otherwise address the housing needs of its low- and moderate-income residents. HOME Program activities will also continue the City's efforts to provide affordable housing opportunities for low- and moderate-income residents. In addition to CDBG- and HOME-funded activities, the Draft FY 2013 Action Plan describes other affordable housing and community development activities to be undertaken by the City during this period, including the development and preservation of affordable housing.

The Draft Citizen Summary was distributed to interested parties via email and mailed on April 2, 2012. This document is a concise summary of the objectives and outcomes in the FY 2013 Draft Action Plan. Both the Draft Citizen Summary and the Draft FY 2013 Action Plan are posted on the City's website at <http://alexandriava.gov/Housing>, and hard copies are being distributed upon request and are available at City of Alexandria's libraries.

Following the public hearing, staff will update the Draft FY 2013 Action Plan to reflect and address the comments received at the public hearing, any direction received from City Council at the public hearing, any subsequent written comments received through the end of the public comment period on May 2, any changes resulting from the City's budget process, and any necessary technical corrections. The final document will be docketed for City Council action at the May 8 legislative meeting and will be submitted to HUD no later than May 15.

FISCAL IMPACT: Upon HUD approval of the Action Plan, HUD will appropriate a total of \$1,052,032 in federal funding to the City for FY 2013, including \$678,236 in CDBG funds and \$373,796 in HOME Program funds.

ATTACHMENTS:

Attachment 1: Draft FY 2013 Citizen Summary of the Action Plan for Housing and Community Development

Attachment 2 Tables B and C (CDBG and HOME)

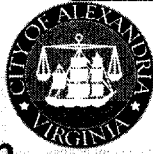
STAFF:

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
FY 2013 Draft Action Plan



City of Alexandria Summary

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Congressional Budget Allocation, 2010 Census and the American Community Survey Effect on The City of Alexandria FY 2013 Federal Grants

The combined HOME and CDBG grant loss from FY 2012 to FY 2013 is \$905,611 or 46%. This loss is attributable to a combination of federal budget reductions and grant formula adjustments based on the 2010 Census and the American Community Survey (ACS) data. The result of the federal funds reduction is the minimizing of

(Continue on page ii.)

What is the Annual Action Plan?

The City of Alexandria's Annual Action Plan for the period July 1, 2012 to June 30, 2013 describes activities to be undertaken to promote the City's Fiscal Year (FY) 2011- 2015 Consolidated Plan goals. The Plan also describes how federal, state, City, and private funds are allocated during the Plan period to address the housing and community development needs of the City's low- and moderate-income populations, and homeless and special needs populations during the one-year period.

The U.S. Department of Housing and Urban Development (HUD) requires localities receiving federal funds, including the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG)*, and Housing Opportunities for Persons with AIDS (HOPWA), to complete and submit the Action Plan each year as a condition of receipt of funds. The FY 2013 Action Plan will serve as the City's application for the Federal Fiscal Year (FFY) 2012 allocations of CDBG and HOME funds estimated at \$678,236 and \$373,796 respectively. This equals a 46% reduction in grant funds from the City's FY 2012.

The City of Alexandria is an entitlement grantee under the CDBG and HOME programs, but not under the ESG and HOPWA programs. However, the City receives ESG funds through the state's allocation. HOPWA funds from a HUD allocation to the entire Washington, DC Metropolitan area may be used in Alexandria.

*Emergency Solutions Grant (ESG) replaces the Emergency Shelter Grant, and expands the eligible activities to include homelessness prevention and rapid-rehousing components.

Citizen Participation in the Development of the Plan

The Office of Housing is the lead agency for overseeing the development of the City's Consolidated Plan, Action Plan, and Consolidated Annual Performance Evaluation Report (CAPER).

Throughout the development of the Action Plan the City consults with public and private housing, health services, and social services agencies, which provide one year goals and objectives and federal, state and local resources expected to be available, to address priority needs as identified in the Consolidated Plan.

Included in this consultation are the Homeless Services Coordinating Committee,

headed by the Department of Community and Human Services and whose clientele includes persons with disabilities, elderly persons, children, homeless persons, persons with HIV/AIDS and their families, persons affected by mental illness, intellectual disabilities and substance use disorders; the Alexandria Redevelopment and Housing Authority; and the City's Planning and Zoning Department. The full list of major public and private agencies responsible for administering programs are listed in the Action Plan.

As required by HUD, the City is providing 30 days for citizens to comment on the Draft Action Plan and will be conducting a

public hearing in the spring on April 14, 2012 before the Alexandria City Council to obtain citizen input prior to the Plan's finalization and submission to HUD. A public hearing was also conducted in the fall on Wednesday, September 22, 2011 by City staff. Notices of the Draft Action Plan, public hearings, and 30-day comment period are published in the local newspaper with general circulation in the City. The notices are printed in English-language and Spanish language newspapers, and the Draft Action Plan is made available for public review at Alexandria libraries and on the Office of Housing website at alexandriava.gov/Housing. See **page vi for public comments**

