


City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 13, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF PROPOSED AMENDMENT TO THE FY 2006 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO PROVIDE FUNDING FOR IMPROVEMENTS TO THE HOPKINS-TANCIL COURTS

ISSUE: Consideration of a proposed amendment to the City's FY 2006 Community Development Block Grant (CDBG) spending plan to provide up to \$517,668 in CDBG funds to the Alexandria Redevelopment and Housing Authority (ARHA) for renovation work at the Hopkins-Tancil Courts.

RECOMMENDATION: That City Council hold the public hearing and schedule this item for action on January 24, at which time staff recommends that City Council:

- (1) Approve the amendment;
- (2) Authorize the City Manager to execute all necessary documents associated with the program amendment and the loan to ARHA; and
- (3) Authorize a budget reallocation of \$517,668 from the Home Rehabilitation Loan Program to fund the Hopkins-Tancil Courts improvements.

BACKGROUND: The City has received CDBG funds from the federal Department of Housing and Urban Development (HUD) for 29 years. CDBG funds have been a primary method of the federal government funding urban renewal and affordable housing programs at the local level for nearly three decades. The current fiscal year CDBG allocation to the City is \$1,411,586. The funds may be used for a variety of housing and community development activities. Currently budgeted activities include downpayment and closing cost assistance loans to low and moderate income first time homebuyers, home rehabilitation loans to low and moderate income homeowners, and homeless services, among others.

The City prepares a five year plan to HUD called the Consolidated Plan, and updates the Plan annually through the Action Plan. The Action Plan for FY 2006 was approved by City Council in May 2005. If, during the year, the City chooses to add a new activity supported by CDBG funds, the City must advertise the change for a 30 day public comment period and hold at least one

public hearing on the matter. Then, after considering any public comments received, the City must adopt the program amendment and submit it to HUD.

On December 22, 2005, the City's Office of Housing released for public comment a proposed program amendment (attached) for FY 2005 CDBG funds for renovation work at ARHA's Hopkins-Tancil Courts. It reflects a proposed allocation of up to \$517,668.

Originally built as public housing in 1942, the Hopkins-Tancil Courts development is located on the two blocks boarded by Fairfax, Royal, Pendleton and Princess Streets. The buildings consists of 111 ARHA-owned units and are subsidized under the Section 8 Moderate Rehabilitation program. The building does not have a sufficient level of rental income or federal grant support to do major capital investment in the facility as needed, or to replace appliances and renovate the building. Based on capital improvement needs identified by ARHA, the requested CDBG monies would be used to accomplish the following items: Replace all windows, gutters and downspouts, install new fencing and implement erosion control measures.

It is recommended that the \$517,668 be provided for the Hopkins-Tancil Courts project, as ARHA has no other funds available which could undertake this project. This is in large part due to the fact that over the last several decades, the federal government has reduced its funding commitment for both affordable and public housing. In many cities, the public housing authorities have reduced the number of public housing units as a result. However, in Alexandria the Council and the ARHA Board have been committed to maintain the number of public housing units, even in the face of reduced federal support. The end result is that there have been insufficient funds to pay for needed ARHA public housing capital improvements. Also, the City has HUD spenddown requirements that this allocation of funds will help the City meet.

The proposed funding for improvements for the Hopkins-Tancil Courts would be transferred from the Home Rehabilitation Loan Program. This program generates considerable program income from loan repayments and receives program income from the terminated Business Assistance Loan Program (which still receives monthly loan repayments). Activity in the Home Rehabilitation Loan program has been slower than planned, and staff has determined that the FY 2006 activities will not be adversely affected by the transfer.

FISCAL IMPACT: Transfer and expenditure of up to \$517,668 in previously budgeted CDBG funds and/or FY 2006 CDBG program income.

ATTACHMENT: CDBG Program Amendment

STAFF:

Mildrilyn Stephens Davis, Director, Office of Housing
Lucinda H. Metcalf, Housing Analyst, Office of Housing

Table 3
Consolidated Plan Listing of Projects

Applicant's Name: City of Alexandria

Priority Need:
Housing

Project Title:
Alexandria Redevelopment and Housing Authority - Hopkins-Tancil Courts

Project Description

Capital improvements to Hopkins-Tancil Courts. Improvements include: Replace all windows, gutters and downspouts, install new fencing, and implement erosion control measures.

Location: Two blocks bordered by Fairfax, Royal, Pendleton, and Princess Streets in Old Town Alexandria, Virginia.

Objective Number	Project ID
HUD Matrix Code 14B Rehab: Multi-Unit Residential	CDBG Citation 570.202(a)(3)
Type of Recipient Local government	CDBG National Objective Low/Mod Housing
Start Date (mm/dd/yyyy) 01/25/2006	Completion Date (mm/dd/yyyy) 04/30/2006
Performance Indicator Housing Units	Annual Units 111
Local ID	Units Upon Completion 111

Funding Sources:

CDBG	\$ 517,668
ESG	_____
HOME	_____
HOPWA	_____
Total Formula	_____
Prior Year Funds	_____
Assisted Housing	_____
PHA	_____
Other Funding	_____
Total	\$ 517,668

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