


City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 3, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF THE ONE-YEAR ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR FY 2012

ISSUE: City Council consideration of the City's One-Year Action Plan for Housing and Community Development for FY 2012.

RECOMMENDATION: That the City Council:

- (1) Approve the attached One-Year Action Plan for Housing and Community Development for FY 2012, which includes the City's application for Federal Fiscal Year 2011 funding for an estimated \$1,142,496 in Community Development Block Grant (CDBG) monies and \$815,164 in Home Investment Partnership Program (HOME) monies;
- (2) Approve changes to the CDBG and HOME Budgets as referenced in Attachment 2;
- (3) Approve the transfer of \$330,000 in HOME Program Income from the Affordable Housing Development and Preservation Assistance program (HOME Housing Opportunities Fund) ARHA loan repayment to the Homeownership Assistance Program; and
- (4) Authorize the City Manager to make adjustments to the Action Plan and grant application based on actual grant amounts, 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 Action Plan was advertised and distributed for public review on March 31, 2011, with comments due by May 2, 2011. 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 this item on April 16 (Attachment 3). There were no public comments made or written comments submitted during the 30-day period regarding the Action Plan. A preceding public hearing, sponsored by the City's Office of Housing and the Department of Community and Human Services, was held in September 2010. The purpose of the public hearing was to obtain the community's input on housing, homeless and community and economic development needs prior to the preparation of the Action Plan. No comments were received during this public hearing. The FY 2012 City operating budget as proposed by the City Manager in February was also another opportunity for public input.

The Citizen Summary of the Final FY 2012 Action Plan (Attachment 1) reflects a reduction to the CDBG and HOME amounts as a result of the FY 2011 Appropriation Bill passed by Congress. The Citizen Summary of the Draft FY 2012 Action Plan previously submitted to Council included CDBG and HOME amounts that were based on Federal Fiscal Year (FFY) 2010 enacted levels. Although the City has not yet received its actual grant allocation figures, HUD has estimated the City's grant amounts to be \$1,142,496 for CDBG (a 15.8% reduction) and \$815,164 for HOME (a 11.6% reduction). This equals to a \$215,242 loss in CDBG funds and \$107,877 in HOME funds for a total loss of \$323,329. The CDBG and HOME grant figures assumed are estimates from the U.S. Department of Housing and Urban Development (HUD) as of April 26, but HUD cannot confirm final grant amounts until it receives official federal FY 2011 apportionments from the federal Office of Management and Budget (OMB).

These budget reductions are proposed to be offset through a transfer of \$330,000 from a loan repayment received from ARHA in February for an old Hopkins-Tancil HOME loan. These HOME funds are proposed to be used for direct assistance in the HAP program, and would replace lost CDBG and HOME monies. These monies were received too late for inclusion in the FY 2012 Proposed Budget, and would therefore not change any proposed budgeted activities for FY 2012. This addresses the effect of the reduction for one year only; unless funding is restored, the current reductions will need to be addressed in the FY 2013 budget, along with any new federal reductions.

The use of the HOME monies reduces funding that would otherwise be available for multifamily development/preservation activities. After the recommended transfer of the \$330,000 ARHA payment, Housing Opportunities Fund (HOF) will have \$1.7 million available for development and preservation activities, including approximately \$1.1 million in carryover HOME monies not included in the proposed budget.

Although the recommended transfer would reduce funding for a high priority housing activity, it preserves a reasonable level of activity in the City's traditional CDBG- and HOME- funded programs for one year, and staff is hopeful that by FY 2013, the level of development activity will have increased to a level that the Housing Trust Fund portion of the HOF can be increased and allow the HOME portion to be decreased to fund other activities. In FY 2009, the HOME portion of the HOF, which until that time had been funded at \$300,000 per year, was increased to \$400,000 to offset reduction in the General Fund HOF from \$300,000 to \$200,000.

Following Council approval, the Action Plan must be submitted to HUD no later than May 15, 2011, even though HUD cannot tell localities what their FY 2012 allocations will be.

FISCAL IMPACT: Upon HUD approval of the Action Plan, HUD will appropriate an estimated total of \$1,957,660 in new federal funding to the City for FY 2012, including \$1,142,496 in CDBG funds and \$815,164 in HOME Program funds. This represents a total loss of \$323,329 for FY 2012. However, as discussed above, these losses can be covered with one ARHA loan repayment of \$330,000.

ATTACHMENTS:

- Attachment 1: Citizen Summary of the Final FY 2012 Action Plan for Housing and Community Development
- Attachment 2: Tables B and C (CDBG and HOME)
- Attachment 3: April 16, 2011 Public Hearing Docket Item Memorandum

STAFF:

- Mark Jinks, Deputy City Manager
- 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 2012 Action Plan

Citizen Summary

City of Alexandria Office of Housing 421 King Street, Suite 200 Alexandria, VA 22314 Tel: 703.746.4990 Website: alexandriava.gov/Housing

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Federal CDBG and HOME Reductions

The City of Alexandria's FY 2012 CDBG and HOME funding levels presented in the draft document are based on Federal Fiscal Year 2010 enacted levels and have been updated based on the approved FFY 2011 Budget. The effect on CDBG and HOME funding levels are reductions estimated at 15.8% and 11.6% respectively.

July 1, 2011-June 30, 2012

What is the Annual Action Plan?

The City of Alexandria's Annual Action Plan for the period July 1, 2011 to June 30, 2012 describes activities to be undertaken to promote the City's 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, homeless and special needs populations, and any target areas identified by the City 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 Shelter 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 2012 Action Plan will serve as the City's application for the Federal Fiscal Year (FFY) 2011 allocations of CDBG and HOME funds estimated at \$1,135,283 and \$812,782 respectively.

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 and HOPWA funds from a HUD allocation to the entire Washington, DC Metropolitan area.

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 16, 2011 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, 2010 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 at the Office of Housing website at alexandriava.gov/Housing. See page vi for public comments and reviews.

AFFORDABLE HOUSING NEEDS

During FY 2009, ARHA and its development partner EYA received City approval for the redevelopment of ARHA's James Bland property. The approved plan proposes demolition of the existing 194 public housing units and construction of 379 new residential units, of which 134 are planned to be replaced on site, 44 have been replaced at Alexandria Crossing, and 16 will be replaced at sites to be identified and secured by the City in collaboration with ARHA. 80 units (Phases 1, 2, and 4) are projected to be in different phases of construction during FY 2012.

HUD

Performance

Measure

Provide and preserve decent housing with improved affordability

Renters

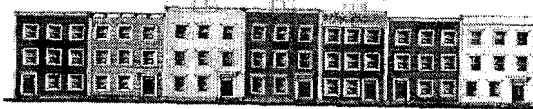
Goal: *Preserve and maintain the existing supply of affordable housing and achieve a net increase.*

The City's primary objective involving the use of federal resources for affordable rental units is to maintain the supply of a minimum of 1,150 subsidized (publicly-assisted) rental units, as governed by Resolution 830.

Over the remaining four years of the Consolidated Plan 867 units in non-Resolution 830 properties will face potential loss of subsidy. Private entities that own and operate assisted rental housing in the City will have the option to remove units from the City's assisted rental housing stock. The City's five-year objective involving privately-owned rental units with project based assisted is to continue to preserve and maintain approximately 2,542 units, and to achieve a net increase in this number.

FY 2012 Annual Objectives and Outcomes
(all subject to available resources)

- Preserve and maintain the existing supply of 1,150 Resolution 830 housing units in the City;
- Preserve and maintain the current supply of approximately 2,560 privately-owned rental units with project-based assistance available to households at or below HUD's moderate-income limits;
- Provide 1,450 tenant-based rental housing vouchers per year to households that are at or below HUD's moderate-income limits;
- Secure affordable set-aside rental units in new development projects; and
- Construct 6 set-aside rental housing units affordable to households at 60% AMI.



Homebuyers and Homeowners

Goals: *Provide education, training and affordable homeownership opportunities to City residents and employees working within the City with incomes at or below the HUD moderate-income limits; and improve living conditions and maintain affordability for existing homeowners within HUD's moderate-income limits.*

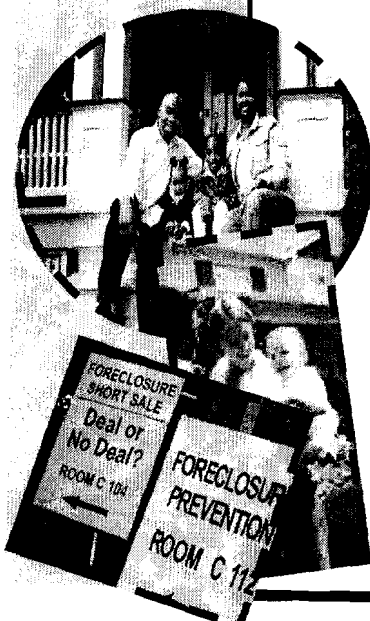
The City will continue to offer the programs to meet the needs of homeowners and homebuyers in Alexandria with incomes at or below HUD's moderate-income limits. These programs include the following:

Home Rehabilitation Loan Program— Provides no-interest deferred payment loans to low-and moderate-income homeowners for home rehabilitation activities that include energy efficiency improvements.

Homeownership Assistance Program— Provides deferred-payment second trust loans of up to \$50,000 for down payment and closing cost assistance to income qualified first-time homebuyer households. Homeownership counseling and training is also provided for first-time homebuyers.

FY 2012 Annual Objectives and Outcomes
(all subject to available resources)

- Provide assistance to 18 households meeting income and other eligibility criteria to secure ownership housing;
- Educate 150 prospective low-and moderate-income homebuyers on the home purchase process;
- Provide 9 no-interest rehabilitation loans to homeowner households with incomes at or below HUD's moderate-income limits; and
- In collaboration with private agencies, provide modest, free repairs or renovations to 95 owner-occupied housing units for households at or below HUD's moderate-income limits.



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HOMELESS AND SPECIAL NEEDS HOUSING

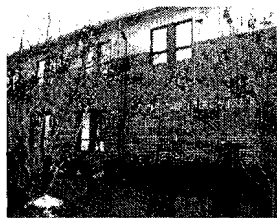
Homelessness

Goals: *Provide programs and services to prevent homelessness; coordinate programs and services to address the individual needs of homeless individuals and families; provide emergency shelter facilities and transitional housing; and provide transitional and permanent supportive housing for homeless families and individuals.*

The City's public and private homeless service providers offer a comprehensive array of services and facilities through a continuum of care system designed to address the needs of persons in the City who are homeless or threatened with homelessness. The goal is to promote successful placement in permanent, affordable housing without recurring episodes of homelessness.

A Continuum of Care document was developed by the Homeless Services Coordinating Committee (HSCC) and is revised each year for submission to HUD so that agencies and organizations serving the homeless

in Alexandria will be eligible for federal homeless-services funding. In preparation for the development of each year's Continuum of Care, HSCC conducts a one-day "point-in-time" count of the homeless in a variety of settings. The City has also developed a 10-Year Plan to End Homelessness including Chronic Homelessness.



FY 2012 Annual Objectives and Outcomes (all subject to available resources)

- Provide 159 beds for emergency shelters;
- Provide 67 beds for Winter Shelter;
- Provide 21 units in facility-based transitional/permanent housing;
- Provide transitional housing in 5 programs;
- Provide 12 permanent supportive housing beds for the chronic homeless;
- Provide 60 homeless households residing in shelter or overcrowded situations with budget/housing counseling and emergency housing payments to move into affordable housing; and
- Provide for transportation and up to 60 days storage of possessions of 45 households that are about to be evicted and that lack a suitable place to store such items.

HUD
Performance Measure
Provide decent housing with improved affordability and/or accessibility

Elderly Persons and Persons with Disabilities

Goal: *Promote housing stability for elderly renters and homeowners and enable elderly persons to age successfully in place.*

The City promotes housing affordability to assist lower-income elderly and frail elderly, and disabled renters and homeowners. The following programs are offered through the City:

Rent Relief Program- Provides rent assistance to income eligible elderly and/or disabled renters who are not participating in programs subsidized with federal or state funds.

Rental Accessibility Modification Program (RAMP)- Offered to disabled renter households with incomes at or below HUD's moderate-income limits who are living in privately owned rental properties and require accessibility modifications.

Property Tax Relief Program- Provides forgiveness or deferral of real property taxes for income eligible elderly homeowners who are over age 65 and/or who are permanently disabled. Other guidelines may apply.



FY 2012 Annual Objectives and Outcomes (all subject to available resources)

- Relieve the housing cost burden for 1,282 income-eligible elderly and/or disabled homeowners under the Real Property Tax Relief Program;
- Relieve the housing cost burden for 80 income eligible and/or disabled renters under the Rent Relief Program; and
- Provide modifications for 4 privately-owned rental housing units occupied by disabled renters with incomes at or below HUD's moderate-income limits.

HOMELESS AND SPECIAL NEEDS HOUSING

HUD
Performance
Measure
Provide
decent
housing with
improved
affordability
and
accessibility

Persons Affected by Mental Illness, Intellectual Disabilities and Substance Use Disorders

Goal: *Deliver compassionate best-practice services that measurably improve the quality of life for Alexandrians affected by mental illness, intellectual disabilities and substance use disorders.*

Alexandria Community Services Board and Sheltered Homes of Alexandria operate permanent supportive housing programs that are open to persons who need supportive housing in 8 group homes and 34 supervised apartments with a combined capacity of 130 beds.

Another 44 transitional and permanent supportive housing beds that include 3 placement housing for family households are also available through programs that specifically target homeless persons in 1 group home and 20 supervised apartments.

FY 2012 Annual Objectives and Outcomes
(all subject to available resources)

- Continue to provide a continuum of residential services to individuals with mental illness, intellectual disabilities and substance use disorders; and
- Provide 25 tenant-based Section 8 Housing Choice Vouchers to ACSB clients per year.

Persons with HIV/AIDS

Goal: *The City's general goal for persons living with HIV/AIDS is to continue to address the housing and supportive service needs of such persons and their families.*

Northern Virginia Family Services (NVFS) offers long-term tenant-based rental assistance to persons living with AIDS. This program provides vouchers to eligible households living in the City of Alexandria. NVFS also offers short-term

housing assistance and other housing services including housing and financial counseling and emergency utility assistance, which are provided on a regional basis and are available to Alexandrians living with HIV/AIDS.

FY 2012 Annual Objectives and Outcomes
(all subject to available resources)

- Maintain tenant-based rental housing vouchers to provide rent subsidies to income eligible persons living with HIV/AIDS and their families, including providing Tenant Based Rental Assistance Vouchers to 6 Alexandrians, and providing short-term rental housing assistance and short-term security deposit assistance to 8 Alexandria households.

Persons with Physical and Sensory Disabilities

Goal: *Promote housing stability and accessibility for disabled renters and homeowners with incomes at or below HUD's moderate-income limits.*

The City's objectives involving the use of resources to rehabilitate existing ownership and rental housing for accessibility purposes is intended to increase the supply of accessible housing and to improve quality of life without creating undue financial burden for persons with disabilities whose incomes is at or below

HUD's moderate-income limits. The City's Rental Accessibility Modification Program (RAMP) provides grants to assist with the costs associated with retrofitting rental units, as well as other costs that may be incurred should a landlord require that the unit be returned to its original state when the household relocates.

FY 2012 Annual Objectives and Outcomes
(all subject to available resources)

- Support accessibility modifications in four existing privately-owned rental housing units occupied by disabled renters with incomes at or below HUD's moderate-income limits.

Non-Housing Community Development

Goal: Improve Alexandria's economy and create jobs through a variety of economic development activities.

The City provides the infrastructure, services and other economic development incentives to attract businesses that will create jobs in low-income neighborhoods. It is anticipated that job training will be provided to over 3,102 residents per year. The City's economic development efforts are directed toward building a stable economy and a diversified business base capable of supporting job growth, commercial development, professional and retail trades and tourism activities that contribute to an expanded tax base.

**FY 2012 Annual Objectives and Outcomes
(all subject to available resources)**

- Provide job training to 3,102 residents including persons with incomes at or below HUD's moderate-income limits; and
- Continue to convene an implementation advisory group to help implement the recommendations of the 2003 Alexandria Plan and, as it relates to economic development, to prioritize projects in the Plan for CIP funding, considering goals such as economic development, incentives for redevelopment, public safety, and community identity.

HUD
Performance
Measure
Provide
economic
opportunity

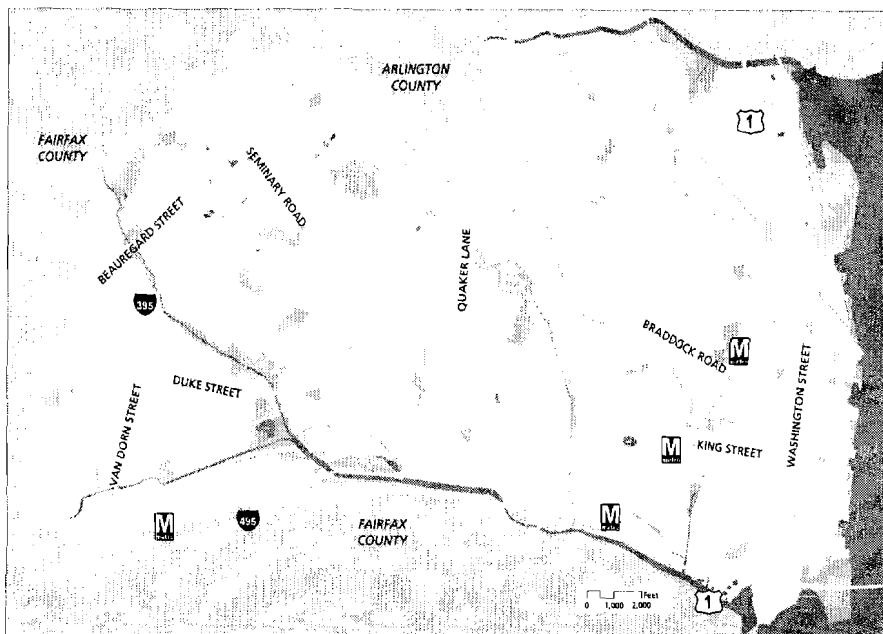
EVALUATION OF PAST PERFORMANCE



The City of Alexandria did well in meeting or exceeding its program goals during the previous Five-Year Consolidated Plan 2005-2010. For example, 89% of rental units goal were acquired for preservation; 130% of the five-year goal was met in homeownership assistance; 119% of the five-year goal was met in providing permanent and supportive housing for low-income persons with mental illness, intellectual disabilities and/or substance use disorders; 98% of the five-year goal was met in assisting income eligible elderly and disabled households with rent assistance; 95% of the five-year goal was met under the Real Property Tax Relief Program in assisting the elderly and disabled; and 126% of the five-year goal was achieved in assisting at-risk homeless households with short-term prevention services. Details of other past performance are found in the City's FY 2010 Consolidated Annual Performance Report (CAPER).

CDBG and HOME Geographic Distribution

Unless otherwise indicated in the Action Plan, the geographic area to be served by programs supported with CDBG and HOME funds during City FY 2012 will be the entire City of Alexandria, which includes areas of minority concentration.



CDBG and HOME Funded Programs

Program	Proposed FY 2012 Federal Funding	FY 2012 Performance Measure
Affordable Housing Development/Preservation Assistance	\$400,000 (HOME and Match)	1 Project
Home Rehabilitation Loan Program	\$1,026,334 (CDBG)	9 Units
Homeownership Assistance Program	\$1,069,804 (CDBG, HOME, HOME Program Income, and Match)	18 Units
Rental Accessibility Modification Program	\$57,500 (CDBG)	4 Units
Eviction Assistance and Furniture Storage	\$50,000 (CDBG)	45 Households
Transitional Assistance Program	\$52,000 (CDBG)	40 Households
Winter Shelter	\$20,000 (CDBG)	67 Beds
Fair Housing Testing	\$54,112 (CDBG)	One Round of Testing
Program Administration	\$304,222(CDBG and HOME)	n/a

Other Major Federally Funded Housing Programs

Program	Projected FY 2012 Federal Funding	FY 2012 Performance Measure
Resolution 830 (Public and Replacement Housing)	\$6.8 Million	1,150 Units
Housing Choice Voucher Program	\$19.4 Million	1,450 Vouchers
Private Owned Subsidized Rental Units	LIHTC, Tax-Exempt, Section 8 Project Based, Section 236	2,487 Units
Emergency Shelter and Transitional Housing	\$114,175	159 Beds
Safe Haven	\$54,608	12 Beds
ACSB Transitional/Permanent Supportive Housing	\$402,638	39 Beds
HOPWA (Long-term Tenant Based)	\$75,372	6 Vouchers
Ryan White Comprehensive AIDS Response Emergency (CARE)	\$650,800	169 Persons

Summary of Comments and Reviews

The FY 2012 Action Plan was available for public comment beginning April 1, 2011 and ending Monday, May 2, 2011. No comments were received. A public hearing was held on Saturday, April 16, 2011, in the City Council Chambers, located on the second floor of Alexandria City Hall, 301 King Street, Alexandria, Virginia, beginning at 9:30 a.m. Copies of the Draft Action Plan was available to be reviewed beginning April 1 at the Office of Housing, 421 King Street, Suite 200, from 8 a.m. to 5 p.m., Monday through Friday. The document was available on the City's website at alexandriava.gov/City/Housing and for review at the following City libraries:

BEATLEY CENTRAL LIBRARY: 5005 Duke Street, Alexandria
 BARRETT BRANCH LIBRARY: 717 Queen Street, Alexandria
 BURKE BRANCH LIBRARY: 4701 Seminary Road, Alexandria
 DUNCAN BRANCH LIBRARY: 2501 Commonwealth Avenue, Alexandria

The document was in a format accessible to persons with disabilities, upon request. Written comments could be delivered to the Office of Housing or emailed to eric.keeler@alexandriava.gov.

Table B
Community Development Block Grant (CDBG) 37th Year Proposed Budget

PROGRAM	City FY 2012 Proposed Budget New Grant Allocation	Revised Projected Grant Allocation Based on Approved FFY 2011 Budget	Carryover Funds	Anticipated Unbudgeted Program Income*	Total Funds Available	Percent of Budget
CDBG Program Administration (OH)	\$226,084	\$200,589			\$200,589	11.7%
Submissions & Applications for Federal Program /Public Information (OH)	\$17,355	\$17,355	\$5,000		\$22,355	1.3%
Fair Housing Testing (OH)	\$46,112	\$46,112	\$8,000		\$54,112	3.2%
Homeownership Assistance Program** (OH)	\$368,552	\$170,393		\$50,000	\$220,393	12.9%
Home Rehabilitation Loan Program** (OH)	\$545,345	\$553,547	\$280,000	\$200,000	\$1,033,547	60.4%
Rental Accessibility Modification Program** (OH)	\$32,500	\$32,500	\$25,000		\$57,500	3.4%
Eviction Assistance & Furniture Storage** (DCHS)	\$50,000	\$50,000			\$50,000	3.0%
Transitional Assistance Program** (DCHS)	\$52,000	\$52,000			\$52,000	3.0%
Winter Shelter** (DCHS)	\$20,000	\$20,000			\$20,000	1.2%
TOTALS	\$1,357,948	\$1,142,496	\$318,000	\$250,000	\$1,710,496	100.0%

* These monies are unscheduled and cannot be predicted with certainty. They are not included in City's budget until they are received.

** These programs benefit low- and moderate-income persons. Funds for these programs constitute 100% of the non-administrative program budget. (Carryover funds for Home Rehabilitation Loan Program include \$50,000 in reprogrammed carryover funds from Program Administration. General administrative costs are presumed to benefit low- and moderate-income persons in the same proportion.

OH - Office of Housing

DCHS - Department of Community and Human Services

Table C
Federal FY 2011 Home Investment Partnerships (HOME) Program Proposed Budget
July 1, 2011 – June 30, 2012

PROGRAM	City FY 2012 Proposed Budget New Grant Allocation	Revised Projected Grant Based on Approved FFY2011 Budget	Carryover Funds HOME Program Income Transfer	City General Fund	Housing Trust Fund Match	Anticipated Unbudgeted Program Income*	Total Available Budget	Percent of Budget
HOME Administration	\$91,239	\$81,516					\$81,516	6.1%
HOME Homeownership	\$511,802	\$413,648	\$330,000	\$103,412		\$5,000	\$852,060	63.9%
HOME Housing Development/ Preservation Assistance	\$320,000	\$320,000			\$80,000		\$400,000	30.0%
TOTAL	\$923,041	\$815,164	\$330,000	\$103,412	\$80,000	\$5,000	\$1,333,576	100.0%

*These monies are unscheduled and cannot be predicted with certainty. They are not included in City's budget until they are received.


EXHIBIT NO. 110
4-16-11

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: PUBLIC HEARING ON THE DRAFT FISCAL YEAR 2012 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

ISSUE: Public Hearing on the City's Draft FY 2012 Action Plan for Housing and Community Development.

RECOMMENDATION: That the City Council:

1. Conduct a public hearing on the Draft FY 2012 Action Plan for Housing and Community Development, which includes the City's application for Federal Fiscal Year 2011 funding of \$1,357,948 in Community Development Block Grant (CDBG) monies and \$923,041 in Home Investment Partnerships Program (HOME) monies; and
2. Docket the Draft FY 2012 Action Plan for Housing and Community Development for final Council approval on May 10, 2011.

DISCUSSION: The City's Draft FY 2012 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 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 2012, the second year of the current five-year Consolidated Plan period. The Summary provides an estimate of the federal, State, local, and private resources that were expected in the FY 2012 City proposed budget to be available, and which may be expended, during FY 2012, 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 2012 Action Plan.

The Draft Action Plan also contains the City's applications for \$1,357,948 in CDBG funds and \$923,041 in HOME Program funds. The CDBG and HOME budgets are summarized in Tables B and C (Attachment 2). *The CDBG and HOME amounts are based on Federal Fiscal Year 2010 enacted levels and are subject to change due to the unresolved Federal Fiscal Year (FFY) 2011 funding bill.* The effect on CDBG and HOME funding levels will not be clear until Congress either passes an appropriation bill for FY 2011 or a continuing resolution for the remainder of the fiscal year. A reduction in CDBG and HOME amounts is anticipated and will have an effect on one or more activities covered in the Action Plan. Adjustments which potentially need to be set in place to accommodate federal funding reductions may not necessarily be proposed to be limited to federally-funded activities.

One noted change from previous Action Plans is the addition, in Section 2 (page 12), under Support for Applications by Other Entities (Attachment 3), of applications for additional housing vouchers to the types of applications for which the City will support applications for funding by other entities. With this change funding applications for additional vouchers can be certified as consistent with the Consolidated Plan by an administrative decision. Other types of applications with this status, by virtue of inclusion in previous Action Plans, include the Continuum of Care Supportive Housing Program application and Public Housing Self-Sufficiency Program application.

Activities to be supported with CDBG Program funds have been developed to meet the national objective of benefiting low- and moderate-income persons, and will continue the City's ongoing efforts to provide housing rehabilitation assistance to income-eligible homeowners; homeownership opportunities for low- and moderate-income homebuyers; transitional housing aid, winter emergency shelter and furniture storage assistance to homeless families; and accessibility modification assistance to low- and moderate-income renters; as well as to identify and eradicate illegal housing discrimination and otherwise address the housing needs of its low- and moderate-income citizens. 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, and 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 One-Year 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 mail on March 31. This document is a concise summary of the objectives and outcomes in the FY 2012 Action Plan. Both the Citizen Summary and the FY 2012 Action Plan are posted on the City's website at www.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 Action Plan to reflect and address the comments received at the public hearing, any direction received from 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 revised document will be docketed for final Council action at the May 10 legislative session and will be submitted to HUD no later than May 13.

FISCAL IMPACT: Upon HUD approval of the Action Plan, HUD will appropriate an estimated total of \$2,280,989 in federal funding to the City for FY 2012, including \$1,357,948 in CDBG funds and \$923,041 in HOME Program funds (amounts subject to change based on final Federal FY 2011 budget and determination of formula allocations.).

ATTACHMENTS:

Attachment 1: Draft FY 2012 Citizen Summary of the Action Plan for Housing and Community Development

Attachment 2: Tables B and C (CDBG and HOME)

Attachment 3: Excerpt from the Draft FY 2012 Action Plan Page 12

STAFF:

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