

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 3, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER

DOCKET TITLE:

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Public Hearing on the Draft Fiscal Year (FY) 2014 Action Plan for Housing and Community Development

..BODY

ISSUE: Public Hearing on the City's Draft FY 2014 Action Plan for Housing and Community Development.

RECOMMENDATION: That the City Council:

1. Conduct a public hearing on the Draft FY 2014 Action Plan for Housing and Community Development, which includes the City's application for Federal Fiscal Year (FFY) 2013 estimated funding of \$678,236 in Community Development Block Grant (CDBG) monies and \$373,796 in Home Investment Partnerships Program (HOME) monies on April 13, 2013; and
2. Docket the FY 2014 Action Plan for Housing and Community Development for final Council approval on May 14, 2013.

DISCUSSION: The City's Draft FY 2014 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 2014, the fourth 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 2014 Proposed Budget to be available, and which may be expended, during FY 2014, 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 2014 Action Plan.

The Draft FY 2014 Action Plan also contains the City's applications for the estimated \$678,236 in CDBG funds, and \$373,796 in HOME Program funds. These amounts are based on FY 2013 funding levels. Although the City was advised that the sequestration impact would be a 5% reduction for both grants, the Continuing Resolution which will fund the federal government for the remainder of FFY 2013 includes the 5% reduction for the HOME program and a projected 4% grant increase for CDBG. The City's application will include the final CDBG and HOME Program grant amounts once they are released by HUD. If the final grant amounts do reflect a 5% reduction, the combined CDBG and HOME grant loss from FY 2013 to FY 2014 is estimated at \$52,800. The impact of the CDBG/HOME grant reduction or increase will be an increase or decrease in loan funds for the CDBG-funded Home Rehabilitation Loan Program and HOME-funded Housing Opportunities Fund.

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; a limited number of home purchase opportunities; transitional housing aid and winter emergency shelter for homeless families; as well as initiatives to identify and eliminate illegal housing discrimination and otherwise address the housing needs of 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 2014 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 USPS mail service on March 26, 2013. This document is a concise summary of the objectives and outcomes in the FY 2014 Draft Action Plan. Both the Draft Citizen Summary and the Draft FY 2014 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. The Draft FY 2014 Action Plan is consistent with the City Manager's FY 2014 proposed operating budget.

Following the public hearing, staff will update the FY 2014 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 April 19, 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 14 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 an estimated \$1,052,032 in federal funding to the City for FY 2014, including \$678,236 in CDBG funds and \$373,796 in HOME Program funds. These funds have been included and programmed into the City Manager's FY 2014 proposed operating budget.

ATTACHMENTS:

Attachment 1. Draft FY 2014 Citizen Summary of the Action Plan for Housing and Community Development

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

STAFF:

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