

Hearing.

RECOMMENDATION: That City Council:

1. Receive the Draft CFY 2023 Action Plan for Housing and Community Development (Attachment 1) and the Draft Amendment to the Consolidated Plan;
2. Docket the Draft CFY 2023 Action Plan and Draft Amendment to the Consolidated Plan for Public Hearing and consideration on April 23; and
3. Authorize the City Manager to execute any documents required to facilitate receipt of these and any related federal grant funds.

BACKGROUND: The City of Alexandria's Consolidated 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 CDBG and HOME programs, submit an annual Action Plan to provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year of its current five-year Consolidated Plan period, to address the priority needs and specific goals identified by the Consolidated Plan. A Draft Resident Summary of the Action Plan is provided as Attachment 2.

The Draft Action Plan describes the City's specific objectives to be undertaken or accomplished during CFY 2023 to address the overall needs for affordable housing, shelters and services for the homeless, housing for persons with special needs, and community and economic development. The draft plan is the second Action Plan prepared for the CFY 2022 to 2026 Consolidated Plan period and is consistent with ongoing program activities as well as core services included in the City Manager's Proposed CFY 2023 Budget.

An Amendment to the CFY 2022 to 2026 Consolidated Plan is necessary to change the potential allocation of approximately \$5,865,035 in Section 108 loan funds (5 times the city annual allocation of CDBG funds) from a general loan fund to a loan targeted at a single project. The Amendment will also expand the definition of housing characteristics that have been linked to housing instability and increased risk of homelessness to align with those used in the HOME-American Rescue Plan (HOME-ARP) Allocation Plan. A comparison of the Draft Amendment to the original text of the Consolidated Plan is provided as Attachment 3.

DISCUSSION: The Office of Housing prepares the information included in the Action Plan in consultation with the City departments, such as the Department of Community and Human Services, the Alexandria Redevelopment and Housing Authority, the City of Alexandria Partnership to Prevent and End Homelessness, and numerous area agencies and nonprofit organizations that provide services for extremely low- to moderate-income persons.

The Action Plan's Draft Resident Summary is a concise summary of the objectives and anticipated outcomes in the Draft CFY 2023 Action Plan for Housing and Community Development. This document has been prepared to provide highlights of planned federally funded program activities, as well as to demonstrate the City's anticipated initiatives to leverage local, state, federal and private resources to support programs that serve and empower the very low-, low-, and moderate-income targeted populations in the Alexandria community, as reported in the CFY 2022 to 2026 Consolidated Plan that was submitted online to HUD in May 2021.

Part of the Draft Amendment to the Consolidated Plan was prepared after it became clear to staff a single Section 108 loan would be a more efficient use of resources than establishing a loan pool as originally included

in the Consolidated Plan. The other portion of the Draft Amendment was added in response to HUD guidance on the use of HOME-ARP funds, which directed that a locality's definition of "people at risk of homelessness" in the HOME-ARP Allocation Plan match that of the definition in the locality's Consolidated Plan.

The CFY 2023 CDBG and HOME funding levels presented in the Draft CFY 2023 Action Plan and Resident Summary are estimates based on the Federal Fiscal Year (FFY) 2022 Approved Budget which was the base for the City Manager's proposed Budget. Congress has now passed the (Transportation/HUD) THUD budget bill so formula allocations will be announced by mid-May. The Draft Action Plan contains the City's applications for an estimated \$1,191,444 in CDBG funds and \$628,038 in HOME Program funds. The majority of CDBG funds (\$899,309) are proposed for the use of the Home Rehabilitation Loan Program and the majority of HOME funds (\$578,520) are proposed for the use of the Housing Opportunities Fund program. The remaining use of the CDBG and HOME funds is described on page 5 of the Draft Resident Summary.

The Draft CFY 2023 Action Plan and Draft Amendment to the Consolidated Plan were released on March 21, 2022, for the required 30-day public comment period, which will conclude on April 22, 2022. Release of Alexandria's Draft Plan and Draft Amendment was announced by notices placed in local newspapers, on the City's Affordable Housing eNews mailing list, and on social media. The Draft Resident Summary of the Action Plan was distributed to a host of interested parties on March 21, 2022, via email. The Draft Resident Summary, the complete Draft Action Plan, and the Draft Amendment are posted on the City's website at www.alexandriava.gov/Housing and hard copies are available at the Office of Housing and at City libraries. A presentation on the Draft Resident Summary will be provided to the Alexandria Housing Affordability Advisory Committee at their April meeting. A public hearing on the Draft Plan and Draft Amendment is proposed to be held as part of City Council's public hearing on April 23, 2022. Comments may also be submitted via postal mail or email to the Office of Housing. The proposed Action Plan and Amendment are also docketed for City Council's action on April 23, 2022, following the public hearing and is required to be filed with HUD by May 15, 2022 (forty-five days before the beginning of the program year).

FISCAL IMPACT: Upon its approval of the CFY 2023 Action Plan for Housing and Community Development, HUD will appropriate an estimated total of \$1,819,482 in new federal funding to the City for CFY 2023, including \$1,191,444 in CDBG funds and \$628,038 in HOME Program funds and allow the City to access up to an estimated \$5,865,035 in Section 108 loan guarantee funds (5 times the city annual allocation of CDBG funds). The proposed uses are consistent with the City Manager's CFY 2023 proposed budget. The increase or decrease in the CDBG and HOME programs would affect the Home Rehabilitation Loan Program and the Housing Opportunities Fund program respectively.

ATTACHMENTS:

1. Draft CFY 2023 Action Plan for Housing and Community Development
2. Resident Summary of the Draft CFY 2023 Action Plan for Housing and Community Development
3. Comparison of original CFY 2022 to 2026 Consolidated Plan with the Draft Amendment to the CFY 2022 to 2026 Consolidated Plan

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