



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 4, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of the City's FY 2017 Action Plan for Housing and Community Development.

ISSUE: Consideration of the City's FY 2017 Action Plan for Housing and Community Development, including an Application for FY 2017 Federal Funds.

RECOMMENDATION: That City Council:

1. Adopt the FY 2017 Action Plan for Housing and Community Development, which includes the City's application for the Fiscal Year (FY) 2017 funding of \$805,792 in Community Development Block Grant (CDBG) and \$395,514 in HOME Investment Partnerships (HOME) Program funds; and
2. Authorize the City Manager to execute all necessary documents to facilitate submission of the Action Plan to HUD by May 15.

BACKGROUND: The FY 2017 Action Plan for Housing and Community Development describes the City's specific objectives to be undertaken or accomplished during FY 2017 to address the overall needs for affordable housing, shelter and services for the homeless, housing for persons with special needs, and community and economic development. The FY 2017 Action Plan is the second Action Plan to be submitted to the U. S. Department of Housing and Urban Development (HUD) under the City's current five-year Consolidated Plan period. HUD requires participants in certain HUD programs to prepare and submit an Action Plan as a condition of receiving HUD funds. HUD also requires program participants to hold a 30-day public comment period and at least two public hearings to allow citizens to provide their testimonies on the Action Plan.

The Office of Housing prepares the information included in the Action Plans in consultation with other City departments and social services groups, such as the Department of Community and Human Services, the

Alexandria Redevelopment and Housing Authority, the Partnership to Prevent and End Homelessness, and numerous area agencies and nonprofit organizations that provide services for very low, low and moderate income persons.

An Action Plan Citizen Summary is also prepared to provide highlights of planned federally funded program activities and investments, 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 targeted very low, low, and moderate income populations in the Alexandria community, as reported in the City's Consolidated Plan that was submitted in May 2015.

A number of Plans adopted by City Council [e.g., Housing Master Plan, ARHA Strategic Plan, The Alexandria of Our Future: A Livable Community for All Ages (Strategic Plan on Aging), Child and Youth Master Plan], provide excellent roadmaps of the activities, services and resources the City expects to dedicate for various objectives of interest to HUD. Throughout these Plans the need for the preservation and development of affordable housing has been highlighted as a high priority so the continued focus of CDBG and HOME funds on projects that are housing related continues in the FY 2017 Action Plan.

DISCUSSION: The FY 2017 Action Plan for Housing and Community Development has been prepared in accordance with regulations set forth by HUD. A Citizen Summary of the FY 2017 Action Plan is provided as an attachment, as well as a link to the full Action Plan (Attachments 1 and 2). The FY 2017 Action Plan is consistent with ongoing program activities as well as core services included in the City Manager's Proposed FY 2017 Budget. It is noted that the Action Plan is considered a "draft" pending Council's approval.

One change in the FY 2017 Action Plan, from the FY 2016 Action Plan, is a recommendation that the Home Rehabilitation Loan Program use Mathematical 80% of area median income (AMI) as the income cap for this program. HUD had previously required the use of national median income at the 80% level for this program, referred to as HUD 80%. However, HUD has recently provided guidance that high cost areas, like Alexandria, with unusually high housing cost-to-income relationships should use a higher *area* median income that is based on incomes in the local region when establishing low income eligibility for programs. HUD refers to this as Mathematical 80%, and it is the same as the AMI calculations used for City affordable housing programs. A table showing the differences between "HUD 80%" and "Mathematical 80%" income levels is included in Attachment 3.

The FY 2017 Action Plan also contains the City's applications for \$805,792 in CDBG funds and \$395,514 in HOME funds. The majority of CDBG funds (\$503,187) are proposed for the use of the Home Rehabilitation Loan Program and the majority of HOME funds (\$374,164) are proposed for the use of the Housing Opportunities Fund program. The remaining use of the CDBG and HOME funds is described on page 9 of the Citizen Summary.

The FY 2017 Action Plan was released on April 1 for a 30-day public comment period, which end on May 2. Release of the Action Plan was announced by notices placed in various media. The Citizen Summary of the Action Plan was distributed to approximately 220 interested parties on April 1 via email and USPS. The Citizen Summary is a concise summary of the objectives and anticipated outcomes in the FY 2017 Action Plan. Both the Citizen Summary and the full Action Plan were posted on the City's website at alexandria.gov/Housing, and hard copies were distributed, upon request, by the Office of Housing. Comments from the public were solicited at two public hearings: one held as part of the Alexandria Housing Affordability Advisory Committee's April 7 meeting, and as part of City Council's public hearing on April 16. Comments

could also be submitted to the Office of Housing. No written comments have been received: Housing believes that the extended period of collaboration with many partners in developing the report reflects a high level of consensus on programs and activities to meet goals and objectives.

FISCAL IMPACT: Upon its approval of the FY 2017 Action Plan for Housing and Community Development, HUD will appropriate a total of \$1,201,309 in new federal funding to the City for FY 2017, including \$805,792 in CDBG funds and \$395,517 in HOME Program funds. The proposed uses are consistent with the City Manager’s FY 2017 proposed budget. Since the budget was released in February, the City has received actual allocation amounts from HUD for HOME and CDBG which increased by \$38,226 and \$65,686, respectively. The additional CDBG funds are proposed to be added to the Home Rehabilitation Loan Program and the HOME funds to the Housing Opportunities Fund. If Council makes changes to the Housing elements of the FY 2017 proposed budget when it is approved, the FY 2017 Action Plan can be amended accordingly at Council’s May 10th Legislative Meeting.

ATTACHMENTS:

Attachment 1: Citizen Summary of the FY 2017 Action Plan for Housing and Community Development

Attachment 2: Link to the full FY 2017 Action Plan:

[https://www.alexandriava.gov/uploadedFiles/housing/info/Draft%20FY17%20Action%](https://www.alexandriava.gov/uploadedFiles/housing/info/Draft%20FY17%20Action%20Plan.pdf)

Attachment 3: Table showing “HUD 80” and “Mathematical 80” income levels

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