



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** MARCH 29, 2017

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

**DOCKET TITLE:**

Consideration of the Draft Fiscal Year (FY) 2018 Action Plan for Housing and Community Development.

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**ISSUE:** Consideration of the Draft Fiscal Year (FY) 2018 Action Plan for Housing and Community Development and Request for Public Hearing.

**RECOMMENDATION:** That City Council:

1. Receive the Draft FY 2018 Action Plan for Housing and Community Development containing the City's draft application for FY 2018 funding for an estimated \$805,792 in Community Development Block Grant (CDBG) monies and \$395,514 in Home Investment Partnerships Program (HOME) monies; and
2. Docket the Draft FY 2018 Action Plan for Public Hearing and Council consideration on April 22, 2017.

**BACKGROUND:** The City of Alexandria's Draft 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 Citizen Summary of the FY 2018 Action Plan is provided as an attachment.

The Draft Action Plan describes the City's specific objectives to be undertaken or accomplished during FY 2018 to address the overall needs for affordable housing, shelter and services for persons experiencing homelessness, housing for persons with special needs, and community and economic development. The draft

plan is the third Action Plan prepared for the FY 2016 to FY 2020 Consolidated Plan period, and is consistent with ongoing program activities as well as core services included in the City Manager's Proposed FY 2018 Budget.

It is noted that the recently released America First Budget Blueprint proposes significant potential reductions to the HUD budget, including eliminating future CDBG and HOME fund allocations: any future cuts would be effective during the City FY 2019 beginning July 1, 2018.

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 (ARHA), the City of Alexandria Partnership to Prevent and End Homelessness, and numerous area agencies and nonprofit organizations that provide services for very low, low and moderate income persons.

**DISCUSSION:** The Draft Citizen Summary provides highlights of planned federally funded program activities and investments. The Draft Citizen Summary also demonstrates 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 FY 2016 to FY 2020 Consolidated Plan that was submitted to HUD in May 2015.

Several 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, and the City's Strategic 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 addition of affordable housing has been highlighted as a high priority so housing related activities remain the continued focus of CDBG and HOME funds use in the FY 2018 Action Plan.

As required by HUD, the Draft FY 2018 Action Plan will be released on March 30 for a 30-day public comment period, which ends on May 1. The Draft Action Plan also contains the City's applications for an estimated \$805,594 in CDBG funds and \$395,597 in HOME funds. Most of the CDBG funds (\$503,187) are proposed for the use of the Home Rehabilitation Loan Program and the HOME funds (\$375,000) are proposed for the use of the Housing Opportunities Fund as described on page 10 of the Citizen Summary. These uses support affordable housing development pursuant to the Housing Master Plan target of creating new affordability in 2000 units by 2025.

The FY 2018 CDBG and HOME funding levels presented in the Draft FY 2018 Action Plan and Citizen Summary are based on the Federal Fiscal Year (FFY) 2016 Approved Budget. Due to Congress' approval of a Continuing Resolution (CR) during the fall of 2016, HUD cannot provide the actual FFY 2017 allocations amounts for grantees to use for planning purposes in developing the action plan at this time.

When the FFY 2017 Budget is approved by Congress or as a full-year Continuing Resolution (CR), the proposed activities budget provided in the Draft Action Plan will either increase or decrease from the estimated funding levels to match the actual FFY 2017 formula program allocation amounts. These amounts are anticipated to be announced by HUD 30 to 60 days after Congress approves the FFY 2017 Budget. When the FFY 2017 Budget is approved, increases or decreases in the CDBG and HOME programs will affect the Home Rehabilitation Loan Program and the Housing Opportunities Fund respectively.

Release of Alexandria's Draft Plan was announced by notices placed in local and national media. The Draft

Citizen Summary was distributed by email to several hundred interested parties on March 30. Both the Draft Citizen Summary and the complete Draft Action Plan are posted on the City's website at [www.alexandriava.gov/Housing](http://www.alexandriava.gov/Housing), and hard copies are being distributed, upon request, by the Office of Housing. Comments from the public may be submitted directly or online to the Office of Housing, and will be solicited at two public hearings: one to be held as part of the Alexandria Housing Affordability Advisory Committee's April 20th meeting, and another proposed to be held as part of City Council's public hearing on April 22. The proposed Action Plan is also docketed for City Council's action on April 22 following the public hearing. Public comments received through May 1 will be incorporated into the report submitted to HUD, as appropriate. Staff will update City Council regarding any substantive comments or changes proposed after April 22.

**FISCAL IMPACT:** Upon its approval of the FY 2018 Action Plan for Housing and Community Development, HUD will appropriate an estimated total of \$1,201,309 in new federal funding to the City for FY 2018, including \$805,792 in CDBG funds and \$395,517 in HOME Program funds. The proposed uses are consistent with the City Manager's FY 2018 proposed budget. The additional CDBG funds are proposed to be added to the Home Rehabilitation Loan Program and the HOME funds to the Housing Opportunities Fund program.

**ATTACHMENT:** Citizen Summary of the Draft FY 2018 Action Plan for Housing and Community Development

**STAFF:**

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