Council Meeting Date: May 9, 2023

Subject: Authorization to submit the 2023-2024 Annual Action Plan and related amendments to the 2019-2020 and 2022-2023 Annual Action Plans to the U.S. Department of Housing and Urban Development

Staff Resource(s): Nikki Reid, Director, Community & Economic Development Department

Action Requested: Adoption of a resolution authorizing the submittal of the 2023-2024 Annual Action Plan for the Community Development Block Grants (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development (HUD) along with the Annual Action Plan Amendments for years 2019-2020 and 2022-2023 that includes prior year resources to be rolled forward into 2023-2024 projects and authorizing the City Manager to sign all necessary documents to this effect.

Background:

- The City of Asheville is an entitlement community and participating jurisdiction with the US Department of Housing and Urban Development and receives formula funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- CDBG funds support housing and community development activities within the City of Asheville.
- HOME funds support affordable housing activities within the four-county Consortium region including Buncombe, Madison, Transylvania, and Henderson Counties.
- In 2020, the City also received a one-time formula allocation of CDBG-Covid Relief (CDBG-CV) funds, issued with the purpose of preparing for, preventing, and responding to coronavirus.
- Currently, there is a total of $193,157.10 available in CDBG-CV funding that remains unspent and needs to be allocated.
- All funded activities must be in alignment with the goals and priorities outlined in the City's Five Year Consolidated Plan.
- On February 28, 2023, HUD released the 2023-2024 formula allocations for the CDBG and HOME programs.
    - The City was awarded $1,034,817 in CDBG funding and estimates $72,000 in Program Income.
    - The total amount of CDBG funding available is $1,106,817.
    - The City was awarded $1,318,357 in HOME funding and has received $428,019 in Program Income.
    - In addition, prior year HOME funding resources have been rolled forward into the funding available for the 2023-2024 Annual Action Plan funding recommendations for a total of $2,696,376.

Council Goal(s):

- A Diverse Community
- Quality Affordable Housing
- Thriving Local Economy

Committee(s):

- Housing and Community Development Committee - February 8 2023 - recommended to Council with a unanimous vote in favor of CDBG-CV funding allocations.
- Asheville Regional Housing Consortium Board - March 17, 2023 - HOME presentations heard from applicant agencies.

- Housing and Community Development - March 21, 2023 - CDBG presentations heard from applicant agencies.
- Asheville Regional Housing Consortium Board - March 22, 2023 - Initial HOME funding recommendations discussed.
- Housing and Community Development Committee - March 29 2023 - recommended to Council with a unanimous vote in favor of CDBG and additional CDBG-CV funding recommendations.
- Asheville Regional Housing Consortium Board – March 29, 2023 - recommended to Council with a vote of twelve (12) in favor of HOME funding recommendations with one (1) opposed.

Pro(s)

- Approval of the Annual Action Plan paves the way for HUD funding to be utilized by partners in the City of Asheville and the region, with funds to be used to create affordable housing and jobs and to make positive impacts in our low and moderate income communities.

Con(s)

- It is not always possible to fund all of the applications received and many agencies funded will receive less than the amounts requested.

Fiscal Impact:

- The Annual Action Plan is fully funded from federal CDBG and HOME entitlement grants, unspent funds from prior-year allocations, and estimated program income.
- Staff costs to administer the program are paid from federal sources.
- The FY 2023-24 budgets for both the CDBG and HOME programs will be included in the annual budget ordinance adopted by City Council.

Suggested Motion:

- Motion to adopt a resolution authorizing the submission of the City's FY 2023-2024 Annual Action Plan to the U.S. Department of Housing and Urban Development along with the Annual Action Plan Amendments for years 2019-2020 and 2022-2023 that include prior year resources to be rolled forward into the 2023-2024 CDBG and HOME projects and authorizing the City Manager to sign all necessary documents to this effect.

Attachments:

- Resolution with Action Plan Summary Attachment

RESOLUTION NO. 23-____

RESOLUTION AUTHORIZING THE SUBMISSION OF THE CITY'S ANNUAL ACTION PLAN FOR YEAR 2023-2024 AND ANNUAL ACTION PLAN AMENDMENTS FOR YEARS 2019-2020 AND 2022-2023 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AUTHORIZING THE CITY MANAGER TO SIGN ALL DOCUMENTS NECESSARY TO IMPLEMENT THE CONSOLIDATED ANNUAL ACTION PLANS.

WHEREAS, the City of Asheville is an Entitlement City for the federal Community Development Block Grant (CDBG) program and is the Lead Entity on behalf of the Asheville Regional Housing Consortium (ARHC) for the federal HOME Investment Partnerships Program (HOME) and;

WHEREAS, each year the City must submit to the U.S. Department of Housing and Urban Development (HUD) an Annual Action Plan detailing its proposed use of CDBG and HOME funds for the upcoming fiscal year; and

WHEREAS, $1,106,817 of CDBG funding is available for allocation for use in the 2023-24 program year; and

WHEREAS, of the $1,106,187 in CDBG funding, $72,000 is estimated program income available to be allocated to programs and $1,034,817 is the annual allocation from HUD for 2023-2024; and

WHEREAS, $2,696,376 of HOME funding is available for allocation in the 2023-2024 program year; and

WHEREAS, of the $2,696,376 in HOME funding, $428,019 is program income, $1,318,357 is the annual allocation from HUD for 2023-2024 and $950,000 consists of unspent prior year resources from the FY19-20 and FY 22-23 program years for which the City of Asheville has also prepared draft amendments to each of these respective Annual Action Plans to demonstrate how these prior year resources are to be allocated; and

WHEREAS, as a HUD Entitlement City, the City received a special allocation in 2019-2020 for CDBG-CV funds to prepare, prevent, and prepare for the coronavirus; and

WHEREAS $193,157.10 of CDBG-CV funding is unspent prior year resources from the 19-20 Program year for which the City of Asheville has also prepared a draft amendment to the Annual Action Plan to demonstrate how these prior year resources are to be allocated; and

WHEREAS regulations at 2CFR 200.210, 24CFR 570200(h)(i) and 24 CDF 92;212 allow the City of Asheville the flexibility to pay pre-award costs as stipulated in the federal register and the City has documented this intent to pay pre-award costs in the Annual Action Plan to be submitted to HUD; and

WHEREAS, a public hearing has been held on May 9, 2023 to obtain citizen comments on the draft plans and the draft plans have been made available to the public;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

1. City Council approves the submission to HUD of the 2023-2024 Annual Action Plan and Amendments to the FY19-20 and FY 22-23 plans which are hereto summarized and attached as Exhibit A.
2. City Council authorizes the City Manager to sign all contracts, grants, and loan agreements, after approval by the City Attorney, with HUD and other designated agencies for the 2023-2024 Annual Action Plan and related amendments.

Read, approved and adopted this the 9th day of May, 2023.

City Clerk

Mayor

Approved as to form:

City Attorney

EXHIBIT A

SUMMARY OF ANNUAL ACTION PLAN 2023-2024

Projected Revenue:

2023-2024 CDBG Entitlement Grant	$1,034,817
Estimated Program Income	$72,000
Total CDBG funds available	**$1,106,817**

Proposed Use of CDBG Funds:

Program	**Recommended Funding**
The SPARC Foundation - Domestic Violence Intervention Program (DVIP) and Strong Fathers	$24,737
Helpmate, Inc - Emergency Shelter for Domestic Violence Survivors	$23,736
Haywood Street Congregation - Haywood Respite	$18,900
Pisgah Legal Services - Homelessness Prevention	$35,750
OnTrack Financial - Housing and Financial Capabilities	$25,000
Homeward Bound of Western North Carolina - Coordinated Entry	$37,900
Mountain BizCapital, Inc. dba Mountain BizWorks - Expanding Access to Small Business Training, Coaching and Capital for Low Income Entrepreneurs	$162,500
Helpmate, Inc - Case Management for DV Survivors	$65,000
Carolina Small Business Development Fund - Opportunity Asheville	$135,000

Homeward Bound of Western North Carolina - Housing Services	$108,150
Asheville Area Habitat for Humanity - Affordable Home Repairs	$94,500
Contingency- City of Asheville Community Center Improvements	$154,281
CDBG Program Administration	$221,363
Total CDBG	**$1,106,817**

Projected HOME Revenue:

2023-2024 HOME Funding	$1,318,357
Estimated Program Income	$428,019
Prior Year Allocations Rolled Forward	$950,000
Total HOME funds available	**$2,696,376**

Proposed Use of HOME Funds:

Program	**Recommended Funding**
Commonwealth Development - Fairhaven Meadows	$350,000
Community Housing Coalition - Housing Replacement	$110,000
Community Housing Coalition - Rural Rehabilitation	$175,000
Helpmate, Inc - Rental Assistance for Domestic Violence Survivors	$157,300
Henderson County Habitat for Humanity - Dodd Meadows Phase 6	$160,000
LDG Development - Meribel	$500,000
WDT Development - The Villas at Haywood	$299,702

Mountain Housing Opportunities - Lakeshore Villas - CHDO project	$750,000
HOME Program Administration	$174,637
22-23 Helpmate - Rental Assistance for DV Survivors	$19,737 (additional allocation to bring the previous year award up to $170,000)
Total HOME	**$2,696,376**

SUMMARY OF CDBG-CV Amendment

Prior Year CDBG-CV funds available	**$193,157.10**

Proposed Use of CDBG-CV Funds

Program	**Recommended Funding**
Helpmate, Inc - COVID Court Advocacy and Shelter Services	$70,600
Helpmate, Inc - Emergency Shelter COVID-19 Operation Costs	$102,557.10
Pisgah Legal Services - COVID-19 Eviction Prevention Project	$20,000
Total CDBG-CV	**$193,157.10**