THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: June 28, 2022

Subject: Authorization to submit the 2022-2023 Annual Action Plan to the U.S. Department of Housing and Urban Development

Staff Resource(s): Jonathon Jones, Community Development Program Manager

Action Requested: Adoption of a resolution authorizing submission of the 2022-2023 Annual Action Plan for Community Development Block Grants (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development along with Annual Action Plan Amendments for years 2016-2017, 2019-2020, 2020-2021, and 2021-2022 that include prior year resources to be rolled forward into 2022-2023 CDBG and HOME 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 (HUD) 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 Asheville Regional Housing Consortium region including Buncombe, Madison, Transylvania and Henderson counties.
- All funded activities must meet the goals and priorities as outlined in the City's Five Year Consolidated Plan 2020-2025
- On May 13, 2022, HUD released the 22-23 formula allocation for CDBG and HOME.
- The City was awarded $1,028,896 in CDBG funding and $1,411,582 in HOME funding.
- In addition, $335,960 in CDBG prior-year resources and $318,250 in HOME prior-year resources have been rolled forward into the funding available for the 2022-2023 Annual Action Plan funding allocations.
- Staff have incorporated pre-award costs into the existing policies and procedures in order to facilitate timely reimbursement to the City's partner agencies and to ensure compliance with HUD's timeliness requirements for CDBG funding.

Council Goal(s):

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

Committee(s):

- Housing and Community Development Committee - March 24, 2022 - recommended to Council with a 2-1 vote. Councilwoman Turner and Vice-Mayor Smith voted for, Councilwoman Mosley - against.
- Housing and Community Development Committee- May 17, 2022 - recommended to Council with a unanimous vote in favor of updated funding recommendations
- Asheville Regional Housing Consortium Board - March 23, 2022 - updated recommendation to Council, unanimous vote in favor of funding recommendations
- Asheville Regional Housing Consortium Board May 25, 2022 - updated recommendation to Council with a unanimous vote in favor of updated funding recommendations

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, jobs and impact in our moderate and low 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 2022-2023 budgets for both the CDBG and HOME programs will be included in the annual budget ordinance adopted by the City Council.

Suggested Motion:

- Motion to adopt a resolution authorizing the submission of the City's FY 2022-23 Annual Action Plan to the US Department of Housing and Urban Development along with Annual Action Plan Amendments for years 2016-2017, 2019-2020, 2020-2021, and 2021-2022 that include prior year resources to be rolled forward into 2022-2023 CDBG and HOME projects and authorizing the City Manager to sign all necessary documents to this effect.

Attachment(s):

- Resolution with Action Plan Summary Attachment

RESOLUTION NO. 22-____

RESOLUTION AUTHORIZING SUBMISSION OF THE CITY'S ANNUAL ACTION PLAN FOR YEAR 2022-2023 AND ANNUAL ACTION PLAN AMENDMENTS FOR YEARS 2016-2017, 2019-2020, 2020-2021 AND 2021-2022 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AUTHORIZING THE CITY MANAGER TO SIGN ALL DOCUMENTS NECESSARY TO IMPLEMENT THE CONSOLIDATION ANNUAL ACTION PLANS.

WHEREAS, the City of Asheville of Asheville in 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, $1,439,856 of CDBG funding is available for allocation for use in the 2022-2023 program year; and

WHEREAS, of the $1,439,856 in CDBG funding, $335,960 consists of unspent prior year resources from the 2016-2017, 2020-2021, and 2021-2022 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, $1,742,708 of HOME funding is available for allocation in the 2022-2023 program year; and

WHEREAS, of the $1,742,708 in HOME funding, $318,250 consists of unspent prior year resources from the 2019-2020 and 2021-2022 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, regulations at 2 CFR 200.210, 24 CFR 570.200(h)(i) and 24 CFR 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 in the Annual Action Plan to be submitted to HUD; and

WHEREAS, a public hearing has been held on June 28, 2022 to obtain citizen comments on the draft plan, and the draft plan has 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 2022-2023 Annual Action Plan and Amendments to the 2016-2017, 2019-2020, 2020-2021, and 2021-2022 Annual Action Plans which are hereto summarized and attached at 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 2022-2023 Annual Action Plan.

Read, approved and adopted this the 28th day of June, 2022.

City Clerk

Mayor

Approved as to form:

City Attorney

EXHIBIT A

SUMMARY OF ANNUAL ACTION PLAN FOR 2022-2023

CDBG PROGRAM

Projected Revenue:

Estimated Program Income	$75,000
16-17 CDBG Balance	$37,143
20-21 Contingency	$165,000
21-22 Contingency	$133,817
22-23 CDBG Entitlement Grant	$1,028,896
Total CDBG Funds Available:	$1,439,856

Proposed Use of Funds:

PROGRAM	**2022-2023 Funding Recommend.**
Helpmate, Inc - Emergency Shelter for Domestic Violence Survivors	$21,932
Helpmate, Inc - Housing Case Management for Domestic Violence Survivors	$55,000
Homeward Bound of Western North Carolina - AHOPE Coordinated Entry	$34,932
Homeward Bound of Western North Carolina - CDBG Housing Services	$82,000
Mountain BizCapital DBA Mountain BizWorks- Expanding Access to Small Business Training, Coaching, and Capital	$120,000
Consumer Credit Counseling of Western North Carolina DBA OnTrack Financial Education and Counseling - Housing and Financial Capabilities Program	$22,932
Partners Unlimited - Academic Enhancement Program	$30,000
Pisgah Legal Services	$32,932
SPARC Foundation - Domestic Violence Intervention Program	$22,855
City of Asheville - Stephens Lee Recreation Center - Rehabilitation	$784,965*
City of Asheville CDBG Program Administration	$220,779
CDBG Contingency	$11,529
RECOMMENDED FUNDING	**$1,439,856**

*Of this amount, $449,005 is allocated from FY22-23 CDBG funding and the remaining $335,960 is allocated from prior year resources.

HOME PROGRAM

Projected Revenue:

FY 22-23 Allocation	$1,411,582
Estimated Program Income	$12,876
FY21-22 Returned Funds	$100,000
FY 19-20 Returned CHDO Funds	$218,250
Total HOME Funds Available*	$1,742,708

Proposed Use of Funds:

PROGRAM	2022-2023 Funding Recommend.
Commonwealth Development Corporation of America- Fairhaven Meadows	$500,000
Helpmate, Inc. - Rental Assistance for Domestic Violence Survivors	$150,263
The Housing Assistance Corporation - Apple Ridge**	$600,000
WDT Development LLC - White Pine Villas	$350,000
City of Asheville - HOME Program Administration	$142,445
RECOMMENDED FUNDING	**$1,742,708**

*Of these funds, a total of $429,987 are required to be programmed towards a Community Housing Development Organization (CHDO) project.
**CHDO project