City Council Meeting Date: November 9, 2021

Subject: Authorization to submit the Amended 2021-22 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD).

Staff Resource(s): Paul D'Angelo, Community Development Program Director
Nikki Reid, Interim Community and Economic Development Director

Action Requested: Recommend moving additional CDBG funds to contingency to be allocated next spring in the Fiscal Year (FY) 2022-23 application cycle, updating the HOME funds allocation, and authorizing the City Manager to submit the Amended 2021-22 Annual Action Plan (AAP) to HUD to reflect these changes and to sign all documents necessary to implement the plan.

Background:

- The City originally received the 21/22 HUD allocation notice in March 2021, with approximately $1,137,995 in CDBG funds and $1,370,760 in HOME funds available for the fiscal year that began July 1, 2021.

CDBG

- On June 8, 2021, City Council voted in submitting the 21/22 AAP to put an additional $15,296 of CDBG Funds received from HUD, for a new CDBG Award Total of $1,153,291, into Contingency to be reallocated at a future HCD meeting.
- In addition, please note a few other recent changes in CDBG funding and Contingency that were approved by HCD on September 21, 2021 -
    - Homeward Bound has rescinded their FY21/22 award of $100,000, funds to be returned to CDBG Contingency
    - Riverfront Development Group has rescinded their FY18/19 CDBG Grant of $14,629, funds to be returned to CDBG Contingency
    - 2020-21 The SPARC Foundation Grant / Remaining Balance $427.93 to be returned to CDBG Contingency
    - 2020-21 YWCA Empowerment Child Care Grant / Remaining Balance $819.74 to be returned to CDBG Contingency
    - 2020-21 YWCA Mother Love Grant / Remaining Balance $1,860.29 to be returned to CDBG Contingency
    - 2020-21 OnTrack Financial Education & Counseling Grant - Housing and Financial Capabilities / Remaining Balance $783.57 to be returned to CDBG Contingency
- Community Development Staff, in coordination with the Housing & Community Development (HCD) Committee, have made recommendations for the use of CDBG funds, which must be used in housing & community development programs within the city limits of Asheville.

HOME

- The Asheville Regional Housing Consortium Board has recommended uses for HOME funds, which must be used for housing programs within the four-county Consortium area (Buncombe, Henderson, Madison, and Transylvania counties).
    - A meeting of HOME funding "2nd Round Allocation" occured on September 23, 2021, with figures updated below in the Action Plan Summary.
    - The CD Team is submitting with this Amended AAP our own HOME Homeownership value limits to better reflect true housing costs in our region and to better assist homeownership.
    - CD calculated the current HOME homeownership value limits, which is 95 percent of the median area purchase price for single family housing for each of the counties in our 4

County region, per HUD guidance**,** in lieu of the HOME homeownership value limits provided by HUD which are low.
    - Our updated value limits are attached reflecting home sales for both new construction and existing home sales.
- Funds are awarded based on HUD CDBG & HOME guidelines as well as the Priorities listed in the City's 5 Year Consolidated Plan, FY20/21-24/25.

Summary:
- CD Staff recommends adding the additional $133,816.53 in Contingency to next year's round of CDBG Allocation, with applications beginning in December, 2021.
    - $15,296 - Additional CDBG Funds Awarded May, 2021
    - $100,000 - Homeward Bound Rescinded FY21/22 CDBG Award
    - $14,629 - RFDG Rescinded FY18/19 CDBG Award
    - $427.93 - SPARC Foundation Remaining FY20/21 Balance
    - $819.74 - YWCA Empowerment Child Care FY20/21 Balance
    - $1,860.29 - YWCA Mother Love FY20/21 Balance
    - $783.57 - OnTrack - Housing and Financial Capabilities - FY20/21 Balance
    - **$133,816.53 - Total for Contingency FY22/23 Program Year**
- Any additional program income or returned funds will also be made available for the FY22-23 allocations.
- CD Staff recommends accepting the update FY21/22 HOME Awards as listed in the Action Plan Summary.

Council Goal(s):
- A Diverse Community
- Quality Affordable Housing
- Thriving Local Economy

Committee(s):
- Asheville Regional Housing Consortium Board - March 25, 2021 - Approval
- Housing & Community Development Committee - March 26, 2021 - Approval
- Housing & Community Development Committee - May 18, 2021 - Approval
- City Council - June 8, 2021 - Approval
- Housing & Community Development Committee - September 21, 2021 - Approval
- Asheville Regional Housing Consortium Board - September 23, 2021 - Approval

Pro(s):
- Approval of the Amended 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 lower income communities.

Con(s):
- $133,816.53 in CDBG Contingency means these funds will take longer to be utilized in the community. However, organizing a new round of funding applications for this amount can take up to 4 months in staff time and the FY22/23 Funding Applications will open in December, 2021.

Fiscal Impact:
- The Action Plan is fully funded from federal CDBG & HOME entitlement grants, unused funds from previously completed projects, and estimated program income.
- Staff costs to administer the program are also fully paid from federal sources.
- The FY 2022-23 budgets for both the CDBG & HOME programs will be included in the annual budget ordinance that City Council adopts in June 2022.

Suggested Motion:

- Recommend moving additional CDBG funds to contingency to be allocated next spring in the FY22-23 application cycle, updating the HOME funds allocation, and authorizing the City Manager to submit the Amended 2021-22 Annual Action Plan (AAP) to HUD to reflect these changes and to sign all documents necessary to implement the plan.

Attachment(s)

- FY20/21 - FY24/25 Con Plan Priorities
- Staff Memo ARHC September 23, 2021
- HOME Homeownership Value Limits
- Resolution
- Action Plan Summary

RESOLUTION NO. 21-____

RESOLUTION AUTHORIZING SUBMISSION OF THE CITY'S AMENDED ANNUAL ACTION PLAN FOR 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 CONSOLIDATED ANNUAL ACTION PLAN

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, the amendment is to move $133,816.53 in additional CDBG funds to contingency to be allocated next spring in the FY22-23 application cycle and update the HOME funds allocation; and

WHEREAS, a public hearing has been held on November 9, 2021, to obtain citizen input and 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 Amended Annual Action Plan for 2021-22 which is attached hereto as Exhibit A.
2. City Council authorizes the City Manager to sign all contracts and grant and loan agreements, after approval by the City attorney, with HUD and other designated agencies for the Amendment to the FY21/22 Annual Action Plan.

Read, approved and adopted this 9th day of November, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney

SUMMARY OF ANNUAL ACTION PLAN FOR 2021-2022 (Exhibit A)

CDBG PROGRAM

Projected Revenue:

Estimated FY21-22 Program Income	$100,000
CDBG Entitlement Grant	$1,037,995
Additional CDBG Allocation May 2021	**$15,296**
Remaining Balances from FY20/21	**$3,891.53**
Previous Year Rescinded Grant	**$14,629**
Total CDBG Funds Available:	**$1,171,811.53**

Proposed Use of Funds:

2021-2022 PROGRAM	Funding Recommendations
Asheville-Buncombe Community Land Trust -Permanently Affordable Housing Services	$39,184
Asheville Area Habitat for Humanity - Affordable Home Repairs for Low Income	$128,000
Caring for Children, Inc. - Trinity Place Runaway and Homeless Youth Shelter	$15,000
Carolina Small Business Development - Western Women's Business Center (WWBC)	$100,000
Eagle Market Streets Development - EMSDC Incubate to Innovate	$25,000
Eliada Homes, Inc. - Eliada Homeless Services	$22,272
Getting Back to the Basics- Project Lighten Up After School Virtual Learning	$10,000
Haywood Street Congregation (HSC) -Haywood Street Respite (HSR)	$15,000
Helpmate, Inc. - Emergency Shelter for Domestic Violence Survivors	$17,500
Helpmate, Inc. - Housing Case Management for Domestic Violence	$49,241
Homeward Bound of WNC - AHOPE Coordinated Entry	$33,199
Homeward Bound of WNC - Housing Services - Permanent Supportive Housing	$81,000
Mountain BizWorks - Opportunity Asheville: Expanding Access to Small Business	$100,000
Mountain Housing Opportunities, Inc. - Emergency Home Repair	$95,000
OnTrack Financial Education & Counseling - Housing & Financial Capabilities Program	$15,000
Partners Unlimited, Inc. - Academic Enhancement Program	$10,000
Pisgah Legal Services - Homeless Prevention Project	$20,000
SPARC Foundation,Inc. - Changing Together Program	$20,000
YWCA of Asheville and WNC - Empowerment Child Care Program	$15,000
City of Asheville- CDBG Planning and Administration	$227,559
CDBG Contingency	$133,816.53
RECOMMENDED FUNDING	**$1,171,811.53**

HOME INVESTMENT PARTNERSHIP PROGRAM

Projected Revenue:

Estimated Program Income	$134,000
New HOME Entitlement Grant	$1,296,760
Total HOME Funds Available:	**$1,430,760**

Proposed Use of Funds:

2021-2022 PROGRAM	Funding Recommendations
Asheville Buncombe Community Land Trust (FY20/21 Amendment)	$202,500
Commonwealth Development - Fairhaven Summit	$400,000
Community Housing Coalition of Madison Co. - Rural Replacement Housing	$205,614
Eliada Homes, Inc. - Eliada Homeless Services	$20,208
Housing Assistance Corporation (HAC)	$100,000
Helpmate, Inc. - Rental Assistance for Domestic Violence	$110,362
Homeward Bound of WNC, - HOME Asheville - Tenant Based Rental Assistance	$80,000
Homeward Bound of WNC, - HOME Buncombe - Tenant Based Rental Assistance	$100,000
Housing Authority of the City of Asheville, - Tenant Based Rental Assistance Mobility	$75,000
City of Asheville - HOME Planning and Administration	$137,076
RECOMMENDED FUNDING	**$1,430,760**