

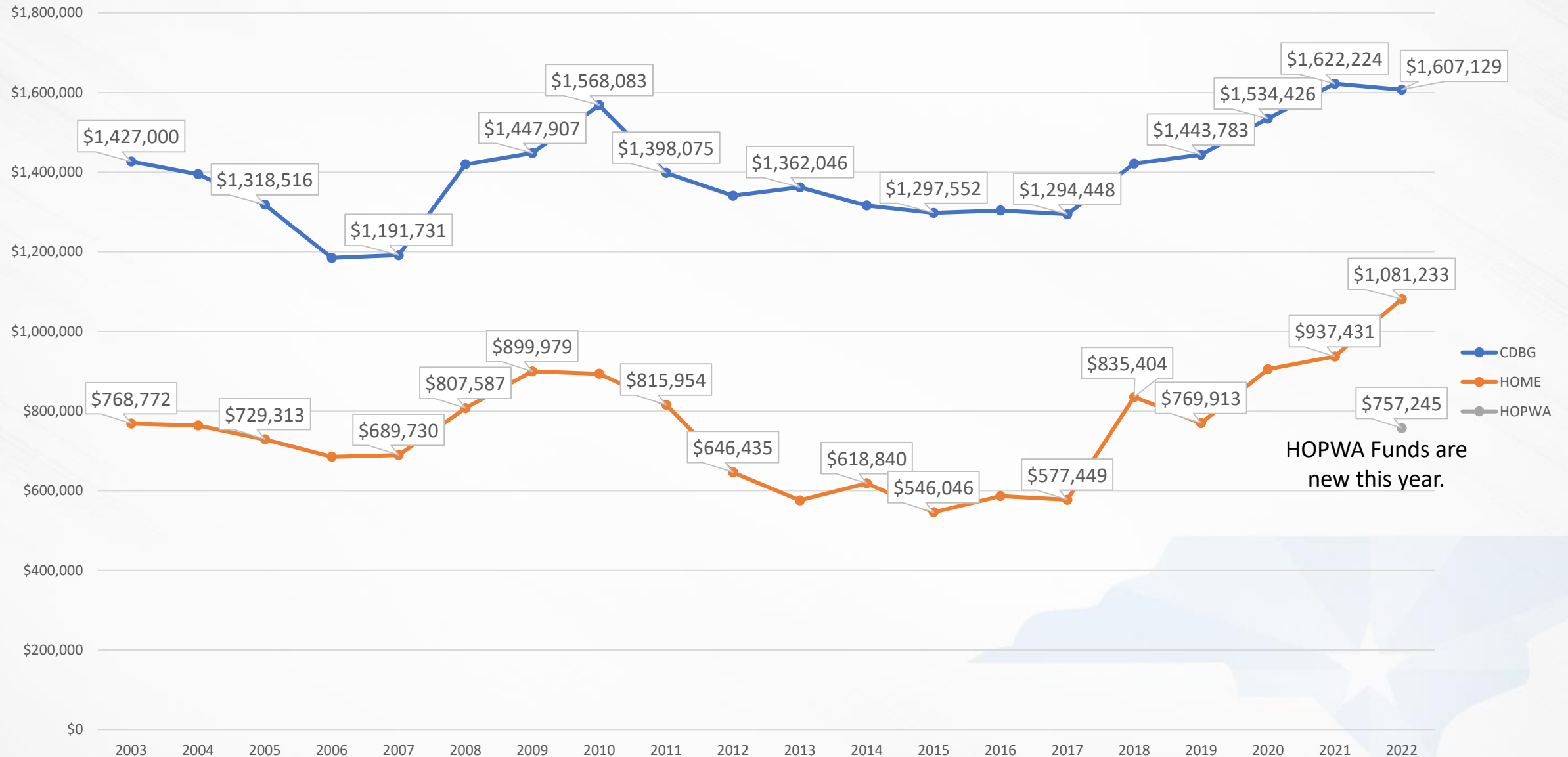
# PY 22-23 Annual Action Plan – Public Hearing

*May 23, 2022*

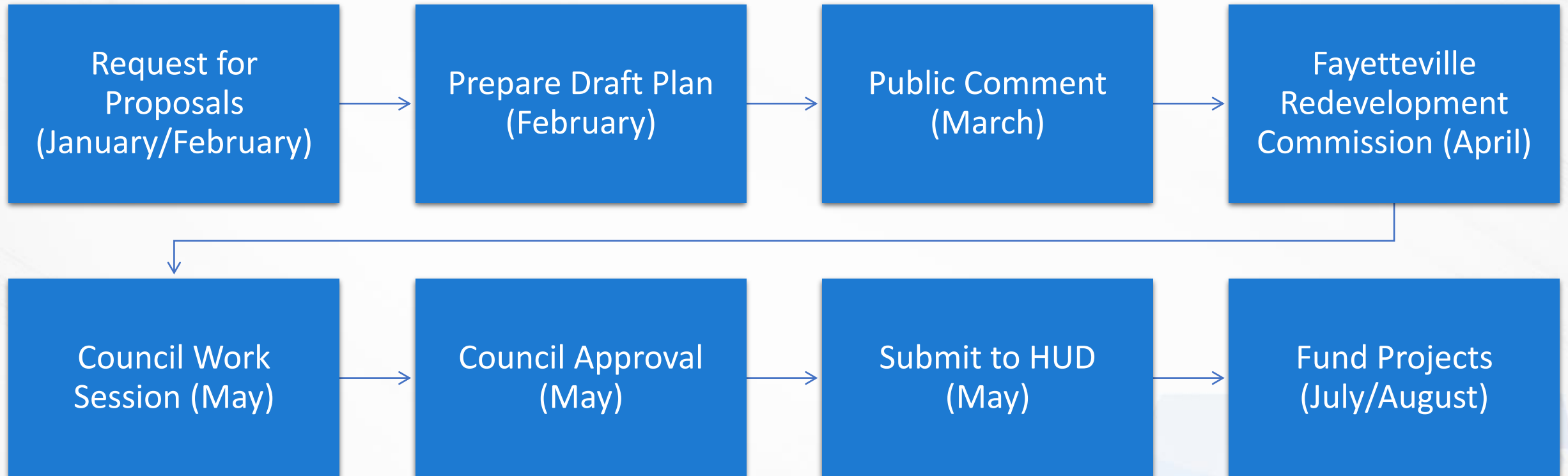


- The Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Housing for People with Aids (HOPWA) is awarded to States, Counties, Cities
  - Some Cities get funds from the State (Sub-grantee)
  - Others get funds directly from HUD (Entitlement)
  - Fayetteville is an entitlement City
- Must meet the stated goals of each program:
  - CDBG
    - Benefit Low and Moderate Income Persons
    - Reduce Slum and Blight
    - Urgent Need (Rarely used)
  - HOME
    - Create Affordable Housing
  - HOPWA
    - To address the housing needs of persons living with HIV/AIDS and their families

# How Much Money?



# The Action Plan Process



**Entitlement:** Grant funds made available to a jurisdiction directly from the Department of Housing and Urban Development

**Program Income:** Funds produced from grant funded activities such as loans

**HOME Match:** Required 25% local match for HOME grants (waived for PY21-22 due to COVID)

**Prior Year Funds:** Remaining Grant funds estimated at the end of the Program Year, to be reallocated

Funding Source	CDBG Funds	HOME Funds	HOPWA Funds	Total Budget
Entitlement	\$1,607,129	\$1,081,233	\$757,245	\$3,445,607
Program Income	\$216,803	\$1,170,628	\$0	\$1,387,431
HOME Match	NA	\$270,309	NA	\$270,309
<i>Total New Resources</i>	\$1,823,932	\$2,522,170	\$757,245	\$5,103,347
Prior Year Funds	\$1,395,683	\$1,700,000	NA	\$3,095,683
<b>Total Resources</b>	<b>\$3,219,615</b>	<b>\$4,222,170</b>	<b>\$757,245</b>	<b>\$8,199,030</b>





# CDBG Recommendations

Consolidated Plan Strategy Allocations (CDBG Only)	2021- 2022	2022- 2023	% Change	
Economic Development Strategy	\$605,000	\$464,404	-23%	Reduced in favor of ARP funding, current funding create timeliness concerns
Community Development Strategy	\$195,343	\$359,742	88%	Addition of Neighborhood Resources
Housing Strategy	\$476,153	\$529,000	15%	Down Payment Assistance – Program Launch in May
Homeless Strategy	\$87,000	\$96,000	10%	Funded Street Outreach to monitor health and encampments
Special Needs Strategy	\$25,000	\$10,000	-60%	Capital purchase prior year, current request disable veteran assistance
Administration, Planning, and Management	\$347,124	\$364,786	7%	
Total New Resources		\$1,735,620	\$1,823,932	

# HOME Recommendations

HOME Allocations (All Housing Strategy)	2021- 2022	2022- 2023	% Change	
Community Housing Development Organization (CHDO) Single Family Housing	\$150,000	\$170,000	13%	15% Required CHDO Set Aside
Housing Trust Fund	\$1,200,000	\$1,904,834	59%	Additional program income from prior developments
Homeowner Occupied Rehabilitation	\$373,688	\$329,213	-9%	Small decrease due to increase in CDBG rehab
Administration, Planning, and Management	\$93,743	\$108,123	15%	
Total New Resources		\$1,817,431	\$2,522,170	

# HOPWA Recommendations

HOPWA Allocations (All Housing Strategy)	NA	2022- 2023	
HOPWA Housing Trust Fund	NA	\$200,000	Affordable Housing Development
HOPWA Tenant Based Rental Assistance	NA	\$400,000	Rent assistance through a non-profit agency
HOPWA Supportive Services	NA	\$134,528	Case management for individuals receiving rental assistance
Administration, Planning, and Management	NA	\$22,717	3% cap
Total New Resources	NA	\$757,245	



# Rollover Funds

Program	Activity	Amount	
CDBG - Neighborhood Resources	Partnership for Children	\$250,000	Storm Damaged Repairs
CDBG - Neighborhood Resources	Blight Removal Program	\$32,000	Investing more in Neighborhoods
CDBG - Neighborhood Resources	Water & Sewer	\$200,000	Assisting with PWC Assessments
CDBG - Housing Activities	Emergency Repair Program - HFH	\$630,341	One-Time funding for Waitlist
CDBG - Housing Activities	Homebuyer Assistance	\$139,000	Launches in May
CDBG - Housing Activities	Emergency Repair Program - FUM	\$130,342	In addition to new funding of \$500k
CDBG - Public Services	Community Outreach	\$14,000	More Neighborhood Engagement
HOME - Housing Development	HOME Housing Trust Fund	\$1,700,000	Intentional Seed Funding for Trust
	Total	\$3,095,683	

**This is a lot of rollover! We have focused on rescue and recovery programs for two years.**

**This enables us to fund capital investments and more emergency repairs.**

**More CDBG emergency repairs frees up more HOME funds for the Trust Fund.**

## **Loan Funds to Housing Developers (Big and Small)**

- Real Estate projects are designed to make money, even affordable housing
- Loans are the critical tool, sometimes they are forgiven (grants)
- More affordability means more generous loan terms
- Updating policy and procedures to be more inclusive
- Creating public facing application

## **Loan Funds for Single Family Housing Development**

- The City needs one or more nonprofits to build modest homes and connect qualified homebuyers (infill development)

## **Loan Funds for Down Payment Assistance**

- Currently using CDBG but could use Trust Fund if program is successful

# Next Steps and Timeline

Events	Dates
City Council Approval of Plan	May 23, 2022
City Council Approval of Amendment for HOME-ARP	May 23, 2022
Plan Submitted to HUD	Acton Plan due by June
Council Adoption of Budget Ordinance	June 13 or 27
Programs Funded per 24 CFR Part 570.200(h)	July 1, 2022



Staff Recommendation: Move to approve the proposed Housing and Urban Development Annual Action Plan and Amendment to the Consolidated Plan.



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