

**Item Title:** Approval of FY2017-2018 Affordable Housing Action Plan

**Specific Action Requested:**

**That the Board of Commissioners:**

- 1. Approves the FY 2017-2018 Affordable Housing Action Plan subject to appropriation; and**
- 2. Authorizes the Chairman to sign documents necessary to submit the Action Plan to HUD and to carry out activities described in the plan.**

**Item Summary:**

The FY 2017-2018 Affordable Housing Action Plan is a one-year plan to address the housing and community development needs of low-income families in Wake County. The plan is implemented by the Housing and Community Revitalization (HCR) program of the County's Human Services Department using a combination of federal and local funds. The Action Plan is required by the US Department of Housing and Urban Development (HUD) in order for Wake County to receive the following federal grant funds:

**Community Development Block Grant (CDBG)** – The purpose of the CDBG grant is to improve communities by providing decent housing and a suitable living environment and expanding economic opportunities for low and moderate-income households (any individual or family with an income that is less than 80% of the area median income as defined by HUD). CDBG funds can be used for a wide range of housing and community development activities. These include acquisition for affordable housing, housing rehabilitation, improving and installing public infrastructure and public facilities, and public services.

**HOME Investment Partnerships Program (HOME)** – The purpose of the HOME grant is to provide decent, affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private-sector participation. The HOME grant requires a 25% matching contribution from a non-federal source. HOME funds are primarily used for affordable housing activities. These include new construction of affordable homes and apartments, and rental assistance.

**Housing Opportunities for Persons with AIDS (HOPWA)** –The purpose of the HOPWA grant is to address the specific needs of persons living with HIV/AIDS and their families by providing funds for housing, including rental assistance, and a wide range of support services, including case management and direct client assistance.

**Emergency Solutions Grant (ESG)** – The purpose of the ESG grant is to provide community outreach, homelessness prevention, rapid re-housing assistance, client assessments and service coordination for individuals experiencing homelessness. Wake County will utilize ESG funds to provide effective street outreach to persons living

in places not meant for human habitation; to conduct initial intake and assessments on new guests at the South Wilmington Street Center (SWSC) with a goal of providing effective, efficient assessments and access to the most appropriate services available at the SWSC and in the community; to bolster and enhance operations at the SWSC; and to provide rapid re-housing assistance for relocation and stabilization of homeless individuals and families living in an emergency shelter or other places.

Local funds are also described in the Action Plan:

**County Capital Improvement Plan (CIP)** – The Wake County Board of Commissioners began allocating County CIP funds for affordable housing in 1999. This allocation is based on the recommendations outlined in the Affordable Housing Task Force Report that was accepted by the Board of Commissioners on September 7, 1999.

The FY17-18 Action Plan is the third part of the FY 2015-2020 Consolidated Plan approved by the Board of Commissioners in May, 2015. The Consolidated Plan defines the housing and community revitalization needs of low-income families in Wake County for 5 years, FY 2015-2020. The FY 2017-2018 Action Plan describes the ways HCR will use the grant funds to address these needs in the next year. The revenues and proposed expenditures are listed in the tables below; all of the activities align with the priorities in the FY 2015-2020 Consolidated Plan. A more detailed description of revenues and expenditures is contained in the full plan that is attached.

The table below illustrates expected revenues:

<b>Revenue Source</b>	<b>Expected FY 2017-18 Funding</b>	<b>Projected Program Income*</b>	<b>Excess Program Income**</b>	<b>Prior Year Funding***</b>	<b>Total</b>
Community Development Block Grant ( <b>CDBG</b> )	\$1,655,276	\$330,000	\$298,590	\$0	\$2,283,866
<b>HOME</b> Investments Partnership Act	\$611,616	\$270,000	\$44,225	\$0	\$925,841
Housing Opportunities for Persons with Aids ( <b>HOPWA</b> )	\$632,377	\$6,730	\$5,754	\$0	\$644,861
Emergency Solutions Grant ( <b>ESG</b> )	\$141,423	\$0	\$0	\$55,579	\$197,002
Wake County <b>CIP</b>	\$1,525,000	\$270,000	\$96,530	\$0	\$1,891,530
Town Match	\$329,165	\$0	\$0	\$0	\$329,165
<b>Total</b>	<b>\$4,894,857</b>	<b>\$876,730</b>	<b>\$445,099</b>	<b>\$55,579</b>	<b>\$6,272,265</b>

\*Program Income is the anticipated income from payments from loans made in previous years.

\*\*Excess Program Income is the income from loan payments that were higher than anticipated.

\*\*\* Prior Year funding is funding from a previous year that is available for use.

The following population groups were identified as top priorities in the 2015-2020 Consolidated Plan for funding over the next five years. These groups were chosen because they have the greatest housing need:

High Priority

- Renters earning less than 40% of Area Median Income (*\$32,080 family of 4/ \$22,480 individual*);
- Homeless individuals and families;
- Non-homeless individuals and families with special needs.

Medium Priority

- Renters earning less than 50% of Area Median Income (*\$40,100 household of 4/ \$28,100 individual*);
- Homeowners earning less than 50% of Area Median Income.

Low Priority

- Renters earning less than 80% of Area Median Income (*\$64,150 household of 4/ \$44,950 individual*);
- Homeowners earning less than 80% of Area Median Income

The process for developing the Action Plan consisted of community meetings and two public hearings. Meetings were held with the Housing Advisory Committee of the Human Services Board, Planners from the Wake County towns, and the Partnership to End Homelessness. The two public hearings were held at the Human Services Board meeting on January 26, 2017 and at the Board of Commissioners meeting on February 6, 2017. The Human Services Board reviewed and endorsed the FY 2017-2018 Action Plan on June 22, 2017.

HCR also received letters of support from all of the towns that participate in the program: Apex, Fuquay-Varina, Cary, Garner, Knightdale, Morrisville, Wake Forest, Wendell, Rolesville, and Zebulon. In addition, a fourteen day public comment period was advertised in three newspapers and will be open from June 28, 2017 to July 12, 2017. For this public review, the plan will be made available on the Wake County Housing website, at the Human Services Building and Regional Centers, at Cornerstone, at the South Wilmington Street Center, and at the Oak City Outreach Center.

HCR uses five strategies to implement its program:

1. Preserve existing housing;
2. Develop additional housing;
3. Provide rental assistance and job training;
4. Fund public facilities improvements in low-income neighborhoods;
5. Provide homeless assistance services.

The tables below illustrate proposed expenditures:

<b>CDBG Grant Activity</b>	<b>Estimated Budget</b>
Land acquisition, housing rehabilitation for multifamily and single family housing, retrofits to help elderly or disabled households to remain in their homes, and emergency repairs.	\$1,211,481
Public Facility Projects	
-Fuquay Varina: water lines on Burton Street	\$151,612
-Knightdale: sprayground at Knightdale Station Park	\$591,500
-Zebulon: sidewalk connection on Arendell Avenue	\$262,080
-Wake Forest: completion of sprayground at Alston Mass. Center	\$10,303
Public Services: Job Training	\$55,000
Grant administration- Salaries and Operating Costs	\$331,055
<b>Total</b>	<b>\$2,613,031</b>

<b>HOME Grant Activity</b>	<b>Estimated Budget</b>
Development of affordable housing for families earning at or below 40% Area Median Income (AMI)	\$712,679
Rental Assistance for youth aging out of foster care	\$152,000
Grant administration	\$61,162
<b>Total</b>	<b>\$925,841</b>

<b>HOPWA Grant Activity</b>	<b>Estimated Budget</b>
Rental Assistance Vouchers	\$400,000
Short Term Rental Assistance	\$121,963
Case Management	\$103,927
Grant administration – Salaries	\$18,971
<b>Total</b>	<b>\$644,861</b>

<b>ESG Grant Activity</b>	<b>Estimated Budget</b>
Shelter Operations	\$30,000
Rapid Rehousing	\$134,948
Street Outreach	\$32,054
<b>Total</b>	<b>\$197,002</b>

<b>CIP Activity</b>	<b>Estimated Budget</b>
Development of Affordable Housing	\$1,534,723
Rental Assistance for people with a behavioral health diagnosis	\$300,000
Funding for Support Circles Coordinator	\$56,807
<b>Total</b>	<b>\$1,891,530</b>

**Attachments:**

1. PowerPoint Presentation
2. FY 2017-2018 Affordable Housing Action Plan