

**Item Title:** Public Hearing for FY 2019-2020 Affordable Housing Action Plan

**Specific Action Requested:**

**That the Board of Commissioners holds a public hearing to receive comments on the affordable housing and community development needs in Wake County.**

**Item Summary:**

**Purpose:** The FY 2019-2020 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 Action Plan is required by the U.S. Department of Housing and Urban Development (HUD) for Wake County to receive the federal grant funds described below.

**Background:** The FY 2019-2020 Affordable Housing Action Plan activities will be implemented by the Department of Housing Affordability and Community Revitalization (HACR) using a combination of federal and local funds. It is the fifth annual plan of the FY 2015-2020 Consolidated Plan approved by the Board of Commissioners in May 2015, which defines and prioritizes the housing and community revitalization needs of low-income families in Wake County for five years.

The 2019 Action Plan describes the way HACR will use federal entitlement grant funds to address affordable housing and homeless services needs in the next year from July 1, 2019 to June 30, 2020. Public comments will be considered as staff prepares the plan. The Action Plan is estimated to be submitted to the Board of Commissioners for approval in May 2019. It must be sent to the U.S. Department of Housing and Urban Development (HUD) on or before August 16, 2019.

**Board Goal:** This Board action complements housing affordability initiatives in the Social and Economic Vitality goal area.

**Fiscal Impact:** This Action Plan is expected to appropriate \$4,372,910 in federal funds to Wake County to assist with affordable housing, community development and homeless needs. Federal grants will be leveraged by County funds to implement program activities described in the Action Plan, in addition to programs that support the overarching housing continuum.

**Additional Information:**

**Community Development Block Grant (CDBG)** – The purpose of the CDBG program 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, homeownership activities, improving and installing public infrastructure and facilities, and public services.

*HOME Investment Partnerships Program (HOME)* – The purpose of the HOME program is to provide decent, affordable housing to low and moderate-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, preservation on existing affordable housing, and rental assistance.

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

*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 homelessness prevention services and direct assistance to stabilize someone at risk of losing housing.

The annual Action Plan is intended to satisfy federal regulatory requirements and is only one piece of overarching planning documents for the Department. This document satisfies the public engagement and planning requirements of the Department of Housing Affordability and Community Revitalization as required by the U.S. Department of Housing and Urban Development (HUD) with regard to implementing Federal entitlement housing funding. The Annual Action Plan does not regulate County funding for affordable housing; however, County funding is used to match and enhance program activities described in the Annual Action Plan. In addition, the Annual Action Plan is not intended to be a comprehensive list of housing and homeless programs offered by the Department, it only describes those programs funded through Federal entitlement funding.

The Action Plan is required by HUD so that Wake County can receive the federal grants described above and listed below:

<b>FY2019-2020 Funding Sources</b>	<b>Expected Funding</b>	<b>Program Income*</b>	<b>Town Match</b>	<b>Total</b>
Community Development Block Grant ( <b>CDBG</b> )	\$1,903,054	\$330,000	\$93,701	<b>\$2,326,755</b>
<b>HOME</b> Investments Partnership Act	\$904,067	\$270,000	\$0	<b>\$1,174,067</b>
Housing Opportunities for Persons with Aids ( <b>HOPWA</b> )	\$716,346	\$6,730	\$0	<b>\$723,076</b>
Emergency Solutions Grant ( <b>ESG</b> )	\$149,012	\$0	\$0	<b>\$149,012</b>
<b>Total</b>	<b>\$3,672,479</b>	<b>\$606,730</b>	<b>\$93,701</b>	<b>\$4,372,910</b>

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

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:**

1. Renters earning at or below 40% Area Median Income (AMI) per year;
2. Homeless individuals and families;
3. Non-homeless individuals and families with special needs.

**Medium Priority:**

1. Renters 41-50% AMI
2. Homeowners 41-50% AMI

**Low Priority:**

1. Renters 51-80% AMI
2. Homeowners 51-80% AMI

**HACR 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.

Below is a summary of the way the funds are proposed to be used next year:

<b>CDBG Grant Activity</b>	<b>Estimated Budget</b>
Rehabilitation of single and multi-family homes including emergency repairs for seniors and persons with disabilities (Includes administrative costs.)	\$804,165
Housing Activities: Acquisition	\$256,346
Housing Activities: Home Purchase	\$250,000
Fuquay-Varina public facility project	\$24,608
Garner public facility project	\$141,600
Morrisville housing activity	\$396,000
Public Services: Job training	\$20,000
Public Services: Rental assistance	\$30,000
Grant administration- salaries and operating costs	\$380,611
<b>Total</b>	<b>\$2,326,755</b>

<b>HOME Grant Activity</b>	<b>Estimated Budget</b>
Development or preservation of affordable housing (Includes administrative costs.)	\$945,384
Rental assistance for youth aging out of foster care	\$152,000
Grant administration - salaries	\$76,683
<b>Total</b>	<b>\$1,174,067</b>

<b>HOPWA Grant Activity</b>	<b>Estimated Budget</b>
Long term rental assistance	\$450,139
Short term rental assistance (Includes administrative costs)	\$146,376
Case management and supportive services	\$105,071
Grant administration - salaries	\$21,490
<b>Total</b>	<b>\$723,076</b>

<b>ESG Grant Activity</b>	<b>Estimated Budget</b>
Homelessness prevention	\$149,012
<b>Total</b>	<b>\$149,012</b>

**Attachments:**

1. Presentation
2. Public Hearing Notice