

**Item Title:** FY19-20 Affordable Housing Action Plan for HUD Entitlement Grant Compliance

**Specific Action Requested:**

**That the Board of Commissioners:**

- 1. Approves the FY 2019-2020 Affordable Housing Action Plan subject to appropriation; and**
- 2. Authorizes the Chair to sign documents necessary to submit the Action Plan to HUD and to carry out activities described in the plan.**

**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 U.S. Department of Housing and Urban Development (HUD) requires Wake County to approve the Action Plan in order to receive the federal grant funds.

**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 entitlement 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 Action Plan describes the way the County 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 received at four public hearings and during a 30-day draft comment period were considered as staff prepared the plan. After the Board of Commissioners' approval, the Plan will be sent to the U.S. Dept. of Housing and Urban Development by June 11, 2019.

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

**Fiscal Impact:** Federal funding included in the FY 2019-2020 Action Plan is included in the FY 2019-2020 Wake County budget and will be leveraged by existing 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, a suitable living environment and expanded 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, emergency shelter 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) regarding 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> )	\$2,068,700	\$330,000	\$93,701	<b>\$2,492,401</b>
<b>HOME</b> Investments Partnership Act	\$882,933	\$270,000	\$0	<b>\$1,152,933</b>
Housing Opportunities for Persons with Aids ( <b>HOPWA</b> )	\$809,265	\$6,730	\$0	<b>\$815,995</b>
Emergency Solutions Grant ( <b>ESG</b> )	\$161,478	\$0	\$0	<b>\$161,478</b>
<b>Total</b>	<b>\$3,922,376</b>	<b>\$606,730</b>	<b>\$93,701</b>	<b>\$4,622,807</b>

\*Program Income is the anticipated income from payments from 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 (\$37,080 family of 4/ \$25,960 individual);
2. Homeless individuals and families;
3. Non-homeless individuals and families with special needs.

**Medium Priority:**

1. Renters earning at 41-50% AMI (\$46,350 household of 4/ \$32,450 individual);
2. Homeowners earning at 41-50% AMI.

**Low Priority:**

1. Renters earning at 51-80% AMI (\$74,150 household of 4/ \$51,950 individual);
2. Homeowners earning at 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 infrastructure and revitalization in low-income neighborhoods;
5. Provide homeless assistance services.

The process for developing the Action Plan consisted of three public hearings and community meetings. The three public hearings were held at the Board of Commissioners meeting on February 18, 2019, the Partnership to End Homelessness meeting on February 19, 2019, and the Human Services Board meeting on February 28, 2019. In addition, community meetings were held with the Housing Advisory Committee of the

Human Services Board and Planners from the towns that comprise the Wake County entitlement area.

Finally, a thirty-day public comment period was advertised in three newspapers and was open from April 26, 2019 to May 26, 2019. For this public review, the plan was made available on the Wake County Housing website, as well as the Human Services Swinburne Building and Regional Centers, Cornerstone, South Wilmington Street Center, and Oak City Cares.

The tables below illustrate proposed expenditures:

<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	\$288,862
Housing Activities: Home Purchase	\$250,000
Fuquay-Varina public facility project	\$25,634
Garner public facility project	\$147,500
Morrisville housing activity	\$412,500
Public Services: Job training	\$20,000
Public Services: Rental assistance	\$30,000
Public Services: Street outreach	\$100,000
Grant administration - salaries and operating costs	\$413,740
<b>Total</b>	<b>\$2,492,401</b>

<b>HOME Grant Activity</b>	<b>Estimated Budget</b>
Development or preservation of affordable housing (Includes administrative costs.)	\$923,277
Rental assistance for youth aging out of foster care	\$152,000
Grant administration - salaries	\$77,656
<b>Total</b>	<b>\$1,152,933</b>

<b>HOPWA Grant Activity</b>	<b>Estimated Budget</b>
Long term rental assistance	\$529,322
Short term rental assistance (Includes administrative costs.)	\$160,500
Case management and supportive services	\$105,662
Grant administration - salaries	\$20,511
<b>Total</b>	<b>\$815,995</b>

<b>ESG Grant Activity</b>	<b>Estimated Budget</b>
Homelessness prevention	\$161,478
<b>Total</b>	<b>\$161,478</b>

**Attachments:**

1. 2019-2020 Housing Action Plan