



IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA

The 13th day of May, 2019.

No. 41445-051319.

A RESOLUTION approving the 2019-2020 Annual Update (“Annual Update”) to the 2015-2019 Consolidated Plan and authorizing the City Manager, or the City Manager’s designee, to submit the approved Annual Update to the United States Department of Housing and Urban Development (“HUD”) for final review and approval, and authorizing the execution of all necessary documents pertaining to such Annual Update.

WHEREAS, in order to receive Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grant funding, HUD requires that entitlement localities such as the City of Roanoke submit a 5-year Consolidated Plan and Annual Updates;

WHEREAS, opportunities for community input regarding the Annual Update were provided at a public meeting held November 15, 2018, and at a City Council public hearing on April 25, 2019, by a 30-day public review and comment period beginning March 25, 2019, and ending April 26, 2019, by dissemination of information to the Roanoke Redevelopment and Housing Authority main offices, the main City Library, the City Clerk’s office and HUD Community Resources Division for public inspection, by letters to a mailing list of interested individuals and organizations, and by publishing information in local print media and on the City’s website; and

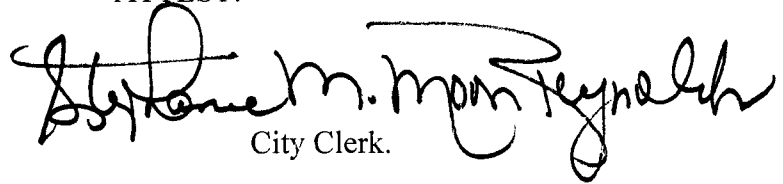
WHEREAS, the Annual Update must be approved by this Council and received by HUD on or about May 15, 2019, to ensure timely receipt of new entitlement funds.

THEREFORE, BE IT RESOLVED by the Council of the City of Roanoke that the Annual Update is hereby approved; and

1. The City Manager, or the City Manager's designee, is hereby authorized, for and on behalf of the City, to submit the approved 2019-2020 Annual Update to HUD to the 2015-2019 Consolidated Plan for final review and approval, and to execute all necessary documents pertaining to such Annual Update, such documents to be approved as to form by the City Attorney.

2. The City Manager is authorized to execute such subgrant agreements and amendments as may be required pursuant to the Annual Update, and as may otherwise exceed the City Manager's authority under Section 2-124 of the Code of the City of Roanoke, as amended, such subgrant agreements or amendments to be within the limits of funds provided for in the Annual Update and to be approved as to form and as to execution by the City Attorney, all as more particularly set forth in the City Council Agenda Report dated May 13, 2019, to this Council.

ATTEST:


City Clerk.



CITY COUNCIL AGENDA REPORT

To: Honorable Mayor and Members of City Council
Meeting: May 13, 2019
Subject: Consideration and Approval of 2019-2020 HUD Annual Plan

Background:

The City of Roanoke receives entitlement funds annually from the US Department of Housing and Urban Development under the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME) and Emergency Solutions Grant (ESG) programs. The City receives approximately \$2.5 million in new federal funds each year. These funds are leveraged with monies and in-kind support from agencies that provide services to low and moderate income individuals and families in the City. The City then develops programs to provide services such as affordable housing, public services, neighborhood revitalization, economic development and homeless services. Each program also allows the City to recover administrative costs to oversee these funds.

The City is required to submit a five-year Consolidated Plan with a related Annual Plan to HUD for approval. The Consolidated Plan, adopted and approved in 2015, covers the HUD program years 2015-2019/20 and describes the City and its overall priorities and objectives for the anticipated funds for the next five years. Each year, the City is required to develop an Annual Plan to describe the specific activities to be undertaken for the program year, which coincides with the City's fiscal year.

In compliance with the City's Citizen Participation Plan and HUD requirements, a public meeting was held November 15, 2018 to receive citizen input on development of the plan. City Council held a public hearing on the plan on April 25, 2019, which served as a second public meeting to receive input on the draft plan. A 30-day public comment period was advertised on March 25, 2019.

Considerations:

The proposed Annual Plan represents the efforts to be made in directing a majority of HUD funds into the Melrose-Orange Target Area (MOTA). This will be the fourth year that HUD funds are fully devoted to MOTA. The Annual Plan provides for \$1,499,389 in CDBG and HOME funds to be used for projects and programs in MOTA for FY19-20.

The Annual Plan has been properly advertised publicly for a required 30 day public comment period beginning March 25, 2019 and concluding April 26, 2019. During this period, City Council held a public hearing on April 25, 2019 on the HUD Annual Plan. Three formal comments were received during the public comment period. No comments require response or will result in any changes to the recommended plan. Subsequent to advertising for the public hearing and prior to the public hearing on April 25, 2019, HUD provided the City with the specific amounts to be awarded to the City. City staff provided this information to City Council and the public during the public hearing on April 25, 2019. The proposed HUD Annual Plan is summarized below:

Revenues

CDBG Entitlements	\$1,734,157
CDBG Carryover	0
HOME Entitlements	662,255
HOME Carryover	0
ESG Entitlements	146,988
ESG Carryover	<u>12,194</u>
 Total HUD Funds	 \$ 2,555,594

Expenditures

Housing Development	\$1,389,766
Neighborhood Development	529,476
Public Services	183,625
Homeless Services	159,182
Economic Development	0
Planning & Administration	<u>293,545</u>
 Total HUD Funds	 \$2,555,594

A copy of the proposed plan is attached to this report for City Council’s information.

Recommended Actions:

Approve the 2019-2020 HUD Annual Plan and authorize the City Manager, or City Manager's designee, to execute and submit this document to HUD for final review and approval, and to execute and necessary additional documents pertaining thereto, all such documents to be approved to form by the City Attorney.



ROBERT S. COWELL, Jr
City Manager

Attachments: 2019-2020 HUD Annual Plan Summary

Distribution: Council Appointed Officers

Brian Townsend, Assistant City Manager for Community
Development
Sherman M. Stovall, Assistant City Manager for Operations
Amelia C. Merchant, Director of Finance
Chris Chittum, Director of Planning, Building and Development
Keith Holland, Community Resources Program Administrator

**CITY OF ROANOKE
HUD ENTITLEMENT GRANTS
FY 2019-2020 ANNUAL PLAN SUMMARY**

Overview

The City of Roanoke anticipates receiving approximately \$2.5 million in new funds annually from the U.S. Department of Housing and Urban Development (HUD) in three grants: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grant (ESG). Roanoke is an entitlement community under these HUD programs. This means that HUD funds are allocated to the City every year using a formula based on population, income levels, and other factors. The amount that the City receives then depends on how much Congress appropriates for the entire nation.

CDBG

CDBG funds have been allocated to the City since 1975 and can be used for activities ranging from housing to economic development and from job training to infrastructure projects. For the 2019-2020 program year, the City is scheduled to receive \$1,734,157 in new CDBG funds. CDBG funds are primarily intended to benefit low- and moderate-income persons and areas, though a limited amount can also be used for reducing blight in economically distressed areas. The amount of funds that can be used for administration, planning, and human services is also limited by regulation and City Council policy; however, the 2019-2020 Annual Plan has administrative cost at 13.0% of total entitlement, well below the 20% threshold allowed by HUD.

HOME

The HOME program is exclusively for housing to benefit those of low or moderate income, including rehabilitation, new construction, homeownership assistance, and improvements to rental housing. The City has been receiving HOME funds since 1992. For the 2019-2020 program year, the City is scheduled to receive \$662,255 in new HOME funds. HOME funds require a 12.5% match, which is met with volunteer labor from Habitat for Humanity projects funded with HOME dollars. At least 15% of each annual HOME grant must be invested in qualifying projects conducted by Community Housing Development Organizations ("CHDOs"). Currently, Habitat for Humanity is the only CHDO serving the city. Administrative expenses for HOME are set at \$66,205, below the 10% maximum allowed.

ESG

The emphasis for use of Emergency Solutions Grant funds has shifted from providing for activities that assist homeless individuals and families to early intervention and prevention of homelessness. HUD has issued new rules for the distribution of these funds by entitlement communities, which are being assessed by city staff and the Roanoke Valley Council of Community Services. Total funding in FY 2019-2020 is scheduled to be \$146,988 including \$12,194 in carryover funds from a prior year.

Available Funding (Based on estimates)

<u>Category</u>	<u>Description</u>	<u>Available Funding</u>
CDBG	2019-2020 Entitlement Grant	\$1,734,157
	Carry-Over and Program Income	<u>0</u>
	Subtotal – CDBG Funds Available	\$1,734,157
HOME	2019-2020 Entitlement Grant	\$662,255
	Carry-Over and Program Income	<u>0</u>
	Subtotal – HOME Funds Available	\$662,255
ESG:	2019-2020 ESG Entitlement Grant	\$146,988
	Carry-Over and Program Income	<u>12,194</u>
	Subtotal – ESG Funds Available	\$159,182
Total 2019-2020 CDBG, HOME and ESG Funds Available		\$2,555,594

Allocation of Resources:

The City's 2019-2020 Annual Update outlines the use of approximately \$2.5 million in CDBG, HOME and ESG, including carry-over.. These funds will support an array of housing, homeless prevention, public services, neighborhood and economic development activities, and planning and administrative costs associated with these activities.

- Economic Development – No CDBG funding is proposed for projects in the economic development category for FY 19-20.
- Homeless Services -- \$159,182 for homeless prevention and rapid re-housing through Emergency Solutions Grants for programs benefiting the homeless or those at-risk of becoming homeless.
- Housing Development -- \$1,389,766 for new construction and housing rehabilitation for homeownership and the rehabilitation of owner-occupied homes.
- Human Services -- \$183,625 for services such as social services, academic enrichment, and other youth and family programs to benefit low to moderate income families.
- Neighborhood Development – \$529,476 which includes \$20,270 for grants to four (4) neighborhood organizations for training and organizational development and small community improvement projects not otherwise categorized, \$264,153 for infrastructure projects in the Melrose-Orange Target Area (MOTA); \$160,553 to fund a portion of City code inspectors to serve conservation and rehabilitation low-mod neighborhoods, and \$84,500 to put toward construction of a handicapped accessible playground in the Melrose-Orange Target Area.
- Planning and Administration -- \$293,545 for staffing and operating costs incurred by the City to administer the CDBG, HOME and ESG funds.

Distribution of Housing Funds:

For 2019-2020, the City estimates its CDBG and HOME housing funds will be allocated as follows:

- \$560,000 for activities encouraging and facilitating the repair, maintenance, improvement or re-use of existing owner-occupied or rental housing.
- \$829,766, for activities encouraging and facilitating new homeownership.

Project Locations:

While some of the projects in the 2019-20 Annual Plan affect areas throughout the City of Roanoke, the City will be in the fifth year of targeting of HUD resources to projects serving the Melrose-Orange Target Area (MOTA). Total funds earmarked for MOTA are \$1,499,389, which meets the City's policy on Use of HUD Funds by channeling 58.7% of total funds into the targeted area.

Lead Agencies:

The HUD Community Resources Division of the City's Department of Planning, Building and Development is the lead organization for developing and administering the Consolidated Plan and the Annual Updates. Numerous City offices and departments and other public, nonprofit and community organizations conduct projects funded in whole or in part with CDBG, HOME and ESG funds. The specific projects, agencies, and funding recommended for the 2019-2020 period are given in the following section.

2019-2020 Projects Submitted, Agencies and Recommended Funding:

ECONOMIC DEVELOPMENT

- Village Centered Economic Empowerment (The Advancement Foundation) Funds requested to implement a sustainable and holistic model of entrepreneur development that would level multiple sector collaboration with outside resource organizations.. (Recommended: \$0 CDBG)

HOMELESS SERVICES

- Case Management (Family Promise of Greater Roanoke) Funds will provide for staff to provide extensive case management of individuals utilizing the homeless shelter operated by Family Promise. The position will perform initial intake, work with each family to develop life-management plans, make referrals to mental health services and physical health services, arrange child care for families, arrange transportation and oversee the day center. (Recommended: \$29,500 ESG)
- Emergency Sheltering & Homelessness Prevention (ARCH) Funds will provide for emergency shelter assistance for operating expenses (i.e. utilities and insurance) to support direct services. ARCH will also utilize homeless prevention assistance to fund its full-time housing stability coordinator who manages services for Trust House residents who transition to permanent housing. (Recommended: \$40,200 ESG)
- Homeless Prevention and Rapid Rehousing (Council of Community Services) Funds will provide for rapid rehousing and one-time rental assistance, coordinate homelessness prevention services to households most at-risk of homelessness to increase housing stability, and track data using Homeless Management Information System. (Recommended \$84,482 ESG).
- Street Outreach (City of Roanoke, Homeless Assistance Team) Funds to purchase bus passes and prescription assistance for homeless persons and families in places not meant for human habitation and emergency shelters. (Recommended: \$5,000 ESG)

HOUSING DEVELOPMENT

- 427 Gilmer Renovation (Roanoke Redevelopment & Housing Authority) RRHA is not going to attempt a rehabilitation, but rather a stabilization effort of clearing overgrowth, surveying the property, abating lead paint and asbestos in order to better market the property for sale or future full rehabilitation. (Recommendation \$0 CDBG)
- Community Solutions Center Capital Project (Feeding America of SW Virginia) FASWVA requested CDBG funds for improvements to their Community Solutions Center. Specifically, they are asking for money to repave their parking lot and to replace the original roof. (Recommended \$0 CDBG)

- Emergency Home Repair Program (Total Action For Progress) Limited and emergency repairs and weatherization services to low/mod-income owner-occupied single-family homes. Program requests to target 12 owner-occupied homes for emergency repairs, with 10 of these homes also receiving weatherization services. (Recommended: \$100,000 CDBG.)
- Empowering Individuals with Disabilities (Blue Ridge Independent Living Center) Install special needs home improvements such as ramps and grab bars for 20 extremely low to low income homeowners with disabilities to meet independent living needs. (Recommended: \$75,000 CDBG.)
- Target Area New Homeownership – New Construction/Rehabilitation (Habitat for Humanity) Acquire and renovate a minimum of 3 existing vacant houses for single-family homeownership as well as construction of 3 new single family homes in Melrose-Orange target area. (Recommended: \$233,716 CDBG and \$596,050 HOME)
- Target Area Owner-Occupied Limited Rehab (Renovation Alliance) Basic rehabilitation services utilizing volunteer labor to address “safe, warm and dry” homeowner needs for low-income persons. Proposed goal of 19 homes in Melrose-Orange target area. (Recommended \$75,000 CDBG.)
- Target Area Owner-Occupied Major Rehab (Total Action for Progress) Major rehabilitation to 4 owner-occupied housing units in Melrose-Orange Target Area. Major rehabilitation is targeted for rehabilitation in excess of \$15,000 to address health, safety and welfare needs of residents. (Recommended: \$230,000 CDBG.)
- Summer Youth Rehabilitation (Renovation Alliance) This program entails limited rehabilitation and repairs to about 20 homes citywide primarily utilizing over 400 youth volunteers from faith-based programs for low income, elderly, and disabled homeowners. RTR reviews and selects homes to be included in the program, determine eligibility, work scopes, any environmental testing and historic reviews, and required permits. (Recommended: \$80,000 CDBG.)

HUMAN SERVICES

- Camp Kids Grow (Apple Ridge Farm, Inc.) Apple Ridge seeks funding scholarships for 50 low-income youth (25% from MOT) to attend Apple Ridge Farms Academic Summer Camp, then enable 25 students to apply organic agricultural knowledge gained at camp by growing fresh, healthy produce for the community at the George Washington Carver Garden in partnership with NNEO. (Recommended: \$60,000 CDBG.)
- Court Appointed Special Advocates (Children's Trust) This program is intended to offer support to children in foster care as well as children who are at-risk of foster care placement. CASA offers an objective advocate for abused and neglected children. Volunteers are utilized to work with children whose cases have been assigned to a judge due to unhealthy or unsafe home environments. (Recommended \$22,875)
- Culinary Training Program (Feeding America of SW Virginia) The program provides job training in the culinary arts using a combination of classroom and production kitchen. Students prepare meals for low income at-risk children while gaining valuable experience in food preparation. Soft skills such as good work habits and time management are also offered to the students. Funds to be used to purchase books and other training resources for culinary students. (Recommended \$16,000)
- Dorcus Rehabilitation Program (Dorcus Homes) Dorcus Homes LLC requested CDBG funds to support the development of a Dorcus Support Services Program to hire two (2) re-entry staff positions to develop, facilitate and coordinate the program, purchase office supplies and provide training for the two staff members. (Recommended \$0 CDBG)
- Family Advocates Program (Children's Trust) Funding to provide support services to the non-offending caregivers in cases of alleged child abuse, resulting in the greater protection and support for the alleged child victim. (Recommended \$34,750 CDBG.)
- Housing Stabilization for Families in Need (Council of Community Services) CSC proposes to continue operations of the homeless intervention services for another year. Funds are provided to landlords of low-income families in order to stop eviction and avoid homelessness. (Recommended \$50,000 CDBG.)
- JRC Eyeglass and Dental Program (RRHA Joint Residence Council) Program intended to residents of Melrose Towers with vision and dental care. (Recommended \$0 CDBG.)

NEIGHBORHOOD DEVELOPMENT

- Code Enforcement (City of Roanoke Dept. of Planning, Bldg and Dev.) Funds a portion of staff and other operating costs for City enforcement of the building maintenance and other codes in low-to-moderate income neighborhoods. (Recommended: \$160,553 CDBG.)
- Demolition (City of Roanoke Dept. of Planning, Bldg and Dev.) Funds to demolish vacant condemned structures in an advanced state of deterioration. (Recommended \$0 CDBG.)
- Infrastructure (City of Roanoke Dept of Engineering) Funds for miscellaneous streetscape and pedestrian access improvements in the Melrose-Orange Target Area (Recommended \$264,153 CDBG)
- Kiwanis Centennial Playground (Kiwanis Foundation of Roanoke) The Kiwanis Foundation of Roanoke has been working with city staff, stakeholders of the Melrose-Orange Target Area and local school children to design and install a playground in MOTA that would be accessible to all children, including those that are disabled. The club has chosen the playground project to be their signature project to recognize the club's 100th anniversary of service to the community. CDBG funds are intended to prepare and grade the site with outside funds earmarked for the playground equipment. (Recommended \$84,500 CDBG)
- Star City Foods at Kennedy Park (Apple Ridge Farms) Seeking funds for construction and first year operations of an urban farm to be located in Kennedy Park to serve MOTA and NW Roanoke in partnership with various community organizations. This program will also function as a next step for many of the campers of their Kids Grow program to teach agricultural sustainability and good nutrition practices. (Recommended \$0)
- Neighborhood Development Grant Program (City Manager's Office/Neighborhood Services) Provides for grants to neighborhood organizations in predominantly low-mod-income neighborhoods for eligible projects such as housing, crime prevention and public facilities and infrastructure projects. Activities related to training and capacity development of eligible neighborhood associations will be paid from HUD planning and administrative accounts. (Recommended: \$20,270 CDBG). Applications were received from the following organizations:
 - Melrose Rugby Neighborhood Forum – Leadership Development and Training (Recommended \$2,435 CDBG)
 - Melrose-Rugby Neighborhood Forum – Outreach Project (Recommended \$0 CDBG)
 - Old Southwest Inc. – Training & Conferences (Recommended \$2,035 CDBG)
 - Riverdale Farm Neighborhood Association – Training & Conferences (Recommended \$200 CDBG)
 - Riverdale Farm Neighborhood Association – Neighborhood Newsletters (Recommended \$500 CDBG)
 - Riverdale Farm Neighborhood Association – Big Belly Trash Solar Trash Compactor \$7,500)
 - Southeast Action Forum – Training & Conferences (Recommended \$400 CDBG)
 - Wasena Neighborhood Form – Wasena Gateway Sign Replacement (\$7,200 CDBG)
 - Wasena Neighborhood Forum – Main Street Village Accessibility Enhancement (Recommended \$0 CDBG)

ADMINISTRATION/PLANNING

- HUD Administrative Funds (Dept. of Planning, Bldg and Dev.) Staffing and other operating costs associated with the general administration of the City's CDBG, HOME and ESG programs. Limits for each program are 20% for CDBG, 10% for HOME and 7.5% for ESG. (Recommended: \$227,340 CDBG; \$66,205 HOME; \$0 ESG.)

2019-2020 HUD Funding Recommendations

Funding by Category:	Economic Development	\$0
	Homeless Services	\$159,182
	Housing Development	\$1,389,766
	Human Development	\$183,625
	Neighborhood Development	\$529,476
	Planning and Administrative Costs	<u>\$293,545</u>
	Total	\$2,555,594

Breakout – 2019-2020 Funding for Melrose-Orange Target Areas Revitalization Initiative: **\$1,499,389**

Agency	Project Name	Current	Requested	Recommended
Advancement Foundation	Village Centered Economic Empowerment	\$0	\$45,000	\$0
Apple Ridge Farms	Camp Kids Grow	\$45,000	\$60,000	\$60,000
Apple Ridge Farms	Star City Foods at Kennedy Park	\$0	\$200,975	\$0
ARCH Roanoke	Shelter Operations and Rapid Rehousing	\$0	\$40,200	\$40,200
Blue Ridge Independent Living Center	Empowering Individuals with Disabilities	\$95,000	\$110,000	\$75,000
Children's Trust	Family Advocacy Services	\$46,000	\$34,750	\$34,750
Children's Trust	Court Appointed Special Advocates	\$0	\$22,875	\$22,875
City of Roanoke	Code Enforcement	\$150,000	\$150,000	\$160,553
City of Roanoke	Demolition	\$30,000	\$50,000	\$0
City of Roanoke	HUD Administration	\$288,655	\$293,538	\$293,545
City of Roanoke	MOTA Infrastructure	\$142,353	\$0	\$264,153
City of Roanoke	Neighborhood Development Grants	\$25,000	\$43,192	\$20,270
City of Roanoke	Street Outreach	\$3,000	\$3,000	\$5,000
Council of Community Services	Homeless Services and Prevention	\$66,225	\$75,300	\$84,482
Council of Community Services	Housing Stabilization for Families in Need	\$50,000	\$50,000	\$50,000
Dorcus Homes LLC	Dorcus Rehabilitation Program	\$0	\$76,000	\$0
Family Promise	Case Management	\$29,500	\$29,500	\$29,500
Feeding America of SW Virginia	Community Solutions Center Capital Project	\$0	\$99,000	\$0
Feeding America of SW Virginia	Culinary Training Program	\$0	\$95,000	\$16,000
Habitat for Humanity in the Roanoke Valley	MOTA New Homeownership	\$857,256	\$892,500	\$829,766
Kiwanis Foundation of Roanoke	Kiwanis Centennial Playground	\$0	\$84,500	\$84,500
Renovation Alliance	MOTA Limited Housing Rehabilitation	\$95,000	\$85,000	\$75,000
Renovation Alliance	Summer Youth Housing Rehabilitation	\$93,000	\$104,000	\$80,000
RRHA Joint Resident Council	JRC Eyeglass and Dental Program	\$0	\$300,000	\$0
Roanoke Redevelopment & Housing Authority	427 Gilmer Renovations	\$0	\$25,000	\$0
Total Action Against Poverty	Emergency Home Repair	\$102,000	\$130,886	\$100,000
Total Action Against Poverty	MOTA Major Housing Rehabilitation	\$230,000	\$275,507	\$230,000