



MEMORANDUM

A handwritten signature in blue ink, appearing to read 'C. Johnston', is written over the right side of the memorandum header.

TO: Timothy J. Baroody, City Manager
FROM: Susanna Finn, Community Development Planner
DATE: February 12, 2021 (for February 23, 2021 Council meeting)
SUBJECT: Public Hearing on Community Development Programs

ISSUE

Each year the City submits an Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) in order to meet its federal guidelines under the Community Development Block Grant (CDBG) Program. Public input is a critical component in the development of the Annual Action Plan and is the purpose for the public hearing.

RECOMMENDATION

That City Council should take public comment related to the development of the 2021-2022 Annual Action Plan for CDBG Programs. No further action is required at this time.

DISCUSSION

The 2021-2022 Annual Action Plan will be the proposed implementation of the second annual phase of the City's 2020-2025 Consolidated Plan for community development programs. The action plan will outline projects that will specifically address housing and community development needs for qualified individuals. CDBG funds are aimed to support low-income households with household incomes below 80 percent of the area median income, adjusted by household size. According to HUD's 2013-2017 Comprehensive Housing Affordability Strategy data, 5,270 or 51% percent of the City's households are low-income and eligible for these programs.

Previous plans have directed funds to various non-profit organizations lending services to eligible applicants. Their activities have included emergency rental/mortgage assistance, legal services, health counseling, financial counseling, and food assistance. Services under direct management of the Planning Department have included the Direct Homeownership Assistance Program, which provides closing costs and down payment to eligible applicants, the Removal of Architectural Barriers Program, which makes modifications to housing to promote accessibility for disabled City residents, and the Emergency Home Repair Program, which provides needed plumbing, electric, and roofing repairs for eligible homeowners in the City.

In addition to this public hearing, staff has solicited input from neighborhood and civic groups directly. Going forward, a summary of the proposed 2021-2022 Annual Action Plan will appear in the *Free Lance-Star* newspaper on March 23rd opening a 30-day public comment period. A draft of the plan will then be available for review on the City's website or by contacting the Planning

Department directly. A final plan will be brought to the City Council on May 11, 2021, for approval and authorization to forward it to HUD. The Program Year will begin on July 1, 2021.

FISCAL IMPACT

The Community Development Block Grant will fund the services outlined in the Action Plan. These federal funds come directly from HUD and are exclusive of the City General Fund. HUD has not yet notified staff regarding the City of Fredericksburg's entitlement allocation. For the 2020-2021 year the City received \$195,974. In creating the Action Plan, staff will use this previous amount to estimate the program budget until the official grant amount is known. Actual program budgets will be proportionally increased or decreased from this estimated funding to match final allocation amounts.