



# TOWN OF CHAPEL HILL

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

## Legislation Text

File #: [18-0581], Version: 1

### Adopt the Recommended 2018-2019 Community Development Block Grant Program Plan.

**Staff:**

Loryn Clark, Executive Director  
Nate Broman-Fulks, Affordable Housing Manager  
Renee Moye, Community Development Program Manager

**Department:**

Housing and Community

**Overview:** The recommended Community Development Block Grant (CDBG) program plan includes the Town’s 2018-2019 CDBG allocation of \$418,344 from the U.S. Department of Housing and Urban Development (HUD) and \$7,339 of program income received from the repayment of a loan. On [March 21, 2018 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3380247&GUID=733C031A-BD9A-421C-8D36-0E916FCFF566>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3380247&GUID=733C031A-BD9A-421C-8D36-0E916FCFF566), the Council held a public forum on a preliminary plan for use of 2018-2019 funds.

★ **Recommendation(s):**

That the Council:

1. Adopt the attached resolution approving the recommended 2018-2019 Community Development program plan for use of \$425,683;
2. Authorize the Town Manager to submit the 2018-2019 Community Development Annual Action Plan to the U.S. Department of Housing and Urban Development as part of the annual update to the 2015-2019 Consolidated Plan; and
3. Enact the attached project ordinance to establish the CDBG budget for the 2018-2019 program.

### Summary of Recommended Plan

<b>Affordable Housing</b>		
Town of Chapel Hill	Neighborhood Revitalization	187,089
Habitat for Humanity	Home Preservation	50,000
Community Home Trust	Homebuyer Assistance	40,000
Town of Chapel Hill	Code Enforcement	25,000
<b>Public Services</b>		
Town of Chapel Hill	Summer Youth Employment Program	24,000
Inter-Faith Council	HomeStart Case Management	15,926
<b>Administration</b>	Grant Administration/HUD Compliance & Reporting	83,668
<b>Total</b>		<b>\$425,683</b>

## **Background**

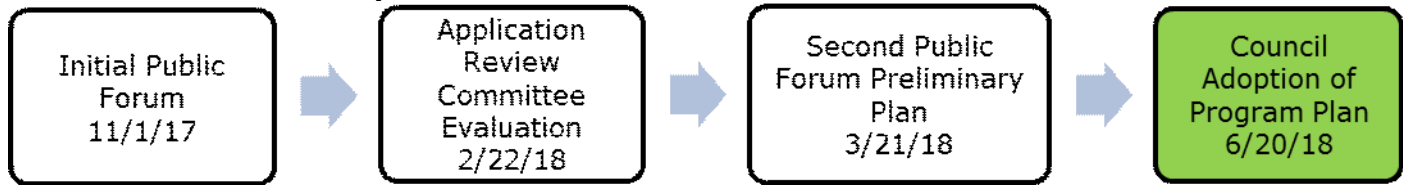
- The 2018-2019 CDBG funding process is outlined below:
  - On November 1, 2017, Council held a public forum to receive comments on the Town's community development needs and potential uses of 2018-2019 CDBG funds.
  - On November 7, 2017, 2018-2019 funding applications were posted and available on the Town's website.
  - On November 28, 2017, Chapel Hill Town staff, jointly with staff from the Town of Carrboro and Orange County, held a funding application workshop for applicants.
  - On December 5, 2017 and January 9, 2018, staff jointly held Q&A sessions for applicants.
  - February 6, 2018 was the submission deadline for 2018-2019 CDBG funding applications.
  - On February 22, 2018, the CDBG Application Review Committee met to review and evaluate applications received and make a recommendation for allocations.
  - On March 21, 2018, the Council held a public forum to receive comments on a 2018-2019 preliminary CDBG Program Plan.
- Once the Council approves the CDBG Program Plan:
  - Staff submits the plan to HUD, as part of the annual update to the 2015-2019 Consolidated Plan.
  - The Town enters into Performance Agreements with subrecipients for the new program year.
  - Performance Agreements with subrecipients include federal rules and regulations, accomplishments and goals specific to the program (as outlined in the submitted funding application), and the reporting and compliance requirements in order to receive funds.
- CDBG funds are provided on a reimbursement basis for eligible expenses according to the budget and identified goals in the funding applications. Funds are disbursed upon submission of satisfactory documentation of accomplishments, expenses, and compliance with federal rules and regulations.

## **Key Issues:**

- The recommended plan includes an allocation of \$418,344 of grant funds, and \$7,339 of program income received from the repayment of a loan, for a total of \$425,683.
- In May, we were notified by HUD of a 10% (\$37,519) increase of funding, compared to 2017-2018. We recommend allocating these funds to the Neighborhood Revitalization activity. This activity sets aside funds for yet unidentified projects such as second mortgage assistance; property acquisition and/or renovation; code enforcement; demolition; public housing improvements; public improvements such as installation of sidewalks; curb and gutter improvements; or parks and recreation facilities. Funds could be used Town-wide and projects can be approved by the Town Manager.
- The plan recommends funding all projects and includes:
  - Key Town projects: the Summer Youth Employment Program, code enforcement, neighborhood revitalization, and program administration.
  - Continued support for affordable housing, community development, and public service programs operated by the Community Home Trust, Habitat for Humanity and the InterFaith Council (IFC).
- Once a plan is approved, the Council has the ability to amend the program plan after completing a public process that includes a public hearing prior to Council approval. If the Council wishes to amend the 2018-2019 plan to fund additional activities such as the Orange County Food Council, we could return to the Council to outline a process and recommend a schedule for considering reallocation of funds.
- We have recently learned that IFC will not be able to use federal CDBG funds for the construction of the Food First Community Kitchen facility in Carrboro. If the Council chooses to fund this request, we recommend consideration of other Town resources.

**Fiscal Impact/Resources:** The Town provides Community Development funds to non-profit agencies for affordable housing and public service projects as grants. These funds are not repaid to the Town.







**Where is this item in its process?**



**Next Steps**

- The Plan approved by Council will be submitted to HUD as part of the Annual Update to the 2015-2020 Consolidated Plan. The Town will compile and incorporate all comments received in writing and at public forums into the Community Development Annual Plan.

**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration



**Attachments:**

- Staff Presentation
- Resolution Approving the 2018-2019 Community Development Block Grant Program Plan
- Project Ordinance Establishing the 2018-2019 Community Development Block Grant Plan Budget
- Summary of 2018-2019 Community Development Block Grant Recommended Program Plan
- Draft Executive Summary of the 2018-2019 Community Development Block Grant Annual Update to the 2015-2019 Consolidated Plan

**A RESOLUTION APPROVING THE 2018-2019 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (2018-06-20/R-11)**

WHEREAS, the Council of the Town of Chapel Hill held two public forums to receive public input on use of 2018-2019 Community Development Block Grant funds; and

WHEREAS, the U.S. Department of Housing and Urban Development has notified the Town of the 2018-2019 Community Development Block Grant allocation of \$418,344.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that based on the Town's allocation of \$418,344 of Community Development Block Grant funds and \$7,339 of program income, the Town of Chapel Hill Town Council approves the following 2018-2019 Community Development Block Grant Program Plan:

<b>Affordable Housing</b>		
Town of Chapel Hill	Neighborhood Revitalization	187,089
Habitat for Humanity	Home Preservation	50,000
Community Home Trust	Homebuyer Assistance	40,000
Town of Chapel Hill	Code Enforcement	25,000
<b>Public Services</b>		
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<b>Administration</b>	Grant Administration/HUD Compliance & Reporting	83,668
<b>Total</b>		<b>\$425,683</b>

BE IT FURTHER RESOLVED that the Council authorizes the Manager to include this 2018-2019 Annual Action Plan in the 2015-2019 Consolidated Plan, for submission to the U.S. Department of Housing and Urban Development.

This the 20<sup>th</sup> day of June, 2018.

**AN ORDINANCE TO ESTABLISH THE 2018-2019 COMMUNITY DEVELOPMENT ENTITLEMENT GRANT PROJECT ORDINANCE (2018-06-20/O-9)**

BE IT ORDAINED by the Council of the Town of Chapel Hill that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project is hereby established:

**SECTION I**

The projects authorized are the Community Development projects as approved by the Council on June 13, 2018: funds are as contained in the Funding Approval and Grant Agreement between the Town and the U.S. Department of Housing and Urban Development (HUD). The projects are known more familiarly as the 2018 Entitlement Community Development Block Grant. The grant activities include renovation of public housing, homebuyer assistance programs, community services to low-income residents, and administration costs for the program.

**SECTION II**

The Manager of the Town of Chapel Hill is hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the U.S. Department of Housing and Urban Development, and the budget contained herein.

**SECTION III**

The following revenues are anticipated to be available to complete the project:

	Current Budg
Community Development Block Grant	\$ 418,344
Program Income	<u>7,339</u>
Total Revenues	\$ 425,683

**SECTION IV**

Amounts appropriated for projects are as follows:

<b>Affordable Housing</b>		
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**SECTION V**

The Manager is directed to report annually on the financial status of the project in an informational section to be included in the Annual Budget, and shall keep the council informed of any unusual occurrences.

**SECTION VI**

Copies of this amended projects ordinance shall be entered into the minutes of the Council and copies shall be filed within five days of adoption with the Manager, Business Management Director and Town Clerk.”

This the 20<sup>th</sup> day of June, 2018.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Renee Moye, Community Development Manager

RECOMMENDATION: That the Council approve the recommended 2018-2019 Community Development Block Grant Program Plan and authorizes the Manager to include this 2018 -2019 Annual Action Plan in the 2015-2019 Consolidated Plan update for submission to the U.S. Department of Housing and Urban Development.