



CITY OF DURHAM | NORTH CAROLINA

Date: September 2, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Department of Community Development
Subject: FY 2015-2020 Consolidated Plan “Needs” Public Hearing

Executive Summary

The Citizen Participation Plan contained in the adopted 2010-2015 Consolidated Plan requires that two (2) public hearings be held prior to the submission of the Five-Year Consolidated Plan/Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD). The purpose of this public hearing is to receive citizen comments on how Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Solutions Grant (ESG) funds can be used over the next five years to address housing and community development needs in Durham.

Recommendation

The Department of Community Development recommends that the City Council conduct a “Needs” public hearing for the FY 2015-2020 Consolidated Plan on October 6, 2014 to receive citizen comments related to community development needs.

Background

As an entitlement city, Durham has been the recipient of CDBG funds since 1975 and HOME Consortium funds since 1992. CDBG funds have primarily been used for housing activities, public services, code enforcement and public infrastructure. HOME Consortium funds will be jointly awarded to the City and County on a pro rata share of approximately 95% and 5%, respectively. HOME Consortium funds have been used for affordable housing activities as required by the HOME program regulations. Durham is also a

recipient of Emergency Solutions Grant (ESG) funds from HUD, which are used to provide assistance to individuals and households who are homeless or at risk of becoming homeless.

The Consolidated Plan serves as a planning document for the City of Durham, an application for federal funds under HUD's, CDBG, HOME and ESG formula grant programs, and a five year strategy for addressing community needs. The Five Year Consolidated Plan provides an assessment of housing, homeless, and community development needs, a strategic plan for addressing needs, and an Annual Action Plan outlining specific objectives and outcomes for the use of HUD funds. A summary of the comments received from the "Needs" public hearing will be incorporated into the draft FY 2015-2020 Consolidated Plan/ Annual Action Plan which will be presented to the City Council for an additional public hearing and adoption in the spring of 2015.

Issues/Analysis

The adopted Citizen Participation Plan requires that at least a 10-day notice be given to the public concerning the scheduling of an Annual Action Plan public hearing. In order to inform citizens of the upcoming public hearing, notices have been published in the *Herald-Sun* and the *Carolina Times*.

Alternatives

In order to receive CDBG, HOME and ESG funds and remain in compliance with federal regulations, the participating jurisdiction must hold two public hearings prior to the submission of its Annual Action Plan by May 15th to HUD. The only flexibility that the City has is in determining the dates for the public hearings.

Financial Impact

HUD has not yet notified the City of final entitlement amounts for FY 2015-2016. For planning purposes, the City expects to receive approximately \$1,795,508 in CDBG funds, \$831,909 in HOME funds, and \$147,357 in ESG funds.

The Durham City-County Consortium will be required to provide a 25% match (non-federal funds) to the total amount of HOME funds used directly for affordable housing activities during FY 2015-2016. Housing bond program income is the primary source of the required match. Currently, the City has sufficient "carryover" match from prior fiscal years to meet this requirement.

SDBE Summary

Not applicable to this item.