



CITY OF DURHAM | NORTH CAROLINA

Date: **October 20, 2015**

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
 Department of Community Development
Subject: FY 2016-2017 Annual Action Plan "Needs" Public
 Hearing

Executive Summary

The Citizen Participation Plan contained in the adopted 2015-2020 Consolidated Plan requires that two (2) public hearings be held prior to the submission of the 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), Emergency Solutions Grant (ESG), and Housing for People With AIDS (HOPWA) funds can be used to address housing and community development needs in Durham. The purpose of the second public hearing, tentatively scheduled to be held in April, is to receive citizen comments of the proposed use of those funds for the FY 2016-2017.

Recommendation

The Department of Community Development recommends that the City Council conduct a "Needs" public hearing for the FY 2016-2017 Annual Action Plan on November 16, 2015 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 ESG and HOPWA funds from HUD. ESG funds are used to provide assistance to individuals and households who are homeless or at risk of becoming homeless. HOPWA funds are dedicated to the housing needs of people living with HIV/AIDS. In December 2014, the City of Durham was notified by HUD that the Durham/Chapel Hill Eligible Metropolitan Statistical Area (EMSA) had met the threshold of being designated as a formula entitlement community to receive HOPWA funding.

The Annual Action Plan is Durham's application to HUD for the upcoming fiscal year's funding and outlines the actions Durham is taking with HUD-awarded funds to meet the goals as described in the 2015-2020 Five Year Consolidated Plan. A summary of the comments received from the "Needs" public hearing will be incorporated into the draft FY 2016-2017 Annual Action Plan which will be presented to the City Council for an additional public hearing and adoption in the spring of 2016.

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*, the *Carolina Times*, and *¿Que Pasa?* newspapers.

Alternatives

In order to receive CDBG, HOME, ESG, and HOPWA 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 2016-2017. For planning purposes, the City expects to receive approximately \$1,807,500.00 in CDBG, \$776,000.00 in HOME, \$160,000.00 in ESG, and \$282,900.00 in HOPWA funding.

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 2016-2017. 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.