



Commission Meeting

August 1, 2023

HCD_ FY2023 Annual Action Plan, Substantial Amendment Request and CARES Act HESG-CV
Approval

Department: HCD

Presenter: Hawthorne Welcher, Jr. and/or HCD Staff

Caption: Request to approve submission by the Housing and Community Development Department (HCD) of the amended FY2023 Annual Action Plan, representing \$4,430,358 in investment in the housing and service needs of low and moderate income residents of Augusta, and grant the authority for the Mayor to execute the necessary documents required to be included with this submission. This submission also includes a Substantial Amendment Request for \$1,540,181.45 in prior years' CDBG funds and \$301,400.57 in HESG-CV funds, reallocated to Augusta by HUD.

Background: Each year the Augusta, Georgia receives Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) funds from the U.S. Department of Housing & Urban Development (HUD). These funds are used to fund agencies and projects to assist low-income persons and revitalize low-income neighborhoods. The Housing and Community Development (HCD) Department annually solicits for proposals from agencies and develops CDBG, ESG, HOME and HOPWA budgets which are incorporated into the City's Annual Action Plan.

In order to fulfill statutory and regulatory requirements found at 24 CFR 91.15(a)(1) and as mandated by the U.S. Department of Housing and Urban Development, the City of Augusta, Georgia is required to provide its local strategy to address needs in the areas of community development, economic development, affordable housing and homelessness as carried out through its Housing and Community Development Department and represented in the FY2023 Annual Action Plans. The FY2023 Annual Action Plans represents funding for the following programs funded by the U.S. Department of Housing and Urban Development (HUD): Community Development Block Grant (CDBG) Program, Home Investment Partnerships (HOME) Program,

Emergency Solutions Grant (ESG) Program, and Housing Opportunities for Persons with AIDS (HOPWA) Program.

Further, the City of Augusta is required to make available for public comment the FY2023 Annual Action Plans that provides the jurisdiction an opportunity to review the City's local strategy to address needs in the areas of community development, economic development, affordable housing and homelessness through its Housing and Community Development Department. This submission contains Augusta's actual allocation of \$4,430,358 for FY2023 reflecting Augusta's announced CPD funding allocations from HUD.

Below is a listing of the allocations:

Funding Program Allocations for FY2023 - CDBG \$1,879,639, HOME \$1,393,915, HOPWA \$1,005,159, ESG -\$151,645. Total FY2023 Allocation - \$4,430,358.

Because certain projects have unused funds, it has become necessary to reprogram these funds to facilitate their timely expenditure in accordance with HUD's Timeliness Standard for CDBG funds.

HCD is proposing that CDBG funds be reprogrammed FROM the following approved Action Plan projects:

1. 2017 CDBG - \$149,031.49 Justification: These funds were budgeted for activities that associated with projects that came in under budget or were not deliverable in the originally planned scope of work, however lack of viable partner interests lead to these funds no longer being viable for the proposed activity.

2. 2018 CDBG - \$208,652.65. Justification: These funds were budgeted for activities that associated with projects that came in under budget or were not deliverable in the originally planned scope of work, however lack of viable partner interests lead to these funds no longer being viable for the proposed activity.

3. 2021 Economic Development - \$228,007.75. Funds originally programmed to Small Business Development Loan program. Lower than expected demand for these services have led to the revamp of HCD's Economic Development Program in to the Commission Approved Micro Enterprise Technical Assistance (M.E.T.A.) initiative. Funds from the previous CDBG allocations to the META Program are proposed for reallocation to new initiative that will expend in a timelier manner as part of this Substantial Amendment.

4. 2018 / 2019 / 2020/ 2021 Public Services – \$80,810.65.
Justification: These funds represent unspent balances in Public Service

Agency Agreements that are due to be recaptured per the provisions of their contracts with Augusta, through HCD.

5. 2021 Activity Delivery Costs - \$130,000.00. Justification: With a lack of eligible expenses accrued for these designated ADCs, there is a need to reallocate these funds to activities that will expend in a timelier manner.

5. 2022 Economic Development - \$550,000.00. Justification: Funds originally programmed for renovation work on Armstrong Galleria. Federal guidelines required that a share of the total costs of these projects be derived from a non-Federal source, thus, there is a need to reallocate these funds to activities that will expend in a timelier manner.

HCD is proposing these CDBG funds be reprogrammed TO the following CDBG Activities:

1. Affordable Housing Acquisition for Rental Rehabilitation Development: \$940,181.45. Acquisition for purposes of Rehabilitation of the former Weed School site to allow for the development of affordable rental housing. Additional scattered-site single-family units will be acquired to further increase the supply of affordable rental housing options for residents of Augusta, Georgia.

2. Day Shelter Acquisition for Public Facility Development: \$350,000.00. Funds will support the acquisition of identified property to complement funds available through HUD for conversion to a Day Shelter to meet the support service needs of homeless residents in Augusta, Georgia.

3. Sand Hills Infrastructure Development - \$250,000.00. Funds will support the development of necessary infrastructure to support the continued development of Affordable Housing in the Sand Hills Neighborhood.

HCD is proposing that HESG-CV funds reallocated to Augusta by HUD under provisions in the CARES Act be used for the following Action Plan projects:

1. \$301,400.57: Funds proposed to be used for the costs of rehabilitation and conversion of an existing commercial structure to be developed into a Day Shelter service center to meet the support service needs of homeless residents in Augusta, Georgia during day-time hours when the community's overnight emergency shelters are not able to serve residents' needs.

According to the City of Augusta's Citizen Participation Plan, the changes recommended above constitute a substantial change to the aforementioned Action Plans. Therefore, the revisions must be presented to the public for a 30-day comment period. If comments are received, they will be presented to the Commission for consideration. This Public Notice, as required by HUD, will be published in the Augusta Chronicle **June 19, 2023**. The deadline for

comments will be **July 20, 2023**. Any comments received will be presented to the full Commission when this item is called.

Analysis:

The additional funds will allow the department to fund and proceed with more projects to benefit low and moderate-income residents of Augusta, Georgia, as well as those at-risk of or experiencing homelessness and households with issues related to housing stability.

Additionally, the allocation of CARES Act funds will assist Augusta, Georgia in responding to and recovering from the Covid-19 pandemic and the related economic crisis through the programming under the ESG program to meet an exigent service need in the local community.

Financial Impact:

The City receives funding from the US Housing and Urban Development Department on an annual basis. The FY2023 Annual Action Plan budget and proposed Substantial Amendment request will allow HCD to facilitate the timely expenditure of funds in advance of HUD's October 31, 2023 Timeliness Standard Compliance Date.

Additionally, the enactment of CARES Act reallocated funds has provided direct allocation of \$301,400.57 in the HESG program for Augusta, Georgia to utilize in response to and recovery from the Covid-19 public health emergency and resulting economic crisis.

Alternatives:

Do not approve HCD's FY2023 Annual Action Plan and Substantial Amendment request.

Recommendation:

Request to approve submission by the Housing and Community Development Department (HCD) of the amended FY2023 Annual Action Plan, representing \$4,430,358 in investment in the housing and service needs of low and moderate income residents of Augusta, and grant the authority for the Mayor to execute the necessary documents required to be included with this submission. This submission also includes a Substantial Amendment Request for \$1,540,181.45 in prior years' CDBG funds and \$301,400.57 in HESG-CV funds, reallocated to Augusta by HUD.

Funds are available in the following accounts:

Housing and Urban Development (HUD) Funds: Community Development Block Grant (CDBG) funds; Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Solutions Grant (ESG) and CARES Emergency Solutions Grant Funding (HESG-CV).

REVIEWED AND
APPROVED BY:

Procurement

Finance

Law

Administrator

Clerk of Commission