



City of Hampton

Five-Year Strategic Plan

EXECUTIVE SUMMARY

Purpose of the Consolidated Plan

The City of Hampton receives funding annually from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) and HOME Investment Partnership programs. One of the requirements for receiving these funds is the development of a five-year Consolidated Plan for Housing and Community Development (CP) to provide policy direction for the next five years of funding decisions. In general, the CP is guided by three overarching goals that are applied according to a community's needs. The goals are:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of low and moderate income residents throughout Hampton, increased housing opportunities and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities through more jobs paying self-sufficient wages, homeownership opportunities, development activities that promote long-term community viability and the empowerment of low- and moderate-income persons to achieve self-sufficiency.

This CP corresponds to the City's next five fiscal years, which begin July 1, 2010, and end June 30, 2015. The primary federal funding resources in the 2011-2014 Consolidated Plan are the following:

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and

moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance and tenant-based rental assistance.

Focus of the Plan

As required by the federal government, the identification of needs and the adoption of strategies to address those needs must focus primarily on low- and moderate-income (LMI) individuals and households. The CP must also address the needs of persons with “special needs” such as the elderly, persons with disabilities, large families, single parents, homeless individuals and families and public housing residents. The CP identifies housing, homeless, community and economic development needs and resources, while providing a strategic plan to address those needs in accordance with community priorities.

Following the identification of neighborhoods as a strategic framework in 1993, the City has focused its CDBG and HOME resources to complement other resources in the implementation of the Hampton Neighborhood Initiative. The CP places primary emphasis on improving the condition of housing stock, increasing homeownership and revitalizing low- and moderate-income neighborhoods.

Citizen Participation and Agency Consultation

The City of Hampton made the decision to encourage a high level of agency consultation in an effort to demonstrate a commitment to (a) identifying priority needs and (b) engaging the participation of public agencies and nonprofit organizations in a productive and collaborative manner. A list of stakeholders was developed to include public agencies and private nonprofit organizations whose missions focus on the provision of affordable housing and human services to LMI households and persons. These stakeholders were invited to participate in a series of focus group sessions held jointly for the purposes of the CP and the regional Hampton Roads Analysis of Impediments to Fair Housing Choice (AI), which will be published this year.

Additionally, public and private agencies which were identified as stakeholders in the process were asked to complete written questionnaires to provide data on special needs populations such as the elderly, youth, persons with HIV/AIDS, public housing residents, persons with disabilities and the homeless.

During the agency consultation process, several underlying themes were repetitively voiced by the participants in the interviews and focus group sessions. These themes included the following:

- The recession has substantially impacted contributions to local nonprofit organizations. Resources are at an all-time low. The ability of these organizations to provide supportive services to their clientele is substantially impaired. However, consumers are dependent upon these public services as a safety net now more than ever.
- A majority of affordable housing stock in Hampton is outdated and deficient. In many cases, upgrading these properties can be an appropriate means of providing decent, affordable housing to the City’s lowest-income residents, and also to preserve and enhance the City’s

most vulnerable neighborhoods.

- In addition to the City's low-income residents, its special needs populations have growing needs that have outpaced available resources. Decent, affordable housing is the greatest of these needs.

The City continues a long tradition of expansive grassroots citizen participation in public decision making. This year, facing a \$20-25 million shortfall, the City created even more opportunities for citizens to participate in the budget process. Community engagement has taken and will take many forms, including, but not limited to:

- Presentations to community and employee groups
- Enhanced communications using tools such as e-news and the City's web site,
- Surveys used to determine and gauge preferences and priorities,
- Public forums that allow participants to use keypad voting to express preferences, such as a series of "Budget Week" public meetings in late February, and
- Online opportunities including polling and other input options.

Basis for Allocating Investments

The federal CDBG and HOME funds are intended to provide low and moderate income households with viable communities, including decent housing, a suitable living environment, and expanded economic opportunities. Eligible activities include community facilities and improvements, housing rehabilitation and preservation, affordable housing development activities, public services, economic development, planning and administration.

The City of Hampton has established the Hampton Housing Venture as a means for targeting small geographic areas in LMI neighborhoods for comprehensive improvements. As a result of this strategy, a great deal of project activity occurs in the Olde Hampton, Pasture Point and Sussex neighborhoods. Many public resources have been targeted to the six areas outlined in the city's strategic master plan.

The system for establishing the priority for the selection of these projects is predicated upon the following criteria:

- Meeting the statutory requirements of the CDBG and HOME programs
- Focusing on low and moderate income areas or neighborhoods in the area
- Coordination and leveraging of resources
- Response to expressed needs
- Sustainability and/or long-term impact, and
- The ability to demonstrate measurable progress and success.

Priority Needs and Strategies

The City of Hampton is committed to allocating funds that serve the needs of the lowest-income and most disadvantaged residents. Households with incomes less than 80% of the area median income, particularly those with extremely low incomes (less than 30% of area median income), are particular

priorities. The City has also identified special needs individuals as among those who face the greatest challenges and who should receive high priority in the expenditure of federal funds, including at-risk youth, low income families, the homeless and persons threatened with homelessness, the elderly, and persons with disabilities. The following needs address this priority:

- The provision and maintenance of affordable housing
- Investment in community development activities in lower-income and deteriorating neighborhoods and in facilities that serve lower-income populations, and
- Supportive services to maintain independence.

By focusing on these needs, the City seeks to address community concerns such as:

- A need for suitable affordable housing to address the growing gap between housing costs and local incomes, which leads to rising rates of overcrowding, and overpayment for the lowest-income residents
- Programs that improve community facilities and services, particularly in low-income areas
- A network of shelter, housing and support services to prevent homelessness, move the homeless to permanent housing and independence and eliminate chronic homelessness
- Programs that promote economic development, create jobs and increase the job skills level of potential employees, and
- Supportive services that increase the ability of seniors, persons with disabilities and others with special needs to live independently and avoid institutions.

The CP requires the City to specifically address needs and proposed strategies in three areas: housing, homelessness and community development.

Housing Needs

High housing costs reduce economic opportunities, access to jobs and services and the ability of lower-income households, including the elderly and persons with disabilities, to live in the communities and neighborhoods of their choice. The affordability gap results in a concentration of lower-income households in older neighborhoods that have higher levels of substandard housing and overcrowding.

HUD regulatory requirements are restricted to assisting households at 80% of the area median income or lower. Given the current market conditions, homeownership costs remain high. As a result, the City is continuing to focus its CDBG and HOME funds to support activities across the housing spectrum, seeking to increase and improve the existing housing stock, provide incentives for homeownership and affirmatively further fair housing.

Priority Housing Strategies

The selection of priority housing needs is affected by factors that challenge City of Hampton in maintaining a high quality of life for its residents. Hampton has one of the lowest median incomes in the area, a disproportionately high percentage of low- and moderate-value housing, a

disproportionately low percentage of high-end housing and a low percentage of tax generated from commercial and industrial use. In particular, these challenges have led Hampton to focus on preserving and revitalizing its existing neighborhoods while using the limited supply of vacant land for the development of tax-generating commercial and industrial uses as well as moderate to high-end housing. The City's strategy includes the following priority areas:

- Rehabilitating existing owner housing
- Facilitating homeownership
- Distributing and diversifying housing types
- Upgrading and expanding affordable rental stock
- Helping lower-income households achieve economic independence

Homeless Needs

The priorities for ending homelessness are based on the recognition that homelessness results from more than simply a lack of affordable housing, although providing housing is the ultimate objective. The City of Hampton participates in the Greater Virginia Peninsula Continuum of Care Council (GVPCCC), in which public, private and nonprofit agencies work together as a consortium to understand and address the needs of the homeless population and deliver support services to clients through a coordinated case management system.

The 2009 point-in-time count of sheltered and unsheltered homeless persons identified 569 homeless persons in the Greater Virginia Peninsula, with single individuals constituting a majority (74.2%). Of all homeless persons, 13.7% were identified as chronically homeless. At the time of the count, 55 persons were unsheltered, and 16 of the unsheltered were chronically homeless. There were 60 homeless families with children identified in the count, four of which were unsheltered. There were roughly equal numbers of both individuals and families in the emergency and transitional shelter systems. The count identified 30 families with children in emergency shelter and 26 in transitional sheltered. There were 198 individuals in emergency shelter and 179 in transitional shelter.

According to the regional Continuum of Care, the priority needs for the homeless across the peninsula are emergency housing, transitional housing and support services to move homeless persons and families safely out of the cycle of homelessness and back into self-sufficiency.

Priority Homeless Strategies

The objective for homeless and other special populations is to provide for the priority needs of the homeless with an emphasis on services that break the cycle of homelessness. Specific strategies to accomplish this objective include the following:

- Supporting the efforts of community agencies to provide temporary shelter, transitional housing, and services to the homeless

- Supporting the development and funding of CHDOs to meet the supportive housing needs of special populations, and
- Promoting physically accessible housing for those with disabilities through partnerships with non-profits, appropriate agencies and advisory committees in the region.

Community Development Needs and Strategies

Primarily, the City of Hampton is concerned with stabilizing and revitalizing its LMI neighborhoods. A neighborhood where the housing stock as a composite mirrors the average housing values of the region is economically stable and can attract private-sector investment. This arrangement is a sustainable one, in which a neighborhood becomes less dependent on scarce local government resources.

During the next five years, the City of Hampton's non-housing community development activities will include the following:

- Providing operational resources and technical assistance for neighborhood center programs,
- Supporting economic development activities in designated LMI areas,
- Conducting neighborhood planning activities in LMI areas, and
- Completing infrastructure improvements where most needed.

Non-Homeless Special Needs and Strategies

The City of Hampton will continue to serve the needs of its special-needs populations through a strong regional network of public, private and nonprofit housing and service providers. In particular, the City will promote physically accessible housing through partnerships with nonprofits, appropriate agencies and advisory committees in Hampton.

All of the City's program offerings that are supported by federal funds are targeted to assist low- and moderate-income individuals, many of whom fall into special needs categories. Special needs populations are targeted in some of the City's planned activities, such as the Section 3 entrepreneurial and employment training for Section 8 and public housing residents and hundreds of at-risk youth who will benefit from the City's investment in its neighborhood center programs.

Funding to Implement the Plan

Several potential funding sources have been identified to implement the strategies contained in the 2010–2014 Consolidated Plan. These sources include, but are not limited to:

- Federal funds covered under the Consolidated Plan: CDBG and HOME (including program income)
- Carryover stimulus funding provided via the American Recovery and Reinvestment Act
- Funds provided under other HUD programs, the Department of Commerce, the Federal Emergency Management Agency, and other federal agencies
- State funds provided under various programs

- State and federal tax credits,
- Capital Improvement Program (CIP) funds, and
- City general funds.

One of the main obstacles to meeting community needs is inadequate resources for programs that could address these needs. State and federal funding sources for housing and community development programs will remain limited for the immediate future.

Evaluation of Past Performance

The City's past performance in the administration and implementation of the CDBG and HOME programs has fulfilled the spirit and intent of the federal legislation creating these programs. Through years of effective planning, partnership and monitoring, Hampton has facilitated affordability for decent housing, availability and accessibility to a suitable living environment, sustainability of a suitable living environment and accessibility to economic opportunities. The following is a summary of the City's past performance as reported by HUD in an Annual Assessment for overall performance during the 2008-09 CP program year.

According to HUD's assessment of the City's performance in FY 2008, the City met or exceeded regulatory expectations in regard to the following:

- *Serving low- and moderate-income persons*
93.3% of Hampton's CDBG allocation (\$871,027) was used for activities that benefited LMI persons within the City, well above the minimum threshold of 70% set in 24 CFR 570.901(a).
- *Mandated budget category caps*
16.4% of Hampton's CDBG allocation was spent on planning and administration, under the maximum of 20% allowed according to 24 CFR 570.206(g). **8.6%** of Hampton's CDBG allocation funded public service activities, under the maximum of 15% mandated by 24 CFR 570.201(e).
- *Timeliness*
HUD determined that Hampton carried out its CDBG-assisted activities in a timely manner, with 1.39 times the entitlement grant amount for the current program year in the line of credit 60 days prior to the year's conclusion, within the statutory requirements of 24 CFR 570.902.

Additionally, HUD reported that the City had fulfilled obligations by commissioning the preparation of an updated Analysis of Impediments to Fair Housing Choice (due to be published this year), addressing lead-based paint requirements of the CDBG program, adequately monitoring CDBG and HOME funding subrecipients, remaining consistent to the prior Consolidated Plan and meeting standards for Decent Housing Performance Measurement. The City was commended for its collaboration efforts in leveraging resources to the CDBG and HOME programs.

HUD noted that racial and ethnic minorities were represented among program beneficiaries, as 99 of 124 households benefiting from CDBG allocations (79.8%) and 21 of 25 households benefiting from HOME allocations (84%) were minorities.

Areas recommended for improvement included (1) the procurement process for awarding contracts to minority and women-owned businesses and (2) meeting City housing objectives outlined in the Annual Action Plan when undertaking housing rehabilitation and homeownership activities under the CDBG and HOME programs. This was in regard to eight CDBG-funded projects that were in “open” status or not 100% committed at the time of HUD’s review.