



City of Hampton

FY 2011 Annual Action Plan

EXECUTIVE SUMMARY

Purpose of the Annual Action Plan

The City of Hampton has prepared the Year 1 Action Plan as required under 24 CFR 91.220. The Year 1 Action Plan for FY 2010 identifies the activities to be funded with the City's Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) program funds that it will receive during the program year.

The Annual Plan articulates funding decisions for the next year of specific federal funds according to the long-term goals established in the City's 2011-2014 Consolidated Plan. The CP was guided by three overarching goals that are applied according to community needs. These 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 the City, increased housing opportunities and reinvestment in deteriorating neighborhoods, and
- 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.

The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions to which CDBG, HOME, HOPWA and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

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 and homeless individuals and families.

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.

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.

Proposed Activities in FY 2010

The following table summarizes the proposed activities for 2011.

Proposed Activities, FY 2011

Source	Activity	Allocation	
CDBG	Acquisition Acquisition of vacant lots and properties with deteriorated, abandoned structures in support of affordable home ownership activities and neighborhood revitalization plans.	\$ 504,965	
	Clearance Demolition by the City's Codes Compliance Department of sub-standard structures that contribute to neighborhood disinvestment, slums and blight.	\$ 100,000	
	Housing Programs Material costs for the wheelchair ramp, paint, and emergency repair grant programs. Program also funds the Weatherization & Energy Efficiency Program.	\$ 60,000	
	Housing Services Project delivery costs (general overhead and administration) for housing initiatives that benefit low-to-moderate income individuals and neighborhoods.	\$ 200,000	
	Phoebus Improvement League Administrative costs to support special economic development activities in a low-to-moderate income area of the City.	\$ 50,000	
	Support Services to Neighborhood Center Programs Operational costs and technical assistance for programs at Newtown Learning Center, Tyler Elementary, Y. H. Thomas Community Center, Bassette Teaching, Learning, Caring (TLC) Program, Moton Elementary School and Tarrant.	\$ 130,000	
	Neighborhood Planning Neighborhood planning activities in low-to-moderate income areas of the City and grant administration.	\$ 220,000	
	Patterson Avenue Extension Extension of Patterson Avenue to Settler's Landing Road.	\$ 110,000	
	HRHA Section 3 Program Entrepreneurial and employment training for Section 8 and public housing residents.	\$ 32,400	
	Contingency Available to cover cost overruns in CDBG funded activities.	\$ 15,000	
	TOTAL CDBG		\$ 1,422,365
	CDBG Revolving Loan	Housing Rehabilitation/Acquisition Acquisition and/or rehabilitation of deteriorated property for affordable housing.	\$ 175,000
Housing Rehabilitation Revolving Loan Fund activity that finances the 3% home improvement loan program. This program offers 3% loans, up to \$25,000, to qualified Hampton homeowners to rehabilitate their principal residence.		\$ 100,000	
TOTAL REVOLVING LOAN		\$ 275,000	

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HOME	Homeowner Rehabilitation	
	Program provides deferred-forgivable loans up to \$25,000 City-wide and up to \$50,000 in Hampton Housing Venture areas to qualified Hampton homeowners to rehab their principal residence.	\$ 167,691
	Homebuyer Assistance	
	Program provides down-payment and closing cost assistance to low-to-moderate income homebuyers.	\$ 200,000
	Acquisition/Rehabilitation	
	Acquisition and/or rehabilitation of deteriorated property for affordable housing.	\$ 369,535
	New Construction	
Program will provide funds to increase the quality of new construction of low to moderate income housing.	\$ 100,000	
Community Housing Development Organizations		
Funds set aside to assist Community Housing Development Organizations (CHDOs) with the acquisition, development or sponsorship of affordable housing.	\$ 117,446	
HOME Administration		
HOME program planning, administrative, marketing and monitoring costs.	\$ 78,296	
TOTAL HOME		\$ 1,032,968
TOTAL CDBG, REVOLVING LOAN AND HOME EXPENDITURES		\$ 2,730,333

Funds Expected to be Available

The following table lists the sources and amounts of funds anticipated to be available for investment in the City of Hampton in FY 2011 for affordable housing and other community development activities.

FY 2011 Revenues

FY 11 CDBG Entitlement	\$ 1,172,365
Estimated CDBG Program Income	\$ 250,000
CDBG Revolving Loan Fund	\$ 275,000
FY 11 HOME Entitlement	\$ 782,968
Estimated HOME Program Income	\$ 250,000
	\$ 2,730,333

Obstacles to Meeting Underserved Needs

The primary obstacle to meeting underserved needs is the limited funding resources available to address identified priorities. In FY 2011, the City of Hampton faces a budget shortfall of \$20 million to \$25 million and must curtail program offerings to achieve a balanced budget. In addition, the gap in what households can afford to pay for housing and the price of housing is another obstacle to meeting the needs of the underserved. Hampton has a significant affordable housing stock, yet the income level for some household types, such as single parent, elderly, disabled, or others of limited economic means, is often insufficient to afford even the lowest of the market-rate units.

Intensifying the impact of limited available funding is the current increase in local home foreclosures, increased unemployment, increased homelessness and risk of homelessness, and need for increased supportive services for the growing population that is negatively affected by the economy and finds itself with fewer resources. As a result of the general economic downturn and a depleted tax base, the

City of Hampton has experienced reductions in general funds and non-federal revenues that has left even fewer resources available to address growing needs.

The City of Hampton will continue to partner with other public agencies and nonprofit organizations, when feasible, to leverage resources and maximize outcomes in housing and community development.

Efforts to Enhance Coordination

The City of Hampton will continue to foster positive and productive working relationships with affordable housing providers, supportive service providers, local housing authorities and other entities engaged in the provision of services to low- and moderate-income persons in the Hampton Roads region. Coordinated efforts help to ensure prompt, efficient, and effective delivery of services to city residents.

The City's primary means of coordination with its nonprofit partners is through yearly subrecipient contracts. Each year, as part of the budget process, the lead agency reviews funding requests from local nonprofits. The proposal process whereby the City allocates funds to the nonprofits, as well as the ensuing agreement, gives the City a clear view of the service to be provided and the related cost, thereby enhancing coordination. In addition, all of the City's federal contractors are examined in an in-depth analysis of project performance. Coordination with others, leveraging scarce resources and duplication of service are important considerations in this review. CDBG/HOME contracts with subrecipients require periodic monitoring, on-site visits and regularly scheduled reports. Agency funding places Hampton's Neighborhood Office in a strong position to promote coordination and cooperation among their nonprofit partners.

Hampton is linked to the Greater Virginia Peninsula Continuum of Care Council (GVPCCC), an organization representing a collaborative of individuals, organizations, businesses and agencies that serves as the lead entity for the Supportive Housing Program. Continuum of Care service delivery for the homeless or those threatened with homelessness in the Hampton Roads region is provided and coordinated through cooperation with the GVPCCC and through a consortium of nonprofit organizations, housing developers and housing authorities. The City's strategy is to continue to work in partnership with these agencies to meet the needs of the homeless and those threatened with homelessness.