

2024 Annual Action Plan

City of Roswell

7-12-24



AP-05 Executive Summary – 24 CFR 91.200(c), 91.220(b)

I. Introduction

The City of Roswell is designated as an entitlement community by the U.S. Department of Housing and Urban Development (HUD). This designation qualifies the City to receive grant funding from the Community Development Block Grant (CDBG) program administered by HUD. The CDBG program allocates annual grants to assist in the development of viable communities by providing decent housing, a suitable living environment, and to expand economic opportunities, principally for low and moderate income (LMI) persons (earning at or below 80 percent of the area median income). To receive an annual allocation of federal grant funds from HUD, the City is required to create a five-year Consolidated Plan (strategic plan) and five subsequent one-year Annual Action Plans (AAP). This Annual Action Plan covers the intended use of the City's Program Year 2024 CDBG award in the amount of \$407,830.

The Consolidated Plan includes the amount of assistance the City expects to receive during the plan period and the range of activities that may be undertaken including the estimated benefit to persons of low and moderate income. The Annual Action Plans are required to include project or program specifics, such as location, cost, proposed outcome, and any additional descriptive information for each yearly grant award. Primarily, federal regulations require that funds be aimed where the greatest benefit may be attained for LMI residents. To acquire ample public engagement in all aspects and phases of plan development, the City of Roswell interacts with various stakeholders in meetings, workshops, public hearings, and with written correspondence. Additionally, the City informs the Roswell Housing Authority when the Annual Action Plan may impact any public housing development or the surrounding community. Prior to the adoption of an Annual Action Plan, a 30 calendar-day public comment period is observed. All comments are recorded and considered in the formulation of the plan. In addition, all comments and responses are included in the appendix of the plan and are forwarded to HUD upon adoption.

II. Summary of Objectives and Anticipated Outcomes

During the development of the City's [2023-2027 Consolidated Plan](#), the City identified two main goals for the next five years: 1) Improve access to and quality of affordable housing, and 2) Planning and administration for the CDBG program. The City already allocated 2023 CDBG funding to the demolition and clearance of the Roswell Housing Authority's (RHA) Pelfrey Pines Apartments located at 199 Grove Way. A recent engineering study determined that the property was structurally unsound and unsafe. After the RHA had relocated the residents in 2021 and 2022, the City committed the funds to remove the blighted property.

For continued support of that initiative in 2024, the City pledged its support of the RHA's Low-Income Housing Tax Credit (LIHTC) application to the Georgia Department of Community Affairs (DCA) for a Phase I redevelopment of the Pelfrey Pines site. The application was approved in October 2023 and will create 102 units of affordable housing, an increase of 62 affordable units. The City has decided to fulfill its pledge to the RHA by applying for a Section 108 loan in the amount of \$2,039,150 through HUD, and it will use a portion of its 2024 CDBG allocation and subsequent annual CDBG allocations to pay back the loan.

HUD's [Section 108 loan](#) program allows entitlement communities to borrow up to five times their annual CDBG allocations through a low interest loan program. The loan period cannot exceed 20 years, but the City anticipates paying back the loan in under 10 years. The Roswell Housing Authority has agreed to use real property as collateral for the loan through a subrecipient agreement with the City. While CDBG funds generally cannot be used for new construction, they can be used for site work. The City will use the loan funds to reimburse the RHA's site work related to the Phase I redevelopment. The City will allocate \$326,264 (80%) of its 2024 CDBG funds to make the first payments on the loan and will retain \$81,566 (20%) of its 2024 CDBG funds for administration and planning expenses related to managing the HUD programs. The City will continue to use 2025 CDBG funds and beyond until the loan is repaid.

The current Phase I proposal is comprised of 99 one-bedroom units and 3 two-bedroom units. Amenities will include a fully equipped fitness room, mailroom, community room, activity room, gazebo, and central laundry. All units will be set aside as LIHTC units at the 30%, 60%, and 80% Area Median Income (AMI) levels.

The City intends to submit the Section 108 loan application in September 2024. In accordance with the City's Citizen Participation Plan (CPP), the public will have 30-days to comment on the draft application beforehand with a notice about that comment period being issued in July-August of 2024. The loan application can take 90-180 days to approve, but the Phase I redevelopment is expected to begin in 2025.

III. Evaluation of Past Performance

During the first year of its 2023-2027 Consolidated Plan, the City of Roswell allocated \$353,657 in 2023 CDBG funds and \$80,362.65 in prior year CDBG funds to the demolition and clearance of the hazardous units at the RHA's Pelfrey Pines Apartments. The units were built in the 1980's and had recently been deemed structurally unsound by an engineering report. The RHA received permission from HUD in October 2023 to relocate the residents and demolish and clear the site.

Meanwhile, the RHA also leveraged the City's commitment to submit a Low-Income Housing Tax Credits (LIHTC) application to the Georgia Department of Community Affairs (DCA) to redevelop the site with 102 affordable housing units. That LIHTC application was approved in the fall of 2023, and the City began the environmental review process for the demolition and clearance of the site. The environmental review process was completed in the spring of 2024 and the procurement was finalized in the summer of 2024. The project should be complete by the end of 2024, removing a hazardous and blighted property from the neighborhood.

The City also allocated \$88,414 in 2023 CDBG funds to administration and planning related to the management of the City's HUD programs. These funds are used to retain a full-time Grants Specialist that oversees HUD programs and works with the Roswell Housing Authority to ensure activities remain in compliance with federal regulations. Additionally, the administration and planning funds help the City pay for plan development, advertising, and fair housing activities.

IV. 2024 CDBG Objectives

The City’s main objective for its 2024 CDBG program is to support the Roswell Housing Authority’s redevelopment of the Pelfrey Pines Apartments located at 199 Grove Way. This will be fulfilled by the City submitting a Section 108 loan application to HUD in September 2024. The application will request a 10-year loan in the amount of \$2,039,150. These funds will be used for site work in preparation of the construction of 102 units of affordable housing, increasing the City’s affordable housing stock by 62 units. The City will use \$326,264 (80%) of its 2024 CDBG funds to make the first payments on the loan and will use future years’ CDBG funding to pay off the loan balance. The City will retain \$81,566 (20%) of its 2024 CDBG funds for administration and planning expenses related to managing its HUD programs. The public will have 30-days to comment on the Section 108 draft application beforehand with a notice about that comment period being issued in July-August of 2024. After the application is submitted in September, HUD approval takes 90-180 days, and the Phase I redevelopment is expected to take approximately one year to complete starting in 2025. For information about providing input to this AAP, please see Section V below.

Recommended 2024 CDBG Allocations

Organization	Project Description	Allocation
City of Roswell	Repayment of Section 108 loan for RHA’s Phase I site work at Pelfrey Pines.	\$326,264.00
City of Roswell	Administration and planning for CDBG Program management.	\$81,566.00
	TOTAL	\$407,830.00

V. Summary of Public Comments

The City strongly encourages public participation with the development of the 2024 Annual Action Plan (AAP). Per the City's Citizen Participation Plan, the public comment period for the draft of this plan will run for 30 days, starting on Friday July 12, 2024. All comments must be submitted by 10:00 a.m. on Monday August 12, 2024, and all comments will be submitted to HUD with the plan. Public comments can be submitted in writing to the City of Roswell Grants Division, 38 Hill Street, Suite 130, Roswell, GA 30075 or through the City's CDBG Program email: CDBG@roswellgov.com. A draft of the document will be made available on the City of Roswell's website: <https://www.roswellgov.com/cdbg>. Hard copies of the draft will be made available at:

City of Roswell
38 Hill St., Suite 130
Roswell, GA 30075

East Roswell Public Library
2301 Holcomb Bridge Road
Roswell, GA 30076

Housing Authority of the City of Roswell
766 Myrtle Street
Roswell, GA 30075

Roswell Public Library
115 Norcross Street
Roswell, GA 30075

Please contact Charles Alford or Allie Cook with the Roswell Grants Division at (770) 641-3727, CDBG@roswellgov.com, with any questions or if translation or interpretation services are needed.