## City Council Meeting

April 9, 2020



## Item 6

Public Hearing for the 2020-2021 Annual Action Plan for CDBG and HOME Programs



# 2020-2021 DRAFT Annual Action Plan

## Purpose

Details funding and projects related to Community Development

#### What is the Annual Action Plan?

Plan	Description
Consolidated Plan	5-year funding, activities, need
Annual Action Plan	1-year funding, activities
CAPER	Reports on accomplishments and investments during prior fiscal year

### Housing Division Overview

- Affordable Housing Production
- Down Payment Assistance
- Owner-Occupied Rehabilitation
- Support Grants
- Economic Empowerment
- Neighborhood Revitalization

#### **Action Plan Priorities**

# 2020-2021 Goals Affordable Housing Preservation and Development Reduction of Slum and Blight Addressing Homelessness Improvements to Public Facilities and Infrastructure Expansion of Available Public Services.

### 2020-2021 Allocations

Funding Source	Anticipated Amount
Community Development Block Grant	\$977,960
HOME Investment Partnership	\$545,511
Local Match Funding	\$328, 695
Total	\$1,852,166

#### **CPD Available Resources**

	Expected Amount Available Year 3				
	Annual	Program	Prior Year	Total:	
	Allocation	Income	Resources	\$	
CDBG	\$977,960	\$30,000	\$890,008	\$1,897,968	
HOME	\$545,511	\$575,200	\$1,696,460	\$2,817,171	

## Programs & Funding

	CDBG	НОМЕ
Program Admin	\$195,592	\$190,078
Rehabilitation	\$1,102,376	\$300,000
Public Facilities	\$200,000	
Public Services	\$150,000	
Acquisition	\$150,000	
Clearance/Demolition	\$50,000	
CHDO Reserve		\$300,000
Down Payment Assistance		\$200,000
New Construction		\$1,827,382
Total	\$1,847,968	\$2,817,460

## **Public Service Funding**

Agency	Program Title	Purpose	Recommended Award
Center for Family Violence	Crisis Recovery Services	Homeless Needs	\$22,000
Martin Pitt Partnership for Children	Parents as Teachers	Youth Development	\$20,000
Boys & Girls Clubs of the Coastal Plain	Club Academy	Youth Development	\$15,000
Habitat for Humanity	Home Building for Low- Income Families	Housing Needs	\$18,000
ECU/ Intergenerational Center	Youth Excelling for Success (YES)/IGCC FIT	Youth Development	\$15,000
Community Crossroads Center	VI-SPDAT Assessments	Homeless Needs	\$10,000

#### Timeline:

- ▶ Public Comment Period Begins: March 9, 2020
- ▶ Public Meeting: March 16, 2020
- ▶ Public Meeting: March 30, 2020
- ▶ Public Meeting: April 8, 2020
- ▶ Public Hearing: April 9, 2020
- ▶ Public Comment Period Ends: April 9, 2020
- Submission to HUD: April 30, 2020

#### Contact

- ► Please contact Housing Division Staff April 9, 2020 at 252-329-4481 or <a href="mailto:sbrown@greenvillenc.gov">sbrown@greenvillenc.gov</a> with comments or questions about the 2020-2021 Draft Annual Action Plan.
- ▶ Greenville, we look forward to hearing from you.

#### Staff Recommendation

➤ Staff recommends approval of the 2020-2021 Annual Action Plan for CDBG and HOME programs to be submitted to HUD and authorization for the Mayor and/or City Manager to sign any necessary documentation.

## Other Items of Business

April 9, 2020



## Item 7

Financial Impact of the COVID-19 Pandemic on Fiscal Year 2019-20









#### **COVID-19 Projected Impact on City**

- ➤ The COVID-19 Pandemic Projected to Have Both an Economic and Operational Impact on:
  - 3<sup>rd</sup> and 4<sup>th</sup> Quarter of Fiscal Year 2019-20 (March 2020 Through June 2020)
  - All of Fiscal Year 2020-21
- ➤ The Impact of the COVID-19 Pandemic will:
  - Start Out as an Economic Issue with a Significant Reduction in Operating Revenues Projected
  - Quickly Transition into an Operational Issue as Adjustments are Made to Operations / Projects to Cover Reduction in Revenues



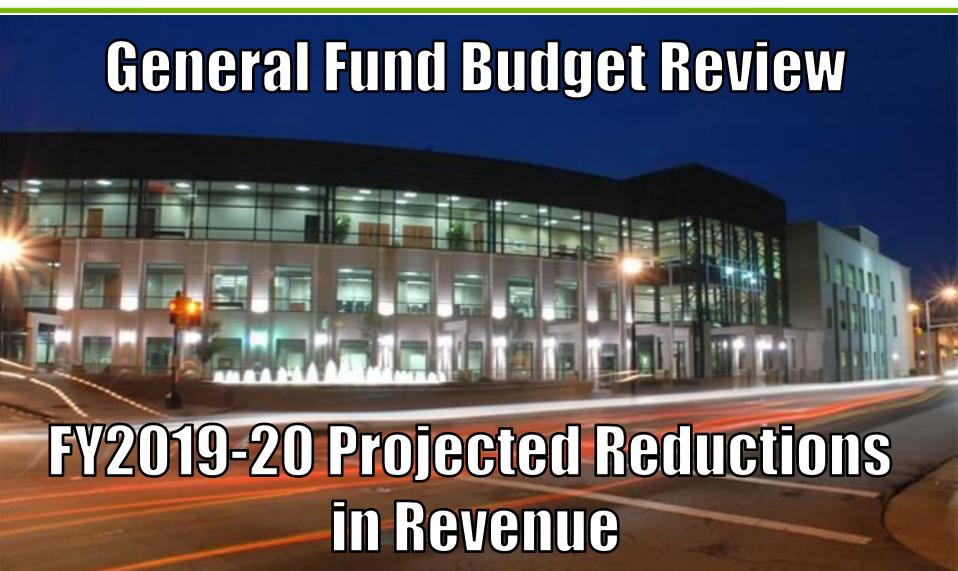
#### **COVID-19 Projected Impact on City**

## Two Areas of Focus:

 Economic: Projected Reductions in Revenue

 Operational: Adjustments to Offset Reductions in Revenue







# The Projected FY2019-20 Reductions in Revenue Due to COVID-19 Have Been Established:

Very Aggressively (we think)



# The Projected FY2019-20 Reductions in Revenue Due to COVID-19 Have Been Established:

- Very Aggressively (we think)
- In an Environment of Significant Uncertainty

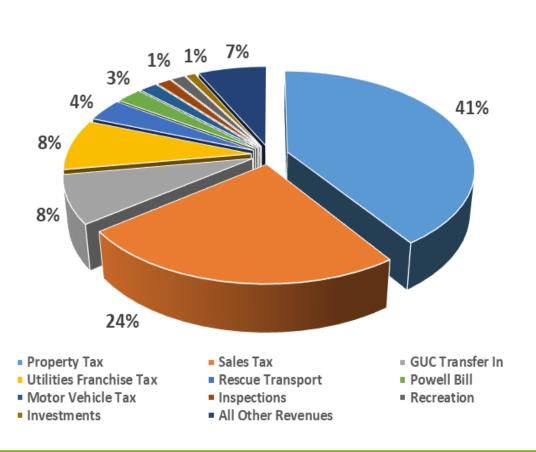


# The Projected FY2019-20 Reductions in Revenue Due to COVID-19 Have Been Established:

- Very Aggressively (we think)
- In an Environment of Significant Uncertainty
- With the Mindset That Its Better to Overestimate a Shortfall Than to Underestimate a Shortfall



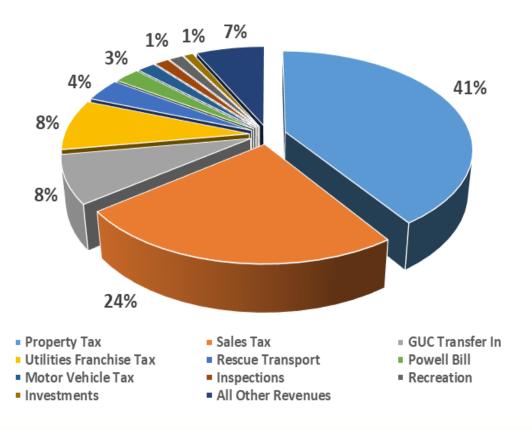
Property Tax	\$ 34,306,950
Sales Tax	20,404,423
<b>GUC Transfer</b>	6,639,369
<b>Utility Franchise Tax</b>	7,100,000
<b>Rescue Transport</b>	3,205,109
Powell Bill	2,182,000
Motor Vehicle Tax	1,568,863
Inspections	1,255,152
Recreation & Parks	1,243,876
Investments	850,000
Other Revenue	5,963,939
Total	\$ 84,719,681





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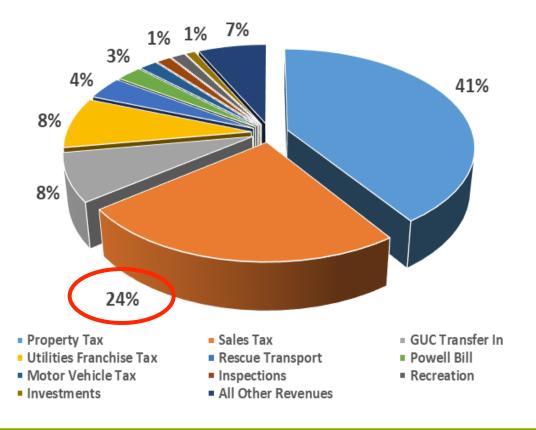
#### Represents 85% of Revenue





Property Tax	\$ 34,306,950
Sales Tax	20,404,423
<b>GUC Transfer</b>	6,639,369
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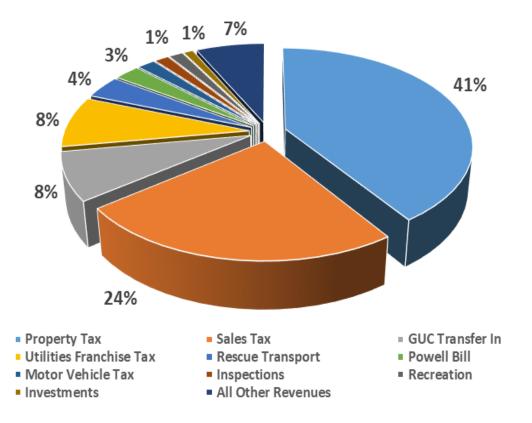
#### Sales Tax is Most Vulnerable Revenue Source During a Short-Term Economic Downturn





Property Tax	\$ 34,306,950
Sales Tax	20,404,423
<b>GUC Transfer</b>	6,639,369
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Motor Vehicle Tax	1,568,863
Inspections	1,255,152
<b>Recreation &amp; Parks</b>	1,243,876
Investments	850,000
Other Revenue	5,963,939
Total	\$ 84,719,681

# **Vulnerable Revenue Sources During a Short-Term Economic Downturn**





## **Projected Reductions in Revenue From Budget**

Sales Tax	\$ (3,099,256)	69.7%
<b>Recreation Fees</b>	(539,001)	12.1%
Parking Revenue	(239,213)	5.4%
<b>Investment Income</b>	(138,000)	3.1%
Other Revenues	(434,140)	9.8%
<b>Total Reduction</b>	\$ (4,449,610)	100.0%

Represents Projected Reduction in Revenue From Budget for Period of March Thru June 2020

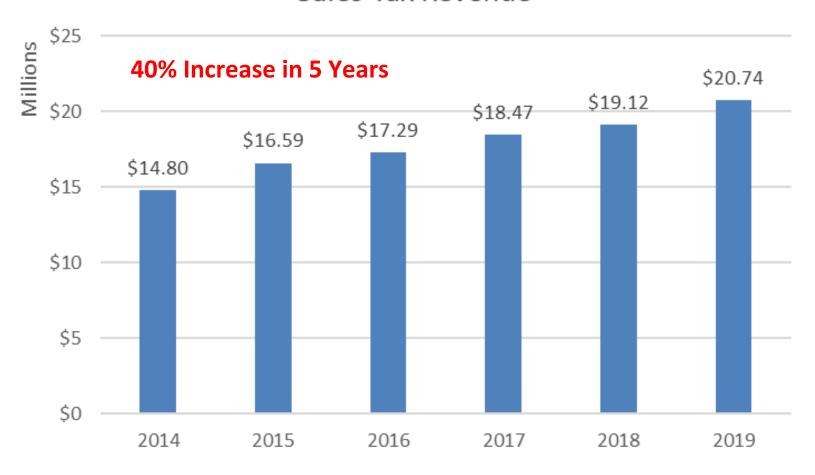


## Sales Tax Revenue



#### **FY2019-20 General Fund Projected**

#### Sales Tax Revenue





#### FY2019-20 Sales Tax Revenue

**FY2019-20 Budget** 

\$ 20,404,423

Avg Revenue per Month

\$ 1,700,369



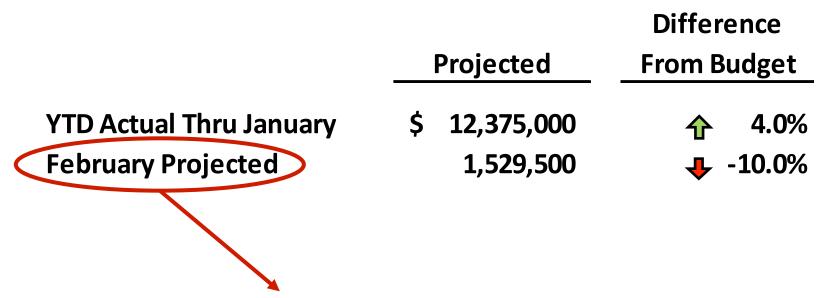
#### **General Fund Revenue Impact**

## **Projected Sales Tax Revenue**

		Difference
	Projected	From Budget
YTD Actual Thru January	\$ 12,375,000	<b>1.0%</b>
February Projected	1,529,500	<b>-10.0</b> %



### **Projected Sales Tax Revenue**



Remitted to City by NCDOR @ April 12th



#### **General Fund Revenue Impact**

## **Projected Sales Tax Revenue**

		Difference
	<b>Projected</b>	From Budget
YTD Actual Thru January	\$ 12,375,000	<b>1.0%</b>
February Projected	1,529,500	<b>-10.0</b> %
March Thru June	3,400,667	<b>→</b> -50.0%
Total Fiscal Year Projected	\$ 17,305,167	<b>♣</b> -15.2%
FY2019-20 Budget	20,404,423	
Difference From Budget	\$ (3,099,256)	



# Recreation Fees



#### **General Fund Revenue Impact**

#### **Recreation Fees**

YTD Actual Revenue (Net of Refunds)	\$	704,875
Projected Remaining		
Total Fiscal Year Projected	\$	704,875
FY2019-20 Budget		1,243,876
Difference From Budget		/E20 001\
Difference From Budget	<u> </u>	(539,001)

Primary Sources of Lost Revenue:

- Programs Serving Approx. 3,500 Youth in Spring and Summer
- •Spring Recreation Programs: Soccer, Baseball, etc...
- •Summer Camps & Activities (projecting revenue loss due to cancellation although staff is working to plan summer programs if possible)



## Revenue Reduction Summary



#### **FY2019-20 General Fund Projected**

	F	Y2019-20
		Current
		Budget
Revenue	\$	85,429,057
Expense		87,933,726
Subtotal		(2,504,669)
F/B Approp		2,504,669
Net	\$	-



#### **FY2019-20 General Fund Projected**

	FY2019-20	<b>Projected</b>	FY2019-20
	Current	COVID-19	<b>Adjusted</b>
	Budget	Reduction	Budget
Revenue	\$ 85,429,057	\$ (4,449,610)	\$ 80,979,447
Expense	87,933,726		87,933,726
Subtotal	(2,504,669)		(6,954,279)
F/B Approp	2,504,669		2,504,669
Net	\$ -	•	\$ (4,449,610)

**Projected Reductions in Revenue From Budget (March Thru June 2020)** 









- Adjustments Will Have an Impact on Operations:
  - Goal to Minimize Impact on:
    - City's Core Public Services
    - Short-Term Projects Already Encumbered



- Adjustments Will Have an Impact on Operations:
  - Goal to Minimize Impact on:
    - City's Core Public Services
    - Short-Term Projects Already Encumbered
- There Will be Multiple Rounds of Adjustments Needed:
  - Current FY2019-20 Budget
  - Future FY2020-21 Budget
  - Adjustments Will be Amended Over Time as Actual Data Becomes Available



- "It is Always Better to Give Back Than Take Back":
  - If the Actual Reduction in Revenue is Less Than Projected,
     Operational Adjustments Will be:
    - Adjusted Accordingly (i.e. Reversed)
    - Applied to Offset Reductions for FY2020-21



- "It is Always Better to Give Back Than Take Back":
  - If the Actual Reduction in Revenue is Less Than Projected,
     Operational Adjustments Will be:
    - Adjusted Accordingly (i.e. Reversed)
    - Applied to Offset Reductions for FY2020-21
- From a Financial Services Prospective, the Primary Focuses are:
  - Safety and Security of Our Community and Citizens
  - Maintaining the Fiscal Policies



#### **Adjustments to Offset Projected Revenue Shortfall**

FY2019-20 Projected Revenue Shortfall	\$ (4,449,610)
Budget Restrictions Put Into Place in March	1,455,332
Hold 3rd/4th Quarter Health Insurance Transfer	2,391,652
Capital Reserve Redirections	602,626
FY2019-20 Adjusted Revenue Shortfall	\$ -



#### **Budget Restrictions Put Into Place in March, 2020:**

- Core Public Service Functions Maintained: Police, Fire/Rescue, Public Works / Engineering, Financial Services
- All Other City Functions Have Been Identified as Essential / Nonessential & Employee Hours Have Been Adjusted Accordingly
- The Following Mandatory Budget Freezes Have Been Implemented:
  - Hiring Freeze for Non Public Safety Positions
  - Spending Freeze for Non-Essential Services
  - Freeze on Encumbrance of New Contracts Unless it is Deemed Essential to the Delivery of Public Services
- Recurring Pay-As-You-Go Projects Prioritized for Potential Freeze
  - Facility Improvements, Vehicle Replacements, Other Capital Projects







#### **FY2019-20 General Fund Summary**

#### **Projected Revenue Reductions:**

- Very Aggressive
- "Its Better to Overestimate a Shortfall Than to Underestimate a Shortfall"

#### **Operational Adjustments:**

- "It is Better to be Give Back Than Take Back"
  - If the Actual Reduction is Revenue is Less Than Projected, the Operational Adjustments Can be:
    - Adjusted Accordingly (i.e. Reversed)
    - Applied to Offset Reductions for FY2020-21
- From a Financial Services Prospective, the Primary Focuses are:
  - Safety and Security of Our Community and Citizens
  - Maintaining the City's Fiscal Policies



#### **FY2019-20 General Fund Summary**

	ı	FY2019-20		Revenue	Operating		FY2019-20 Adjusted
	Budget		Reductions		Adjustments	Budget	
Revenue	\$	85,429,057	\$	(4,449,610)		\$	80,979,447
Expense		87,933,726			(4,449,610)		83,484,116
Subtotal		(2,504,669)					(2,504,669)
F/B Approp		2,504,669					2,504,669
Net	\$	-				\$	-

Revenue Reductions			Operating Adjustments				
Sales Tax	\$	(4,459,523)	Spending Free:	ze \$	1,455,332		
Recreation		(539,001)	Health Insuran	ce	2,391,652		
Parking		(239,213)	Cap Res Redire	ct	602,626		
Investments		(138,000)					
Other Rev		(434,140)					
Total	\$	(5,809,877)	Total	\$	4,449,610		

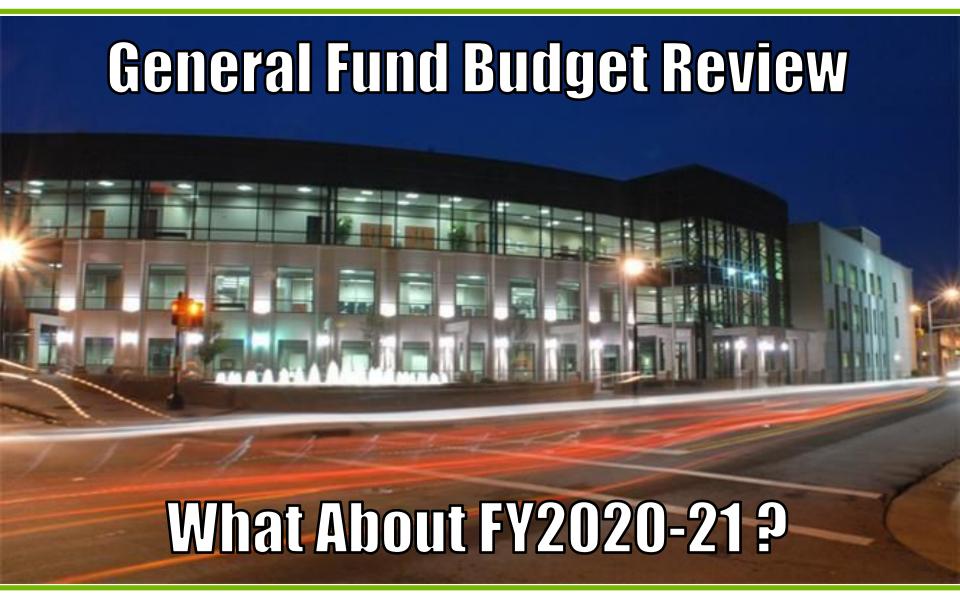


#### **FY2019-20 General Fund Summary**

							ĺ	FY2019-20	
	ı	FY2019-20	Revenue Reductions		Operatir	ng	<b>Adjusted</b>		
		Budget			Adjustments		Budget		
Revenue	\$	85,429,057	\$	(4,449,610)			\$	80,979,447	
Expense		87,933,726			(4,449	,610)		83,484,116	
Subtotal		(2,504,669)						(2,504,669)	
F/B Approp		2,504,669						2,504,669	
Net	\$	-					\$	-	

Note: The Projected Impact for FY2019-20 Will Become Much More Clear When March 2020 Sales Tax Revenues are Released (Around May 10th)







- The Projected \$4.4 Million Revenue Shortfall is for FY2019-20 ONLY
- There WILL BE an Impact on FY2020-21:
  - 1<sup>st</sup> and 2<sup>nd</sup> Quarter of FY2020-21 Projected to be Impacted:
    - Projected to Take Time for <u>Sales Tax Revenues</u> to Rebound to Pre-COVID Levels
    - Projected Impact on <u>Property Tax</u> Collection Rate
    - Projected Impact on <u>Recreation Fee</u> Revenue
    - Projected Reduction in <u>EMS Billing</u> Cash Flows
  - Projections for the 3<sup>rd</sup> & 4<sup>th</sup> Quarter of FY2020-21 Will
     Depend on if a Seasonal Relapse is Built Into the Budget





- Staff is Currently Working on Budget Scenarios for FY2020-21
- Actual Sales Tax Revenues for March Thru May will be Very Important in Modeling FY2020-21
- Primary Uncertainty is the Impact of COVID-19 on the Property Tax Collection Rate
- Recommendation Related to Property Revaluation will be a Component of the Proposed FY2020-21 Budget

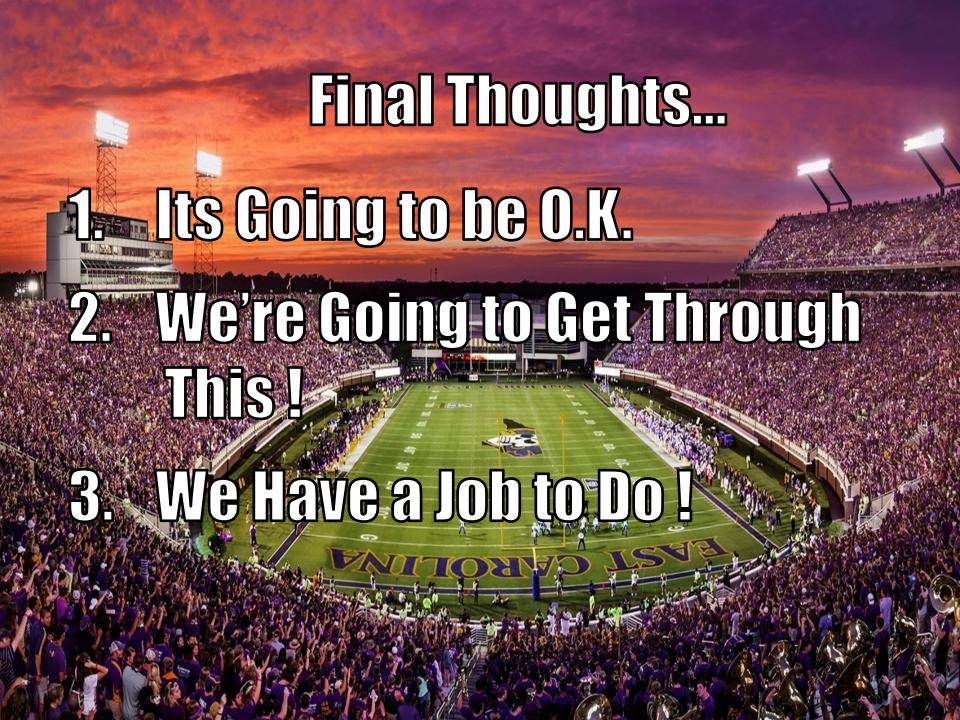


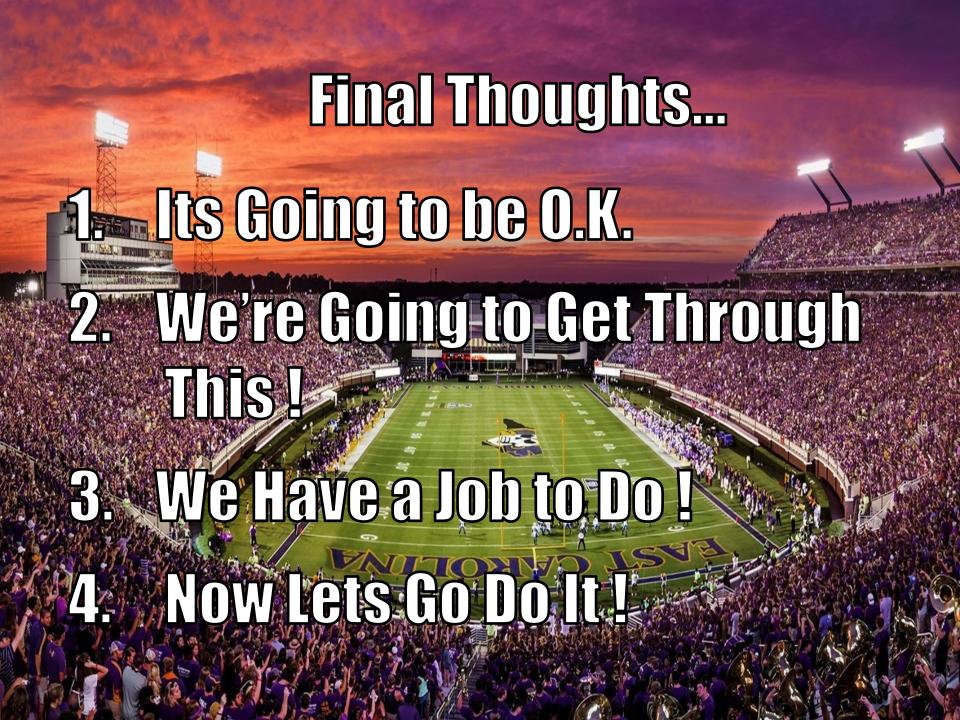
















#### **Health Insurance Transfer Held**

Current Cash Balance in Health Insurance Fund	\$ 8,870,177
Projected Remaining Transfer From General Fund	2,391,652
Projected Remaining Employee Deductions	476,685
Projected Cash in Fund Available to Pay Remaining Claims Projected Remaining Health Claims for FY2020	11,738,514 (3,985,023)
Projected Cash in Fund at End of FY2020 Transfer From General Fund Held Due to Coronavirus	7,753,491 <b>(2,391,497)</b>
Adjusted Cash in Fund at End of FY2020	\$ 5,361,994



#### **Capital Reserve Redirections**

		Current			Adjusted
	De	esignations	Re	direction	Designations
Dickinson Avenue Streetscape	\$	1,792,860	\$	(602,626)	\$ 1,190,234
Firetower, 14th Street to NC33		93,869		-	93,869
BUILD Grant		2,016,882		-	2,016,882
Industrial Site Development		1,000,000		-	1,000,000
Total Designations	\$	4,903,611	\$	(602,626)	\$ 4,300,985



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### CITY OF GREENVIILLE General Obligation Street and Pedestrian Bonds, Series 2020



#### **Street & Pedestrian Bonds, Series 2020**

- The City intends to issue a portion the bonds voters authorized on November 5, 2015.
- The projects are:

Project	Estimated Cost
Street Improvements	\$ 10,000,000
West 5th Streetscape	1,950,000
10th Street Connector	1,750,000
Sidewalks	1,400,000
Greenways	750,000
Total	\$ 15,850,000

- The City has already issued \$8 million of the authorized bonds.
- This issuance will complete the planned issuances based on the voter authorization.

 $<sup>* \</sup>textit{Preliminary, subject to change; reflects market conditions as March 1, 2020}$ 



<b>-</b> 24			
FY	Principal	Interest	Total
2021	400,000	294,375	694,375
2022	•	•	·
	400,000	279,656	679,656
2023	400,000	264,938	664,938
2024	400,000	250,219	650,219
2025	400,000	235,500	635,500
2026	400,000	220,781	620,781
2027	400,000	206,063	606,063
2028	400,000	191,344	591,344
2029	400,000	176,625	576,625
2030	400,000	161,906	561,906
2031	400,000	147,188	547,188
2032	400,000	132,469	532,469
2033	400,000	117,750	517,750
2034	400,000	103,031	503,031
2035	400,000	88,313	488,313
2036	400,000	73,594	473,594
2037	400,000	58,875	458,875
2038	350,000	44,156	394,156
2039	350,000	29,438	379,438
2040	350,000	14,719	364,719
Total	\$ 7,850,000 \$	3,090,938 \$	10,940,938

#### **Existing Debt Service**

	Gener	ral Obligation I	Bonds	Inst	Installment Contracts			Total Debt		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2020	1,147,612	458,298	1,605,910	2,707,020	336,200	3,043,220	3,854,631	794,498	4,649,129	
2021	1,175,300	422,392	1,597,692	2,091,701	255,984	2,347,685	3,267,001	678,376	3,945,377	
2022	1,122,999	385,962	1,508,961	2,070,975	227,931	2,298,906	3,193,974	613,894	3,807,868	
2023	1,110,694	350,522	1,461,216	2,040,719	183,132	2,223,851	3,151,412	533,654	3,685,066	
2024	1,098,388	315,114	1,413,502	2,027,524	137,077	2,164,601	3,125,911	452,191	3,578,102	
2025	1,083,005	279,738	1,362,743	924,223	98,919	1,023,142	2,007,228	378,657	2,385,885	
2026	1,070,699	244,414	1,315,113	722,946	159,468	882,413	1,793,645	403,882	2,197,526	
2027	1,055,317	208,360	1,263,677	699,157	55,799	754,955	1,754,473	264,159	2,018,632	
2028	560,000	174,600	734,600	709,636	35,698	745,333	1,269,636	210,298	1,479,933	
2029	560,000	152,200	712,200	594,812	15,719	610,531	1,154,812	167,919	1,322,731	
2030	560,000	129,800	689,800	140,000	2,783	142,783	700,000	132,583	832,583	
2031	560,000	107,400	667,400	-	-	-	560,000	107,400	667,400	
2032	400,000	85,000	485,000	-	-	-	400,000	85,000	485,000	
2033	400,000	69,000	469,000	-	-	-	400,000	69,000	469,000	
2034	400,000	53,000	453,000	-	-	-	400,000	53,000	453,000	
2035	400,000	37,000	437,000	-	-	-	400,000	37,000	437,000	
2036	400,000	21,750	421,750	-	-	-	400,000	21,750	421,750	
2037	400,000	7,250	407,250	-	-	-	400,000	7,250	407,250	
Total	\$ 13,504,012	\$ 3,501,800	\$ 17,005,812	\$ 14,728,711	\$ 1,508,707	\$ 16,237,418	\$ 28,232,723	\$ 5,010,508	\$ 33,243,231	



#### **Projected Debt Service After Issuance**

	General	Obligation Bo	onds	Inst	tallment Contracts	Total Debt			
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020 2021	\$ 1,147,612 \$ 1,567,800	458,298 716,767	\$ 1,605,910 2,284,567	\$ 2,707,020 2,091,701	\$ 336,200 \$ 255,984	3,043,220 2,347,685	\$ 3,854,631 3,659,501	\$ 794,498 972,751	\$ 4,649,129 4,632,252
2022	1,515,499	665,619	2,181,118	2,070,975	227,931	2,298,906	3,586,474	893,550	4,480,024
2023	1,503,194	615,460	2,118,653	2,040,719	183,132	2,223,851	3,543,912	798,591	4,342,504
2024	1,490,888	565,333	2,056,220	2,027,524	137,077	2,164,601	3,518,411	702,409	4,220,821
2025	1,475,505	515,238	1,990,743	924,223	98,919	1,023,142	2,399,728	614,157	3,013,885
2026	1,463,199	465,195	1,928,394	722,946	159,468	882,413	2,186,145	624,663	2,810,807
2027	1,447,817	414,423	1,862,239	699,157	55,799	754,955	2,146,973	470,221	2,617,194
2028	952,500	365,944	1,318,444	709,636	35,698	745,333	1,662,136	401,641	2,063,777
2029	952,500	328,825	1,281,325	594,812	15,719	610,531	1,547,312	344,544	1,891,856
2030	952,500	291,706	1,244,206	140,000	2,783	142,783	1,092,500	294,489	1,386,989
2031	952,500	254,588	1,207,088	-	-	-	952,500	254,588	1,207,088
2032	792,500	217,469	1,009,969	-	-	-	792,500	217,469	1,009,969
2033	792,500	186,750	979,250	-	-	-	792,500	186,750	979,250
2034	792,500	156,031	948,531	-	-	-	792,500	156,031	948,531
2035	792,500	125,313	917,813	-	-	-	792,500	125,313	917,813
2036	792,500	95,344	887,844	-	-	-	792,500	95,344	887,844
2037	792,500	66,125	858,625	-	-	-	792,500	66,125	858,625
2038	392,500	44,156	436,656	-	-	-	392,500	44,156	436,656
2039	392,500	29,438	421,938	-	-	-	392,500	29,438	421,938
2040	392,500	14,719	407,219	-	-	-	392,500	14,719	407,219
Total	\$ 21,354,014 \$	6,692,741	\$ 27,946,752	\$ 14,728,713	\$ 1,508,710 \$	16,237,420	\$ 36,082,723	\$ 8,101,447	\$ 44,184,171



#### **GO Bond Issuance Calendar**

April 2	Rating Agency Meetings with Moody's and S&P
April 9	City Council meeting to adopt Bond Resolution
April 9	Receive credit ratings
April 17	Post Bond Official Statement
April 28	Sale date for Bonds
May 19	Closing of G.O. Bonds



## CITY OF GREENVIILLE General Obligation Street and Pedestrian Bonds, Series 2020

#### Recommendation

# Approve the Resolution Providing for the Sale and Issuance of not to Exceed \$7,850,000 General Obligation Street and Pedestrian Bonds, Series 2020



#### City Council Meeting

April 9, 2020

