

**City of Montgomery, Alabama**  
**Application to the U.S. Department of Housing & Urban Development**  
**Pathways to Removing Obstacles to Housing**

**Table of Contents**

Need .....3  
Acute Demand for Affordable Housing.....5  
Key Barriers to Address for Producing and Preserving More Affordable Housing .....9  
Soundness of Approach & Vision.....11  
Proposed Activities & Why are They Appropriate? .....12  
How Proposal Addresses Key Barriers to Affordable Housing & Preservation .....14  
How Proposal Aligns with Existing Planning Initiatives .....17  
Plans Support for Job Creation & Retention.....18  
Geographic Scope of the Project.....18  
Key Stakeholders & Engagement .....20  
Strategy for Continued Outreach .....20  
Specific Actions to Solicit Input & Collaborate with Stakeholders .....21  
Input from Housing Industry .....21  
Incorporation of Input from Stakeholders into Proposal .....21  
Strategies to Encourage Public Participation & Build Support .....21  
How Proposal Aligns with Affirmatively Furthering Fair Housing .....22  
Plans to Remove Barriers to the Development of Fair Housing in Well Resource Areas.....22  
Racial Composition of Persons Expected to Benefit from Proposed Grant Activities.....22  
How Proposal Will Increase Access for Underserved Groups .....22  
Plans to Remove Barriers Impeding the Development of Affordable & Desegregation...22  
Policies and Practices that Perpetuate Segregation & How They will be Addressed.....23  
How Proposal will not cause Affordable Housing to be Further Concentrated .....23  
How Proposal will Increase Housing Choice .....23  
How Approach will address Unique Housing Needs of Members of Protected Classes...23  
How Proposal Jurisdiction Most Recent Fair Housing Plans .....24  
Considerations of the Risks of Displacement .....24  
Ensuring Planned Activities do not Lead to Displacement of Vulnerable Residents.....24  
Description of Anti-Displacement Measures.....24  
How Proposal Addresses Housing Needs of People with Disabilities .....24  
Description of Implementation and/or Enforcement Plan .....25  
Description of Any Equitable Related Educational Resources, Tools, etc.,.....25  
Plans for Engaging & Supporting Minority- Women- and Veteran-Owned Businesses...25  
Other Equity Considerations.....25  
Evaluation of the Effects of Proposal on Promoting Desegregation, etc.....26  
Tracking Progress & Evaluating the Effectiveness of Efforts to Advance Racial Equity.26  
Affirmative Marketing & Advertisement of the Project.....26  
Budget.....  
Project Timeline.....  
Capacity of Staff and Partners .....  
Lead Entity for Project.....  
Relevant Experience of Lead Entity .....  
Jurisdiction’s Leadership Capacity & Legal Authority to Implement Proposed Reforms ....

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**Table of Contents**

Partners Capacity .....  
Lead Entity’s Experience with Coordinating Partners and Others in Previous Projects .....  
Authors of the Application.....  
Experience working with Civil Rights and Fair Housing .....  
Project Organizational Chart.....  
Leverage.....  
Long-Term Effect of Proposal .....  
Achievement Upon Completion of Grant-Funded Activities .....  
Potential Roadblocks in Proposal .....  
Anticipation in Reducing Cost Burden.....  
Description of Achieving Goals of Enabling the Production of Affordable Housing.....  
How the Proposal is a Model for Other Communities.....  
Description of the Most Significant Environmental Risks .....  
What Does Success Looks Like Beyond the Period of Performance? .....  
Anticipation of Enabling Production & Preservation of Affordable Housing.....  
Explanation of How Targeted Outcomes will Remedy the Identify Need .....  
Long-Term Effects of Proposal Removing Barriers to Affordable Housing Production .....

Draft

**a. NEED (Maximum 35 points)**

**i. Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. (12 points) over local barriers to increasing affordable housing production and preservation.**

The City of Montgomery (referred hereafter as the “City”) through the efforts of the Department of Community Development has engaged in **12 major** efforts to identify and remove barriers to affordable housing production and preservation. The **first effort** the City has made to address and remove these barriers is by using HUD HOME Investment Partnership Program (HOME) entitlement funds for the development of new and the rehabilitation of existing affordable housing for low-to-moderate income households in residing in the City. Since the inception of the HOME Program, the City has spent \$29,664,609 on affordable housing opportunities constructing approximately **2,230** affordable housing units for low-and-moderate income households.

The **second effort** the City has made to address and remove barriers to affordable housing production and preservation is by using HOME Funds to provide down payment assistance to low-to-moderate first-time home buyers. With this program, the City was able to provide financial assistance to **384** first-time low-to-moderate income individuals and families to buy their first home. Since the inception of the HOME program, the City has spent **\$2,522,800** in providing downpayment assistance. The amount of financial assistance provided to program participants ranged from \$5,000 to \$15,000.

The **third effort** the City has made to address and remove barriers to affordable housing production and preservation is by using Community Development Block Grant (CDBG) Funds to provide infrastructure support for the development of affordable housing for low-income individuals and families. The City in partnership with the Montgomery Housing Authority (MHA) has allocated CDBG funds in the amount of **\$3,344,774** funds to support two MHA affordable housing projects with infrastructure development assistance (e.g., sewer, water, curbing, sidewalks, etc.) producing **774 units** of affordable housing in the City. The City has recently pledged MHA in 2023 with \$1million of CDBG fund for PY Year 2024 subject to a successful LIHTC tax credit award that will produce an additional **60 units** of affordable housing for low-to-moderate income individuals and families.

The **fourth effort** the City has made to address and remove barriers to affordable housing production and preservation is using CDBG Funds to provide critical homeowner repair services support to low-to-moderate income individuals and families. Since the inception of the program, the city has expended **\$1,143,542** in CDBG funds while assisting 137 households with critical home repairs.

The **fifth effort** the City has taken to address and remove barriers to affordable housing production and preservation is the recruitment of housing organizations with development and financial capacity to develop affordable housing. The City has recruited two Community Housing Development Organizations (CHDOs, Community Action Partners of North Alabama (CAPNA) and Aletheia House. CAPNA has created over 500 affordable housing units across the state of Alabama, including 104 affordable housing units in the City. Aletheia House has over created over 600 affordable housing in the southeast including 118 affordable housing units in the City.

The **sixth effort** the City has made to address and remove barriers to affordable housing production and preservation is supporting the City's recently adopted 2040 Comprehensive Plan. The 2040 Comprehensive Plan, which was the City's first comprehensive plan update since 1963 states that safe and affordable housing is an essential component of a strong and resilient community. The plan also indicates that there are challenges in housing that the City must work to overcome challenges such as housing affordability, aging housing stock, high number of vacancies and abandonment properties.

The **seventh effort** the City has made to address and remove barriers to affordable housing production and preservation is the 2023 updating of its zoning ordinances. The City of Montgomery is in the process of updating its zoning codes, which was last accomplished in 1985. The new and updated zoning ordinance will give the City an opportunity to change an extremely exclusive housing zoning process to one that is more inclusive and offers much needed missing middle and affordable housing. It will address equity issues in underinvested and underserved neighborhoods. The new zoning ordinance will allow for an increase and use of mixed-use zoning that will provide more affordable housing on the second, third, fourth floors of retail/business type establishments.

The **eighth effort** the City has made to address and remove barriers to affordable housing production and preservation is strengthening our partnership with organizations who have vested interest in affordable housing development such as the Central Alabama Fair Housing Center (CAFH). The City currently is in partnership with CAFH on preparing the Analysis of Impediments to Fair Housing and conducting fair housing seminars to City employees and the public on issues and rights to fair housing.

The City has developed a partnership with the Alabama Department of Environmental Agency to assist City in performing Phase I and II environmental assessments on abandoned and vacant properties purchased with CDBG funds for the purpose of developing affordable housing and creating economic development. The City has formed a partnership with Alabama Power Smart Energy Neighborhood Team Division to assist it working with developers to design high energy efficient affordable housing units for low-and-moderate income households. The City has also formed a partnership with an organization called the Reinvestment Fund to assist it conducting market value analysis of housing that will serve as a tool for future housing (affordable and market rate) and economic development revitalization projects in the City.

The **ninth effort** the City has made to address and remove barriers to affordable housing production and preservation is the purchase of strategic abandoned and vacant properties for affordable housing and economic development. The City spent \$1.5 million of CDBG and General funds to purchase approximately 10 acres of vacant and abandoned properties along the Selma to Montgomery National Historic Trail for this purpose. The properties are currently undergoing Phase I and II environmental reviews by ADEM for environmental cleanup. Once the assessments and cleanup are completed, the City will create affordable housing for low-and-moderate income households on the sites.

The **tenth effort** the City has made to address and remove barriers to affordable housing production and preservation is strengthening our relationship with the general community. The Community Development Division works to interact with the public in an open, inclusive, and

transparent manner. This process is dictated by the City's HUD required Citizen Participation Plan for public announcements and for intended uses for HUD funding which is generally performed in the Fall of every year before the next program year begins. Interaction and consultation with the public and consultations organizations comes in the form of public meetings and hearings for the development of the Consolidated/Action plan. The City makes every effort to conduct public meetings by reaching out to all interested citizens in our nine city council districts for participation and comments.

The **eleventh effort** that the City has made to address barriers and remove barriers to affordable housing production and preservation is the establishment of "Opportunity Zones" in 2018 to encourage investments in affordable housing and economic development. The Opportunity Zones program is an economic development program established by Congress in the Tax Cuts and Jobs Act of 2017 to foster private-sector investments in low-income rural and urban areas by providing a federal tax incentive for investors to use their unrealized capital gains into a n Opportunity Fund.

The **twelfth effort** that the City has made to address and remove barriers to affordable housing production and preservation is the purchase of a property management software called Tolemi. Tolemi is used by the City to monitor all its properties and property problems as it relates to property owners' profiles, property profiles, blight, crime, unsafe housing conditions, and other property issues that affect the City's resources. The Community Development Department is using this software to create a strategic affordable housing development plan for low-and moderate-income households to be completed in 2024.

Other **efforts** the City of Montgomery has made to address and remove barriers to affordable housing production and preservation include: **(1)** Using Emergency Solution Grants (ESG), ESG-CV, and CDBG-CV in 2022 to support homelessness through rapid-rehousing and homeless prevention; **(2)** Using Neighborhood Stabilization Program in 2010 (NSP) Funds to buy and rehabilitate 19 units that were sold to low-income families; **(3)** Partnering with the Montgomery Housing Authority for application for the 2023 HUD Choice Neighborhood Program; **(4)** Working with the Center for Community Progress in 2023 to explore forming a land bank for affordable housing. The City is currently reviewing opportunities with a developer called the Latham Company to explore the adaptive reuse of a vacated high school for a future affordable housing project (60-75 units) for elderly and veterans.

**ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know? (13 points)**

Based on the spreadsheet provided by HUD through the PRO Housing Website, the corporate city limits of Montgomery, Alabama is not considered a priority geography. However, the City believes that local data will substantiate that it has an acute demand for affordable housing. The following are **seven (7)** cases for substantiating acute demand for affordable housing that we will present. The **first case** for substantiating acute demand for affordable housing in the City are two recent housing market studies conducted by the City's CHDOs. The first housing market study was conducted in 2022 by Community Action Partners of North Alabama (CAPNA). CAPNA is planning to develop a 56 units elderly unit affordable housing within 2 miles of the proposed project area using Low Income Housing Tax Credits (LIHTC) and HOME Funds. They conducted a five-mile radius market study. According to the market study report conducted by the L.B.

Wright & Son, Inc, states that there is a range for a floor need of 186 units to a ceiling need of 242 units in the area. Table 1 shows how the demand for housing was derived. The total demand for housing from this market study is estimated at 242 units for the area. This project is a major affordable housing project that will occur immediately east of the Selma to Montgomery National Voting Right Trail project area.

**Table 1: Market Study & Appraisal For  
Freedom Village 1740 Edgar D. Nixon Avenue Montgomery, AL  
Requested by Community Action Agency of North Alabama  
Date of Report- August 5, 2022**

**Inferred Demand Analysis-Subsidized Elderly Projects**

<b>Name of Complex</b>	<b>1Br Units</b>	<b>2Br Units</b>	<b>3Br Units</b>	<b>4Br Units</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Occup. Rate</b>	<b>Wait Lists</b>
Lynwood Terrance	32	128	0	0	160	1	99.38%	100
Rosa Parks Pace	56	0	0	0	56	1	98.21%	0
St. Jude Apartments	82	12	0	0	94	0	100.00%	62
Westport Apartment	24	76	0	0	100	2	98.00 %	0
AHEPA 23 III	24	0	0	0	24	1	95.83%	0
Capital Heights Place	92	0	0	0	92	0	100.0%	5
Capital Heights Place II	50	0	0	0	50	0	100.0%	5
Country Club Estates	50	12	0	0	62	0	100.0%	75
<b>Totals</b>	<b>410</b>	<b>228</b>	<b>0</b>	<b>0</b>	<b>638</b>	<b>5</b>	<b>99.22%</b>	<b>247</b>

**Existing Short Fall in Supply of Competitive Housing:** 247  
**Less:** Number of Competitive Units Currently Vacant: 5  
 Number of Competitive Units Currently in Rehab: 0  
 Number of New Competitive Units Coming Online: 0  
 Current Shortfall In Supply of Competitive Units: 242

**Source: L.B. Wright & Son, Inc. 2022**

The **second case** for substantiating an acute housing demand in the City was the second market study conducted by Alethia House in 2020 for affordable housing projects in East Montgomery. This market study area consisted of the Census tracts 28, 29, 32.02, 54.03, 54.06, 54.07, 54.09, 54.10, 55.03, 56.03, 56.05, 56.06, 56.07, 56.08, 56.09, 56.10, 56.11, and 56.10 in Montgomery County, Alabama. The analysis in Table 2 for determining the demand for housing focuses on housing needs by Area Median Income for Montgomery County. This market study indicates that there is a demand for Montgomery County upwards to 1,000 housing units.

The **third case** for substantiating an acute demand for affordable housing in the City is by examining the demand for public housing and housing choice vouchers for the Montgomery Housing Authority (MHA). The Montgomery Housing Authority (MHA) currently has eight active public housing properties with 1,124 affordable housing units for low-income persons and families. Currently, MHA houses approximately 1,400 families in public housing and the Housing Choice Voucher program houses almost 3,000 people. There are approximately **2,000** families in the City on the waiting list for housing choice vouchers and **8,000** families on the waiting for public housing.

**Table 2: Market Study & Appraisal For  
Magnolia Trace, Montgomery, AL  
Requested by Community Action Agency of North Alabama  
Date of Report- December 2020**

	<b>Demand</b>		
	<b>50% AMI</b>	<b>60%AMI</b>	<b>Overall Tax Credit</b>
	<b>\$18,930</b>	<b>\$22,230</b>	<b>\$18,930</b>
	<b>to</b>	<b>to</b>	<b>to</b>
	<b>\$26, 300</b>	<b>\$31,560</b>	<b>\$31,560</b>
New Housing Units Required	33	45	62
Rent Overburden Household	254	271	406
Substandard Units	9	13	17
Elderly Tenure	0	0	0
Demand	296	329	485
Less New Supply	12	43	55
<b>Net Demand</b>	<b>284</b>	<b>286</b>	<b>430</b>

**Source: John Wall and Associates, 2020**

The **fourth case** for substantiating an acute demand for affordable housing in the City is by examining the permits pulled for residential demolition and new single-family residential construction for City Council Districts 1-9. Most of the project activities for this proposal will occur in City Council District 4 with a small part of City Council District 7. Table 3 compares the two select categories of housing permits issued by the City from 2014 to 2022. Council Districts 3 through 7 represent some of the most income challenged communities in the City. From 2014 to 2022, there were 1,082 residential demolitions in the City. City Council District 4 accounted for 239 of these permits issued or 22% of all residential demolition permits over the 8-year period 2022. In City Council District 7, there were 211 (or 20%) residential demolition permits issued during the same period. For permits for new single-family residential construction, there were 964 permits issued during this 8-year period. Permits in this category issued for Council District 4 issued totaled 8 or less than 1%.

The **fifth case** for substantiating an acute demand for affordable housing for the City is by examining the Age of the City’s housing stock. Age is subjective when it comes to houses, but an unwritten rule in the housing industry is that if a home is 50 years or older it's considered “old”, and a home built before 1920 is considered “antique.” We have found, because of our homeowner critical home repair program, that older homes that either 50 years old or are approaching this age range have problems such as foundation issues, deteriorating roofs, hazardous building materials, toxic gases affecting air quality, outdated electrical, and plumbing. The 2021 ACS also indicates that the City has an aging housing stock and is characterized as follows. There are approximately 93,136 housing units in the City. Out of this total, approximately 81,529 are occupied with 56.4% being owner-occupied and 43.6% being renter occupied. Between the years 2000 and 2020, 20.1% of the City’s housing was built.

Between the years 1950 and 1990, approximately 74% of the housing units were built. Most of the City’s housing units (in a 10-year period) or 19.7% were built between 1970 and 1979. This equates to approximately 18,426 housing units that are between 44 to 54 years of age.

**Table 3- City of Montgomery  
Housing Permits for the Years 2014-2022 by Council Districts**

<b>Permit Type</b>	<b>District 1</b>	<b>District 2</b>	<b>District 3</b>	<b>District 4</b>	<b>District 5</b>	<b>District 6</b>	<b>District 7</b>	<b>District 8</b>	<b>District 9</b>
Residential Demolition	112	45	334	239	66	68	211	6	1
New Single Family Residential Construction	320	25	11	8	46	43	75	75	361

**Source: City of Montgomery Open Data Portal**

Between the years 1950 and 1969, 24.5% of the housing units (22,548) in the City were built. This equates to additional housing units that are between 54 to 73 years of age.

**Table 4: City of Montgomery - Age of Housing Stock**

<b>Year Structure Built</b>	<b>Estimate # of Housing Units</b>
Built 2020 or later	21
Built 2010 to 2019	4,906
Built 2000 to 2009	9,642
Built 1990 to 1999	14,925
Built 1980 to 1989	12,625
Built 1970 to 1979	18,426
Built 1960 to 1969	11,935
Built 1950 to 1959	10,613
Built 1940 to 1949	3,656
Built 1939 or earlier	6,387
<b>TOTAL HOUSING</b>	<b>93,136</b>

Source: Census 2021 American Community Survey

The **sixth case** for substantiating an acute demand for affordable housing in the City is the number of housing units that were demolished based on the estimated number of vacant lots that can be seen in GIS in portions of the project area. For example, in the southern portion of the proposed project area at the intersections of W Fred D. Gray Ave, Oak, and Bragg Streets, there is a vacant lot site which once contained 24 housing (indicated by the red outline) units that are no longer in the community (see figure 1). This site which sits on the Selma to Montgomery National Historic Trail is targeted in this proposal for affordable housing development. A further examination of figure 1 shows that there is an estimated additional 25 vacant lots that are candidates for affordable housing.

The **seventh case** for substantiating an acute demand for affordable housing in the City is the closing of the St. Jude Apartments (formerly St. Jude Hospital) for the Elderly in 2023 (see figure 2 outline in blue). This apartment building which is at southern anchor end of the proposed project sets on the historic campus of St. Jude which on the Selma to Montgomery National Historic Trail



and is also Camp Site No. 4. and the last leg of the voter rights march to the State Capitol in 1965. The City is partnering with the Conservation Fund and the Vantage Development Company to purchase and totally redevelop using CDBG, HOME, and possibly HOME ARP funds. These are 65 affordable housing units that are no longer in the community. Overall, the acute demand for affordable housing in the City reaches upward to at least 2,000 units.

**iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)**

The following are barriers to producing and preserving more affordable housing that need to be addressed by the City of Montgomery, They are (1) “Lack of affordable housing options for people earning the lowest wages”; (2) “Rising costs of building affordable housing”; (3) “Cost of correcting code enforcement citations on low-income property owners”; (4) “Lack of code enforcement in some low-income communities”; (5) “Rising cost of housing rehabilitation and repair”; (6) “Outdated zoning ordinances”; (7) “Land that is challengeable for affordable housing development”; (8) “Challenging community, social and economic conditions”; (9) “High number of vacant properties and housing units”; and (10) “Lack of adequate financial resources”.

The **first key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is the lack of affordable housing options for people earning the lowest wages in the State of Alabama and the City. The National Low Income Housing Coalition (NLIHC) indicates that there is a shortage of affordable rental homes (86,362) available to extremely low-income households (170,510) whose incomes are at or below the poverty guideline or 30% of their area median income in the State of Alabama. The maximum income for a 4-person extremely low-income household in the State is \$26,500. Seventy percent of low-income renters are severely cost burdened.

The Joint Center for Housing Studies at Harvard University indicates that the “Cost Burdened Renter Share is 51.9% for the City of Montgomery and that the “Severely Cost Burdened Renter Share is 30.7%. The number of “Cost Burdened Renters” for the city is 27,116 while the Median Renter Monthly Housing Cost is \$960. The University of Alabama School Culverhouse School of Business, the median household income for Alabamians is about \$56,900, only slightly less than the \$58,800 needed, on average, for rent not to consume too much of a household’s expenses across 12 of Alabama’s largest metro areas. For the City of Montgomery, the average rent is \$1,292 and the median annual income needed to not be rent burdened is \$51,690.

The **second key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is the rising costs of building affordable housing. High costs of construction materials, driven by supply-chain challenges and other factors such as labor shortages, have resulted in increased rents and home prices as well. According to the National Association of Home Builders (NAHB), the costs of building materials were up 20.3% in early 2022 compared to 2021. According to the Harvard Joint Center for Housing Studies, the costs of construction materials and labor have been increasing over the past two decades, doubling between 2001 and 2019, and increasing by 9% from 2020 to 2021 alone.

The rising costs of building materials combined with the COVID- 19 pandemic's immediate effects on elevating prices affected have slowed down many affordable housing programs such as the Low-Income Housing Tax Credit (LIHTC) program. As a result, even many of those projects approved to receive tax credits through the LIHTC program in the past two years have been forced to apply for additional LIHTC Credits to make affordable housing projects financially feasible.

The **third key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is the cost for property owners to correct code enforcement citations on low-to- moderate income property owners who lack the financial resources to correct code deficiencies. The City has attempted to address these issues by investing approximately \$1 million to low-and-moderate income residents housing rehabilitation assistance through its critical home repair program. Despite the investment, the demand for these services continues to rise higher than the funding available.

The **fourth key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is **the lack of code enforcement and education in low-to-moderate income communities** in the City. Lack of code enforcement in some of our low-income communities has led to deteriorating housing conditions, decreasing property values, and substandard living conditions. Public education is the key to the public's understanding in that enforcing the codes can work to the benefit of the low-income if properly enforced. Codes, if enforced tactfully can create opportunities for the City to engage with property owners, tenants, and the community, in general while creating an environment for growth, pride, and prosperity for everyone involved.

The **fifth key barrier** that still exists and is to be addressed to produce and preserve more affordable housing is the **rising cost of housing rehabilitation and repair for housing property owners**. The cost of rehabilitating existing housing structure is closely related to the rising costs of building affordable housing. From 2003 to present, the City has offered critical home repair services to 137 low-to-moderate income households. The average amount of assistance rose from \$5,557 in 2006 to \$10,395. The increase is largely due to the aged housing stock in many of the City's communities and especially for the low-to-moderate income communities.

The **sixth key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is updating the City's zoning ordinances. The City of Montgomery is undertaking a rewrite of the zoning code that was done in 1985. This is an opportunity for the City to change extremely exclusive housing zoning to one that is more inclusive while offering much needed missing middle as well as addressing equity issues in underinvested neighborhoods. The City currently has very few options for housing other than apartments and single-family housing. The zoning code does allow duplexes in a few areas, but few have been built. In addition, the older housing stock in the oldest parts of the city have small lots (39 to 50 feet width) which results in higher density but the newer housing developments on the east side of town are characterized by very large lots and lower density.

The **seventh key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is challenging land for affordable housing development. The City has numerous acres that consists of wetlands, streams, creeks, a river, and poor/substandard soil for development. This land is generally located in some of the poorest areas of the City. The City also has a huge

flood zone designation that stretches across its boundaries and affects a vast number of low-to-moderate income populations' properties. The City has on numerous occasions offered to swap some of these properties for more favorable properties but is often met with resistance because the perceived value of undevelopable family-owned properties.

The **eighth key barrier** that still exists and is to be addressed to produce and preserve more affordable housing is **challenging community, social and economic conditions**. Development, commercial and housing in the city has seen a dynamic shift from West Montgomery to East Montgomery over the past 50+ years. This shift to the east side of the City is partly the result of "White Flight" where historically White communities have now become majority African American communities. This has resulted in years of disinvestment while creating poverty-like living conditions with aged and substandard housing units, aged infrastructure, high crime rates, brownfields, vacant properties, and absenteeism property owners. These conditions make it challenging, but not impossible, to develop affordable as a stand-alone solution.

The **ninth key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing is the City's high number of vacant properties and housing units. A vast number of these properties are in the western part of the City which has the highest cases of disinvestment and the highest need for affordable housing. A vast majority of these properties and units make rehabilitation and infill development difficult because many of absentee owners. This makes it, in many cases, difficult to accumulate enough parcels for building affordable housing using the economies of scales. Many of these properties are also heir with the absenteeism of wills making it difficult to obtain a clear or marketable titles for financing development. Vacant and abandoned properties owned by the State of Alabama present challenges for development. Even though the City can purchase these properties for \$100, the State's tedious delinquent tax foreclosures or condemnations process and can take from three to seven years to obtain clear titles.

The **tenth key barrier** that still exists and needs to be addressed to produce and preserve more affordable housing by the City is the lack of adequate financial resources. A widely recognized, yet difficult to overcome barrier to affordable housing in the City is the lack of adequate financial resources to keep up with the pace of the needs and demands for affordable housing. Although the City has been successful in its efforts to support the development of affordable housing, insufficient financial resources continue to exist to its affordable housing demands. Part of this is due to the reduction in federal dollars over the past 15 years received from HUD programs such as HOME and CDBG.

## **b. SOUNDNESS OF APPROACH (Maximum 35 points)**

### **i. What is your vision? (15 points)**

#### **Vision**

The vision for the use of the Pathway to Removing Obstacles to Housing (PRO Housing) funds is to support existing affordable housing and community development efforts targeted to low-to-moderate households that live in communities along a three-mile stretch of the Selma to Montgomery National Historic Trail" in Montgomery, Alabama with green environmental housing and "Smart" infrastructure. These are communities that are anchored by high opportunity areas but are currently suffering because of the intentional placement of Interstates 65 and 85 in the

1970's which caused social and economic starvation that has resulted in 50+ years of disinvestment into these communities.

Today, there is motivation by the City and community leaders to revitalize the Trail and these residing communities while incorporating supportive services to the quality of life for residents. At the southern anchor end of the project area, the City is working with a nonprofit and for-profit organization to purchase a closed 60-unit low-income elderly apartment that will be rehabilitated using 4% tax credit bonds, HOME, and possibly HOME-ARP funds, CDBG funds, and private financing to create a new completely rehabilitated 60-unit apartments facility for elderly low-to-moderate income residents in the City. A map of the project area is in figure 2 on the following page.

At the northern anchor of the project area, the City has acquired about 10 acres of abandoned and vacant properties with CDBG funds for the purpose of developing affordable housing and creating economic development activities. Other projects in this part of the project supported by the City include a \$2.5 million investment in restoration of Mt. Zion AME Church where Dr. Martin Luther King, Jr. began his civil rights career; a partnership between Tuskegee University's School of Agriculture and the City to establish a 60,000 square feet urban farm that will support a food desert community; and investments by the Equal Justice Initiative with its National Memorial for Peace and Justice which is less than 1 minute away from the project area. Much of the project area is in City Council District 4, which has some of the poorest census tracts in the City and a poor section of City Council District 7.

Funding for this project will give the City the opportunity to transform these Trail communities into a "Smart and Green Community" using the "Complete Street" approach whereby the planning, designing and build out of the project area will enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. This proposed project will help the City to develop these Trail communities by creating housing and infrastructure that will reduce cost burdens and connect these communities to the high opportunities areas that anchors the southern and northern ends of the proposed project area. It is estimated that this project will take approximately five years to complete.

**Describe your proposed activities and why they are appropriate, given identified Need.**

The vision for the proposed activities will be carried out by the City and will consist of community revitalization, community engagement, acquisition of property, development affordable housing to low-to-moderate income, green building construction, green space design and development, community job training and employment, smart infrastructure development, and wealth building. All these proposed activities are appropriate to not only provide affordable housing, but spark reinvestment into a community that has suffered because of disinvestment.

There will be **six (6)** phases of activities that the City proposes to conduct for this project. They are as follows: **Phase I:** Visioning, **Phase II:** Predevelopment, **Phase III:** Funding Allocation Review, **Phase IV:** Site Selection, Design, & Approvals, **Phase V:** Construction, and **Phase VI:** Lease Up. The major activities for the project are as follows: community revitalization, community engagement, acquisition of property, development of low-to-moderate income affordable housing, green building construction, green space design and development, community job training and

employment, smart infrastructure development, and wealth building. Table 5 shows which CDBG National Objective that each proposed activity will meet.

**Phase I** is the “**Visioning**” phase. This phase consists of the following activities for this proposal: conducting project team meetings, engaging with the community, designing of the project concept, previewing of project sites for development, developing required program policies, assessing capacity, and defining project team members roles, meeting with grants office/discuss project requirements, and drafting & executing agreements.

**Phase II** is the “**Predevelopment**” phase”. This phase consists of the following activities for this proposal: beginning the environmental review process, evaluating housing development models, assembling, and finalizing project team, assessing project feasibility and risks, assessing proposed market for development, conducting SIPs Training for developers and staff, conducting smart infrastructure training for developers and staff, developing detailed budget for project, and meet with historic commission.

**Phase III** is the “**Funding Allocation Review**” phase. This phase consists of reviewing the funds allocated to the project and setting up budget line items in the City’s Finance Department for the proposal.

**Phase IV** is the “**Site Selection, Design, and Approvals**” phase. This phase consists of the following activities for this proposal: conducting community asset inventory for project needed skills, selecting sites for development, conducting appraisals, negotiating, and acquiring properties, developing site plan, and obtaining building approvals.

**Phase V:** is the “**Construction**” phase. This phase consists of the following activities for this proposal: developing a construction schedule, inspecting, hiring, and reporting, SIPs training and management, and managing the construction process.

**Phase VI:** is the “**Lease Up**” phase. This phase consists of the following activities for this proposal: developing property management strategy, conducting marketing, interviewing, and selecting tenants, conducting field and desk review monitoring the project, and preparing reports.

<b>Table 5: Proposed Project Activities &amp; CDBG National Objective</b>			
<b>Activity</b>	<b>Benefiting Low- and Moderate-Income Persons</b>	<b>Preventing or Eliminating Slums or Blight</b>	<b>Meeting Other Community Development Needs Having a Particular Urgency</b>
Community Revitalization	X	X	
Community Engagement	X		
Acquisition of Property	X	X	
Development of Low-to-Moderate Income Affordable Housing	X	X	

Green Building Construction	X	X	
Green Space Design & Development	X		
Community Job Training & Employment	X		
Smart Infrastructure Development	X		
Wealth Building	X		

**Explain how your proposal addresses key barriers to affordable housing production and preservation.**

The following are key barriers to the developing affordable housing in the City and how each barrier is addressed. **“The Lack of Affordable Housing Options for People Earning the Lowest Wages”** is a key barrier to developing affordable housing for the City. This barrier will be addressed in this project by constructing a highly energy efficient affordable housing unit using Structural Insulated Panels (SIPs). SIPs homes have a 100% greater R-Values compared to traditional stick-build homes and can energy savings up to 60% for heating and cooling. The result is a \$30,000 saving in energy costs over a typical mortgage period. To encourage wise use of these savings, budgeting and financial counseling will be offered by the City’s newly established Financial Empowerment Center which is being created to assist low-income residents in budgeting, banking, and wealth building.

**“Rising Costs of Building Affordable Housing”** is a key barrier to developing affordable housing for the City. The City will also be addressed in this barrier for this project by using a construction material called Structural Insulated Panels (SIPs). Although the cost of a SIPs constructed home may be 5% to 7% higher than a traditional stick-build home, the value of the structure over time is with the savings on the average of 60% on energy and maintenance costs. SIPs buildings, which require less labor, can be erected and under lock and key in usually 3 to 5 days after the foundation is ready. This is crucial for developing housing in crime-challenged communities. SIPs installation, because they come prefabricated from a factory, produces significantly less job site waste saving additional costs (see figure 2).

**Figure 3: SIPs Housing**



**“The Cost of Correcting Code Enforcement Citations on Low-Income Property Owners”** and **“The Rising Cost of Housing Rehabilitation and Repair”** are key barriers to developing affordable housing and are interrelated. The high costs of home repair pose considerable financial challenges for low-income residents with many living in sub-standard housing units. The City will

devise a plan to work with code enforcement officials through requested funds from the HUD PRO Housing grant to supplement its Critical Home Repair program and offer home repair services to low-income homeowners within the project area. Montgomery County, Alabama is also implementing a critical home repair program that is being funded with ARPA funds which may be able to direct this project.

**“Outdated Zoning Ordinances”** is a key barrier to developing affordable housing for the City. The current zoning does not encourage creative housing such as duplexes. Presently, our codes allow for the development of communities that focus on single-family with large lots and apartment complexes while decreasing density. Older sections of the City are characterized by small lots which would support higher density, but development is rarely encouraged in these areas because of the trend of building on larger lots. The City’s zoning codes were last updated in 1985 and are presently being updated with the assistance of a consultant and City staff.

**“Lack of Code Enforcement in Some Low-Income Communities”** is a key barrier to developing affordable housing that will require the City’s Inspections Department to consider adding a public relation and educational arm to improve the City’s relationships with its residents. Education, especially in the low-to-moderate income communities, is important for informing residents as to why code enforcement is important and helping residents understand that code enforcement prevents homes from falling into disrepair by holding property owners accountable for health-, safety-, and other detrimental building-related issues.

**“Land that is Challenging for Affordable Housing Development”** is a key barrier to developing affordable housing. It will require City planners to examine how properties affected by factors such as flood plains, wetlands, streams, creeks, rivers, and poor/substandard soil can best be used for the benefit of the public. For example, the City turned land with the help of the Army Corps of Engineers not suited for development into a 2-acre site into an environmental park that filtrates water flowing from a major watershed. The City has partnered with the Conservation Fund to examine other similar properties for suitable redevelopment purposes that the residents can benefit from in addition to housing. The City has also partnered with Tuskegee University’s School of Agriculture to develop an abandoned factory concrete site into an urban farm to support a food desert community. New zoning efforts will also need to look at areas where flooding is prone to occur and come up with a program to re-settle residents and creatively use this land to benefit the public.

**“High Number of Vacant Properties and Housing Units”** is a key barrier to developing affordable housing that will have to be addressed by the City. The City will have to create a plan and strategy to predict housing vacancies before they occur. Other measures that the City will have to consider is to legally prevent or limit abandoned houses from being sold to out-of-town-investors and create campaigns to get owners of abandoned houses to respond and participate in affordable development initiatives. The City is working with the Center for Community Progress to explore the feasibility of establishing a land bank for the purpose of developing affordable housing. Effort is also being made, with the help and guidance of the Center for Community Progress Organization, to write and introduce legislation to State that would reduce property redemption period from 7 years to 3 years, thus making possible decreasing the timeline affordable housing development project.

**“Challenging Community, Social and Economic Conditions”** will be an ongoing key barrier to developing affordable housing for the City especially in areas with high concentration of poverty, crime, and unemployment rates. Other challenges for this barrier include lower educational attainment rates, lower homeowner rates and higher health disparities. The City continues to use its HUD entitlement funds- CDBG, HOME, and ESG, to address many of these community issues. The City has also engaged in partnerships with national organizations such as Cities for Financial Empowerment, the National League of Cities, and the Bloomberg Philanthropy to provide services to these communities with programs such as BankOn, Consumer Fraud Protection, Healthy Homes Initiative, Prescription Medicine Discount, Fine and Fees Forgiveness etc. The City has received a grant from HHS to provide COVID-19 information to low-income residents. The City has also received a grant from HUD to perform lead-based paint testing in low-income households with children under the age of six. The plan for this project is create a rental housing program that can be converted into homeownership thus creating stability in the communities.

**“Lack of Adequate Financial Resources”** remains a key barrier to developing affordable housing for the City to meet its housing demands. Major cuts in the CDBG and HOME program have affected its ability to meet the demand for affordable housing, especially for low- and moderate-income residents. To supplement these programs, the City will need to consider establishing affordable housing initiatives such as encourage housing development through tax incentives and/or the establishment of an affordable housing trust fund whereby parts of permitting fees are leveraged with HOME, CDBG, and Low-Income Housing Tax Credits for developing affordable housing. Municipalities need more federal programs like the PRO Housing with less restrictive rules for developing affordable housing.

**Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal.**

The City has conducted two similar efforts involving affordable housing developments that are like the area for the proposed project- the Garden Square Community (Amanda Loop) and the Lanier Place Affordable Housing Projects. The Garden Square Community is a very low-income community in North Montgomery that was historically characterized by high crime activities. The focus of the project was on the street named Amada Loop where 10 abandoned duplex housing units were built in the early 1980’s but were later abandoned. The Community Development Division developed a plan to buy and convert all the duplex housing units into single family homes with the goal of reducing overcrowding.

The City funded an inexperienced community-based organization called the Garden Square Community Development Corporation (GSCDC) who rehabilitated two homes but soon left after experiencing internal issues. The City took over the project and eventually (because of theft and vandalism) turned it over to one of its CHDOs- Community Action Agency of North Alabama- that had development and financial capacity to complete the project. The lessons learned with this project was: **(1)** Recruit experienced organizations with housing development and financial capacity; **(2)** Develop relationships with members of the community to support and protect the project; and **(3)** Develop relationship with law enforcement to protect the City’s investments. Today, XX units have been completed with stable families of which CAPNA support with other assistances.



The Lanier Place Affordable Housing Project is in a similar community to the Garden Square Community and is about a mile from the project area. It also had similar problems like the Garden Square Community project and was attempted to be developed internally by the City. The City, in its own wisdom and without input from the community, constructed three (3) modern shotgun style housing units that were consistent with the community's architectural style. This was met with much resistance because members of the community did not want that style of housing and wanted a more modern style of housing that existed in the more affluent communities in the City. The lesson learned from this project was: **(1)** It is very important to listen to members of the community; **(2)** One cannot assume what residents desire, **(3)** Development Plans must be clearly communicated to the community, and **(4)** Feedback from the community is very important.

**You may also wish to discuss how your proposal aligns with existing planning initiatives, services, other community assets (e.g., transportation planning, climate resilience and mitigation plans, public or supportive housing services, economic development opportunities, healthcare or school systems, etc.).**

The proposed use of HUD PRO Housing Funds aligns with seven (7) development initiatives that are currently in progress. **Initiative No. 1** is the "Revitalization of the Historic Selma to Montgomery National Historic Trail in Montgomery County, Alabama" in preparation of the 60<sup>th</sup> Anniversary of the voting rights march in 2025. The proposed project for the use of HUD PRO Housing for affordable housing development and housing rehabilitation for homeowners will be part of this larger revitalization initiative that starts at the Montgomery County line and ends at the State Capitol. The proposed project will focus on approximately 3 miles of the Trail where a once prosperous and vibrant African American communities resided.

**Initiative No. 2 and 3** are the "Award from the Department of Transportation (DOT) of the Thriving Community Grant" and "Application to DOT for the Connecting Community Grant" for development of the Selma to Montgomery National Historic Trail. The Thriving Community Grant award will provide technical assistance, planning, and capacity building support to teams of community partners lacking the staffing or technical expertise to scope, fund, and develop infrastructure projects that advance broader community goals. The City is also applying for the Reconnecting Community and Neighborhoods Grant to stimulate capital/infrastructure investment development of communities along the trail that have been disconnected by the interstate highway systems and suffered from disinvestment.

**Initiative No. 4** is the grant award received by the City of Montgomery from the National Parks Service in **2021** to study the economic and social impact and collect oral history on the Peacock Tract Community of which the Selma to Montgomery National Historic Trail navigates through and around the two Interstate Highway System that dissects these communities. Information collected will be used to create stories and public art to enhance the experience for people who are touring the trail. The City also owns about 10 acres of land adjacent to the Interstate Highway System that is slated for affordable housing and economic development.

**Initiative No. 5** is a grant award received by the City of Montgomery from the U.S. Department Housing and Urban Development in 2023 for the "Lead Hazard Reduction Capacity Building Grant Program." The purpose of this grant is to recruit and train contractors in the safe removal of lead-based paint material from homes (owners and rental) that have children under the age of 6

living in or visiting regularly to the residences. The focus of this grant's activities will be zip codes 36104 and 36108 of which a large portion of the proposed target area for the proposed HUD PRO Housing grant covers.

**Initiative No. 6** is a collaboration between the City of Montgomery and the Bloomberg Philanthropy's American Sustainable Cities- Climate and Wealth Equity program. This program will provide technical assistance to the City to develop a climate plan for examining issues and effects of climate change on disproportionate and Blacks, Indigenous, and Communities of Colors. The communities that reside along the Selma to Montgomery National Voting Rights Trail are part of this Bloomberg Project.

**Initiative No. 7** is called the **"Reimagine West Montgomery Tour"**. This is an initiative established by Mayor Steven Reed to attract investors to West Montgomery. The initiative has drawn the interest from two major national retailers (Starbucks and Chick-Fil-A) who have expressed an interest in located on the corner on a retail site that is in the proposed project area and where the rehabilitation of 60 affordable housing units for the elderly using HOME, HOME ARP, and CDBG at the St. Jude campus will occur.

**Does your plan support job creation and retention efforts, including consideration for individuals who may work in your jurisdiction(s) but live in another?**

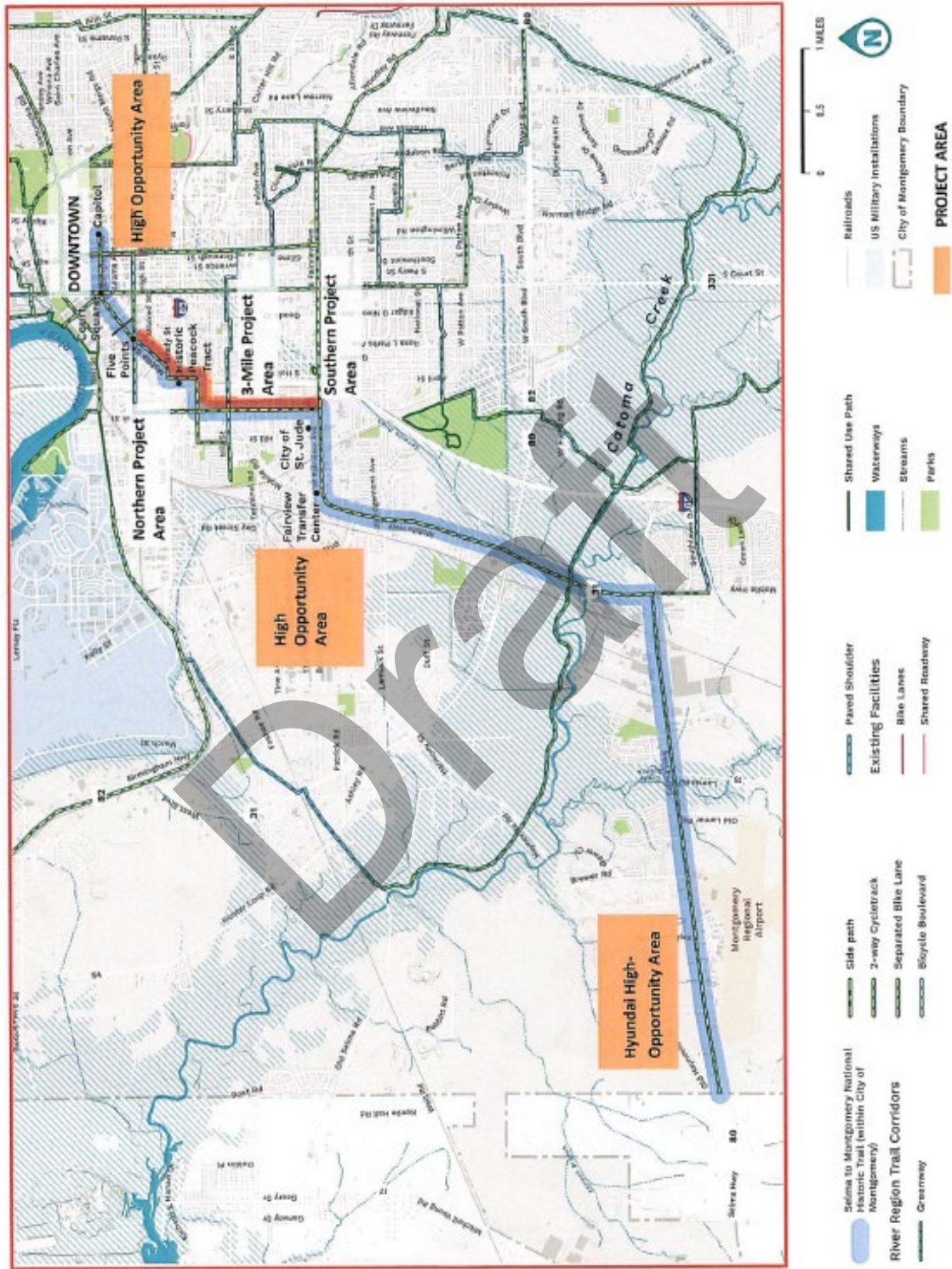
The City will incorporate the HUD Section 3 program rules and regulations to create retain and jobs for this project. The City has recently revamped its Section 3 program which is available for review on the City's website. The City will complement the Section 3 program by conducting community asset inventories in the project area to assess the availability of specific skills needed for this project for first right of refusal. The City will seek people with needed job skills from other communities to meet project needs, if necessary.

**ii. What is your geographic scope? Maps, drawings, renderings, and other graphical representations are optional but encouraged.**

The geographical scope of the proposed project is a 3-mile stretch of the Historic Selma to Montgomery National Historic Trail in Montgomery, Alabama. Specifically, the southern part of the project area starts at the St. Jude Campus at corners of Oak Street and Fairview Ave and under Interstates 65 and 85 and emerges at Five Points at Downtown Town Montgomery. The effects of this project will be not only historic in nature but will have impetus to start a redevelopment process that will encourage social and economic reinvestment in a community that was severely impacted by the construction of the Interstate Highway System and disinvestment.

This project proposes, through the construction of affordable housing and infiltration of social and economic services to connect these disinvested communities to high-opportunities areas at both ends of the project area. High opportunities of southern end consist of the St. Jude Campus, Fairview Shopping Center, George Washington Carver High School, H Councill Trenholm Community College, Montgomery County Department of Human Resource, Montgomery County Health Department, Montgomery County Probate office and the City of Montgomery Bus Transit Office and Station. These opportunities are less than 3 miles from the start of the southern part of the project area (see figure 3).

Figure 3: Proposed Project Boundaries



High opportunities at the northern end consists of Maxell Air Force Base, the Historic Mt Zion AME and Holt Street Baptist Churches, Historic Cottage Hills Community, Tuskegee University's Agriculture and Innovation Research Center, and the Equal Justice Initiative's (EJI) National Memorial for Peace and Justice. These opportunities are less than 1 mile from the end of the northern project area and less than 5 minutes from the State Capitol. It is between the north and south of the project area where the HUD PRO Housing is needed and will have the greatest effect.

**iii. Who are your key stakeholders? How are you engaging them? (5 points)**

**Describe your key stakeholders and how you conducted outreach in developing this proposal.**

The key stakeholders that have been consulted for the proposed project of this application consists of community-based organizations and professionals in housing, energy, and land conservation, environmental, government and local citizens. Engagement with these organizations has been conducted using planned meetings (in-person and zoom meetings) to describe the project concept, review the application, solicit project ideas, and recruit partners for the development and implementation of the project concept. Other methods used to involve stakeholders included taking committed and interested potential partners on tours of the project area to show the vision for future development. The City has consulted with community-based organization such as Kevin King of King Canvas (public art), Ashley Robinson of CHANGE Community Resource Center, Pastor C.J. Jackson of House to House (low-income housing rehabilitation program), and Joyce Stinson of Pound of Care (community service providers).

The City has consulted with its Community Development Housing Organizations- Community Action Partners of North Alabama and Alethia House. The City also consulted with its for-profit affordable housing developer partner- the Vantage Development Corporation who will be the lead on the St. Jude Apartments project. The City has consulted the SIPs Resource Group who will advise the CHDOs on Structural Insulated Panel (SIPs) construction process. The City has consulted with the Montgomery Housing Authority for providing housing choice vouchers. The City has consulted with Council Person Audrey Graham and Clay McGinnis of Council Districts #4 and #7 about the project.

The City has consulted with the Alabama Department of Environmental Management who is currently assisting the City in conducting Phase I and II environmental assessments on some of the parcels in the northern section of the proposed project area. The City has consulted Alabama Power Company's Smart Neighborhood Design Division who will perform energy modeling on the proposed housing to be constructed for the project. The City has consulted with Performance Services, Inc. who will offer smart infrastructure design consulting for the project and the City has consulted with the Conservation Fund who will assist with identifying opportunities for green space development. As the project progresses, other city leaders, planners, law enforcement and transportation officials will be consulted as needed.

**Please also describe your strategy for continued outreach during the grant's period of performance.**

Because of the high public interest in the development of the Historic Selma to Montgomery National Voting Rights Trail, the City has developed a Trail Project Board that lists all current project funding and activities associated with the proposed development. The project board is

currently used as a planning tool for staff and for updating city officials, residents, and other interested groups to show project activities and progress. Plans are being made to make it digital for online viewing and to be able to take the board out into the community for meetings. The City will meet with community groups, residents, and other interested parties throughout the project area to discuss the development of the project. All interested parties will be encouraged to participate in public meeting format to solicit comments about the project. All meetings will be recorded, and all comments will be considered for the project.

**Specific actions you have taken to solicit input from and collaborate with stakeholders in developing this application, including how input from stakeholders and community members has shaped your proposal.**

The development of communities along the Selma to Montgomery National Voting Rights Trail has been a process that has been ongoing by the City starting with the 2006-2010 HUD Action Plans that required a public hearing, and mayor/city council approval to purchase the 10 acres along and around the trail route using CDBG Funds. The City has met with numerous community members, universities, developers, and non- and for-profit organizations over the past 15 years. These meetings and conversations have played a major role in the shaping of this project. Because of an interest in the public concerning the 60<sup>th</sup> anniversary of the Selma to Montgomery National Historic March in 2025, the City continues to take comments from the public and communities along the trail route as to how it should be developed. All comments received are considered as a part of the development plan.

**Describe the In particular, describe input from the housing industry in your area, including affordable housing developers, builders/general contractors, and unions as well as persons in need of affordable housing.**

The City of Montgomery has two highly qualified Community Housing Development Organizations Community Action Partners of North Alabama and Alethia House. By 2025, these two organizations will have developed over 300 units of affordable housing for the City. Both organizations have engaged in participation in this project. The City has engaged with Heritage Training Center which currently operates the City's Critical Homeowner Repair Program to provide homeowners in the project area with critical home repair. We have also spoken with the Montgomery Housing Authority to provide housing choice vouchers for eligible tenants for the proposed project.

**Describe how you incorporated input from stakeholders into your proposal.**

The development plans for this project have been discussed in multiple community meetings, both formal and informal, with feedback from various community interests, such as neighborhood associations, residents, colleges and universities, nonprofits, and churches over the past 15 years. The development plan for this is the result of examining mistakes made during other housing development projects over the past 20 years. The opinions and suggestions of the community, along with those of the staff, have been considered and discussed internally to ensure the feasibility and reasonableness of suggestions and ideas made for the project.

**Describe your strategies to encourage public participation, build support, and engage community members, including those most likely to benefit from your proposed activity.**

The City will create a stakeholders' engagement plan to encourage public participation, build

support, and engage community members. This plan aims to establish a clear and transparent public mechanism for involving the public in identifying strategies and actions necessary to produce a successful and citizen-supported project. The primary objective is to ensure that all stakeholders and community voices are heard and considered. The engagement plan will set the boundaries for engagement by identifying key stakeholders and establishing a clear communication path for engagement.

**iv. How does your proposal align with requirements to affirmatively further fair housing? (5 points) Please respond to each of the following:**

This project proposes to meet Affirmatively Furthering Fair Housing (AFFH) requirements using equitable land use planning and practices that will encourage affordable production, encourage affordability while lowering the cost burden and supporting the production of different types of housing styles and layouts. This project will consider housing options for people experiencing homelessness and pay close attention to gentrification and displacement. The City will ensure that there will be no discrimination based on race, color, or creed. The City will consult with its local fair housing agency as the project develops.

**Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity.**

Our proposed project will meet the requirements of AFFH by addressing housing needs and removing barriers beyond estimating the number of needed units or making them affordable and available to all who qualify. To create additional affordable housing, the City is looking at alternative sources of funding such as increasing permitting fees and creating an affordable housing trust fund. The City is updating its zoning regulations to encourage housing development such as tiny homes, duplexes, etc. The City is also looking to create homeownership in this proposed project through a creative rental housing program.

**What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?**

The southern project area which resides adjacent to a high-opportunity area has historically been an African American community. Therefore, the racial composition of the persons or households that will benefit the most from this project will be the African American Community, although the project will be open to all races. The northern project area is more ethnically diverse because of its proximity to the downtown, river development, and military base area. This section of the project has the greatest chance for more diverse people to benefit.

**How will your proposal increase access for underserved groups to these areas?**

Our proposal aims to improve access to housing, employment, healthcare, and wealth-building opportunities for underserved groups in these areas. The City plans to achieve this through collaborating with key stakeholders, assessing, monitoring, and improving systems for delivering services to the underserved that reside in the project area. The City also plans to pursue other grants to provide services to the underserved populations in the proposed project area.

**Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation.**

The City is currently in the early stages of creating a plan for housing that will cover affordable, workforce, and market-rate housing throughout the city. As previously mentioned in this application, the City is partnering with the Reinvestment Fund Group to collect data to determine the state of housing in all its communities. The goal is to promote desegregation, particularly in low-income and struggling communities, by investing and reinvesting in affordable housing options for both renters and owners, job training and employment opportunities, industry and business investment, access to healthy food, education, healthcare, safety, recreation, and financial empowerment.

**What policies or practices perpetuate segregation and how will your proposal address them?**

Many neighborhoods in Montgomery are facing the challenge of the “Not in My Backyard” (NIMBY) mentality. To ensure that future housing plans are fair and inclusive, the City will create anti-discrimination policies and educational campaigns promoting affordable housing. The City’s campaign will use public forums and tout current successful affordable housing projects while promoting affordable housing as an asset to any community. The City will also work with property owners to encourage the maintenance of housing properties as a long-term tool for preservation.

**How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable housing?**

The proposed affordable housing project will target low- to- moderate income communities located between the south and north anchors of the project areas of the Selma to Montgomery National Historic Trail. There are high-opportunity areas located at each end of the project area and are less than five minutes away from the proposed project areas. At present, there is a severe shortage of energy-efficient, safe, and sanitary affordable housing opportunities in these communities that reside along the Trail. This grant will enable the City to begin the process of bringing these communities on par with the high-opportunity areas that anchor the project.

**How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?**

The aim of this project is to expand affordable housing with affordable options and styles to residents in the project area. This includes using large vacant properties and infill housing sites where housing formerly existed. Opportunities to perform homeowner critical repair services will be offered to stabilize existing housing stock.

**How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?**

This project is unique because it includes an anchor project called The St. Jude Apartments Rehabilitation targeted to the elderly in the southern section of the proposed project area. It is anticipated that HOME-ARP funding will be used in this project to provide housing for members of protected classes. These housing units to be constructed will use the "Aging In Place" concept whereby planning for future needs to accommodate aging such as walk-in bathrooms in grab bars, wider hallways, lower counter tops, etc. The project will also adhere to all federal regulations concerning disability assuring accessibility to individuals with disabilities. Lastly, all promotional and project materials will be translated into necessary languages as outlined in the City's LEP Policy.

**Does your plan address issues identified in your jurisdiction’s most recent fair housing plan or plans?**

This proposal addresses two obstacles identified in Montgomery's 2020-2024 Analysis of Impediments to Fair Housing. The first issue concerns the lack of affordable housing for vulnerable groups. The second is the need for economic support for new small businesses to generate employment opportunities and revitalize neighborhoods. The goals are to expand affordable housing options and provide ongoing economic development assistance (e.g., job training, employment) for resident living in the proposed project area for development.

**Have you considered the risk of displacement associated with your proposal?**

The City has thoroughly assessed and considered the potential displacement risks related to this project. However, a more extensive analysis is needed to determine the potential impact on the communities in the project area, which could be positive or negative. This analysis encompasses examining the possibility of gentrification, the trajectory and nature of economic development, the availability of affordable rental and homeownership housing options, the preservation of current housing stock, and transportation alternatives. Additionally, other factors to consider in detail are accessibility to education, healthcare, job training, and employment opportunities.

**How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color?**

To prevent displacing vulnerable residents, a local university will analyze the risk of displacement based on socio-demographics, transportation, neighborhood, housing, and civic engagement. The data will guide future development in the project area and minimize current resident displacement. All qualified residents presently residing in the community will get the first right of refusal to housing and services.

**Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants)?**

To minimize displacement in the project area, the City has outlined several measures. The first step is to create long-term affordable housing options in these communities, which will help the community to grow and stabilize. The City will also explore programs that encourage owners of existing affordable housing developments to maintain them and continue to charge affordable rents. This will reduce the likelihood that residents will be displaced. Additionally, the City will launch an initiative to educate the public about the benefits of reducing displacement and creating and preserving affordable housing. To further support low-income residents, the City will establish a "housing trust fund" to help produce and preserve housing stock. Finally, the City will offer community residents along the project area the first right of refusal, as part of a fair process.

**How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing? How will it with access to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.**

The City aims to improve housing for people with disabilities by creating a disability-forward policy. They will collaborate with advocates such as the Montgomery Housing Authority, the Veterans Administration, and other disability related organizations to assist disabled people in



securing rental and transportation assistance. The City will partner with other local organizations that provide healthcare, rental assistance, transportation, and access to food. The City's development plan will comply with the ADA, Section 504, and Fair Housing Act requirements.

**Describe the implementation and/or enforcement plan for your proposal. Describe how you will approach resistance (e.g. litigation, environmental review, design standards) to the elimination of your targeted barrier(s).**

The City's Community Development Department is experienced in developing affordable housing units and has a process for monitoring progress. Developers and subrecipients must sign an agreement that includes a plan, budget, and timeline. Monthly progress reports will be required, with quarterly reports possible. Annual reviews ensure that HUD's standards are met. We will involve the public in a transparent process for the environmental review and design standards through public and stakeholders' meetings and website access as dictated by our HUD public engagement document.

**Describe any equity-related educational resources, tools, or public input that have informed your proposal.**

The City currently partners with national organizations like Cities for Financial Empowerment, National League Cities, and Bloomberg Philanthropy which has resulted in the formation of a Financial Empowerment Center, Statewide BankOn program, and Consumer Fraud Protection programs to help low-income persons access traditional banking services, receive assistance in financial planning and avoid high-interest loans and scams. The National League of Cities assists the City in offering programs such as the Healthy Homes Initiative, Prescription Medicine Discounts, and Court Fine and Fees Forgiveness. Grants from Health and Human Services and the Center for Disease Control (via the Alabama Department of Public Health) provide for community healthcare ambassadors to provide COVID-19 information to members specifically of low-to-moderate income communities. The City has received a grant from HUD to test homes in low-to-moderate income communities with children under the age of 6 lead poisoning. Bloomberg Philanthropy will assist the City with developing a climate plan for underserved communities.

**Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one?**

The City is dedicated to promoting diversity in housing production by actively involving minority, women-, and veteran-owned businesses. We will follow the HUD Section 3 requirements and prioritize contracts for minority contractors through the City's disadvantaged business enterprise program. An equity plan is being developed by our Policy Advisor to the Mayor to promote fairness and equality in all areas of service to the public.

**Other equity considerations informed by your local circumstances.**

To promote equity, the City should provide affordable housing, invite communities of color to participate in advisory boards, create working groups that focus on racial equity, and speak openly about addressing racism and other inequality activities.

**Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing.**

Our project aims to provide new housing and needed services to a community that has lacked it since the Selma to Montgomery National Historic Trail march in 1965. The City’s strategy includes utilizing available resources and promoting diversity, community services, and economic development. To ensure equitable access to resources, we will evaluate cultural, structural, and contextual factors and create an equity evaluation plan. The City’s development plan will focus on investigating community resource access and aligning it with its project goals.

**How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?**

The City intends to partner with local colleges, universities, nonprofits, and other stakeholders to create a tool that measures progress and evaluates efforts toward promoting racial equity. This tool will be implemented early in the project and will work proactively to address and eliminate racial inequities while advancing equity. It will establish clear goals, objectives, and measurable outcomes while involving the community in decision-making processes. It will identify who will be affected by a decision, consider potential unintended consequences, and develop strategies to advance racial equity while mitigating negative impacts. Lastly, mechanisms will be created for successful implementation and evaluation of impact, and the data will be open to the public for review and comments.

**If the applicant proposes to use PRO Housing funds to fund housing units, the applicant must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts.**

The City will advertise the project in local and regional newspapers while targeting minority and protected groups. Notices will be sent to various organizations including housing agencies, churches, and non-profit groups. Development partners will also advertise on their websites and communication media.

**v. What are your budget and timeline proposals? (5 points)**

<b>Table 6: City of Montgomery, Alabama Selma to Montgomery National Voting Rights Trail Community Revitalization Project Budget</b>			
<b>Activity</b>	<b>Percent of Budget</b>	<b>Estimated Cost x Units</b>	<b>Total Cost</b>
<b>PERSONNEL</b>			
Project Manager	4%	\$350,400 x 1	\$350,000
Fringe Benefits	1%	\$103,250 x 1	\$103,250
<b>CONSTRUCTION</b>			
New Homes	50%	\$200,000 x 20	\$4,000,000
Housing Rehabilitation	12%	\$25,000 x 40	\$1,000,000
Purchase Vacant Lots	5%	\$20,000 x 20	\$400,000
Purchase Vacant Structures	4%	\$50,000 x 6	\$300,000
Appraisals	1%	\$4000 x 26	\$104,000

Legal Fees	2%	\$5,000 x 26	\$130,000
Architectural Fees – New	5%	\$20,000 x 20	\$400,000
Architectural Fees - Rehab	1%	\$2,500 x 40	\$100,000
Engineering Fees - New	1%	\$6000 x 20	\$120,000
Engineering Fees - Rehab	1%	\$2000 x 40	\$80,000
<b>CONTRACTS - SUBGRANTEES</b>			
Community Action of N. AL.	4%	\$30,000 x 10	\$300,000
Aletheia House	4%	\$30,000 x 10	\$300,000
Hertitage Training Center	2%	\$3,750 x 40	\$150,000
<b>CONSULTANTS</b>			
Performance Services, Inc.	1%	\$100,000 x 1	\$100,000
SIPS Resource Group, Inc.	1%	\$100,000 x 1	\$100,000
Conservation Fund	1%	\$100,000 x 1	\$100,000
<b>TOTAL COST</b>			\$8,137,250

**Table 7: City of Montgomery, Alabama  
Selma to Montgomery National Voting Rights Trail Community Revitalization  
Project Budget Justification**

Activity	Allowable Cost
Personnel (Direct Labor)	\$453,250 is the total personnel cost. (\$350,000 is allocated to pay one project manager’s salary of \$70,000/yr. over a five year period; and \$103,250 is allocated to pay fringe benefits of 29.5% of the salary over the same period of time.)
Construction	\$6,634,000 is the total cost for construction. (\$4,000,000 is allocated for the construction of 20 new affordable homes at \$200,000 per home. \$1,000,000 is allocated for the rehabilitation of 40 existing homes at \$25,000 per home. \$934,000 is allocated for property acquisitions, including appraisals and legal fees; and 700,000 is allocated for architectural and engineering services.)
Contracts with Nonprofit Developers and a Subgrantee	\$750,000 is the total cost for contracts with nonprofit developers and Subgrantees. (\$300,000 is allocated for developers’ fees for the construction of 10 new homes at \$30,000 per home (10%) with one nonprofit developer (CHDO). \$300,000 is allocated for developers’ fees for the construction of 10 new homes at \$30,000 per home (10%) with a second nonprofit developer (CHDO); and \$150,000 is allocated for the developers’ fees for the rehabilitation of 40 existing homes at

	\$3,750 per home (15%) with a nonprofit subgrantee).
Consultants	\$300,000 is the total cost for consultants. (\$100,000 is allocated for the provision of a smart infrastructure consultant. \$100,000 is allocated for the provision of a green building consultant; and \$100,000 is allocated for the provision of a property acquisition consultant).
Total Cost	\$8,037,250 is the total cost of the project.

<b>Table 8: City of Montgomery, Alabama Selma to Montgomery National Voting Rights Trail Community Revitalization Project Development Timeline</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>PHASE I: Visioning</b>					
Project Team Meetings	X	X	X	X	X
Community Engagement	X	X	X	X	X
Project Design Concept	X				
Preview of Proposed Project Sites for Development	X				
Develop Required Program Policies	X	X			
Assess Capacity & Define Roles	X				
Meet With Grants Office/Discuss Project Requirement					
Draft & Execute Agreements	X	X			
<b>PHASE II: Predevelopment</b>					
Begin Environmental Review Process	X	X			
Evaluating Housing Development Models	X	X			
Assembling & Finalizing Project Team	X				
Assessing Project Feasibility & Risks	X	X			
Assess Proposed Market For Development		X			
SIPs Training for Developers & Staff		X			
Smart Infrastructure Training for Developers & Staff		X			
Developing Detailed Budget for Project		X			
Meet with Historic Commission	X	X			
<b>PHASE III: Funding Allocation Review</b>					
Set Up Project Budget in Finance Department		X			
<b>PHASE IV: Site Selection, Design, &amp; Approvals</b>					
Conduct Community Asset Inventory			X		
Site Selection			X		
Appraisals			X		
Property Acquisition			X		
Development of Site Plan		X	X		
Obtain of Approvals			X		
<b>PHASE V: CONSTRUCTION</b>					

Developing a Construction Schedule					
Inspection, Hiring, and Reporting				X	X
SIPs Training and Management				X	X
Managing the Construction Process				X	X
<b>PHASE VI: LEASE UP</b>					
Property Management Strategy				X	X
Marketing				X	X
Tenant Selection				X	X
Monitoring				X	X
City Reporting	X	X	X	X	X

**c. CAPACITY (Maximum 10 points)**

**i. What capacity do you and your Partner(s) have? What is your staffing plan? (10 points) Describe your capacity for managing a Federal grant of this size and scope.**

**Which specific agency or entity will lead implementation of the proposed activities? What is its role and management capacity?**

The City of Montgomery (City) through its Community Development Department will be the lead agency on the proposed project. The City has been receiving federal funds from HUD through the CDBG, HOME, and ESG programs as a participating jurisdiction and entitlement community since 1994. Over this period of 29 years, the City has received a combined programs funding amount of \$111,586,332 to serve and benefit over 500,000 low-to-moderate income individuals and families residing in the City. These funds are managed by the Community Development Division which is a part of the Department of Economic and Community Development. Most of the present experienced staff for the Community Development Division have been together between 15 and 20 years. The Community Development Division using HOME and CDBG Funds currently has interest in 15 affordable housing projects in the City.

**Describe how the agency or entity has (or plans to obtain) the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major project.**

The City of Montgomery has been an entitlement city receiving HUD funds since 1994. These funds are managed by the Community Development Division which is part of the Department of Economic and Community Development. To receive these funds, HUD requires that certain internal procedures are put in place to ensure that these funds are properly managed and spent. The process for spending funds starts with a consolidated/action plan with projects that are approved by the Mayor and City Council and HUD for implementation. All subrecipients receiving HUD funds are evaluated using an application process for project selection and funding that is designed to meet the requirements 2 CFR Part 200. The purpose of this process is to ensure that they are legitimate organizations capable of managing HUD funds.

All projects start with an environmental review process followed by the execution of an agreement which outlines the description of the project, goals and objectives, budget, federal and procurement requirements, and timeline for completion of project. Project managers are assigned to manage projects with the responsibility of monitoring project activities, budget expenditures, and performing desk and field monitoring reviews. Recipients of HUD fundings are required to submit

monthly reports that show progress towards meeting goals and objectives and expenditures of grants funds. Additionally, the division has a grants accountant that monitors all federal spending activities and ensures that all project invoices have been acknowledged and signed by the proper departmental authorities for payment.

**Describe your jurisdiction's leadership capacity and legal authority to effectively implement your proposed reforms. If other government entities are necessary for implementation, describe how their support is secured.**

As previously mentioned in this application, the City of Montgomery has been managing HUD Entitlement funds since 1994. Once projects are approved by the Mayor, City Council and the HUD CPD Office, staff under the direction of the Community Development Department Head and Community Development Division's Grants Administrator have the full authority to manage to manage HUD funded project activities using program rules and other guidelines such as HUD program regulations, federal and state procurement guidelines, 2 CFR Part 200 regulations, environmental review regulations and other relevant regulations relevant for managing and spending federal funds. All agreements including amendments related to a project are reviewed by the City's legal department and signed by the Mayor.

**If your proposed approach includes partners, describe each partner's capacities and credentials related to its role in implementing the project. Is your capacity to design, plan, or remove a barrier dependent on partner capacity? If yes, describe the dependency. What is your plan to regain capacity if a partner drops out?**

The City has recruited highly qualified partners for the successful planning, designing, and implementation of the proposed project for expenditure of HUD PRO Housing Funds. The project team/partners are categorized as (1) Housing, (2) Infrastructure, and (3) Land Use. The Community Development Department has the capacity to design the project and create policies to remove the barriers to affordable housing described in this application. However, the City feels that the partners selected for this project gives the City the optimal chance for achieving success for this project. Because we have an established network of partners and have been successful in affordable housing development, we have access to other choices that could fill in should a partner drop out.

The housing partners are Community Action Partners of North Alabama (CAPNA), Aletheia House, Heritage Training and Career Center, Alabama Power Smart Neighborhood Division, and the SIPs Resource Group. **Community Action Partnership of North Alabama (CAPNA)** was formed in 1996 and is a leading non-profit partner organization in North Alabama that is committed to reducing or eliminating the causes and consequences of poverty. They offer the following services to impoverished individuals and families in Alabama: Children's Services, Senior Programs, Meals on Wheels, Energy Assistance, Homeownership Services, and Real Estate Development. They have been certified CHDO for the City of Montgomery since 2019. As of Year 2022, they have constructed 508 affordable housing units across the state for economically disadvantaged people and has housed as of Year 2022, 1,926 economically disadvantaged people. For the City of Montgomery, CAPNA has developed 47 affordable housing units with an additional 56 additional affordable housing units scheduled to be completed by the end of 2024.

**Aletheia House** was formed in 1972 and is a leading nonprofit organization providing the following services to primarily low-income persons and families: Community Healthcare, Substance Abuse Treatment, HIV/AIDS Counseling, Supportive and Affordable Housing. Aletheia House has been a certified CHDO for the City of Montgomery since 2019. Since 2017, they developed and constructed 691 affordable housing units across Alabama and the southeast. For the City of Montgomery, they have conducted 62 affordable housing units with an additional 60 affordable housing units scheduled to be completed by the end of 2024 for low- and moderate-income families and individuals. Both CHDOs bring other community services that will be beneficial to communities along the project site. The City has engaged both CHDOs for developing affordable housing for this project.

**Heritage Training Center** was established in 2015. Heritage was formed after a formal CHDO, Central Alabama Opportunities Industrial Center, ceased operations. The director for Heritage was instrumental in leading the affordable development efforts for this organization. Heritage Training Center is currently managing the City's Critical Homeowner Repair Program since 2016 and will housing rehabilitation efforts for this project. Heritage has provided critical home repair assistance to 79 homeowners. Heritage will also be the lead entity for the Lead Hazard Reduction Capacity Building grant that was recently awarded to the City in the Summer of 2023. The City has engaged Heritage Training Center for this project.

**The Alabama Smart Neighborhood** is a division of Alabama Power Company which is the largest electric utility provider in the state. Under the Smart Neighborhood Program, Alabama Power partners with local builders to develop smart neighborhoods which feature energy-efficient appliances, connected devices, innovative security solutions and home automation. Alabama Power Energy Efficiency Experts work with developers with the goal of producing a housing unit that is 50% more efficient than a typical existing home. They work with developers for this project to provide custom recommendations for meeting energy efficiency requirements based on the floor plans for each Smart Neighborhood. The City has engaged Alabama Power for this project.

**The SIPs Resource Group, Inc.** which was formed in 2015 will provide technical assistance to the project developers to include plan development and worker training for constructing affordable housing units using Structural Insulated Panels for this project. The SIPs Resource Group's team has over forty years combined experience working with structural insulated panels to include office buildings, custom homes, and multi-family projects. The SIPs Resource Groups recently completed a consultation project with the City with the development of the SIPs housing for a low-to-moderate income elderly resident in West Montgomery. The City has engaged SIPS Resources Group for this project.

The Infrastructure Team Member for this project will be **Performance Services, Inc.** Performance Services was formed in 1998 and specializes in developing internal and external infrastructure plans for implementation for cities and towns, institutions of higher educations, and K-12 schools. Their expertise includes assistance in designing Smart Cities Infrastructure solutions to include on site power generation, networked LED street lighting, smart water meters, and wastewater improvements. They currently provide these services in 11 states. They will be working with the developers and the rest of the housing project team members to incorporate smart city technology

(e.g., smart lighting, smart parks, energy grids, smart benches, etc.) into the project area. The City has engaged Performance Services, Inc. for this project.

The Land Use Team Member for this project will be **the Conservation Fund**. The Conservation Fund was established in 1985 with the mission of protecting America's most critical lands and waters to provide greater access to nature, strengthen local economies and enhance climate resiliency. Their work, which occurs in all 50 states, consists of land conservation, combatting climate change and building vibrant communities. They managed programs ranging from developing business partnerships, conservation acquisition, aquaculture and water quality, and green infrastructure. The City is presently operating under a mou with the Conservation Fund for development of the Selma to Montgomery National Historic Trail. The Conservation Fund will be working with the project to identify opportunities for green space and land conservation that will benefit communities residing along the project site.

**Describe the agency's or entity's experience working with and coordinating partners (including contractors, funders, subrecipients, community stakeholders, and other government agencies) in previous projects similar in scope of scale to the proposed activities.**

The City of Montgomery is an entitlement city and has been receiving HUD funds since 1994 managing CDBG CDBG-CV, CDBG-R, CDBG-ED, HOME, HOME ARP, ESG, and ESG-CV. The current staff development experience ranges from 15 to 20 years consists of working with and coordinating partners in current and past affordable development housing projects to include working with Community Housing Development Organizations (CHDOs), for-profit developers, public housing, housing rehabilitation, domestic violence, and other homeless shelters. The Community Development Department and Division has an excellent working relationship with its HUD CPD Office in Birmingham, AL which is its primary federal funder for the City for developing affordable housing. The City has a formal community and public engagement process with stakeholders that is centered around the development and submission of the Consolidated Action Plan. The Community Development Division staff have experience with not only major housing developers and contractors, but also with small contractors such as those that work in our critical housing rehabilitation program. The Community Development Division staff has an internal project monitoring process for consistent and constant engagement with subrecipients during the project period.

**Who wrote this application: applicant staff, or a professional technical or grant writer in a consulting or contract capacity? Please provide name(s), title(s), and organization(s).**

The application for this project was written in collaboration of staff members of the Community Development Department and Division. The names and title are as follows:

- Desmond Wilson, Director of Community Development
- Gary Sharp, Grants Administrator for the Community Development Division
- Paul Van Fleet, Grants Coordinator and HOME Program Manager for the Community Development Division
- Brittany Smith, Grants Coordinator for the Community Development Division
- Jocelyn Zanzot, Urban Designer for the Development Division

**Do you or any partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities? Do you**

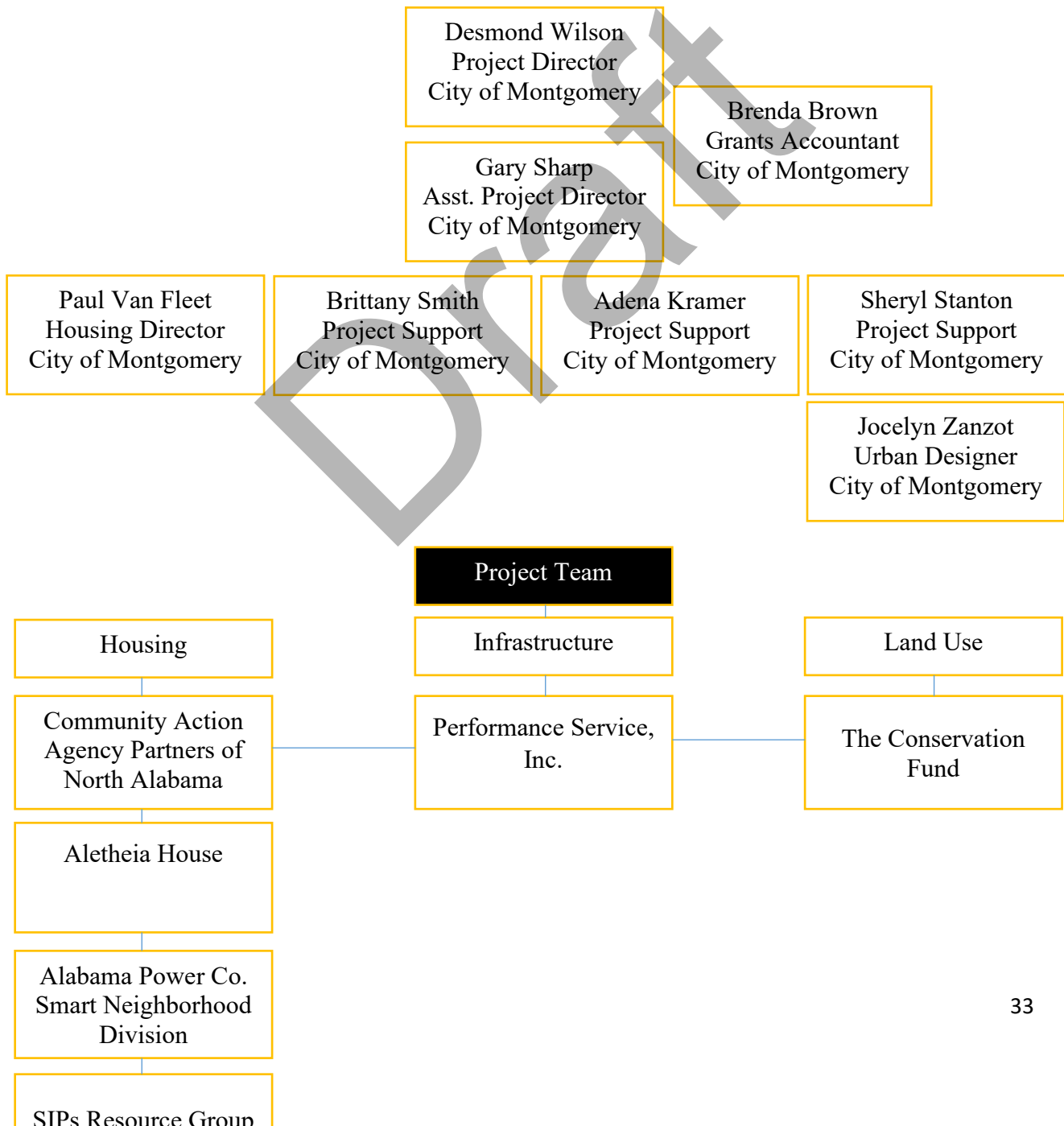


**or your partner(s) have experience designing or operating programs that have provided tangible reductions in racial disparities?**

Our partner for working with civil rights and fair housing is the Central Alabama Fair Housing Center (CAFC) of Central Alabama located in Montgomery, Alabama. We have been in partnership with CACF to compose the last three Analysis to Impediment to Fair Housing for submission to HUD. Presently, we do not have experience in designing or operating programs that have provided tangible reductions in racial disparities. However, we are beginning to work with the Bloomberg Philanthropy to start the process of developing policies concerning climate change and racial disparities. We also have a partnership with the National League of Cities to request for technical assistance to address racial disparities.

**Provide an organizational chart that identifies names and positions of key management for proposed PRO Housing activities.**

**Revitalization of the Historic Selma to Montgomery National Voting Rights Trail Project  
Organizational Chart**



Desmond Wilson will serve as the project director for the proposed project. His duty for the project includes being responsible for all aspects of the project to be carried out in accordance with the project's technical and programmatic requirements, compliance with applicable policies and regulations, and administrative tasks. Specific duty consists of managing city staff and project personnel, monitoring project's financial status, approving expenditures, approving sub-recipient agreements and related invoices, meeting with staff, community leaders, stakeholders, and project partners.

Gary Sharp will serve as the assistant project director for the project. His duty for the project includes assisting the director in meeting the project's technical and programming requirements. Specific duties consist of managing project personnel, and partners, implementing project activities, collecting, maintaining project data and materials, completing progress and other required reports, monitoring project's financial status, reviewing and submitting invoices for approval for payment, seeking approval for budget changes, and meeting with director, staff, community leaders, stakeholders, and project partners.

Brenda Brown will serve as the grants accountant for the project. Her specific duty consists of overseeing the financial management aspects of the project to include monitoring the project budget, reviewing all project agreement budgets, reviewing, and recommending payment for invoices, submitting invoices to the finance department for payment and completing all financial reports required.

Paul Van Fleet along with the rest of the staff will be responsible for managing the housing activities for the project to include initiating the environmental review process. He, along with Gary Sharp, Brittany Smith, Adena Kramer, and Sheryl Stanton will be responsible for working with the entire project team specifically in project design, implementation of project activities, desk review and onsite monitoring, collecting project data, conducting meeting with director, assistant director, community leaders, stakeholders, and project partners. Jocelyn Zanzot is the department's Landscape architect and will be assisting the project team in designing and laying out the project area,

**d. LEVERAGE (Maximum 10 points)**

The leverage for the proposed project is as follows in Table 7. Leverage items 1 through 3 are investments in the northern section of the proposed project area. Leverage items 4 through 15 are affordable housing investments in the southern section of the proposed project area. Items 16 through 18 are affordable housing federal and private program investments that will benefit the

proposed project area. Leverage items 19 through 26 are the estimated value of staff time that will be invested over a five-year period during the proposed project.

**Table 9: City of Montgomery, Alabama  
Leverage for Project**

Name		Description	Source	Value Amount
1	Peacock Tract Properties	Property Acquisition	HUD CDBG	\$1,500,000
2	Mt. Zion Church Restoration	Community Center	HUD CDBG	\$981,000
3	I-65/85 Corridor Study	Historic Preservation	NPS	\$50,000
4	Lanier Place I, II, & III	Affordable Housing	HUD HOME	\$1,977,016
5	Lanier Place I, II, & III	Affordable Housing	1 <sup>st</sup> Mortgage	\$1,238,124
6	Lanier Place I, II, & III	Affordable Housing	Deferred Dev. Fee	\$5,074
7	Freedom Village	Affordable Housing	HUD HOME	\$672,056
8	Freedom Village	Affordable Housing	LIHTC Tax Credits	13,836,108
9	Freedom Village	Affordable Housing	1 <sup>st</sup> Mortgage	\$1,121,000
10	Freedom Village	Affordable Housing	Deferred Dev. Fee	
11	Freedom Village	Infrastructure	CDBG	\$200,000
12	Liberty Court Phase I	Affordable Housing	HUD HOME	\$1,564,600
13	Liberty Court Phase I	Affordable Housing	1 <sup>st</sup> Mortgage	\$205,230
14	Liberty Court Phase I	Infrastructure	CDBG	\$392,303
15	Liberty Court Phase I	Owner Cash	HUD CDBG	\$5,074
16	Lead Hazard Reduction Capacity Building Grant Program	Lead-based Paint Training Program	HUD	\$716,000
17	Market Value Analysis	Analysis of Housing Market for the City	Reinvestme nt Fund	\$100,000
18	Thriving Community Technical Assistance Grant	Technical Assistance for Development of Civil Rights Trail	HUD, DOT, UDSA	\$100,000
19	Director's Salary	Staff Time- 5-Year Period	City	\$140,000
20	Grants Administrator Salary 25%	Staff Time- 5-Year Period	City	\$20,000

21	Grants Coordinator1 Salary 25%	Staff Time- 5-Year Period	City	\$17,403
22	Grants Coordinator2 Salary 25%	Staff Time- 5-Year Period	City	\$17,403
23	Grants Coordinator3 Salary 25%	Staff Time- 5-Year Period	City	\$17,403
24	Development Tech4 Salary 25%	Staff Time- 5-Year Period	City	\$11,882
25	Landscape Architect Salary 25%	Staff Time- 5-Year Period	City	\$15,583
26	Grants Account Salary 10%	Staff Time- 5-Year Period	City	\$7,000
<b>TOTAL LEVERAGE AMOUNT</b>				\$24,517,956

The City has supportive documents available for review.

**e. LONG-TERM EFFECT (Maximum 10 points)**

**i. What permanent, long-term effects will your proposal have? What outcomes do you expect?**

The expected permanent, long-term effects of this proposal on the targeted communities for this project will be the perpetual social and economic reinvestment in African American communities that resides along one of the most historic trails- The Selma to Montgomery National Historic Trail. This reinvestment will include: **(1)** Energy Efficient Affordable Housing; **(2)** Sustainable Green Building and Infrastructure Improvements; **(3)** Preservation of Housing; **(4)** Access to Transportation; **(5)** Economic Development Investments; **(6)** Job Training and Employment Opportunities; **(7)** Access to Healthcare, **(8)** Access to Education; **(9)** Financial Literacy Counseling; **(10)** Community Safety and Security; and **(11)** Improved Community Relationships with the City. This proposal will give the City the impetus to effectively through positive development to develop and implement policies to not only remove the barriers that currently exist, but almost protect the investment while encouraging new investment into these communities.

**Describe what you will have achieved upon completion of grant-funded activities, including the specific work product(s), deliverable(s), or completed projects you will produce and any implementation actions that follow.**

In addition to the effects listed above, the goal of this proposal is to have constructed up to 20 of the most energy efficient housing for low-to-moderate income households that live in communities that are located along the project area. Beyond creating investment opportunities, the desired outcomes for the completion of this project are to adopt a different philosophy for future development of affordable housing. The philosophy, on a higher level, would include looking for opportunities in a complete focus manner to **(1)** Reduce GHG emissions and other environmental impacts; **(2)** Reduce energy costs and cost burdens; **(3)** Increase economic benefits through job creation and market development; **(4)** Become a leader in raising public awareness on energy efficiency; **(5)** Improve indoor air quality to reduce airborne ailments; **(6)** Increase home values in the project area. The City will bring other programs such as financial literacy to complement the

housing investment. The overall effect is to change the image of these communities to be safe, vibrant, and progressive while stimulating opportunities for future investment.

**Describe what roadblocks your proposal might be facing (e.g., the reversal of a plan to streamline the permitting process). What are the most likely ways in which the barriers might persist despite your proposed activities, and how does the proposal account for and counteract this?**

There are two potential roadblocks for this proposal as it relates to constructing the affordable housing units using Structural Insulated Panels (SIPs)- Inspections Departments and CHDOs. SIPs is fast-emerging technology for housing and other types of building structures, and it is not a common building product for the City. City inspectors are not experienced in inspecting this type of housing because the panels come from the factory pre-designed for electrical and plumbing. However, the City has constructed one unit using this material which caused some hurdles for inspection but was overcome. To overcome these hurdles, the project will budget for a SIPs consultant to provide extensive training to Inspections Department staff.

The other potential roadblock that potentially exist is that neither of our proposed developers (CHDOs) have ever constructed a housing unit using SIPs materials. This will be an opportunity for them to learn a different type of affordable housing construction process and will require extensive training. To overcome this hurdle, the project will use the same SIPs consultant for training Inspections staff to train the CHDOs.

**Do you anticipate your proposal will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs?**

The City anticipates that this proposal will result in reducing housing costs (cost burdens) for residents living in communities along the project site. We are proposing to use SIPs materials for the construction of the affordable housing units that will reduce the resident's cost burdens for the following reasons: **(1)** SIPs panels have 100% greater R-Values for the same thickness wall when compared with stick framing; **(2)** Low air-filtration is 12 times less than a traditional building, resulting in less heating and cooling loss; and **(3)** SIPs panelized housing generally requires 33% smaller HVAC units are needed to heat and cool compared to building with studs and fiberglass. Overall, studies shows that SIPs homes have repeatedly demonstrated annual energy savings up to 60% from heating and cooling. For an average SIPs building, this translates to a savings of approximately \$30,000 in energy costs over a typical mortgage period. This proposal will not increase other costs such as transportation for the City has applied for other funding to improve existing transportation infrastructure in the targeted project area.

**Describe how you seek to achieve your goal of enabling the production and preservation of affordable housing while also considering the value of siting affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.**

To achieve the City's goal of enabling production and preservation of affordable housing, it is expected that initial construction activities for affordable housing will occur on vacant properties that are located on the Selma to Montgomery National Voting Rights Trail. Plans call for ongoing efforts to acquire as much vacant possible on the trail to include sites with structures as possible for rehabilitation. Plans include purchasing vacant properties for housing development as you turn

at major intersections of the Trail. This proposal will not significantly alter any access to the community present amenities. The goal of the proposal is to increase amenities that are presently in the communities.

**Describe how your proposal represents a model for other communities, including the manner(s) in which your jurisdiction(s) or others may scale or replicate the proposal.**

The affordable housing model that the City wants to achieve for this project is based on discussions with Alabama Power Smart Neighborhood. Our goal is to create the first major “Smart Energy” neighborhood/community for low-to-moderate-income households living on the Selma to Montgomery Historic National Trail in Montgomery, Alabama. This also includes incorporating smart infrastructure technology such as street lighting, smart benches and smart park. The goal is to change the thinking of how design affordable housing as it relates to not only energy usage, but to other relevant development factors such as climate/reduction of carbon footprints, health related illnesses, and maintenance. We anticipate that this project will be one that other communities will want to visit for possible modeling efforts.

**Describe the community’s most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience.**

The City owns about 10 acres in the northern section of the project that were purchased with CDBG and are currently undergoing Phase I and Phase II environmental assessments conducted by the Alabama Department of Environmental Management (ADEM) to determine if the sites hazardous contaminants. If there are contaminants, the City will work with ADEM to develop and implement a remediation plan for cleanup. Should the CDBG properties not be suitable for housing development, there are other properties in the area that are for sale and are suitable for housing development within the project area.

The site identified in the southern section of project is a former housing site that was turned into an athletic field by the school adjacent to the property. The school has closed, and the property is for sale. It is believed that there are not any environmental hazards with it being a former housing site and used as an athletic field by the local school system. The vacant lots next to the preferred development site are also formerly housing sites.

There is an opportunity in the southern section of the project area on the Trail to connect the community to major water called the Genetta Stream to a large tract of land that could create leisure and educational opportunities for the residents and other citizens. Identified in the Greening the Selma to Montgomery Trail, Reconnecting and Remembering Plan of 2013, this potential site along with the existing facility that is currently there, would create a much-needed community gathering space while addressing neighborhood creek flooding. The Conservation Fund has looked at this potential development site using one of their program designs called, “Parks with a Purpose”.

**What do you consider success to look like at the end of the period of performance or beyond?**

Success for the City beyond the end of the performance period for the project area looks like communities along the project area are in the beginning stage of positive community transformation. Positive transformation is visioning a community represents what the Selma to Montgomery March to the State Capitol was supposed accomplish: “Equal Rights and

Opportunities for Everyone.” The vision for the future of the communities that will be affected by this project includes: **(1)** Continual Reinvestment into West Montgomery; **(2)** Birth of a Sustainable Community; **(3)** Quality Affordable Housing Opportunities; **(4)** Increase in Quality of Life for Residents; **(5)** Healthier Lifestyles; **(6)** Attraction of Businesses; **(7)** Education Opportunities; **(8)** Job Training Opportunities; **(9)** Employment Opportunities; and **(10)** Attraction of Diversity.

**How would you anticipate the proposal to enable the production and preservation of affordable housing?**

The successful implementation and completion of this project will give the City a path to continuing developing affordable housing in the project areas while instilling confidence in the public that such a project is achievable. The status of being considered a “Smart Community” will attract other developers to the area. To further enable production and preservation of affordable housing, the City will also have to develop housing mechanism such as a Land Bank or Land Trust whereby properties can be placed in a system whereby it remains for the purpose of developing affordable housing. The City will explore developing a Housing Trust Fund to complement CDBG and HOME funds for emergency repairs of existing housing units.

**Explain how the targeted outcomes will remedy the identified Need.**

The targeted outcome for this project is provide affordable housing options for those people earning the lowest wages and have the highest cost-burden for housing. This proposal proposes to construct up to 20 affordable housing units for low-to-moderate income households along the Selma to Montgomery Historic National Trail in Montgomery, Alabama. Much of this project encompasses one of the poorest council districts (Council District 4) with some of the poorest census tracts and parts of a more affluent council district (Council District 7) with pockets of low-income residents.

Data was pulled from the City’s Data Portal for permits pulled for demolitions and New Single-Family Residence Construction from **2014-2022**. Out of the **1,082** demolition permits issued, **22%** of them occurred in Council District 4. Out of the **964** permits issued for new single-family residence construction, only **3%** occurred in Council District 4. In addition to these statistics, the preferred site for affordable housing development in the part of the project area (which was converted into an athletic field by the public school system and is no longer in use) once supported **30 housing units** up until the 1980’s.

There a **10** census tract data in City Council District 4. According to the Federal Financial Institutions Examination Council, the average percentage of residents living below the poverty line is **32%**. Seventy percent average of the residents are considered low-to-moderate income households. The average tract median family income percentage is **65.9%**. and the average 2020 tract median household income is **\$35,994**. The data presented shows a serious decline in housing and economic investment in the Trail communities.

**Describe the long-term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.**

The long-term effect the City’s proposal to remove barriers to affordable housing production that have perpetuated segregation, inhibited access for protected class groups and vulnerable populations lies in changing the way we look at developing affordable housing. The following factors should be considered based on the target audience: **(1)** Affordability/Cost-Burdened Reduction; **(2)** Inclusive/Diversity Population; **(3)** Meeting Basic Livability Standards (e.g., overcrowding, accessibility, healthy); **(4)** Meet the Needs of Users; **(5)** Enhance of Built Environment; **(6)** Quality of Materials; **(7)** Effects on the Environment; **(8)** Opportunities for Preservation, **(9)** Opportunities for Incentives, and **(10)** Social Effect. In expanding opportunities in particularly for disinvested low-income communities, the “Why Not In My Community” philosophy is the option the City will adopt to evaluate what amenities that are presently in high-opportunities communities that should also be in marginal communities.

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