



TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving the Community Development Block Grant (CDBG) FY 2013-14 Annual Action Plan

MEETING DATE: July 16, 2013

DEPARTMENT: Housing & Community Development

CONTACT: Shirletta Best, Community Services Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Conduct a public hearing on the FY 2013-14 Annual Action Plan for the Community Development Block Grant (CDBG) funding and approve the attached resolution to adopt the Plan.

ITEM SUMMARY:

- The Community Development Block Grant (CDBG) program under the U.S. Department of Housing and Urban Development (HUD) is a flexible program that provides communities with resources to address a range of unique community development needs. The City of McKinney anticipates receiving \$710,285 in CDBG funding for the program year, October 1, 2013 to September 30, 2014.

The City of McKinney uses CDBG as a quality of life investment toward goals to develop and revitalize viable communities by providing decent housing, a suitable living environment, and expand economic opportunities, principally for low- and moderate-income persons. The Annual Action Plan is a one-year plan, based on the goals and objectives of the City's Strategic Plan under the FY 2010-2014 Housing and Community Development Consolidated Plan.

Nationally, the CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. HUD has stated possible impacts on grantees due to appropriation levels, sequestration and newer Census data. Beginning in FY 2012, HUD uses Census Bureau American Community Survey (ACS) data as the source for most demographic data in computing formula allocations. ACS data is updated annually and is based on five year weighted average data, so every grantee's formula demographics will change every year as a new year's data is introduced. The FY 2012 allocations were computed using 2005-2009. The FY 2013 allocations are computed using 2006-2010 ACS data, which relies on the Census 2010 counts as new weights for estimating the

CDBG formula variables. The slight increase in funding ameliorates some of the effects caused by introducing new data.

Citizen and stakeholder involvement is very valuable under the CDBG program through public hearings, community meetings, public comment and reporting. The Community Grants Advisory Commission (CGAC), a 7 person commission appointed by City Council, serves the community by receiving funding requests, including agencies and city programs through public hearing requirements and makes funding recommendations.

BACKGROUND INFORMATION:

- Federal regulations request a 30-day public comment period regarding the proposed Action Plan, before submittal to the U.S. Department of Housing and Urban Development. The comment period is listed from June 16 to June 17 and the plan is available to review on the City's website; the City's Housing and Community Development Department and the Roy and Helen Hall Memorial Library. The general public will have the opportunity to present written comments through July 17. All written and public hearing comments will be submitted with the Annual Action Plan.
- The City of McKinney will use CDBG to primarily serve low to moderate income persons through Public Services, Housing Rehabilitation and CDBG Economic Development Activities. Under statutory regulations, up to 15% of the total CDBG grant can be used for Public Services. The minimum grant award per agency applying for public services is \$ 5,000. Under statutory regulations, only 20% of the grant can be used for Grant Administration and Planning. Housing Services, including Housing Rehabilitation and other Non-Public Services account for the remaining 65% of the budget. Any unused funds are reallocated back into the program for benefit.
- The Community Development Block Grant funding must meet use under a National Objective. The City of McKinney primarily uses its funds for programs to benefit eligible low to moderate income persons and households. While programs are available to eligible LMI persons city-wide, data indicators determine persons and households within census tracts of 309, 308, 307 and 306 will receive the greatest impact.
- A legal notice was placed in the paper providing the public notice of funding availability and technical assistance was provided to interested persons and agencies. The application deadline was April 8, 2013. The Community Grants Advisory Commission held public hearings on May 8 and May 9 to consider funding requests. Commission members met on May 23rd after considerable discussion and review, approved recommendations and adjustments for public comment and City Council adoption of the resolution and action plan. The City Council will conduct a public hearing at their regular meeting for public and

written comment on July 16 before adopting the plan.

- The City of McKinney must submit the Annual Action Plan for review and approval to the U.S. Department of Housing and Urban Development (HUD) no later than August 15, 2013. The FY 2013 Annual Action Plan and program year will begin until October 1, 2013.

FINANCIAL SUMMARY:

Funding recommendations are listed below.

- The Samaritan Inn – Employment Case Management funds used to provide counseling and employment services to homeless shelter residents. \$ 12,000
- Community Lifeline Center – Emergency housing and utility assistance toward homeless prevention. \$ 10,000
- Health Services of North Texas – Mental Health Services to support counseling of persons with HIV/AIDS to cope with life skills and health services. \$ 6,375
- City House – Shelter case management services for McKinney transitional living/at-risk runaway youth to help them living independently. \$ 6,473
- CASA of Collin County – Support for volunteer training of the court-appointed advocates to benefit abused and neglected children. \$ 8,500
- Collin County Committee on Aging, Inc. – Meals on Wheels program to benefit eligible McKinney Senior Citizens. \$ 11,098
- Children and Community Health Center – Healthcare services to support a salary portion of medical nurse practitioner to benefit McKinney low to mod income underserved or uninsured clients. \$ 11,000
- Holy Family School – scholarships to leverage education for low to moderate income and homeless children, ages 2 to 5 for summer program. \$ 5,750
- Community Dental Health - Basic dental services for children, youth and seniors ineligible or have no dental insurance. \$ 10,000

- Boys & Girls Clubs of Collin County – Program support for SMART Moves program to assist at-risk youth. \$ 8,500
- Habitat for Humanity of North Collin County – Providing assistance through the vacant lot acquisition program for affordable builders to build quality housing for low to mod income persons. \$ 10,000
- Housing Rehabilitation – City program provides lead-based paint hazard reduction assistance, emergency, small and major home repairs to assist eligible LMI homeowners; encouraging low to moderate income persons for job creation (section 3). \$ 333,232
- Community Services – Assisting eligible low to mod income persons with eligible Community Development and Neighborhood activities. \$ 60,750
- CDBG Economic Development – Leveraging economic development eligible activities that may include Infrastructure, Façade Improvements, Development and Small Business Development. \$ 68,800
- Grant Administration – Administration and planning to administer the CDBG program. Activities under the FY 2013 program year will also include updating the City’s Consolidated Plan for Housing and Community Development; Impediments to Fair Housing Analysis plan; assisting with the city’s ADA plan and other impact plans related to Housing and Community Development. \$142,057

BOARD OR COMMISSION RECOMMENDATION:

- The Community Grants Advisory Commission respectfully recommends City Council to accept the funding recommendations under the FY 2013-14 CDBG Annual Action Plan, effective October 1, 2013.