



COMMUNITY GRANTS ADVISORY COMMISSION

SUBJECT: Conduct a Public Hearing to Consider Public Comments for
FY 2013-14 Community Development Block Grant (CDBG)
Funding Requests

MEETING DATE: May 8, 2013

DEPARTMENT: Housing & Community Development Department

CONTACT: Shirletta Best, Community Services Administrator

ITEM SUMMARY:

- The City of McKinney anticipates receiving its CDBG allocation from the U.S. Department of Housing & Community Development for the program year, October 1, 2013 – September 30, 2013.
- On May 8, 2013 and May 9, 2013 the Community Grant Advisory Commission will conduct public hearings to consider Community Development Block Grant (CDBG) funding requests from 12 non-profit agencies.
- The Community Grant Advisory Commission will deliberate May 23, 2013 to consider, discuss and act on Annual Action Plan funding recommendations for City Council approval.
- Prior to approval, a minimum 30-day public comment period will commence from June 13, 2013 - July 16, 2013. The Action Plan will be available for review in the Housing & Community Development Department, the Roy & Helen Hall Memorial Library and on the City's website.
- The McKinney City Council will hold the final public hearing at their regular meeting, July 16, 2013 at 6:00 PM.
- The Annual Action Plan will be submitted to the U.S. Department of Housing and Urban Development in August, 2013 for consideration and approval.

SPECIAL CONSIDERATIONS:

- Applications shall be analyzed for funding in accordance with the Strategic Plan goals expressed in the Housing and Community Development Consolidated Plan, service impacts to the community, past performance as applicable, duplication of services from other agencies, other sources of agency funding, and presentation critique.
- The minimum grant award per agency applying for public services funding is \$ 5,000. Under statutory regulations, only 15% of the total CDBG grant can be used for Public Services. Effective under FY 2013-14, agencies were allowed to submit a maximum of two proposals for consideration.
- Under statutory regulations, only 20% of the total grant must be used for Grant Administration. Non-Public Services, including Housing, account for the remaining 65% of the budget. While there are no restrictive caps for Non-Public Services, funding is limited with the total scope of the grant.
- Nonprofit agencies applying for CDBG funds under the City must meet the following minimum requirements:
 - Proposed uses of funds must meet CDBG national objectives, and benefit residents of the City of McKinney.
 - Agencies must be in operation for at least three years prior to the application deadline.
 - Must be a non-profit, tax exempt 501(c)(3) organization, in good standing with the State of Texas, and must have an active Board of Directors in compliance with IRS Section 501(c)(3) requirements.
 - Organizations must procure and maintain insurance, as required by the City of McKinney.
 - Any property taxes or other liabilities due to the City of McKinney must be paid in full.
- At minimum, The City of McKinney will not fund the following:
 - The full duplication of services or programs offered by the City of McKinney and/or other non-profit agencies.
 - Social functions, parties, receptions, fund-raising benefits, refreshments or beverages.
 - Licensing fees of any kind.
 - Underwriting, investments, bonds, or any financial obligation.
 - Interest and/or depreciation on loans, fines, penalties, or costs of litigation.

The following activities MAY NOT be assisted with CDBG funds:

- The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.
- The construction of new permanent residential structures is not eligible, unless done by a HUD-qualified non-profit organization. Purchase of land on which to build affordable homes, however, is an eligible activity.

- CDBG funds may not be used for political purposes or to engage in partisan political activities, or for lobbying of local, state, and federal legislators.
- Long term subsistence payments (*longer than three months*) for such needs as rent and utilities are ineligible.
- Landscaping and tree trimming are not eligible expenses.
- Mortgage payments for agency properties are not eligible, although rent payments may be eligible if the building is one in which services are provided directly to clients.
- Administrative costs which do not provide direct services to clients.
Examples: The salary of an administrative assistant who does not work directly with clients would be an ineligible cost. The rent for administrative office space would NOT be an eligible expense, unless services provided are directly from that office space.