



21-0681

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving the 2021-2022 CDBG Annual Action Plan

COUNCIL GOAL: Enhance the Quality of Life in McKinney

MEETING DATE: August 3, 2021

DEPARTMENT: Housing & Community Development Department

CONTACT: Shirletta Best, Community Services Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Conduct Public Hearing and approve Resolution for the Annual Action Plan

ITEM SUMMARY:

- The City of McKinney receives funding from the U.S. Department of Housing and Urban Development (HUD) for Housing and Community Development activities through the Community Development Block Grant (CDBG). The City of McKinney has participated as a HUD Entitlement Community since FY 2003, with resources used to predominately benefit eligible low to moderate income persons and households. Activities can be held citywide, with emphasis under census tracts 306, 307, 308 and 309.
- The Consolidated Plan is a planning document for the city, enhanced through a participatory process with the public. The five-year plan helps identify housing and community development needs and market conditions to make data-driven, place-based investment decisions. Each year of the Consolidated Plan, an Annual Action Plan is created, consisting of a summary of eligible programs, projects, specific federal and non-federal resources and requirements, and substantial amendments as such, to address identified priority needs and goals. The U.S. Department of Housing and Urban Development determines overall funding allocations for eligible communities.
- Under the Action Plan, the city will receive an FY2022 (PY21) allocation of \$893,633 for the reporting period that begins October 1, 2021. The Community Grants Advisory Committee conducts annual public hearings and determines

recommendations to city council. Activities include:

- Non-housing community development needs (Public Services, Redevelopment and Rehabilitation, Public Facilities, and Infrastructure)
- Affordable housing
- Preserving housing stock
- People experiencing homelessness
- Needs related to COVID-19

BACKGROUND INFORMATION:

- Public meetings and hearings were held on February 26, May 13, May 19, June 15, and June 17, 2021. The Annual Action Plan includes FY2022 funding recommendations from the Community Grants Advisory Commission for public services, city administered housing and community development activities and grant administration. Under statutory regulations, up to 20% of the total grant can be used for grant administration and up to 15% can be used for public services. A public hearing was held on June 15th to amend the FY 2021 Action Plan to amend use of previous CDBG funds to expand community development activities under three proposed activities: Rental Home Repair Program; McKinney Affordable Housing Infill Program and the McKinney Legacy Neighborhood Improvement Program. In addition, under the CARES Act of 2020, HUD awarded the city funding to be used to prevent, prepare for, or respond to impacts of COVID-19 for eligible McKinney residents; activities that began program year 2020 through September 30, 2021, and will carry over into the next program year.
- The Consolidated Grants application process began with a non-mandatory information meeting on February 26, to share requirements of the process with the public and interested organizations. Application technical and program assistance was available through April 8th and applications were due April 9, 2021. Public hearings were held May 13th and May 19th. Commissioners met on June 17th to determine recommendations. City Council will conduct a second public hearing on August 3, 2021. The public will have opportunity to comment on the Annual Action Plan, prior to submittal to HUD for review and final approval. All comments received will be included in the draft plan submittal for review and final approval by HUD.

FINANCIAL SUMMARY:

- The primary resource to fulfill the Annual Action Plan is CDBG funding. The City will receive an allocation of \$893,633 for FY 2021-22 CDBG funded activities and programs. The remaining balance of CDBG-CV for eligible COVID-19 impacted activities is estimated in the amount of \$1,163,935. Also, the city anticipates use of previous grant funds amended for neighborhood and housing investment activities. The City anticipates receiving an estimated \$3 million over the next five years as a

resource for Housing and Community Development, contingent upon HUD requirements and data from Census 2020, when updated.

BOARD AND COMMISSION RECOMMENDATION:

- The Community Grants Advisory Commission met June 17, 2021, to determine funding recommendations for City Council. Funding recommendations of agency and city funded activities are included in the budget. The city's overall budget will be approved in September 2021 for October 1, 2021 fiscal year start.

SUPPORTING MATERIALS:

[Resolution](#)

[Annual Action Plan](#)

[Amendments](#)