



21-0197

TITLE: Conduct a Public Hearing to Consider/Discuss on an Update of the Community Development Block Grant (CDBG) Consolidated Annual Performance Evaluation Report (CAPER), Program Year 2019-2020

COUNCIL GOAL: Financially Sound Government
(4A: Provide funding and organizational framework to ensure continual economic improvements)

MEETING DATE: March 2, 2021

DEPARTMENT: Housing and Community Development

CONTACT: Shirletta Best, Community Services Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Conduct a Public Hearing to Consider/Discuss the City's performance report of the Community Development Block Grant (CDBG) prior to submittal to the U.S. Department of Housing and Urban Development (HUD) for final approval.

ITEM SUMMARY:

- The city's fiscal year and reporting period begins October 1 - September 30. CDBG regulations require grantees to submit a year-end report known as the Consolidated Annual Performance Evaluation Report (CAPER) to evaluate performance within program requirements. The report includes the following information into HUD systems:
 - The assessment of program goals, objectives, and funding activities;
 - Discussion of city action and activities on affirmatively furthering fair housing;
 - Continuum of Care actions under the city and the Collin County area on homelessness and prevention;
 - Public Housing initiatives and activities;
 - Examples of compliance with program and planning requirements; and
 - Self-evaluation regarding barriers, schedules, and grant management for use of funds.

- Activities and adjustments under funding used to prevent, prepare for, or respond to COVID-19.

BACKGROUND INFORMATION:

- The CAPER is a year-end report detailing performance and activities during the reporting period of October 1, 2019 - September 30, 2020. The City provides the Annual Action Plan at the start of the program year and the CAPER reports on program grant performance.
 - All activities must meet the overall requirement of using at minimum 70% or greater of all funds to benefit low-to-moderate income (LMI) persons. The CDBG program leverages community development resources to predominately benefit eligible low-to-moderate income persons and households, which is a national objective of the CDBG program. The city carried out efforts through the housing rehabilitation program, CDBG public and community services. Grant administration provides support including public education, reporting, training, compliance, and outreach.
 - CDBG funding assisted McKinney eligible low-to-moderate income homeowners with housing rehabilitation repairs; expanded economic development opportunities through small business, minority and women owned contractors; provided case management services to assist homeless shelter residents and families; provided assistance to abused and neglected children academic and life skills assistance to elementary school-aged at-risk youth under Communities in Schools; and provided other public services through seven nonprofit agencies. The city affirmatively furthered fair housing through public education, including providing program information to more than 50,000 households in English and Spanish; response to fair housing concerns, and hosting two public education workshops about *fair housing, tenants' rights and foreclosure protections with community partners including Legal Aid of Northwest Texas, North Texas Fair Housing Center, North Texas Aging & Disability Center and the Dallas Tenants Union*.
 - The city completed the FY 2020-2024 consolidated plan and conducted a housing survey in Spanish/English to obtain feedback toward development of the city's housing needs assessment, as the facing of a comprehensive housing strategy requested by City Council. More than 1500 residents provided input, including housing impacts under COVID-19.
 - The impact of the Coronavirus virus (COVID-19) challenged both city service and nonprofit capabilities due to shutdowns, and regulatory limitations for use of funds. During the reporting period, HUD provided program waivers and awarded CARES Act funds of \$1,228,992 for CDBG eligible programs to prepare for, prevent or address coronavirus. As funding was available from other federal sources and to avoid duplication the city requested program waivers to begin using CDBG-CV funds in program 2020-2021 for emergency homeless prevention and health services.

- The CAPER began public comment period on February 21 - March 8, where written comments may be forwarded to the Community Services Administrator by email or regular mail. The McKinney City Council will conduct a public hearing at the regular March 2 meeting for citizen participation. Comments received during the period will be included in the final submittal to HUD for review and final approval. The City submitted its Financial report as requested by HUD on January 29, 2021 and will submit the narrative CAPER upon completion of the comment period.

FINANCIAL SUMMARY:

- The City of McKinney received CDBG allocation of \$ 761,993. The city's CDBG program expended \$588,890.91 during the program year, ending September 30, 2020. There are no general fund supplemental support of the city's CDBG program activities and records reconcile with the City's general ledger.
 - Under statutory program regulations, the city cannot exceed 20% of its 2019-20 allocation on grant administration and no more than 15% of funding can be used for public services. The financial report reflects the city did not exceed any statutory cap requirements for grant administration and public service activities. Annually, HUD monitors the city's timely use of funds on August 2 annually to meet timeliness use of fund program requirements. Due to COVID-19, HUD provided a waiver to all grantees. The city conducts monthly timely reviews and still met requirements as of August 2, 2020.
 - Funds approved for use from previous program years are reallocated back into the program. To support efforts in response to COVID-19, HUD provided grantees waiver to amend and reallocate funds for use under CARES/CDBG-CV program to leverage efforts in the next program year. On December 1, 2020 City Council held a public hearing to reclassify \$ 411,328 CDBG funds to the CDBG-CV program in the following program year FY 2020-2021. Use of funds will be reported in activities in December 2021.

SUPPORTING MATERIALS:

[Report](#)
[Presentation](#)