



22-1121

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 2021-2022

COUNCIL GOAL: Enhancing the Quality of Life in McKinney

MEETING DATE: December 6, 2022

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 actions 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, 2021 - September 30, 2022. 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.
 - 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 court-appointed 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, programs, and housing activities. Grant administration provides support including public education, reporting, training, compliance, and outreach.
 - 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. In program year 2020, HUD provided program waivers and awarded CARES Act funds of \$1,228,992 for CDBG eligible programs to prepare for, prevent or address coronavirus. Funds were awarded and used for emergency homeless prevention, including rental assistance, and health services. As grantee, the city was required to expend at minimum 80% of the funds by November 2023. Over the term of the grant, over 200 households have been assisted with rent, mortgage or utilities, to remained housed and prevent homelessness. Prior to use of these funds, the city was awarded funding from TDHCA and used the remaining balance this year in administration.
 - The McKinney City Council will conduct a public hearing at the regular 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 will submit the narrative CAPER upon completion of the comment period.

FINANCIAL SUMMARY:

- The City of McKinney received CDBG allocation of \$ 893,633 and utilized previous funding under the CARES Act as a direct recipient and subrecipient under TDHCA (Texas Department of Housing and Community Affairs). Funding

was used under public services, housing rehabilitation, emergency housing assistance and grant administration. The city's CDBG program expended a total of \$1,781,179.84 during the program year, as a direct recipient and subrecipient, year ending September 30, 2022. Funding under other resources is reported with state or other resources.

Expenditures:

CDBG:	\$ 743,245.04
CDBG CV:	\$ 1,037,871.18
TDHCA:	\$ 63.62

- Under CDBG statutory program regulations, the city cannot exceed 20% of its allocation on grant administration and no more than 15% of funding can be used for public services. For services provided, there was no duplication of benefits whereby citizens accessed assistance. 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 conducted monthly timely reviews and continued to meet those requirements.
 - Funds approved from previous program years are reallocated back into the program for the housing rehabilitation program. The city also conducts monitoring of its program for compliance.

SUPPORTING MATERIALS:

[Report](#)