



**23-0943**

**TITLE:** Consider/Discuss on an Update of the Community Development Block Grant (CDBG) Consolidated Annual Performance Evaluation Report (CAPER), Program Year 2022-23

**COUNCIL GOAL:** Enhancing the Quality of Life in McKinney

**MEETING DATE:** November 16, 2023

**DEPARTMENT:** Housing and Community Development

**CONTACT:** Shirletta Best, Community Services Administrator

**RECOMMENDED CITY COUNCIL ACTION:**

- 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, 2022 - September 30, 2023. 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 8 small to substantial 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 four nonprofit agencies. One agency was not able to complete funding and those funds will be reallocated. The city affirmatively furthered fair housing through public education, programs, and housing activities. Grant administration provides support of the CDBG overall program, including public education, monitoring, 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 homelessness prevention, including rental assistance, and health services.
  - Amendments. Within the CAPER, the City will amend the following funds for use in future grant program years: The City will use the remaining CDBG-CV balance in FY 2023-24 and amend for housing services that will prepare for or prevent coronavirus under environmental health. The estimated balance of \$107,000 from grant administration and public services will be used for housing rehabilitation under the regular CDBG program.
  - The McKinney City Council will conduct a public hearing at City Council's regular meeting on December 5, 2023, for citizen participation. The City held a 15-day period for public comments; comments received will be included in the final submittal to HUD for review and final approval at the conclusion of the public hearing.

**FINANCIAL SUMMARY:**

- The City of McKinney received CDBG allocation of \$ 913,742 and used funding from previous program years that can carryover upon approval. The program year began October 1. Funding was used under public services, housing rehabilitation, emergency housing assistance and grant administration. The city's CDBG program expended a total of \$1,241.649.13 during the program year, ending September 30, 2023. Funding under other resources is reported with state or other resources.
- 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. 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:**