



STAFF REPORT

DATE: February 6, 2018

TO: Ronald L. Olson, City Manager

FROM: Leslie Hinkle, Executive Director of Community Development

SUBJECT: Public Hearing and consider an Ordinance amending the Community Development 2016-17 Annual Action Plan

BACKGROUND AND FINDINGS:

The Killeen City Council allocated \$209,248.00 to Girl Scouts of Central Texas for renovations to the Killeen Service Center (Lake Road) during the regular budget process in June 2016 under Ordinance #16-036. After an unsuccessful bidding attempt and uncertainty of contractor and construction material prices after Hurricane Harvey in Texas, the entity surrendered the FY2016-17 CDBG funds (17-11R) and City Council agreed to a mid-year allocation of those funds. In accordance with the adopted Citizen Participation Plan (April 2015; 15-045R) the City is required to amend the associated Annual Action Plan or Consolidated Plan whenever it adds or deletes a project during the program year or, substantially changes the purpose, scope, location, or beneficiaries of an activity.

The City Council agreed with staff recommendation for a mid-year allocation of the available funds in consideration of the federal CDBG timeliness test. November 19, 2017 a Notice of Funding Availability and Program Amendment was published in the Killeen Daily Herald announcing the availability of the CDBG funds and eligible activity types; the funds are known as "FY2016i"; applications for funding were made available to the public on November 20, 2017 through the City's website Community Development page. Technical workshops were conducted on November 22 and November 29, 2017 providing interested parties with information on eligible activities and completing and submitting the application. Three applications were received by the December 6, 2017, 3:00 p.m. deadline.

Three applications requesting the available funds were received with presentations to the CDAC on December 18, 2017. CDAC recommended funding to Killeen Community Services - Gilmore Center Restroom and Entry Renovations in the amount of \$209,248.00. The activity is consistent with the established goals and objectives in the 2015-19 Consolidated Strategic Plan to meet affordable housing and community development needs.

Two public hearings are required per the adopted Citizen Participation Plan. The public hearings were held on January 16 and February 13, 2018 with no comments received. Also, because this reallocation is a change in purpose, scope, location and beneficiaries, an amendment to the FY 16-17 Annual Action Plan is required.

THE ALTERNATIVES CONSIDERED:

Two alternatives were considered regarding the amendment: Make a mid-year amendment to the 2016-17 Annual Action Plan in accordance with the adopted Citizen Participation Plan regarding changing or deleting projects during the program year or substantially changing the purpose, scope, location, or beneficiaries of an activity to facilitate the expenditure of the CDBG funds to meet the federal timeliness test in late July; or, consider reprogramming of the funds in the annual process in June 2018 along with the coming 2018 HUD funds and risk not meeting the federal timeliness test and the potential reduction in the amount of the next grant (FY2018-19).

Which alternative is recommended? Why?

The first alternative is recommended. The mid-year allocation of the FY2016-17 CDBG funds enables a "shovel ready" public facility improvement to quickly spend the funding and meet the federal timeliness test requirements.

CONFORMITY TO CITY POLICY:

The action conforms to City policy through following adopted procedures and policies with regard to amending previously approved expenditure plans for the Community Development federal grant program.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The amount of expenditure in the current fiscal year is anticipated at \$209,248.00. Future funding will not be affected.

Is this a one-time or recurring expenditure?

One-time expenditure. This expenditure will occur during the FY 2017-18 fiscal year.

Is this expenditure budgeted?

The expenditure of FY2016-17CDBG funds is budgeted under the Special Revenue Funds budget.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes.

RECOMMENDATION:

Following the second public hearing February 13, 2018, Staff recommends approval of the proposed substantial amendment to the 2016-17 Community Development Annual Action Plan and approval of CDBG funding recommendation to the Killeen Community Services Department Gilmore Center Restroom and Entry Renovations public facility improvement project, with

revisions appropriate based on citizen comments received during the 30-day comment period ending February 13, 2018.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

CDAC Minutes
FY2016i Allocation Table
Ordinance