



City of Killeen

Legislation Text

File #: PH-23-039, **Version:** 1

HOLD a public hearing and consider an ordinance authorizing the 2023-2024 Annual Action Plan describing use of funds and authorizing application for an allocation of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) program funds (2nd of 2 Public Hearings)

DATE: June 20, 2023

TO: Kent Cagle, City Manager

FROM: Rashawn Smith, Community Development Administrator

SUBJECT: PY 2023-24/Fiscal Year 2024 Community Development Block Grant (CDBG) and Home Investments Partnerships (HOME) Program Annual Action Plan

BACKGROUND AND FINDINGS:

The City of Killeen will receive \$1,255,131.00 from the U.S. Department of Housing and Urban Development (HUD) for PY 2023-2024 CDBG program activities. The City will also receive \$607,371.00 from HUD for PY 2023-2024 Home Investment Partnerships (HOME) and \$479.43 in PY2021-22 program income, is also available for use providing a total of \$607,850.43 for PY 2023-24 HOME activities.

One-on-One and project feasibility/eligibility meetings took place between January 19- February 17 Pre-Applications were made available to interested organizations beginning February 23, 2023, with Annual Funding Applications distributed to [pre-application approval] eligible entities for both the CDBG and HOME programs. Attendance was required at Pre-Application and Annual Funding Application workshops via Zoom or personal attendance. The deadline was March 31, 2023, with a total of 12 Annual Funding Applications submitted by the deadline.

Projects undertaken with CDBG and HOME Program funds must address goals and objectives established in the 5-year Consolidated Strategic Plan (PY 2020-2024) and Annual Action Plan (PY 2023-2024) to meet affordable housing and community development needs. Applications considered and recommended for funding are to align with identified priority community needs, affordable housing needs, goals, and objectives for specific priority categories and, as applicable, be amended to meet changing community development and housing needs. To ensure priority community development and affordable housing needs are addressed, the CDAC used scoring criteria developed from the CDBG & HOME Grant Programs Governance & Allocation Policy which places major emphasis on project significance, project feasibility, ability to comply with applicable HUD requirements (statutory and regulatory) and, in light of the limited amount of CDBG and HOME funds available to the City of Killeen, leveraging of funds from other federal, state, and private resources to be directed to the most pressing community development and affordable housing needs. Detailed scoring criteria components reviewed are as follows:

1. The proposed project/activity meets identified Consolidated Plan Priority & Community Need.
2. The proposed project/activity readiness - demonstrates the ability for timely completion and

expenditure of CDBG/HOME funds.

3. The proposed project/activity results - stated results identified in the application are feasible and expected to be achieved.
4. The proposed project/activity objectives address: high priority need, specific priority population, low-income area, or local target area.
5. The applicant has relative experience - documented experience, management, and capacity associated with proposed project/activity.
6. The proposed project/activity beneficiaries - number of beneficiaries is new, not previously assisted, or increased by 5% if previously assisted (funded by CDBG/HOME) in the last year.
7. The proposed project/activity leverages additional resources - sufficient additional resources leveraged to combine with City's funding from HUD so CDBG/HOME does not endure the absolute expense of program.
8. The proposed project/activity sustainability - demonstrates adequate fiscal support and viability of the proposed project/activity.
9. The proposed project/activity budget - adequate detail project budget with accurate costs and committed resource funding for project completion.
10. The proposed project/activity plan approach - applicant presented a relevant business plan approach to the project, no unresolved matters or concerns with past performance.

The CDAC met on May 10 and 11, 2023 to review and make recommendations for proposed use of PY2023-24/FY2024 CDBG and HOME Program funds. Results are detailed in the attached Community Development Advisory Committee (CDAC) meeting minutes of May 10-11, 2023.

For the program year 2023-2024 / Fiscal Year 2024 HUD regulation allows for 20% of CDBG and 10% of HOME funds to be expended on administration/planning of CDBG and HOME activities. All project costs under the CDBG and HOME Program will be reimbursed to the City by the U.S. Department of Housing and Urban Development

THE ALTERNATIVES CONSIDERED:

1. Accept the recommendations and applicable comments received during the 30 day comment period, until such time the 30-day comment period, hold the final public hearing on July 25, 2023 and adopt the PY-2023-2024 Annual Action Plan with citizen comment as appropriate.
2. Do not accept the CDBG & HOME grant funds and return funding to HUD.

Which alternative is recommended? Why?

Following the second public hearing on July 25, 2023, recommend approval of the final Plan, with revisions as appropriate based on citizen comments received during the previously held 30-day comment period, and during the second public hearing on July 25, 2023

CONFORMITY TO CITY POLICY:

Yes, as described in the Citizen Participation Plan, approved by City Council.

FINANCIAL IMPACT:

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

\$0 in the current fiscal year and \$1,255,131.00 in CDBG and \$607,850.43 in HOME grant funds in fiscal year 2024.

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

Funds will be included in FY 2024 Proposed Budget, upon City Council approval.

If not, where will the money come from?

N/A

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

Yes, upon City Council approval.

RECOMMENDATION:

Recommend approval the 2023-2024 Annual Action Plan with revisions as appropriate based on citizen comments received during the 30-day comment period and during the second public hearing.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Proposed Funding Tables
Minutes
Ordinance
Conflict of Interest Disclosure Form