



City of Killeen

Legislation Text

File #: PH-22-046, **Version:** 1

HOLD a public hearing and consider an ordinance authorizing the 2022-2023 Annual Action Plan describing use of funds and authorizing application for and allocation of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) program funds. (2nd of 2 Public Hearings)

DATE: June 21, 2022

TO: Kent Cagle, City Manager

FROM: Leslie Hinkle, Executive Director of Community Development

SUBJECT: PY 2022-23/Fiscal Year 2023 Community Development Block Grant (CDBG) and Home Investments Partnerships (HOME) Program Annual Action Plan

BACKGROUND AND FINDINGS:

The City of Killeen will receive \$1,163,980.00 from the U.S. Department of Housing and Urban Development (HUD) for Program Year (PY) 2022-2023 CDBG program activities. In addition, \$336,676.65 in funding is available from cancelled or completed CDBG projects. This reprogramming will provide a total of \$1,500,656.65 available for PY 2022-23 CDBG activities. The City will also receive \$589,175.00 from HUD for PY 2022-2023 Home Investment Partnerships (HOME) Program activities. In addition, \$176,418.82 in reprogrammable funds and \$254,855.00, in PY2022-23 program income, are also available for use providing a total of \$1,020,448.82 for PY 2022-23 HOME activities.

One-on-One and project feasibility/eligibility meetings took place between February 7-28; PY 2022-23 Pre-Applications were made available to interested organizations beginning March 1, 2022, 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 April 8, 2022, with a total of 16 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 2022-2023) 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 4 and 5, 2022 to review and make initial recommendations for proposed use of PY2022 -23/FY2023 CDBG and HOME Program funds. The CDAC met once again, after the City received notice from HUD of increased funding for both the CDBG and HOME grants; final results are detailed in the attached Community Development Advisory Committee (CDAC) meeting minutes of May 25, 2022.

For the program year 2022-2023 / Fiscal Year 2023 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. Hold the first public hearing on June 28, 2022, hold the final public hearing on July 26, 2022, and authorize the PY 22-23 Annual Action Plan after the 30-day comment period is complete incorporating any public comments received as appropriate.
2. Do not accept the CDBG & HOME grant funds and return funding to HUD.

Which alternative is recommended? Why?

The first alternative is recommended in order to comply with HUD regulations.

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 \$1,500,656.65 in CDBG and \$1,020,448.82 in HOME grant funds in fiscal year 2023.

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

Yes, the allocations will be included in the FY 2023 Proposed Budget presented to City Council in July 2022.

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 30-day comment period and final public hearing on July 26, 2022, staff recommends authorizing the allocation of funds under the proposed 2022-2023 Annual Action Plan with revisions as appropriate based on citizen comments received.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Requests and Recommendations
Minutes
Ordinance