



# City of Killeen

## Legislation Text

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**File #:** PH-17-036, **Version:** 1

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**HOLD** a public hearing and consider an ordinance adopting the 2017-2018 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:** August 1, 2017

**TO:** Ronald L. Olson, City Manager

**FROM:** Leslie Hinkle, Executive Director of Community Development

**SUBJECT:** Public Hearing and Approval of Annual Action Plan FY2017-18

**BACKGROUND AND FINDINGS:**

The City of Killeen will receive funding from the U.S. Department of Housing and Urban Development (HUD) for FY2017-2018. The Consolidated Appropriations Bill 2017 was signed into law May 5, 2-17, by President Trump, directing HUD to announce formula grant allocation amounts within 60 days of enactment. As of May 22, 2017, HUD was waiting to receive an appropriation amount from the Office of Management and Budget (OMB) to begin computations for FY2017 formula allocation amounts; this affects Killeen's Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) program funds. Due to the delay of the FY2017 annual appropriations act, there is insufficient time to complete the required minimum 30-day citizen participation, publication, and comment process before the Annual Action Plan submission deadline of August 16, 2017. On May 10, 2017, HUD issued a waiver providing grantees with significant relief from the required public comment period provisions by reducing the minimum public comment period to 14 calendar days for the FY2017 allocations. The City has chosen to utilize this waiver to ensure that citizens have opportunity for meaningful participation and comment on Killeen's FY2017-18 CDBG and HOME activities.

Two community planning meetings were held February 9 and 22, 2017, resulting in identification and prioritization of housing and community needs. Applications requesting funding to address those community priorities were received with presentations made to the Community Development Advisory Committee (CDAC) on May 3, 2017. Staff and CDAC used the FY2016 HUD allocations for CDBG and HOME as a benchmark from which to formulate recommendations to Council for activities in FY2017-18. Therefore, funding recommendations are based upon the reprogrammable funds from prior year's program income along with the benchmark FY2016 HUD funds for the CDBG and HOME program. CDAC further indicated their recommendation be adjusted by a pro rata share for each entity receiving an allocation recommendation under each particular funding program category, with final recommendations calculated upon notice of the FY2017 CDBG and HOME grantee allocations from HUD. HUD then notified the city on June 15, 2017, of the FY2017 annual allocation for both CDBG and HOME programs.

CDBG funding is the allocation amount of \$868,553.00 with additional funds available in the amount of \$10,829.10 in funds from prior year FY2015-16 program income and \$10,357.00 in funds from prior year

FY2016-17 program income, providing a total of \$889,739.10 available for FY2017-18 CDBG programs and activities; Home Investment Partnerships Act (HOME) Program funding in the allocation amount of \$297,536.00 with additional funds available in the amount of \$2,396.00 of recaptured funds from the First Time Homebuyer Assistance Program, \$39,018.48 in funds from prior year FY2015-16 program income, \$42,706.58 in funds from prior year FY2016-17 program income, providing a total of \$381,657.06 available for FY2017-18 HOME Program activities.

Adjustments in accordance with the CDAC allocation recommendation for pro rata share based upon the actual HUD funding are as follows:

		HUD FY2017	
		Original Allocation	Changes
<b>Community Development Block Grant (CDBG) Program</b>			
Public Service Program (maximum of annual amount)	Hill Country Community Assistance	\$10,247	\$10,000.00 \$9,560.00
	Heritage House of Central Texas	\$8,000	\$5,000.00 \$4,780.00
	Communities In Schools - salary	\$21,000	\$20,000.00 \$20,000.00
	Families In Crisis - salary	\$27,000	\$27,000.00 \$27,000.00
	Bring Everyone In the Zone - salary	\$15,000	\$15,000.00 \$15,000.00
	Greater Killeen Free Clinic - salary	\$30,000	\$30,000.00 \$28,600.00
	Killeen Community Development - transportation assistance	\$40,000	\$40,000.00 \$38,200.00
Community Improvement Program (65% of all funds available)	Killeen PW- Transportation Project Phase 4 (sidewalk)	\$251,350	\$247,013 \$301,100
	Killeen Community Development Program	\$234,070	\$231,013 \$284,500
CDBG Minimum 20% of annual amount		\$485,420	\$478,013 \$572,700
Total FY2017		\$868,500	\$868,500

		HUD FY2017	
		Original Allocation	Changes
<b>Home Investment Partnerships (HOME) Program</b>			
HOME Minimum 15% of annual amount		\$16,600	\$16,600.00 \$274.62
	Killeen Community Development - Homebuyer Assistance Program	\$165,000	\$165,000.00 \$203,000.00
	HOME Admin (10% of annual amount plus management fee - \$4,270)	\$35,396	\$35,396.00 \$34,020.00
Total FY2017		\$217,000	\$217,000

Further description of activities and programs funded are in the attached FY2017 allocation tables.

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

No alternatives were considered as this funding, plan submissions, and due dates are prescribed by federal regulation.

**CONFORMITY TO CITY POLICY:**

N/A

**FINANCIAL IMPACT:**

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

None. The fiscal impact and expenditures associated will be for the FY2017-2018 CDBG and HOME programs. Future funding is based on allocations from the Federal budget through the Department of Housing and Urban Development (HUD). HUD regulations allow 20% of CDBG and 10% of HOME funds to be expended on administration/planning of CDBG and HOME activities with all eligible costs reimbursed to the City by the U.S. Department of Housing and Urban Development.

**Is this a one-time or recurring expenditure?**

These expenditures will occur throughout the 2017-18 fiscal year on approved programs and activities.

**Is this expenditure budgeted?**

The expenditures for CDBG and HOME program activities are budgeted for FY2017-18 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, August 8, 2017, Staff recommends approval of the proposed 2017-2018 Annual Action Plan to a final plan with revisions as appropriate based on citizen comments received during the 14-day comment period ending August 8, 2017.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

CDAC Meeting Minutes  
FY2017 Allocation Tables  
Ordinance