

**City Council
Agenda Memo**



**City Council
Meeting Date: 7-24-2014**

TO: Larry D. Gilley, City Manager

FROM: Jon C. James, Director of Planning and Development Services

SUBJECT: Approval of FY 2014/2015 One-Year Action Plan for CDBG and HOME Programs

GENERAL INFORMATION – As an entitlement city receiving funds from the U.S. Department of Housing and Urban Development (HUD), the City of Abilene is required to submit a Consolidated Plan that strategically addresses the City’s goals and objectives for housing and community development over the course of a five-year period. The City of Abilene is also required to submit a One-Year Action Plan outlining specific uses of Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds planned for the coming fiscal year. The Office of Neighborhood Services Advisory Council was instrumental in the development of the goals and objectives of the Consolidated Plan, which were adopted by Council on May 22, 2010. The One-Year Action Plan must be submitted to HUD by August 15, 2014. The summaries are attached and the full documents are available in the City Secretary’s Office.

SPECIAL CONSIDERATIONS – A public hearing was held on March 4, 2014, at City Hall to discuss/determine services, needs and gaps in the following areas of concentration which included housing, homelessness/special needs, economic development, and community development/neighborhood development. At this session, representatives of non-profit agencies and members of the general public made various comments on community development needs for consideration for CDBG/HOME funds or alternative funds. A summary of the One-Year Action Plan outlining the proposed FY 2014/2015 budget was published in the Abilene Reporter-News on June 16, 2014, which began the HUD required 30-day comment period. No written comments were received as of July 16th. A second public hearing on July 24, 2014, is required with approval of the attached resolution.

FUNDING/FISCAL IMPACT—PY 2014/15 CDBG funds were reduced 6.2% from 2013 funding and HOME funds were reduced .5%. Funding levels continue to be below the 2011 funding levels, which precluded funding for city public services and outside agencies. Section 108 Loan debt reductions this year has allowed funding of one public service and four projects in 2015. There will be no impact on local taxes. Projects will be funded with PY 2014 CDBG entitlement of \$821,588 and HOME entitlement of \$369,868 with \$353,589 reprogrammed funds. In addition, the City anticipates that it will receive \$25,000 from HOME program income during FY 2014/2015.

STAFF RECOMMENDATION – Staff recommends approval of the attached resolution approving the 2014/2015 One-Year Action Plan for use of CDBG and HOME funds.

ATTACHMENTS – Resolution, 2014/2015 One-Year Action Plan (Summary), and 2014/2015 Sources of Funds

Prepared by: Sandy Bowen Neighborhood Initiatives Manager	Item No. <u>7.1</u>	Disposition by City Council <input type="checkbox"/> Approved Ord/Res# <input type="checkbox"/> Denied _____ <input type="checkbox"/> Other _____ City Secretary
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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
APPROVING THE FY 2014/15 ACTION PLAN FOR THE CONSOLIDATED PLAN AND
PROJECTED USE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDS

WHEREAS, it is desirable and in the public interest that the City of Abilene request funds under the Community Development Block Grant Program and Home Investment Partnerships Program, authorized under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, for the City of Abilene situated in the Counties of Taylor and Jones, State of Texas; and

WHEREAS, a minimum of two public hearings have been held as required by 24 CFR Part 91.105, Consolidated Plan for Community Planning and Development Program Final Rule, at which interested members of the public were invited to offer comments on housing and community development needs and funding requests/proposals; and

WHEREAS, the primary objective of the Community Development Program is to develop a viable urban community, including decent housing and a suitable living environment, and to expand economic opportunities principally for persons of low and moderate income. Consistent with the primary objective, the Federal assistance provided in the Community Development Program is for the support of the community development goals, objectives, and strategies which are eligible under applicable Federal regulations; and

WHEREAS, the primary objective of the HOME Program is to expand the supply of decent, safe, sanitary, and affordable housing for very low income and low income Americans. Consistent with that primary objective, the Federal assistance provided in the Community Development Program is for the support of the community development goals, objectives, and strategies which are eligible under applicable regulations;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

- Part 1. That the FY 2014/15 Action Plan for the 2010-2014 Consolidated Plan and Projected Use of Community Development Block Grant and HOME funds is hereby approved.
- Part 2. That, upon approval, the Consolidated Plan be submitted to the United States Department of Housing and Urban Development.
- Part 3. That the financial assistance authorized by the Community Development Block Grant and HOME Programs referred to above is required to enable the City of Abilene to carry on appropriate community development activities directed toward meeting the objectives above.

Part 4. That the City Manager, or his designee, of the City of Abilene, Texas is hereby authorized to sign said application and any and all appurtenant documents on behalf of the City.

Part 5. That this resolution shall take effect immediately from and after its passage.

ADOPTED this 24th day of July, 2014.

ATTEST:

CITY SECRETARY

MAYOR

APPROVED:

CITY ATTORNEY

ONE-YEAR ACTION PLAN 2014-2015

SUMMARY

HOUSING

Goal: Low-moderate income citizens will have access to safe, decent, and affordable housing

Critical/Limited Repair -- \$150,000 CDBG

The Critical/Limited Repair Program is designed to assist very low-income homeowners in Abilene with repairs to items that pose an imminent threat to the health and/or safety of the occupant(s) and the surrounding neighborhood. Program guidelines provide that handicap accessibility issues are prioritized.

Single-Family Rehabilitation – \$606,087 HOME

This program provides moderate or substantial rehabilitation of existing owner-occupied Single-Family residential properties by providing grants and loans to low- and moderate-income homeowners. Residential properties are rehabilitated to meet local residential building codes and Uniform Housing Code standards including suitable amenities. Advertisement for this program includes press releases announcing available funding in the local newspaper and the City of Abilene website and through media coverage. The City of Abilene Planning and Development Services Department administers the Program.

Community Housing Development Organization (CHDO) – \$55,480 HOME

The City has set aside the HUD required 15% of its Program Year 2014 HOME entitlement for use by a Community Housing Development Organization (CHDO). The CHDO is responsible for developing, sponsoring, and/or owning HOME-assisted housing to be made available to low- and moderate-income families. Abilene Habitat for Humanity is a non-profit housing development organization that has applied for and received CHDO designation from the City. Using HOME funds, Habitat is currently constructing new single-family housing in the community.

First Time Home Buyers – \$45,000 HOME

This program is designed to provide eligible necessary down payment and closing costs assistance to low- and moderate-income persons for the acquisition of a single-family home. The First Time Home Buyer Program prioritizes persons who are currently living in federally assisted housing or receiving federal rental assistance and who are able to meet all requirements of the program, including the ability to obtain financing for the purchase of a home through a local lender. Advertisement for this program includes press releases announcing available funding in the local newspaper, the City of Abilene website and through media coverage. The City of Abilene Planning and Development Services Department administers the Program.

CDBG Housing Rehab Administration – \$127,260 CDBG

This activity supports the overall administrative and delivery costs for funded housing rehabilitation and homeownership activities for Home Buyer and Single-Family Rehab/Reconstruction programs operated by the City of Abilene.

Housing Rehab Administration – \$17,605 HOME

This activity supports staff and delivery costs of the HOME Program, including HOME administrative costs incurred by the Planning and Development Services Department for the Single-Family Rehab and First Time Homebuyer programs.

Adult Protective Services Partners (APSP) – \$15,000 CDBG

This activity serves the elderly and persons with disabilities age 18 and older by assisting with minor home repairs to improve safety and security and install handicap ramps to improve accessibility. APSP is a non-profit working in conjunction with the State Adult Protective Services Program.

OTHER HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Goal: Enhance the physical environment of Abilene

Capital Improvement Projects in LMI ANI/Target Neighborhoods - \$150,000 CDBG

Funds will be used to support capital improvement projects in LMI ANI/Target neighborhoods, such as infrastructure improvements.

Economic Development

Goal: Enhance the economic well being of all citizens

Debt Repayment – Section 108 Loan – \$113,740 CDBG

Funds will be used to repay loans funded through HUD’s Section 108 Downtown Loan Program. Program income received in the form of Section 108 repayments will be applied first to offset the use of CDBG funds for this activity.

Access to Jobs – \$52,500 CDBG

The Access to Jobs public service (15% cap) will provide improved expanded transportation service through the City of Abilene public transit service, CityLink, and economic growth opportunities by enabling low- and moderate-income residents to obtain employment or attend school/training during non-public transit hours.

Day Nursery of Abilene -- \$61,605 CDBG

The funds will be used to upgrade security lighting at the Sherry Lane, Cedar Street and Vine Street locations and to replace playground surface and equipment at the Sherry Lane facility. Day Nursery provides affordable licensed childcare, which allows parents to be productive members of the workforce. Low- to moderate-income single parent homes and those under the supervision of Child Protective Services make up the majority of Day Nursery’s client base.

GENERAL ADMINISTRATION AND PLANNING

Goal: To ensure the overall management, administration and planning associated with implementation of the City's CDBG and HOME programs.

Planning and Development Services Administration – \$162,550 CDBG

This activity provides general oversight, management and delivery of the CDBG Program, administered by the Planning and Development Services Department/Neighborhood Initiatives Division and indirect cost allocations. Funding also partially supports management of the HOME Program.

HOME Administration – \$24,285 HOME

This activity supports staff and delivery costs of the HOME Program, including HOME administrative costs incurred by the Planning and Development Services Department/Neighborhood Initiatives Division and the HOME-funded Single-Family Rehabilitation, First Time Homebuyer and CHDO programs operated by the Planning and Development Services Department.