

Legislation Text

File #: 22-807, **Version:** 1

PRESENTER:

Jennifer Gates, Grants Coordinator

SUBJECT:

Approval for the submission of the Community Development Block Grant Annual Action Plan, and its associated funding recommendations, for Program Year 2022 to the U.S. Department of Housing and Urban Development.

DEPARTMENT: Finance

COUNCIL DISTRICTS IMPACTED: Citywide

BACKGROUND INFORMATION:

The City of New Braunfels has been fortunate to receive annual grants from the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program since 1994. The annual funding amount varies each year as it is determined on a formula basis and then provided to entitled cities, counties, and states to help develop viable urban communities. In accordance with the City's standard practice, funds are distributed by the City throughout the community to provide eligible subrecipients with grant funding that can be used to revitalize neighborhoods, support affordable housing, provide economic opportunities, and improve community facilities and services intended for low- and moderate-income (LMI) residents. Of the total annual funding amount, specific percentages of the funding are eligible to be allocated to CDBG program administration (20% cap), public service activities (15% cap), and housing and public facility projects (65% minimum, 100% maximum). Any additional funds, including from previous Program Years, are held in reserve in the U.S. Treasury to be utilized by the City for housing/public facilities projects at a future date in accordance with timeliness requirements and project/program eligibility.

In accordance with Federal requirements for CDBG funding, the City is preparing to submit its Annual Action Plan (AAP) to HUD. The AAP, developed according to the City's Citizen Participation Plan, outlines the projects and programs the City will support with CDBG funds during the upcoming Program Year, thereby furthering the goals of the Consolidated Plan, a five-year strategic planning document, approved by City Council (Council) and HUD. After submission of the AAP to HUD for their review and approval, projects and programs are then implemented in accordance with the approved one-year budget for proposed activities.

The City's allocation for Program Year 2022 (PY22) is \$438,259 and will begin October 1, 2022, until September 30, 2023. Of the total funding amount, \$65,738.85 can be allocated for public service activities, \$87,651.80 is eligible for program administration, and a minimum of \$284,868.35 must be used for other activities such as housing and public facilities projects as per HUD CDBG requirements.

Consistent with the City's standard practice to distribute funding provided by HUD, a competitive Request for

Application (RFA) was available to nonprofit agencies and other eligible entities from February 8, 2022, to March 10, 2022. Applications were available for 3 categories: Public Services, Public Facilities, and Housing. The City subsequently received applications from 12 local non-profit organizations for a variety of activities for a total of \$189,160 within the Public Services category, and approximately \$311,464 within the Public Facilities (\$187,214.05) and Housing (\$124,250) categories. The allocation for program administration is not subject to the competitive process as it is provided directly to the City by HUD to reimburse costs associated with the administration of CDBG funding on their behalf. After initial review by the City's CDBG support staff, all eligible competitive applications were then provided to the City's Community Development Advisory Committee (CDAC) for review, allowing them to establish PY22 funding recommendations.

CDAC is composed of nine New Braunfels' citizens who have applied to become a member of the committee and have been approved by City Council to serve in an advisory capacity on matters relating to the CDBG Program. CDAC's responsibilities include reviewing the competitive applications for funding, hosting agency presentations, and making recommendations for funding allocations to be considered and approved by City Council. Funding allocations are subsequently included in the City's Annual Action Plan.

After prior extensive review and discussion, CDAC members met on May 3 to publicly rank the applications and form PY22 funding allocations. Recommendations for funding were based upon factors such as how the program/project will benefit low to middle income residents, availability of funding, past/current performance for organizations who had previously received funding, and the experience and capacity of the agency in managing the proposed program/activity, consideration of other available funding sources for the agency, and direct support of the City's adopted CDBG 2020-2024 Consolidated Plan.

The following allocations are being recommended by CDAC:

**U.S. Department of Housing and Urban Development
Community Development Block Grant: Entitlement Program**

**PY 2022 ESTIMATED TOTAL GRANT AMOUNT: \$438,259
Recommendations for Funding Distribution provided on May 3, 2022 by
Community Development Advisory Committee (CDAC)**

ADMINISTRATION (20% Cap): \$87,651.80			
Administration allocation is not subject to ranking by committee.			
PUBLIC SERVICES (15% Cap): \$65,738.85			
Name of Organization	Average CDAC Score (max: 100)	Funding Requested	Committee Recommended Funding
Big Brothers Big Sisters of South Texas, Inc. <i>BBBS Mentoring in New Braunfels</i>	89	\$ 10,000.00	\$ 5,500.00
CASA of Central Texas, Inc. <i>Court-Appointed Advocacy for New Braunfels Children</i>	93	\$ 50,000.00	\$ 10,000.00
Connections Individual and Family Services, Inc. <i>Support to Connections Children's Shelter</i>	99	\$ 20,000.00	\$ 8,500.00
Family Life Center <i>Benevolent Program</i>	80	\$ 15,000.00	\$ 7,197.00
NB Housing Partners <i>First Footing Program (Addressing Homelessness)</i>	94	\$ 15,000.00	\$ 8,000.00
River City Advocacy, Inc. <i>Free Counseling Services for Income-Eligible Clients</i>	81	\$ 25,000.00	\$ 6,500.00
San Antonio Food Bank <i>New Braunfels Food Bank Distribution Program</i>	94	\$ 20,000.00	\$ 9,000.00
The Salvation Army New Braunfels Corps <i>Case Management and Supportive Services for Transitional/Emergency Housing Program</i>	88	\$ 11,160.00	\$ 5,000.00
Topoly's Story <i>Purchase and Training of Service Dogs</i>	74	\$ 23,000.00	\$ 6,041.85
		\$ 189,160.00	\$ 65,738.85
HOUSING and PUBLIC FACILITIES (Grant Funding Balance): \$284,868.35			
Name of Organization	Average CDAC Score (max: 100)	Funding Requested	Committee Recommended Funding
Comal County Habitat for Humanity <i>Home Program: Down Payment and Closing Cost Assistance</i>	51	\$ 19,500.00	\$ -
Comal County Habitat for Humanity <i>Home Repair Program: Weatherization and Aging in Place Repairs/Improvements</i>	41	\$ 104,750.00	\$ 20,000.00
Comal County Senior Citizens Foundation <i>Roof Repairs</i>	96	\$ 100,000.00	\$ 100,000.00
New Braunfels Housing Authority <i>Purchase and Installation of Emergency Standby Generator</i>	59	\$ 87,214.05	\$ 87,214.05
		\$ 311,464.05	\$ 207,214.05

HUD requires a 30-day comment period, and two public hearings prior to submission, allowing for citizens to comment on the information proposed in the Annual Action Plan. The comment period for the AAP developed for CDBG Program Year 2022 was June 7 to July 6; a full draft of the plan was available for review at the City Secretary's Office and the New Braunfels Public Library, and information is also available on the City's "CDBG Program" website during this timeframe. The first public hearing was hosted on June 13 at the Westside Community Center; the second public hearing was on June 27 during the regular City Council meeting.

Upon receipt of Council approval during the regular City Council meeting on July 11, the finalized Annual Action Plan, including all comments received during the public comment period, will be delivered to HUD no later than August 16, 2022.

ISSUE:

Not applicable.

FISCAL IMPACT:

There is no direct fiscal impact to the City for the CDBG-funded recommended awards as this is an allocation of federal funding.

RECOMMENDATION:

Staff recommends approval for the submission of the Community Development Block Grant Annual Action Plan, and its associated funding recommendations, for Program Year 2022 to the U.S. Department of Housing and Urban Development.