

## Legislation Text

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**File #:** 21-678, **Version:** 1

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**PRESENTER:**

Jennifer Gates, Grants Coordinator

**SUBJECT:**

Approval for the submission of the Community Development Block Grant Annual Action Plan, and associated funding recommendations, for Program Year 2021 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. It is the City's standard practice to distribute funds throughout the community by providing 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 2021 (PY21) is \$430,279, beginning on October 1, 2021 until September 30, 2022. Of the total funding amount, up to 15 percent (\$64,541.85) can be allocated for public service activities, up to 20 percent (\$86,055.80) is eligible for program administration, and a minimum of 65 percent (\$279,681.35) 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 CDBG funding provided by HUD, a competitive

Request for Application (RFA) was available to nonprofit agencies and other eligible entities from February 10, 2021 to March 10, 2021. Applications were available for 3 categories: Public Services, Public Facilities, and Housing. The City subsequently received 12 applications from 10 local non-profit organizations for a variety of activities totaling \$364,454.28 within the Public Services category, and \$493,917 within the Public Facilities (\$369,667) and Housing (\$124,250) categories.

Due to being significantly oversubscribed for the competitive categories, if approved by Council, all unallocated funds from PY20 (\$56,460.30; eligible for public facilities and housing projects only) will be added to the PY21 grant award thereby providing a total of \$486,739.30 to be allocated for PY21 projects and programs.

Additionally, if approved by Council, the CDBG administration costs will be absorbed into the General Fund in FY 2022, providing additional support to eligible projects by allowing the public facilities and housing allocation to increase by \$86,055.80. Supporting the administrative costs in FY 2022 is a one-time initiative as it is contingent upon the number of applications that were received and the current financial capacity in the General Fund to support the administrative costs.

As such, it is the recommendation for that \$64,541.85 be awarded to activities for Public Services, and \$422,197.45 be awarded to Public Facilities and Housing projects.

In support of the City's standard competitive application process, the Community Development Advisory Committee (CDAC) is composed of nine citizens of New Braunfels who have applied and been approved by City Council to serve in an advisory capacity on matters relating to the CDBG Program. CDAC's responsibilities include reviewing the applications for funding, hosting agency presentations/interviews, and making recommendations for funding allocations to be considered and approved by City Council. After Council consideration, the funding allocations are included in the finalized Annual Action Plan that is submitted to HUD for their review and approval.

After prior extensive review and discussion, the CDAC members met on May 5 to publicly rank the applications and consider PY21 funding recommendations, including the reallocation of \$86,055.80 from eligible CDBG administrative costs for public facilities and housing projects and programs as advised by City Staff. CDAC recommendations were based upon factors such as overall HUD-eligibility of requested activities, how the program/project will benefit low to middle income residents, availability of funding, past/current performance for organizations who had previously received funding, the experience and capacity of the applicant in managing the proposed program/activity, and the direct support of the City's recently adopted CDBG 2020-2024 Consolidation Plan by the proposed activity.

Recommendations for PY21 funding are as follows, including the payment of CDBG Program Administration costs from the General Fund in FY 2022.

U.S. Department of Housing and Urban Development (HUD)  
Community Development Block Grant (CDBG): Entitlement Program

PY 2021 TOTAL GRANT AMOUNT: \$430,279

Recommendations for Funding Distribution provided on May 5, 2021 and confirmed on June 2, 2021

PUBLIC SERVICES (15% Cap): \$64,541.85			
Name of Organization	Average CDA Score (max: 100)	Funding Requested	Recommended Funding
Big Brothers Big Sisters of South Texas <i>BBBS Mentoring in New Braunfels</i>	86	\$ 4,576.00	\$ 4,576.00
CASA of Central Texas, Inc. <i>Court-Appointed Advocacy for New Braunfels Children</i>	86	\$ 50,000.00	\$ 12,000.00
Family Life Center <i>Benevolent Program</i>	83	\$ 15,000.00	\$ 8,128.00
Hope Hospice <i>COVID/Suicide Related Grief Support and Camp HavenHeart Grief Camps</i>	77	\$ 42,953.28	\$ 8,384.85
NB Housing Partners <i>Public Services application: First Footing Shelter</i>	79	\$ 56,076.00	\$ 8,337.00
River City Advocacy, Inc. <i>Community Counseling Program</i>	74	\$ 20,000.00	\$ 6,500.00
The Salvation Army Braunfels Corps <i>Sheltering Sheep Haus Program</i>	55	\$ 160,849.00	\$ 7,616.00
San Antonio Food Bank <i>New Braunfels Food Bank Distribution Program</i>	88	\$ 15,000.00	\$ 9,000.00
		<b>\$ 364,454.28</b>	<b>\$ 64,541.85</b>
HOUSING / PUBLIC FACILITIES: \$422,197.45			
Name of Organization	Average CDA Score (max: 100)	Funding Requested	Recommended Funding
The Crisis Center of Comal County <i>Purchase and Development of a Building to Provide Transitional Housing for Survivors of Sexual Violence and Women and Children Experiencing Houselessness</i>	87	\$ 128,000.00	\$ 105,310.00
* NB Housing Partners <i>Public Facilities application: First Footing Shelter and Coordinate Entry</i> <b>NOTE:</b> Funding recommendation is subject to change.	92	\$ 241,667.00	\$ 241,667.00
Comal County Habitat for Humanity <i>Home Program: Down Payment and Closing Cost Assistance</i>	88	\$ 19,500.00	\$ 13,434.38
Comal County Habitat for Humanity <i>Home Repair Program</i>	87	\$ 104,750.00	\$ 61,786.07
		<b>\$ 493,917.00</b>	<b>\$ 422,197.45</b>

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 PY21 AAP 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 was also available on the City's Community Development - CDBG Program website during this timeframe. The first public hearing was on June 14 during the regular City Council meeting; the second public hearing was on June 28 during the regular City Council meeting.

Upon receipt of Council approval during the regular City Council meeting on July 12, the finalized Annual Action Plan, including all comments received during the public comment period, will be delivered to HUD no later than August 16, 2021.

**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. Costs associated with the administration of the CDBG PY21 Program will be incorporated into the City's FY 2022 Budget and will be paid from the General Fund.

**RECOMMENDATION:**

Staff recommends approval for the submission of the Community Development Block Grant Annual Action Plan, and associated funding recommendations, for Program Year 2021 to the U.S. Department of Housing and Urban Development.