



CITY OF CORPUS CHRISTI

AGENDA MEMORANDUM

Public Hearing and First Reading for the City Council Meeting of May 5, 2026
Second Reading for the City Council Meeting of May 12, 2026

DATE: April 24, 2026

TO: Peter Zaroni, City Manager

FROM: Jennifer Buxton, Interim Director of Planning and Economic Development
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Public Hearing and Ordinance Ratifying the FY 2026 Annual Action Plan submitted to the U.S. Department of Housing and Urban Development, Appropriating Funds, Awarding Additional Funds to Rising Tide Ministries and Habitat for Humanity, and Amending the FY 2026 Operating Budget.

CAPTION:

Public Hearing and Ordinance ratifying the FY 2026 Annual Action Plan (AAP) submitted to HUD on August 15, 2025, and approving the FY 2026 AAP's Substantial Amendment No. 1; accepting \$160,098.00 of funding from the Ed Rachel Foundation for qualified programs; awarding \$20,000.00 to Rising Tide Ministries' Safe at Home Program, \$20,000.00 to Rising Tide Ministries' Wave Academy, and \$50,000.00 to Habitat for Humanity's Critical Repair Program from the General Fund; appropriating \$160,098.00 in the General Fund; and amending the FY 2026 Operating Budget.

SUMMARY:

This item ratifies the FY 2026 AAP submitted to HUD on August 15, 2025, to reconcile the plan with federal rules and regulations, approves an amendment to the plan to remove \$160,000 of General Fund dollars from the Ben Garza Gym generator project, provide General Fund awards of \$20,000 to Rising Tide Ministries' Safe at Home Program, \$20,000 to Rising Tide Ministries' Wave Academy, and \$50,000 to Habitat for Humanity's Critical Repair Program. A \$160,098.00 contribution from the Ed Rachal Foundation is appropriated.

BACKGROUND AND FINDINGS:

The FY 2026 AAP is the required annual submission to HUD that describes how the City will expend the annual allocations from HUD to meet the priority needs identified in the Five-year Consolidated Plan. The FY 2026 AAP was submitted to HUD on August 15, 2025.

During consideration of the FY 2026 AAP at the City Council meeting on July 22, 2025, staff recommendations regarding Public Facilities and local nonprofit applications were approved but there was a request to present an alternative at the Ordinance's Second Reading on July 29, 2025, for City Council consideration. Refer to Columns C and D on Agenda Memo

Attachment A – Applications and Funding Allocations from First Reading to Submittal to HUD (Attachment A).

During consideration on both July 22 and July 29, 2025, the best use of \$500,000 of Community Development Block Grant (CDBG) funding was discussed. It was recognized that a generator at the Ben Garza Gym would benefit the community and that local nonprofits should be supported. The Opinion of Probable Construction Cost for the Ben Garza Gym Generator was approximately \$500,000. To fully fund the generator at the estimated cost and support local nonprofits, additional funding of \$160,098.00 from an unrestricted source was identified. The alternative presented (represented in Attachment A Column D) was not approved but City Council approved an amendment allocating the unrestricted funds to the nonprofits and fully funded the generator at the full construction estimate through CDBG (Attachment A Column E). The nonprofits awards were \$20,000 to Rising Tide Ministries' Safe at Home Program, \$20,000 to Rising Tide Ministries' Wave Academy, and \$50,000 to Habitat for Humanity's Critical Repair Program.

While finalizing the FY 2026 AAP for to submission to HUD, staff identified matters that would impact the compliance of the FY 2026 AAP related to federal rules and regulations for AAPs. There is a prescriptive public notice process for the submission of AAPs. The unrestricted funds were not published as available to all interested nonprofit organizations. It is reasonable to assume that additional agencies would have applied for the unrestricted funding. Also, the administrative activity approved in the FY 2026 AAP was fully funded through CDBG and administering contracts funded with unrestricted funds would not be compliant. Unrestricted funds for administration were not allocated when the FY 2026 AAP was approved. To meet City Council's intent to provide funding to local nonprofit groups, these awards were submitted in the FY 2026 as CDBG funded (Attachment A Column F). Ratifying the submitted FY 2026 AAP addresses the compliance issues and maintains the existing awards supporting any costs incurred by the nonprofits to date.

To fully fund the generator, CDBG and the unrestricted funds were used. Approving Substantial Amendment No. 1 removes the unrestricted funds from the FY 2026 AAP. The unrestricted funds will be used to make new awards of \$20,000 to Rising Tide Ministries' Safe at Home Program, \$20,000 to Rising Tide Ministries' Wave Academy, and \$50,000 to Habitat for Humanity's Critical Repair Program. The new awards will not be included in the FY 2026 AAP. To comply with CDBG administrative requirements, no CDBG funds will be used for contract administration. No more than \$8,000 from the Comprehensive Planning FY 2026 General Fund budget will used for the contract administration performed by CDBG funded personnel. The Comprehensive Planning budget has savings due to position vacancies.

Bids for the Ben Garza generator were less than the construction estimated and the generator is fully funded without additional funds. Savings in the Public Facilities activity are allocated to Tier 2 Public Facilities projects as approved in the FY 2026 AAP.

The appropriation of the \$160,098 to the General Fund is greater than the total unrestricted awards to the nonprofits by \$70,098.00. The \$70,098.00 is available for other City priorities.

ALTERNATIVES:

Alternatives are presented in Agenda Memo Attachment B – Recommendation and Alternatives (Attachment B).

FISCAL IMPACT:

Community Development Block Grant funds allocated among these activities in the FY 2026 AAP remain unchanged at \$500,000.00. Unrestricted funds of \$160,098.00 will be appropriated, of which \$90,000.00 in total will be awarded to two local nonprofit groups and the remaining \$70,098.00 of unrestricted funds will be available for other City priorities.

FUNDING DETAIL:

Fund: 1059 Community Development Block Grant
Organization/Activity: Various
Department: 24 Planning and Economic Development
Project # **(CIP Only):** NA
Account: Various

Fund: 1020 General Fund
Organization/Activity: 11455 Comprehensive Planning
Department: 36 Comprehensive Planning
Project # **(CIP Only):** NA
Account: 530005 Payments to Subrecipients

RECOMMENDATION:

Staff recommend ratifying the FY2026 Annual Action Plan recognizing the CDBG awards to the nonprofits, amending the plan, and issuing new contracts to the nonprofits as presented in Attachment B Column E.

LIST OF SUPPORTING DOCUMENTS:

Agenda Memo Attachment A – Applications and Funding Allocations from First Reading to Submittal to HUD
Agenda Memo Attachment B – Recommendation and Alternatives
Ordinance
Presentation
FY 2026 AAP

Agenda Memo Attachment A – Applications and Funding Allocations from 1st Reading to Submittal to HUD

Column A	Column B	Column C	Column D	Column E		Column F	
Project	CDBG Applications	July 22, 2025 1st Reading Staff Recommendation and approved by Council on July 22nd with discussion about 2nd Reading– All Allocations are CDBG	July 29, 2025 Alternative Presented After Discussion on July 22nd and posted in revised agenda for July 25th – All allocations are CDBG	Approved as Amended July 29, 2025		Submitted to HUD in the Annual Action Plan	
				CDBG	Unrestricted	CDBG	Unrestricted
				Total		Total	
Public Facility Projects – Ben Garza Generator (if under budget, funds go to Tier 2 projects)	\$500,000	\$500,000	\$250,000	\$500,000	\$0	\$340,000	\$160,000
				\$500,000		\$500,000	
Rising Tide Ministries - Safe at Home (minor home rehabilitation)	\$50,000	\$0	\$50,000	\$0	\$30,000	\$30,000	\$0
				\$30,000		\$30,000	
Rising Tide Ministries – Wave Academy (employment training)	\$50,000	\$0	\$50,000	\$0	\$30,000	\$30,000	\$0
				\$30,000		\$30,000	
Habitat for Humanity – Critical Repair Program (minor home repairs)	\$150,000	\$0	\$150,000	\$0	\$100,000	\$100,000	\$0
				\$100,000		\$100,000	
Total	\$750,000	\$500,000	\$500,000	\$660,000		\$660,000	

Agenda Memo Attachment B – Recommendation and Alternatives

Recommendation							
Column A	Column B	Column C		Column D		Column E	
Project	CDBG Applications	Approved as Amended July 29, 2025		Submitted to HUD in the Annual Action Plan		Recommendation*	
		CDBG	Unrestricted	CDBG	Unrestricted	CDBG Existing Awards	Unrestricted New Awards
		Total		Total		Total	
Public Facility Projects – Ben Garza Generator (if under budget, funds go to Tier 2 projects)	\$500,000	\$500,000	\$0	\$340,000	\$160,000	\$340,000	\$0
		\$500,000		\$500,000		\$340,000	
Rising Tide Ministries - Safe at Home (minor home rehabilitation)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$30,000	\$20,000
		\$30,000		\$30,000		\$50,000	
Rising Tide Ministries – Wave Academy (employment training)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$30,000	\$20,000
		\$30,000		\$30,000		\$50,000	
Habitat for Humanity – Critical Repair Program (minor home repairs)	\$150,000	\$0	\$100,000	\$100,000	\$0	\$100,000	\$50,000
		\$100,000		\$100,000		\$150,000	
Total	\$750,000	\$660,000		\$660,000		\$590,000	

*Unrestricted awards will not be submitted in the FY 2026 AAP Substantial Amendment #1.

Alternative #1							
Project	CDBG Applications	Approved as Amended July 29, 2025		Submitted to HUD in the Annual Action Plan		Alternative #1	
		CDBG	Unrestricted	CDBG	Unrestricted	CDBG	Unrestricted
		Total		Total		Total	
Public Facility Projects – Ben Garza Generator (if under budget, funds go to Tier 2 projects)	\$500,000	\$500,000	\$0	\$340,000	\$160,000	\$250,000	\$0
		\$500,000		\$500,000		\$250,000	
Rising Tide Ministries - Safe at Home (minor home rehabilitation)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$50,000	\$0
		\$30,000		\$30,000		\$50,000	
Rising Tide Ministries – Wave Academy (employment training)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$50,000	\$0
		\$30,000		\$30,000		\$50,000	
Habitat for Humanity – Critical Repair Program (minor home repairs)	\$150,000	\$0	\$100,000	\$100,000	\$0	\$150,000	\$0
		\$100,000		\$100,000		\$150,000	
Total	\$750,000	\$660,000		\$660,000		\$500,000	

Alternative #2							
Project	CDBG Applications	Approved as Amended July 29, 2025		Submitted to HUD in the Annual Action Plan		Alternative #2	
		CDBG	Unrestricted	CDBG	Unrestricted	CDBG	Unrestricted
		Total		Total		Total	
Public Facility Projects – Ben Garza Generator (if under budget, funds go to Tier 2 projects)	\$500,000	\$500,000	\$0	\$340,000	\$160,000	\$340,000	\$0
		\$500,000		\$500,000		\$340,000	
Rising Tide Ministries - Safe at Home (minor home rehabilitation)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$30,000	\$0
		\$30,000		\$30,000		\$30,000	
Rising Tide Ministries – Wave Academy (employment training)	\$50,000	\$0	\$30,000	\$30,000	\$0	\$30,000	\$0
		\$30,000		\$30,000		\$30,000	
Habitat for Humanity – Critical Repair Program (minor home repairs)	\$150,000	\$0	\$100,000	\$100,000	\$0	\$100,000	\$0
		\$100,000		\$100,000		\$100,000	
Total	\$750,000	\$660,000		\$660,000		\$500,000	