



AGENDA MEMORANDUM

Public Hearing/1st Reading Ordinance for the City Council Meeting of July 22, 2025
2nd Reading Ordinance for City Council Meeting July 29, 2025

DATE: July 11, 2025

TO: Peter Zanoni, City Manager

FROM: Daniel McGinn, AICP, Interim Assistant City Manager
danielmc@cctexas.com
(361) 826-7011

Public Hearing and Ordinance regarding the City of Corpus Christi's FY 2026 Annual Action Plan

CAPTION:

Ordinance adopting the City Fiscal Year 2026 and U.S. Department of Housing and Urban Development (HUD) Program Year 2025 Annual Action Plan (AAP) for the Community Development Block Grant (CDBG) budget in the amount of \$2,746,956, the Emergency Solutions Grant (ESG) budget in the amount of \$233,755, and the HOME Investment Partnerships Program (HOME) budget in the amount of \$1,394,561 for a total of \$4,375,272 annual HUD funding; authorizing the execution of all necessary documents to submit the AAP; authorizing a staff complement of 17 positions; accepting and appropriating funding for the approved AAP projects and authorizing the execution of funding agreements, amendments, environmental review records, and other documents necessary to implement the FY2026 PY 2025 AAP.

SUMMARY:

Public Hearing and Ordinance to adopt the Fiscal Year FY 2026/PY 2025 AAP, for citizens to provide comments on the proposed plan. The plan is required by HUD and describe the City's proposed activities for how CDBG, ESG, and HOME funds will meet local housing, homeless, and community development priority needs.

At the July 22nd City Council Meeting, the Council discussed several options to modify the proposed Annual Action Plan spending among the different entities and programs within the Community Development Block Grant (CDBG). The final request by Councilmember Paxson was to have staff look at options for alternative funding sources for the generator and redirect \$250,000 of the \$500,000 to Rising Tide Ministries and Habitat for Humanity programs.

Staff researched various grant management platforms and found a new state program that may be a good option in the future, but the grant application and eligibility rules have not yet been published. They are expected this year, but no specific date has been announced. Staff, however, identified \$160,000 that was donated to the city related to the Fire Station #3 project on

Morgan Avenue. The proposed modification to the CDBG spending would move \$250,000 of the \$500,000 proposed for the Ben Garza generator to the two Rising Tide Ministries programs, totaling \$100,000 and \$150,000 to Habitat for Humanity for their home repair program. This would leave \$250,000 for the Ben Garza Generator within CDBG, with additional funds coming from the donation totaling \$410,000. This would allow for the ordering of the generator, which has about a year-long lead time, and allow staff to find additional dollars that may be needed to cover overages. The \$500,000 total number had built-in contingencies, so it's possible that the \$410,000 could be enough to complete the project.

BACKGROUND AND FINDINGS:

As a HUD entitlement community, the City is required to submit a Five-year Consolidated Plan (ConPlan), and AAP to HUD. The ConPlan was adopted at the second reading on August 8, 2023. The ConPlan covers the program period of October 1, 2023, through September 30, 2028. The ConPlan components included stakeholder consultation, housing and homeless needs assessment, housing market analysis, local priorities, and the first year AAP covering October 1, 2023, through September 30, 2024.

The priority needs for identified through the community outreach for the ConPlan are (in no particular order):

- Increase and Maintain Affordable Housing for Low Income Households through:
 - Housing Repair and Rehabilitation
 - Homebuyer Program and Builder Program
 - New Construction
 - Rental Housing (New Construction and Rehabilitation)
- Public Facilities/Infrastructure Improvements including:
 - Improvements to Youth Centers
 - Improvements to Neighborhood Facilities
 - Park and Recreation Improvements
 - Accessibility Improvements
 - Curbs/Sidewalks/Street Improvements
- Addressing Homelessness/At-Risk of Homelessness for Households below 30% AMI
- Public Services/Programs Related to Healthy Outcomes for low-moderate income (LMI) households and senior services
- Public Services Related to LMI Households for Job Training and Employment Enhancement Programs
- Public Services Related to LMI Households for Code Enforcement
- Program Administration

The FY 2026 AAP is the required annual update to the ConPlan that describes how the City will expend the annual allocations from HUD to meet the priority needs identified in the ConPlan. The FY 2026 AAP covering October 1, 2025, through September 30, 2026, is the third AAP in the five-year period.

For FY 2026, the CDBG allocation is \$2,646,956. Also, program income of \$100,000 is available to augment funding levels for the CDBG program allocations for a total funding level of \$2,746,956 for affordable housing and community development activities.

The ESG program has \$233,755 for FY 2026. The intent of the ESG Program is to provide funding to providers of Homeless services to support the efforts of Emergency Shelter, Homeless Prevention

and Rapid Re-Housing activities.

The HOME program will have an allocation amount of \$1,144,561 from entitlement funds, with an additional \$250,000 generated from program income for a total funding amount of \$1,394,561 for affordable housing activities for the FY 2026 budget year.

During the development of the FY 2026 AAP, public input opportunities included five public input sessions, one in each Council district, 23 consultations with public and private organizations, departments, and civic groups, a public comment period from June 16, 2025, through July 15, 2025, and a public hearing to be held during the July 22, 2025, regularly scheduled City Council meeting.

ALTERNATIVES:

Alternatives include not adopting the AAP or changing the project recommendations

FISCAL IMPACT:

The City is expected to receive \$4,375,272 in federal funding for affordable housing, community development and homelessness.

Funding Detail:

CDBG and ESG

Fund: 1059 Organization/Activity:

Various Department: 24

Project # **(CIP Only)**: N/A

Account: Various

HOME

Fund: 9045

Organization/Activity: Various

Department: 24

Project # **(CIP**

Only): N/A

Account: Various

RECOMMENDATION:

Staff is recommending the adoption and appropriation of the FY 2026 Annual Action Plan and funding allocations.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

FY 2026 Award Matrix

FY 2026 Updated Award Matrix for CDBG only

FY 2026 Annual Action Plan

Presentation