



## **AGENDA MEMORANDUM**

Public Hearing/1<sup>st</sup> Reading Ordinance for the City Council Meeting of July 11, 2017  
2<sup>nd</sup> Reading Ordinance for City Council Meeting July 25, 2017

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**DATE:** 6/20/2017

**TO:** Margie C. Rose, City Manager

**THRU:** Keith Selman, Assistant City Manger  
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**FROM:** Rudy Bentancourt, Housing and Community Development Director  
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Ordinance regarding the City of Corpus Christi's proposed FY2017-2018 Consolidated Annual Action Plan.
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### **CAPTION:**

Ordinance to adopt the fiscal year (FY) 2017-2018 Consolidated Annual Action Plan (CAAP), for the Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG), and the HOME Investment Partnerships (HOME) Programs; to authorize the City Manager or designee to submit the FY2017-2018 CAAP to the U.S. Department of Housing and Urban Development (HUD), and to amend if required by HUD; to authorize the City Manager or designee to execute all documents necessary to accept and appropriate upon receipt of the grants from HUD into the Grant Fund No. 1059 for the approved FY2017-2018 CAAP projects and further to execute funding agreements, amendments and all other documents necessary to implement the FY2017-2018 CAAP with organizations for approved projects.

### **PURPOSE:**

Purpose of Public Hearing is to meet HUD requirements and to provide a "Citizen Comment Period" for citizens to provide comments on the proposed project funding for the FY2017-2018 CAAP; the Ordinance will include the adoption of the proposed CAAP.

### **BACKGROUND AND FINDINGS:**

The U.S. Department of Housing and Urban Development (HUD) regulation requires, as part of the approved process for the FY2013-FY2017 Consolidated Plan/Citizens Participation Plan, two (2) public hearings prior to the adoption of the FY2017-2018 CAAP. An initial public hearing was held at the City of Corpus Christi's City Hall on February 6, 2017. A second public hearing to receive additional input was held on February 16, 2017. The public hearing to be conducted on Tuesday, July 11, 2017 by the City of Corpus Christi's City Council will satisfy the requirement of the two required hearings, though three public hearings were held. The City of Corpus Christi has received official notification from the U.S. Department of Housing and Urban Development (HUD) of the FY2017-2018 funding allocation for the following programs.

\$2,405,193 Community Development Block Grant (CDBG)  
\$216,432 Emergency Solutions Grant (ESG)  
\$844,596 HOME Investment Partnerships Program (HOME)

It is important to note that for FY2017-2018, CDBG will experience a .05% increase (\$1,127), ESG will experience a 2.28% reduction (-\$5,054), and HOME will experience a 2.75% reduction (-\$23,866) from prior year funding, based on the entitlement funding which will be received from HUD.

An additional funding in the amount of \$100,000 which was recaptured from previously funded projects that were unspent has been made available to be reprogrammed as well as \$500,000 of generated program income from the Rehabilitation Loan Program and \$200,000 of generated program income from the Demolition Program has been made available to augment funding levels for the upcoming FY2017-2018 CDBG program allocations for a total funding level of \$3,205,193.

Since 1975, the City of Corpus Christi has received funding for its CDBG Programs in excess of 176.5 million, of which approximately 21.4 million has been income generated by various programs administered by the Housing and Community Development Department.

The ESG Program will have an allocation amount of \$216,432 for FY2017-2018. 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. Emergency Shelter activities assist with the shelter operations and staffing for homeless shelters. Homeless Prevention activities assist individuals and families who are currently homeless but are at high risk of becoming homeless “but for” this assistance. Rapid Re-Housing activities assist those individuals and families with rapidly rehousing those who are homeless back into permanent housing “but for” this assistance. Commencing in 1987, the City of Corpus Christi has received in excess of \$4.4 million in funding for ESG services.

The HOME Program will have an allocation amount of \$844,596 as a funding level from entitlement funds to be received, with an additional \$400,000 being made available for reprogramming from previously funded recaptured program funds as well as an additional \$340,779 generated from the Rehabilitation Loan Program for a preliminary estimated funding amount of \$1,585,375 for the FY2017-2018 budget year. The HOME Program was initiated in 1992 with the mandate to increase and improve affordable housing opportunities; HOME funds totaling \$37.6 million have been utilized to fund Rental and Home Ownership programs in addition to the rehabilitation and reconstruction of affordable housing within the City of Corpus Christi. Of the \$36.7 million in HOME funding, approximately \$4.9 million of those funds have been made available from previous loans as generated program income; these funds have been utilized to augment available funding.

The FY2017 CAAP represents the fifth and final annual action plan of the developed five-year (FY2013-FY2017) Consolidated Plan and is the application for HUD for funding for the CDBG, ESG, and HOME Programs. The FY2017 CAAP describes the activities and projects to be assisted with funds received under CDBG, ESG, HOME, and other HUD/Non-HUD programs that help to meet housing and community developed objectives. The Housing and Community Development Department adopted a timeline that provides for public hearings during Technical Assistance Workshops which were held on February 6, and February 16, 2017 to be followed by the City Council public hearing on July 11, 2017. Citizens’ public comment period begins on July 9, 2017 and ends July 28, 2017, for the FY2017 CAAP. Subsequently, adoption of the CAAP is scheduled for July 18, 2017, allowing timely submission of the program to HUD. The proposed FY2017 CAAP has been developed according to HUD regulations.

Staff will be making a brief presentation to the City Council at the opening of the Public Hearing so that staff may outline the FY2017-2018 CAAP’s eligibility criteria for the programs and staff’s recommendations. Housing and Community Development held four Technical Assistance Workshops on February 6, 7, 16, and 21, 2017, and two Technical Assistance Workshops which included a Public Hearing on February 6 and 16, 2017. Also held were two Neighborhood Meetings, in conjunction with Technical Assistance Workshops, on

February 16 and 21, 2017 at Corpus Christi City Hall. The public hearing date with City Council was also disclosed at this time.

The FY2017-2018 Consolidated Annual Action Plan will be submitted to HUD on August 14, 2017 following the required citizen comment period.

Since the July 11, 2017 City Council Meeting, the Housing and Community Development (HCD) Department has made some adjustments and updates to the CDBG overall funding availability. CDBG Administration and Rehabilitation Services funding has been reduced as HCD currently has three (3) vacant positions and will not be filling them, releasing funding to add funding for the support of an additional Code Enforcement Officer and a Sr. Account Clerk. HCD will operate and function on 20 FTE positions instead of 23 FTE positions. Therefore, CDBG funding will fund a total of five (5) Code Enforcement Officers and one (1) Sr. Account Clerk as have been previously funded in past fiscal years. The initial proposal of not funding one Code Officer and one Sr. Account Clerk would not have resulted in eliminating the positions. The positions were to be funded by a non-CDBG source.

The attached spreadsheet for CDBG indicates the overall funds available for the FY2017-2018 program year has increased from \$2,505,193 to \$3,205,193. The amounts initially not included in the July 11, 2017 attachment was Program Income which is revenue generated from previously allocations. HUD does not require the governing body of Corpus Christi (City Council) to re-allocate income already allocated in prior funding years, therefore the funding was not shown to reference the Ordinance of this item. However, the funding, which is now shown for clarification purposes, includes \$500,000 of revenue generated by the CDBG's Single Family Rehabilitation Program which will return to fund the program administered by HCD staff. The Demolition Program has generated, to date, \$150,000 in Program Income and is expected to generate an additional \$50,000 before the beginning of FY2017-2018. The proceeds from this generated revenue was going to be split between the Demolition Program and the Clearance of Vacant Properties Program as it has been done in previous years. It was the misjudgment of HCD staff not to include Program Income in the overall CDBG budget, however the programs were to be funded for FY2017-2018.

**ALTERNATIVES:**

None

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

Public Hearing is required per HUD Regulations.

**EMERGENCY / NON-EMERGENCY:**

This item is non-emergency

**DEPARTMENTAL CLEARANCES:**

Legal

Finance – Federal Grants and Office of Management and Budget

**FINANCIAL IMPACT:** Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

**Comments:** None

**RECOMMENDATION:**

At the conclusion of public hearing, the City Council may, at their discretion, discuss any and all recommendations and provide direction on the projects/activities to be funded under the FY2017-2018 CAAP.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Presentation  
CDBG Attachment FY2017-2018  
ESG Attachment FY2017-2018  
HOME Attachment FY2017-2018  
City Council Policy No. 9  
Memorandum for Parks and Districts  
Memorandum for Homeless Work Program  
Memorandum for Housing Gap Financing Program  
Memorandum for Housing and Community Development Staff Duties and Salaries