



## **AGENDA MEMORANDUM**

Public Hearing/1<sup>st</sup> Reading Ordinance for the City Council Meeting of June 21, 2016  
2<sup>nd</sup> Reading Ordinance for City Council Meeting of July 12, 2016

**DATE:** 6/6/2016

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

**THRU:** E. Jay Ellington, Interim Assistant City Manager  
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361-826-3042

**FROM:** Rudy Bentancourt, Housing and Community Development Director  
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Public Hearing/1<sup>st</sup> Reading Ordinance regarding the City of Corpus Christi's proposed FY2016-2017 Consolidated Annual Action Plan.

### **CAPTION:**

Ordinance to adopt the fiscal year (FY) 2016-2017 Consolidated Annual Action Plan (CAAP), for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and the HOME Investment Partnerships (HOME) Programs. To authorize the City Manager or designee to submit the FY2016-2017 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 the grants from HUD into the Grant Fund No. 1059 for the approved FY2016-2017 CAAP projects and further to execute funding agreements and all other documents necessary to implement the FY2016-2017 CAAP with organizations of 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 FY2016-2017 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 FY2016-2017 CAAP. An initial public hearing was held at the City of Corpus Christi's City Hall on February 2, 2016. A second public hearing to receive additional input was held on February 8, 2016. The public hearing to be conducted on Tuesday, June 21, 2016 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 FY2016-2017 funding allocation for the following programs.

\$2,404,066 Community Development Block Grant (CDBG)

\$221,468      Emergency Solutions Grant (ESG)

\$868,482      HOME Investment Partnerships Program (HOME)

It is important to note that for FY2016-2017, CDBG will experience a 2.28% reduction, ESG will experience a 2.92% reduction, and HOME will experienced a 3.67% increase from prior year funding, based on the entitlement funding which will be received from HUD.

An additional \$1,000,000 generated from the Revolving Rehabilitation Loan Program will be made available to the CDBG Program for the continued self-funding of affordable housing programs. Additionally, \$55,000 generated from Program Income for the Demolition Liens Program will be made available to the CDBG Program for continued funding of this program. Additional funding in the amount of \$419,435 which was recaptured from previously funded projects that were unspent, have been made available to be reprogrammed to augment funding levels for the upcoming FY2016-2017 CDBG program allocations for a total funding level of \$3,878,501.

Since 1975, the City of Corpus Christi has received funding for its CDBG Programs in excess of 174.1 million, of which approximately 20.9 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 \$221,468 for FY2016-2017. The intent of the ESG Program is to provide funding to providers of Homeless services to support the efforts of Homeless Prevention and Rapid Re-Housing activities. 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 \$4.1 million in funding for ESG services.

The HOME Program will have an allocation amount of \$868,482 as a funding level from entitlement funds to be received, with an additional \$350,000 being made available for reprogramming from previously funded recaptured program funds for a preliminary estimated funding amount of \$1,218,482 for the FY2016-2017 Budget Year. The HOME Program was initiated in 1992 with the mandate to increase and improve affordable housing opportunities; HOME funds totaling \$36.7 million have been utilize 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 \$4.6 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 FY2016 CAAP represents the fourth 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 FY2016 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 2, and February 8, 2016 to be followed by the City Council public hearing on June 21, 2016. Citizens’ public comment period begins on June 20, 2016 and ends July 20, 2016, for the FY2016 CAAP. Subsequently, adoption of the CAAP is scheduled for July 12, 2016, allowing timely submission of the program to HUD. The proposed FY2016 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 FY2016-2017 CAAP’s eligibility criteria for the programs and staff’s recommendations. Housing and Community Development held five Technical Assistance Workshops on January 7, 2016 and February 2 (two designated times), 8, and 17, 2016, and two Technical Assistance Workshops which included a Public Hearing on February 2 and 8, 2016. Also held were two Neighborhood Meetings, in conjunction with Technical Assistance Workshops, on February 8 and 17, 2016 at Corpus Christi City Hall. The public hearing date with City Council was also disclosed at this time.

The FY2016-2017 Consolidated Annual Action Plan will be submitted to HUD on August 12, 2016 following the required 30 day citizen comment period.

**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: 2016-2017</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 FY2016-2017 CAAP

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance

Presentation

CDBG Attachment D FY2016-2017

ESG Attachment D FY2016-2017

HOME Attachment D FY2016-2017