



AGENDA MEMORANDUM

Public Hearing/1st Reading Ordinance for the City Council Meeting of July 16, 2019
2nd Reading Ordinance for City Council Meeting July 23, 2019

DATE: 6/25/2019

TO: Peter Zaroni, City Manager

FROM: Rudy Bentancourt, Housing and Community Development Director
RudyB@cctexas.com
361-826-3021

Public Hearing/1st Reading Ordinance regarding the City of Corpus Christi's proposed FY2019-2020 Consolidated Annual Action Plan.

CAPTION:

Ordinance adopting the fiscal year (FY) 2019-2020 Consolidated Annual Action Plan (CAAP) for the Community Development Block Grant (CDBG) budget in the amount of \$2,650,562.00, the Emergency Solutions Grant (ESG) budget in the amount of \$225,067.00, and the HOME Investment Partnerships (HOME) budget in the amount of \$1,055,648.00 for a total of \$3,931,277.00 of entitlement funding from the United States Department of Housing and Urban Development (HUD) and authorizing the City Manager or designee to execute all documents necessary to submit the CAAP, authorizing a staff complement of 27 positions; accept and appropriate funding for the approved CAAP projects and further execute funding agreements, amendments or other documents necessary to implement the FY2019-2020 CAAP with organizations for approved projects.

PURPOSE:

The purpose of Public Hearing is to meet the HUD requirements of approving the CAAP and to provide a "Citizen Comment Period" for citizens to provide comments on the proposed project funding for the FY2019-2020 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 FY2019-FY2020 Consolidated Plan/Citizens Participation Plan, two (2) public hearings prior to the adoption of the FY2019-2020 CAAP. In order to maximize the citizen comments from the public, a total of three (3) Public Hearings were held. An initial public hearing was held at the City of Corpus Christi's City Hall on February 8, 2019. A second public hearing to receive additional input was held on February 14, 2019. The public hearing to be conducted on Tuesday, July 16, 2019 by the City of Corpus Christi's City Council will be a third public hearing and will more than satisfy the requirement of the two required hearings.

The City of Corpus Christi has received official notification from HUD of the FY2019-2020 funding allocation for the following programs.

\$2,650,562 Community Development Block Grant (CDBG)

\$228,067 Emergency Solutions Grant (ESG)

\$1,055,648 HOME Investment Partnerships Program (HOME)

It is important to note that for FY2019-2020, CDBG will experience a 1.39% decrease (-\$37,255), ESG will experience a 5.33% increase (\$11,545), and HOME will experience a 11.20% decrease (-\$133,161) from prior year funding, based on the entitlement funding which will be received from HUD.

Additional funding in the amount of \$115,863 was recaptured from previously funded projects that were unspent has been made available to be reprogrammed as well as \$240,000 of generated program income from the Rehabilitation Loan Program has been made available to augment funding levels for the upcoming FY2019-2020 CDBG program allocations for a total funding level of \$3,006,425.

Since 1975, the City of Corpus Christi has received funding for its CDBG Programs in excess of \$182.6 million, of which approximately \$23 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 \$228,067 for FY2019-2020. 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 and/or are at high risk of becoming homeless “but for” this assistance. Rapid rehousing programs help families and individuals living on the streets or in emergency shelters solve the practical and immediate challenges to obtaining permanent housing while reducing the amount of time they experience homelessness, avoiding a near-term return to homelessness, and linking to community resources that enable them to achieve housing stability in the long-term. Rapid re-housing is an important component of a community’s response to homelessness. A fundamental goal of rapid rehousing is to reduce the amount of time a person is homeless. Commencing in 1987, the City of Corpus Christi has received in excess of \$5 million in funding for ESG program services.

The HOME Program will have an allocation amount of \$1,055,648 as a funding level from entitlement funds to be received, with an additional \$184,304 generated from the Rehabilitation Loan Program for a preliminary estimated funding amount of \$1,239,952 for the FY2019-2020 budget year. The HOME Program was initiated in 1992 with the mandate to increase and improve affordable housing opportunities. HOME funds totaling \$39.1 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 \$39.1 million in HOME funding, approximately \$5.5 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 FY2019-2020 CAAP represents the second annual action plan of the previously approved five-year (FY2018-FY2022) Consolidated Plan and is the application for HUD for funding for the CDBG, ESG, and HOME Programs. The FY2019-2020 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 proposed FY2019-2020 CAAP has been developed according to HUD regulations and is required to be submitted to HUD no later than August 9, 2019.

Staff will be making a brief presentation to the City Council at the opening of the Public Hearing so that staff may outline the FY2019-2020 CAAP’s eligibility criteria for the programs and staff’s recommendations.

The FY2019-2020 Consolidated Annual Action Plan will be submitted to HUD on or before August 9, 2019 following the required 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

FINANCIAL IMPACT: Not applicable

Fiscal Year: 2019-2020	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

Comments: None

RECOMMENDATION:

Staff is recommending the approval of the project recommendations for the CDBG, ESG and HOME Programs.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation
CDBG Attachment FY2019-2020
ESG Attachment FY2019-2020
HOME Attachment FY2019-2020
City Council Policy No. 9
Draft FY2019-2020 Consolidated Annual Action Plan