



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor, ACM

DATE: May 2, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding funding recommendations for the 2025-2026 Community Development Grant Program.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

BACKGROUND

The Community Development Grant funds are awarded through the Community Services Advisory Committee (CSAC) review process that includes an application from the applicant to the committee followed by recommendations to City Council from the committee. A total of twenty-nine (29) eligible grant applications from non-profit organizations and city departments were received by the application deadline on January 17, 2025, totaling \$2,741,236.00 for the 2025-2026 program year. A breakdown of applications received by application type is included below.

- Human Services – 24 applications totaling \$1,548,643.00
- Housing Projects – 3 applications totaling \$924,590.00
- Public Facility Projects – 2 applications totaling \$268,003.00

North Texas Solutions for Recovery notified staff that the organization will stop providing services at the end of April 2025. Their request has been removed from the meeting details.

Applicants should meet the amount requested requirements. The requested amount should fall within the specified range for each grant type:

- a. Human Services: Minimum \$15,000 Maximum \$100,000
- b. Housing Projects: Minimum \$50,000 Maximum \$400,000
- c. Public Facilities: Minimum \$25,000 Maximum \$400,000

Based on the Community Development Grant applications and funding priorities, the CSAC will give staff direction regarding the development of funding recommendations for the use of Community Development Block Grant (CDBG) funds, HOME Investment Partnerships Program (HOME) funds and General Fund (GF) dollars.

CDBG funds can be awarded to fund a wide range of community development activities such as acquisition of real property, relocation and demolition, rehabilitation of residential and non-residential structures, construction of public facilities, and economic development activities. Each activity must meet one of the

following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development urgent needs for which other funding is not available.

The CDBG funding for public (social) services is capped by federal guidelines at 15% of the total CDBG allocation. This is estimated to be \$152,257.00 of the total allocation in Program Year 2025-2026. GF dollars are used to support human services activities that are not funded through CDBG. This is estimated to be \$377,955.00 in GF to be awarded to social service programs providing needed services to City of Denton residents.

HOME funds can be awarded to fund a wide range of housing activities, including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The HOME grant requires that at least fifteen (15) percent of the HOME funds must be undertaken by a special type of non-profit called a Community Housing Development Organization (CHDO). The application from Denton Affordable Housing Corporation is for CHDO funding, and the minimum amount that must be provided is \$141,597.70 for two years since CHDO funds were not allocated last year for the 2024-2025 grant allocation. The amount is an estimate using the 2024-2025 grant allocation.

The estimated funding for the 2025-2026 grant year also includes reallocated funds. Staff evaluates current programs and balances annually to determine if funds need to be reallocated as part of the annual Action Plan. For the 2025-26 grant year, the following funding is available to be reallocated, and it is part of the funds for the committee to allocate during the 2025-26 grant year.

Grant Year	Program Activities	Funding Source	CDBG Reallocated Amount	HOME Reallocated Amount	Amendment Type	Reason for reallocation
2022	Landlord Repair Program	CDBG	100,000.00		Substantial	Program is funded with CDBG/General Funds. Program has been less activity than anticipated. General Funds annual budget of \$100K is sufficient to carry out the program.
2023	Denton County Friends of the Family	CDBG	\$165.94		Minor	Residual funds from program closeout
2023	Denton City County Day School	CDBG	\$3,412.32		Minor	Residual funds from program closeout
2021	Home Improvement Program	HOME		\$3,589.83	Minor	Residual funds from program closeout
2024	HOME Unprogrammed Funds	HOME		\$424,793.36	Substantial	2024-25 unprogrammed funds
2023	DAHC Rehabilitation Project	HOME		\$9,658.00	Minor	Residual funds from project closeout
TOTALS			\$103,578.26	\$438,041.19		

The additional CDBG reallocated funds will create a surplus of \$46,356.26 if all housing and public facilities applications are recommended at the full amounts. Since the final HUD allocation is not expected until May 15, staff recommend that the surplus remain to assist in adjusting based on final HUD allocations, especially if allocation amounts are decreased. The committee can allocate any surplus available after the final adjustments in the 2026-27 grant year.

The total CDBG, HOME and General dollars available for applications is \$2,426,043.09 for the 2025-2026 funding year.

Source	Estimated Amount*
Community Development Block Grant (CDBG) Funds	\$919,616.26
HOME Investment Partnerships Program (HOME)	\$1,128,471.83
General Funds	\$377,955.00
TOTAL	\$2,426,043.09

**CDBG and HOME funding amounts are estimates based on previous year funding from the U.S Department of Housing and Urban Development (HUD). Notifications of FY25 CDBG and HOME allocations from HUD are expected by May 15, 2025. General Fund allocations are subject to final consideration and approval of City Council.*

Upon approval from City Council, CDBG, HOME and General Fund funding recommendations will be included in the City's annual *Action Plan for Housing and Community Development* submitted to the U.S. Department of Housing and Urban Development (HUD) in August 2025.

The committee will proceed with funding recommendations according to their regular schedule. As with every year, approval of committee funding recommendations will be contingent on funding allocations from the U.S. Department of Housing and Urban Development (HUD) and City Council approval. Funding updates will be provided to applicants and committee members as they are available.

ESTIMATED SCHEDULE OF PROJECT

2025-2026 Community Development Grant Program Application Timeline

Proposed Activity	Date
Applications Due	January 17, 2025
CSAC Funding Hearings	March 14, 2025
CSAC Funding Recommendations	May 2, 2025
Development of Action Plan	May 2025
30-day Comment Period on Action Plan	June 2025
City Council and Public Hearing	June 17, 2025
City Council considers approval of Action Plan	July 22, 2025
Submission of Action Plan to HUD	August 15, 2025
Start of 2025-2026 Grant Contracts	October 1, 2025

OPTIONS

When the final HUD 2025-2026 grant allocations are received and General Fund budget amounts are approved, the following options are available:

1. Staff will make proportional adjustments to committee recommendations for any difference in estimated funding amounts and final budget allocations.
2. Staff will make proportional adjustments to committee recommendations for differences in funding estimates and final budget allocations up to \$100,000. Differences totaling more than \$100,000 will be brought back to the committee for review and updates to original recommendations.
3. Staff will bring any differences in funding estimates and final budget allocations back to the committee for review and updates to original recommendations.
4. Other committee direction.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Grant Application Summary Details

Respectfully submitted:
Courtney Douangdara
Deputy Director of Community Services

Prepared by:
Tamara Jones
Grants Program Coordinator