



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/DCM/ACM: Christine Taylor, ACM

DATE: July 22, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to sign and submit to the Department of Housing and Urban Development a 2025 Action Plan for Housing and Community Development with appropriate certifications, as authorized and required by the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended; authorizing the Director of Community Services, or designee, to sign releases of liens and subordination agreements upon certain conditions; and providing for an effective date.

STRATEGIC ALIGNMENT

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

BACKGROUND

Community Development Funding Overview

As a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds, the City of Denton is required to submit a five-year Consolidated Plan for Housing and Community Development (Con Plan) and a corresponding Action Plan annually to the U.S. Department of Housing and Urban Development (HUD). These federal funds are received annually to support the Con Plan and the activities outlined in the City's annual Action Plan. In 2023, the City submitted a five-year Con Plan for program years 2023 through 2027.

The annual Action Plan is developed based on strategies outlined in the Con Plan and provides a description of how funds are allocated each Program Year. The annual Action Plan is reviewed and approved by City Council for submission to HUD.

The Community Services Advisory Committee (CSAC) advises Council on programs, services, and the use of public resources to address complex societal problems (such as economic instability, housing, and homelessness) and meeting community service needs. The CSAC reviews applications for the Community Development Block Grant Program annually and makes funding recommendations to City Council which includes distribution of local (General Fund) and federal (CDBG and HOME) funding sources.

The June 17 public hearing solicited public comment on CSAC funding recommendations for the 2025 Action Plan. The 2025 Action Plan noted the comments received during the 30-day comment period and at the June 17 public hearing.

Citizen Participation

To gain public input for the 2025 Action Plan, staff held a public hearing on November 13, 2024, and used an online survey requesting citizen input regarding the use of CDBG and HOME funds. A summary of online survey results is included in Exhibit 1. A final Public Hearing was held June 17, during a regular session of City Council, for feedback on the 2025 Action Plan. Community engagement activities regarding public hearings and survey distribution are outlined below.

1. Information was sent via email listserv to interested citizens, previous clients, committee members, local churches, lenders and realtors who participate in the City's housing programs, neighborhood associations, and social services agencies.
2. Newspaper advertisements were posted in the Denton Record Chronicle.
3. Information was sent to City Council members through the Friday report.
4. Flyers were posted in City buildings.
5. Information was posted on social media.

Available Funding

The City of Denton's 2025 Action Plan reflects local (General Fund) and federal (CDBG and HOME) funding allocations for the Community Development Grant Program. The City's General Fund allocation is included in the 2025 Action Plan to reflect the City's investment to leverage with federal funds, however, these recommendations will be considered for approval by City Council during the normal budgeting cycle for FY 2025-26. The total grant funding proposed for the FY 2025-26 program year is \$2,444,697, as outlined in Figure 2.

Figure 2: Funding Summary by Funding Source

Funding Source	Funding Amount	Set-Asides	25/26 CSAC Allocation
Community Development Block Grant	1,049,336		947,047
Community Development Block Grant - Program Income ¹	4,000		
Community Development Block Grant – Administration ²		209,867	
Community Development Reallocated Funds ³	103,578		
CDBG⁴ Total	\$1,156,914	\$209,867	\$947,047
HOME Investment Partnership Grant	462,239		1,119,694
HOME Investment Partnership Grant - Program Income ¹	265,637		
HOME Investment Partnership Grant – Administration ²		46,223	
HOME Reallocated Funds ³	438,041		
HOME Total	\$1,165,918	\$46,223	\$1,119,695
General Funds	1,316,405		377,955
General Funds – Homeless Initiatives		703,450	
General Funds – Rental Repair Program		100,000	
General Funds – Development Fee Grant		135,000	
General Funds Total	\$1,316,405	\$938,450	\$377,955
Total	\$3,639,237	\$1,194,540	\$2,444,697

¹2023-24 HOME Program Income will be allocated in the 2025 Action Plan based on HUD recommendation.

²HUD allows a maximum percentage of the grant for administration (CDBG 20%/HOME 10%). Set-aside is based on costs for 2 FTE.

³Reallocated funds are residual balances from completed projects.

Committee Recommendations

The CSAC met Friday, May 2, 2025, to consider the 2025-2026 Community Development Grant Program recommendations. The committee reviewed the cumulative results of committee member scoring and

funding recommendations to make final funding recommendations as a group. The final HUD allocations, released on May 14, provided Denton with an \$24,536 increase in CDBG funds from the prior year. The funding recommendations were adjusted proportionally to meet the funding caps and minimum allocation requirements set by HUD in the areas of human services and administration activities. A summary of the funding recommendations and project descriptions is included in Exhibit 2. Below is a summary of the funds recommended by application type (Figure 3).

Figure 3: 25/26 Funding Recommendations by Project Type

Application Type	Total Funding Recommended
Human Services	\$535,355
Housing Projects	\$993,237
Public Facilities	\$268,000
Total Recommended	\$1,796,592
Total Funds Available	\$2,444,697
Unallocated Funds	\$648,105

A total of \$348,105 of HOME funding currently remain unallocated, and the City is required to commit these funds by the 2027 Action Plan to remain in compliance with HUD regulations. Staff will review options for allocating the remaining funds with the committee in the coming months.

ESTIMATED SCHEDULE OF PROJECT

Figure 4: 2025 Action Plan Timeline

Proposed Activity	Date
City Council considers approval of 2025 Action Plan	July 22, 2025
Submission of 2025 Action Plan to HUD	Aug. 15, 2025
City Council considers approval of the 2025-2026 Community Development Grant Program contracts	Sept. 30, 2025
Start of 2025-2026 Community Development Grant Program Contracts	Oct. 1, 2025

FISCAL INFORMATION

All projects and programs approved under the 2025-26 Action Plan are funded with CDBG, HOME, and program income from the use of these funds. General Fund programs will be considered during the normal budgeting cycle by City Council for FY2025-26.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance, 2025 Action Plan, Application and Certifications

Respectfully submitted:
Jesse Kent
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