



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Community Services

**CM/DCM/ACM:** Christine Taylor

**DATE:** June 17, 2025

### **SUBJECT**

Hold a public hearing inviting citizens to comment on the 2025 Action Plan for the 2023-2027 Consolidated Plan for Housing and Community Development.

### **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 will solicit public comment on CSAC funding recommendations for the 2025 Action Plan.

#### **CDBG/HOME Eligible Activities**

Eligible activities for CDBG and HOME funding include housing development, rehabilitation and preservations; improving community facilities and neighborhood infrastructure; public (human) services; economic development; planning; and program administration (Figure 1).

**Figure 1: Eligible Activities by Funding Sources**

<b>CDBG</b>	<b>HOME</b>
▪ Acquisition	▪ Affordable Rental Housing
▪ Public Facilities and	▪ Homeownership Assistance
▪ Demolition and Clearance	▪ Tenant Based Rental Assistance
▪ Social Services (15% cap)	▪ Land Acquisition
▪ Housing Programs	▪ New Housing Construction
▪ Economic Development	
▪ Historic Preservation	
▪ Code Enforcement	
▪ Removal of Architectural Barriers	

### **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 is included in Exhibit 1. A final Public Hearing will be 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 Action Plan to reflect the City's investment to leverage with federal funds. However, the General Fund 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 \$2,426,043, as outlined in Figure 2.

**Figure 2: Funding Summary by Funding Source**

<b>Funding Source</b>	<b>Funding Amount</b>	<b>Set-Asides</b>	<b>25/26 CSAC Allocation</b>
Community Development Block Grant – Estimate	1,015,047		919,616
Community Development Block Grant - Program Income <sup>1</sup>	4,000		
Community Development Block Grant – Administration <sup>2</sup>		203,009	
Community Development Reallocated Funds <sup>3</sup>	103,578		
<b>CDBG<sup>4</sup> Total</b>	<b>\$1,122,625</b>	<b>\$203,009</b>	<b>\$919,616</b>
HOME Investment Partnership Grant	471,992		1,128,471
HOME Investment Partnership Grant - Program Income <sup>1</sup>	265,637		
HOME Investment Partnership Grant – Administration <sup>2</sup>		47,199	
HOME Reallocated Funds <sup>3</sup>	438,041		
<b>HOME Total</b>	<b>\$1,175,670</b>	<b>\$47,199</b>	<b>\$1,128,471</b>

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
<b>Total</b>	<b>\$3,614,700</b>	<b>\$1,188,658</b>	<b>\$2,426,043</b>

<sup>1</sup>2023-24 HOME Program Income will be allocated in the 2025 Action Plan based on HUD recommendation.

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

<sup>3</sup>Reallocated 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. 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	\$530,212
Housing Projects	\$970,949
Public Facilities	\$268,000
Total Recommended	\$1,769,161
Total Funds Available	\$2,426,043
Unallocated Funds	\$656,882

A total of \$656,882 of HOME funding currently remains 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.

The CSAC funding recommendations in the 2025 Action Plan are based on the estimated funding available in General Funds, Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), CDBG and HOME reallocated funds, and local program income of \$3,614,700. Funding recommendations will be proportionally adjusted based on the final allocation amounts from HUD and City Council, anticipated mid to late May and October, respectively. The funding caps and minimum allocation requirements set by HUD will be followed in the areas of human services and administration activities.

The final HUD allocations, released on May 14, provided Denton with an additional \$24,536 from the prior year. The funding recommendations will be adjusted proportionally in the final 2025 Action Plan, which is scheduled for City Council approval on July 22, 2024.

## **ESTIMATED SCHEDULE OF PROJECT**

***Figure 4: 2025 Action Plan Timeline***

<b>Proposed Activity</b>	<b>Date</b>
30-day Comment Period on 2025 Action Plan	May 19 to June 20, 2025
City Council and Public Hearing	June 17, 2025
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	Sep. 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 will be considered during the normal budgeting cycle by City Council for FY2025-26.

## **EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – CSAC Funding Recommendations and Project Descriptions

Exhibit 3 – 2025 Draft Action Plan

Exhibit 4 – Presentation

Respectfully submitted:

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