



City of Denton

City Hall
215 E. McKinney Street
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AGENDA INFORMATION SHEET

DEPARTMENT: Public Affairs and IGR - Community Development

CM/ DCM/ ACM: Bryan Langley

DATE: May 1, 2018

SUBJECT

Receive a funding recommendation report from the Community Development Advisory Committee (CDAC) and the Human Services Advisory Committee (HSAC), and hold a discussion and give staff direction regarding these recommendations, activities, and the proposed 2018 Action Plan for Housing and Community Development.

BACKGROUND

2018 Action Plan for Housing and Community Development

To receive Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) program funds, the City of Denton has a five-year Consolidated Plan for Housing and Community Development and annually submits an Action Plan to the U.S. Department on Housing and Urban Development (HUD).

Three years ago, using a process that included input from citizens and local non-profit organizations, staff developed Denton's 2015–2019 Consolidated Plan for Housing and Community Development. This plan is a five-year strategy detailing proposed housing, social services and public works projects benefiting low and moderate-income households and neighborhoods. Annual action plans are developed based on the strategies outlined in the Consolidated Plan. The draft 2018 Action Plan being compiled by staff represents the fourth year in the City's five-year strategy.

To gain public input to draft the 2018 Action Plan, staff held a public hearing, meetings with neighborhood groups, and used an online survey requesting citizen input regarding the use of CDBG and HOME funds in November 2017. Spanish translation was available at the public hearing. Public hearing outreach methods included the following:

1. Newsletters and flyers sent out to the Community Development mailing list which includes service organizations, churches, City departments and individual households;
2. Emails to neighborhood association representatives requesting they forward public hearing information to their residents;
3. Emails to local social service agencies and members of the Denton County Homeless Coalition;
4. Information posted on the City's website;
5. Newspaper advertisements.

The 2018 Action Plan includes a plan for how CDBG and HOME grant funds will be spent. To help determine funding allocations, the CDAC and HSAC committees review applications from community organizations and City staff and develop a funding recommendation to City Council.. The following is a summary of the application and committee timeline for this year:

- Application availability for the 2018-19 Fiscal Year grants was advertised in November and December 2017.
- Staff held application training workshops in December 2017 and January 2018.
- The CDAC and HSAC reviewed applications submitted by various organizations and City departments. Requests for funding were presented to the CDAC and HSAC in February and March 2018.
- Each committee developed a set of funding recommendations to present to City Council.
- The Draft 2018 Action Plan (**Exhibit 4**) is based on these recommendations. The CDAC and HSAC meeting minutes are attached as part of the Action Plan.

DISCUSSION

All projects and programs to be approved by HUD under the 2018 Action Plan are funded through CDBG, HOME and program income from the use of these funds. In addition to federal funds, the City Council has allocated General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from both the CDAC and HSAC committees for estimated federal fund and general fund dollars available for the 2018 program year.

CDAC RECOMMENDATIONS

The CDAC reviewed twelve funding requests. Three funding requests were from non-profit housing organizations for renovation to rental properties, construction of new housing and improvements to a senior housing complex. In addition, applications were submitted by Community Development staff for the rehabilitation, reconstruction and minor repairs of owner-occupied units and three City construction projects for sidewalks and water and sewer.

CDAC recommends \$995,582 in CDBG and, HOME funding be allocated to these housing programs as shown in **Exhibit 2**.

HSAC RECOMMENDATIONS

The HSAC reviewed requests for social services program funding. There were twenty-two applications received from eligible nonprofit organizations totaling \$666,755 for FY2018-19. HSAC develops recommendations for use of both CDBG funds and City General Fund dollars (**Exhibit 3**).

The CDBG funding for public (social) services is capped by federal guidelines at 15% of the total CDBG allocation. This is estimated to be \$132,500 of the total allocation in 2018-2019. General funds are used to support human services activities that are not funded through CDBG. Though the list of general fund recommendations is included in the Action Plan, the general fund recommendations are not approved through the Action Plan. The recommended amount for general fund will be considered during the normal budgeting cycle by City Council.

HSAC recommends awards of \$132,500 in CDBG funding and \$322,500 in general funding to the social service programs. The HSAC is urging that general fund increases be in alignment with the overall community need including support for annual increases that adjust for population growth at a baseline of \$2.50 per person as recommended by past HSAC committees. The HSAC recommendation for \$322,500 from the general fund represents an estimated 1.5% increase to the City's population for 2018 which is estimated to be 129,000. At \$2.50 per capita, the city funding amount adjusts to \$322,500.

Congress has recently passed the 2018-2019 budget which included an increase in funding for CDBG and HOME. If CDBG and HOME funding received by the City increases or is reduced from last year's level by 10% or less, in order to submit the 2018 Action Plan by the June 15, 2018 deadline, staff plans to revise the funding amounts for each activity by an equal percentage. After submission of the Action Plan,

the CDAC and HSAC will be asked if they would like to review the revised recommendations. Any recommended and approved budget revisions can be covered by an amendment to the Action Plan.

ESTIMATED PROJECT SCHEDULE

Public comment period on the Draft Action Plan	May 1, 2018 – May 30, 2018
CDAC and HSAC presentation to City Council	May 1, 2018
Public Hearing on the Draft Action Plan	May 22, 2018
Action Plan approval	June 5, 2018
Submission of approved Action Plan to HUD	June 15, 2018
HUD release of funds & program initiation	August 1, 2018

OPTIONS

- Direct staff to proceed with the proposed CDAC and HSAC recommendations as presented to be included in the 2018 Action Plan, or
- Direct staff to make specific revisions to the funding recommendations to be included in the 2018 Action Plan.

RECOMMENDATION

The Community Development Advisory Committee and the Human Services Advisory Committee recommend approval of their proposed budgets as stated in the 2018 Action Plan for Housing and Community Development.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Safe, Liveable & Family-Friendly Community
Related Goal: 4.3 Provide high quality neighborhood services

EXHIBITS

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – CDAC Funding Recommendations Chart
- Exhibit 3 – HSAC Funding Recommendations Chart
- Exhibit 4 – 2018 Action Plan for Housing and Community Development - DRAFT
- Exhibit 5 – Presentation

Respectfully submitted:
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