



## Legislation Text

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### AGENDA INFORMATION SHEET

**DEPARTMENT:** Department of Development Services

**CM:** Todd Hileman

**DATE:** May 23, 2017

#### **SUBJECT**

Receive a funding recommendation report from the Community Development Advisory Committee (CDAC) and the Human Services Advisory Committee (HSAC). Hold a discussion and give staff direction regarding these activities as they are proposed in the *2017 Action Plan for Housing and Community Development*.

#### **BACKGROUND**

The City of Denton prepares an Action Plan for submission to the US Department of Housing and Urban Development (HUD) annually, which serves as the City's application for the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs.

Two 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 *2017 Action Plan* represents the third year in the City's five-year strategy.

A public hearing, meetings with neighborhood groups and an online survey requesting citizen input regarding the use of CDBG and HOME funds took place in November and December 2016. Spanish translation was available at the public hearing and as part of the online survey. 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.

Application availability was advertised in December 2016. Staff held application training workshops in December 2016 and January 2017. The CDAC and HSAC reviewed applications and held funding hearings in February and March 2017. Each committee developed a set of funding recommendations to present to City

Council. The 2017 Action Plan, included as an exhibit in a separate action item to follow, is based on these recommendations. The CDAC and HSAC meeting minutes are attached to the Plan.

### **ESTIMATED PROJECT SCHEDULE**

Public comment period	May 1-May 30, 2017
Public Hearing	May 16, 2017
CDAC and HSAC presentation to City Council	May 16, 2017
Action Plan approval	June 6, 2017
Submission of Action Plan to HUD	June 15, 2017
HUD release of funds & program initiation	August 1, 2017

### **OPTIONS**

- Direct staff to proceed with the *2017 Action Plan* as presented, including the proposed CDAC and HSAC recommendations for the use of HOME and CDBG funding.
- Direct staff to make specific revisions to the *2017 Action Plan*.

### **RECOMMENDATION**

The Community Development Advisory Committee and the Human Services Advisory Committee recommend approval of their proposed budgets as stated in the 2017 Action Plan for Housing and Community Development.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

The CDAC reviewed three funding requests from non-profit housing organizations for renovation to rental properties, construction of new housing and improvements to a senior housing complex. Applications were submitted by Community Development staff for the rehabilitation, reconstruction and minor repairs of owner-occupied units. Staff also requested funding for the City's homebuyer assistance program and the "Infill New Construction" program. The new infill program will support the construction of at least one unit that will be made available to a low to moderate-income household. CDAC recommended \$995,582 in CDBG and, HOME funding be allocated to these housing programs.

The HSAC reviewed requests for social services program funding. HSAC developed recommendations for use of both CDBG funds and City General Fund dollars. Though the list of general fund recommendations is included in the Action Plan, the approval of the Plan **does not** include approval of those recommendations. General fund recommendations will be considered during the normal budgeting cycle. HSAC recommended awards of \$131,945 in CDBG funding to various social service programs.

### **FISCAL INFORMATION**

All projects and programs to be approved by the U.S. Department of Housing and Urban Development under the *2017 Action Plan* are funded through CDBG, HOME and program income from the use of these funds. The CDBG funding for public (social) services is capped at 15% of the allocation. General funds are used to support human services activities that are not funded through CDBG. Exhibit 3 provides an analysis of funding over time. More than a decade ago in 2003-04, funding from the general fund for human services was at its highest level at \$280,295. Over the next two years, funding was reduced to \$100,000 in 2005-2006. There has been

an annual consensus among the HSAC members to recommend a path to restore funding for human services to meet the social service needs of our growing community. In 2016 the City approved the same level of funding as in 2003-04 with City Council approving \$280,000 in general funds. The HSAC is recommending that general fund increases be in alignment with the overall community need. Support has been expressed for annual increases that adjust for population growth at a baseline of \$2.50 as recommended by past HSAC committees. Twenty-four applications totaled \$623,085 for 2017-18. The HSAC recommendation for \$307,000 from the general fund represents an estimated \$2.26 per capita based on an estimate of a 3% population growth annually since the last census. The current recommendation amount is a 9.77% increase over the previous years approved general fund grant allocation.

**Please note that the general fund recommendations are not included as proposed Action Plan activities.** HSAC's general fund recommendations will be reviewed as part of the 2017-18 City of Denton budget. General funds are also budgeted for a portion of the program administration costs.

Congress has recently passed the 2017-2018 budget which included funding for CDBG and HOME at last year's allocation levels. 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 *2017 Action Plan* by the June 15<sup>th</sup> deadline, staff will 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.

### **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:

<b>Related Key Focus Area:</b>	<b>Safe, Liveable &amp; Family-Friendly Community</b>
<b>Related Goal:</b>	<b>4.3 Provide quality, diverse, and accessible neighborhood services for the community</b>

### **EXHIBITS**

Exhibit 1 - CDAC Funding Recommendations Chart

Exhibit 2 - HSAC Funding Recommendations Chart

Exhibit 3 - Human Services Funding Trend Report

Exhibit 4 - Draft 2017-18 Action Plan

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