



## Legislation Text

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**File #:** 18-0005, **Version:** 1

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Resolution approving the 2018 Action Plan for the use of Federal Block Grant Funds (CDBG, HOME, ESG) provided through the U.S. Department of Housing and Urban Development.

**Presenter:**

Steve Posey, HUD Program Administrator, Community Development Division

**Summary:**

Approval of the Annual Action Plan draft to HUD identifying planned activities for the 2018 program year (Apr 1, 2018 through Mar 31, 2019)

**Previous Council Action:**

N/A

**Background:**

The City of Colorado Springs is a US Department of Housing and Urban Development (HUD) entitlement community grantee and receives allocations of federal block grant funds under the Community Development Block Grant Program (CDBG), Home Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG). The purpose of the funds is to benefit low- and moderate- income residents of Colorado Springs, prevent slum and blight, encourage the development, improvement, and preservation of affordable housing, prevent homelessness and meet other urgent community needs. To be eligible to receive the annual entitlement grants, the City must develop and submit to HUD an Annual Action Plan identifying activities for the coming program year.

**Timeline and Process**

The program year for the 2018 federal block grant funds is April 1, 2018 to March 31, 2019.

The Annual Action Plan process begins with the City's annual municipal budget process based on funding estimates. Public input on funding priorities is solicited via public hearings, targeted outreach, and other strategies. Draft projects and expenditures are then presented to City Council and funds are appropriated with the municipal budget.

The draft plan is made available for public comment during a thirty (30) day period in January. The Community Development Division (CDD) hosts a public hearing during the comment period and a summary of comments received will be included in the materials presented to City Council prior to approval. HUD requires approval of the Annual Action Plan with estimated allocation amounts a minimum of 45 days prior to the start of the 2018 program year. As long as the Plan is based on estimated amounts, it is a draft. When HUD announces its allocations, CDD staff will update all numbers according to the contingency plan, submit the final plan to HUD, and publish the final plan online.

Typically, the City's grant allocations are delayed by the federal budget process. In 2017, the allocations were released in June, at which time the City was required to enter the actual allocation amounts into its Action Plan and submit the final draft of the plan to HUD. CDD anticipates a similar timeline for Program Year 2018.

For the 2018 Action Plan, CDD estimates a 5% reduction in federal allocation amounts from 2017. Section AP-15, Expected Resources, includes contingency provisions for allocation amounts that are over or under the estimates. In addition to the estimated federal allocation, the 2018 Action Plan includes \$1,700,000 in program income for a total 2018 budget of \$5,511,206. The budget includes funds from the following sources:

**CDBG:** \$2,672,227

- \$2,572,227 from HUD
- \$100,000 in program income

**HOME:** \$2,612,588

- \$1,012,588 from HUD
- \$1,600,000 in program income

**ESG:** \$226,391 (all from HUD)

**TOTAL:** \$5,511,206

Approximately \$1,200,000 of the HOME program income is the result of closing out a single-family loan program administered by the Colorado Springs Housing Authority in 2017. CDD does not anticipate receiving a similar amount in 2018. The projects and activities described in the 2018 Action Plan are consistent with the highest priority needs identified in the 2015-2019 Consolidated Plan ***with a particular emphasis on projects and activities that address affordable housing needs in the community.***

**Financial Implications:**

City Council appropriated federal block grant funds and program income in the amount of \$4,111,206 as part of the 2018 municipal budget process. The appropriation was based on estimated allocations. This amount did not include the unanticipated HOME program income that the department received after the appropriation was in process. Once the final allocation amounts are made available, CDD will request a supplemental appropriation from City Council. No additional general fund appropriation will be required.

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

The Division solicited citizen participation through meetings with the Continuum of Care, focus groups with Southeast residents, disability advocates, and general public hearings to discuss project priorities. The Division issued a Notice of Funding Availability to solicit public services and emergency

solutions grant projects in order to make our grant funding process open and competitive. We have continued to work across City departments and build relationships with leading local agencies to identify public priority projects that align with our goals.

The Community Development Division opened the public comment window on January 1, 2018 for public review of the draft 2018 Action Plan. Staff solicited input online and via community organizations and hosted a public hearing on Monday, January 22 in Room 102 of the CAB to talk about the draft. All public comments and responses have been summarized in the 2018 Action Plan as required by HUD and are attached here.

**Alternatives:**

Council can choose to not approve the Action Plan draft and decline the estimated \$3.8 million allocation.

**Proposed Motion:**

Approve the resolution approving the 2018 Action Plan for the use of federal block grant funds (CDBG, HOME, ESG) provided through the U.S. Department of Housing and Urban Development (HUD).

N/A