



Legislation Text

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A Resolution Approving the 2016 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:

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Summary:

Annual Action Plan to HUD identifying activities for the 2016 program year (April 1, 2016 to March 31, 2017).

Previous Council Action:

The 2016 Action Plan was presented to City Council on May 9, 2016.

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 slums and blight, provide decent 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 program year. The City's Citizen Participation Plan (CPP) outlines the public participation process in development of the plan. The CPP identifies Colorado Springs City Council as the approval authority for the City's Consolidated Plan and Annual Action Plan.

The program year for the 2016 federal block grant funds is April 1, 2016 to March 31, 2017.

The Annual Action Plan process is initiated with the City's annual municipal budget process based on funding estimates. Public input on priorities is solicited via public hearings and other participation strategies, draft projects and expenditures are presented to City Council and funds are appropriated with the municipal budget. A final plan is prepared once the City receives a final notice of allocations from HUD. The final plan is presented for a thirty (30) day public comment period in January, during which the Community Development Division hosts a public hearing, and the plan is delivered to HUD by February 15 for HUD approval prior to the beginning of the April 1 program year.

This year, like 2015, HUD announced allocations would be made late and directed the City to not submit the Annual Action Plan until after the notice of allocations was received. Notice of allocations was received on February 16, 2016 and on March 5, 2015 HUD announced it would begin accepting plans. The 2016 Annual Action Plan will be delivered to HUD by June 30, 2016. Administrative costs

incurred for the 2016 program year beginning April 1, 2016 will be reimbursed once the 2016 Action Plan is approved by HUD. No other 2016 projects will begin until the Action Plan is approved by HUD and contracts are executed with the City.

The City has been allocated federal funds and anticipates receiving program income in the total amount of \$4,244,555 as follows:

CDBG: \$2,747,049 (\$2,647,049 plus \$100,000 program income);

HOME: \$1,261,629 (\$1,061,629 plus \$200,000 program income);

ESG: \$235,877

The activities in the 2016 Action Plan reflect the goals and priorities set in the 2015-2019 Consolidated Plan and support the City's strategic goal relating to building community and collaborative relationships by stabilizing and improving struggling neighborhoods, increasing and preserving the supply of affordable housing, and investing in facilities and services that prevent and end homelessness.

Financial Implications:

City Council appropriated federal block grant funds and program income in the amount of \$4,255,350 as part of the 2016 municipal budget process. The appropriation was based on estimated allocations. The Community Development Division has reduced the amount of projected program income to better reflect program income trends. No additional appropriation will be required.

The City cannot enter into agreement with subrecipients for the expenditure of funds until the Action Plan is approved by HUD. Delaying approval of the plan puts the City at risk of being in noncompliance with the timeliness standard for the expenditure of funds. The timeliness test is conducted on or around February 1.

Board/Commission Recommendation:

N/A

Stakeholder Process:

Citizen participation was accomplished through meetings with the Continuum of Care, focus groups, neighborhood meetings to discuss capital improvements projects, a Notice of Funding Availability process and meetings with department heads to identify priority projects. In gathering input on community needs for consideration in preparing the Action Plan, Community Development Division staff hosted five public hearings in locations around the City; hosted two targeted meetings with neighborhood organizations; and conducted a survey of providers of homeless services. The Community Development Division presented the draft plan for public comment from April 11, 2016 to May 10, 2016 and hosted a public hearing on April 18, 2016 at City Hall in Council Chambers. Public comment and responses are summarized in the 2016 Action Plan as required by HUD.

Alternatives:

Council can choose to not approve the Action Plan and decline the funds.

Proposed Motion:

Move to approve a Resolution Approving the 2016 Action Plan for the use of Federal Block Grant Funds (CDBG, HOME, ESG) provided through the U.S. Department of Housing and Urban Development.

N/A