



Legislation Text

File #: 16-762, **Version:** 1

Title

Approval of 2017 Action Plan draft for the use of Federal Block Grant Funds (CDBG, HOME, ESG) provided through the U.S. Department of Housing and Urban Development.

Presenter:

Aimee Cox, Manager, Community Development

Summary:

Update on the Annual Action Plan to HUD identifying planned activities for the 2017 program year (Apr 1, 2017 through Mar 31, 2018)

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 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 Plan draft was presented to Council at the February 13 work session. Since then, the 30 day comment period has wrapped up and HUD has still not announced 2017 awards. The Division's contingency plan is still in place and no changes have been made to the 2017 Action Plan draft. A summary of the comments received to date is attached.

Timeline and Process

The program year for the 2017 federal block grant funds is April 1, 2017 to March 31, 2018.

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. Usually, the final plan is prepared once the City receives a final notice of allocations from HUD and 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.

The 2017 federal allocations have been delayed by Congress, but under guidance from HUD, the Community Development Division drafted the 2017 Action Plan and initiated the public comment period in order to complete the required public process prior to the April 1, 2017 start date of our program year.

The City is still expecting the allocation announcement from HUD in March 2017, though it could come as late as April; the City will then have 60 days from the announcement to submit the final Action Plan after adjusting the numbers to reflect the actual budget and revising project amounts in accordance with the contingency plan outlined in the document.

The 2017 Action Plan is based on a 3% reduction in grant funds from the previous year. The City anticipates receiving \$3,827,112 in federal allocations and \$112,000 in program income. In addition, Community Development plans to reprogram \$945,117 in prior year resources - these are funds remaining from previous year's allocations that could not be spent on identified activities and must be moved to different programs. (For example, as a result of monitoring findings, Code Enforcement was eliminated as a CDBG funded activity. Remaining funds will be moved or "reprogrammed" to the 2017 public facilities/infrastructure budget.)

CDBG: \$3,137,780

- \$2,567,638 from HUD
- \$100,000 in program income
- \$470,142 in prior year resources

HOME: \$1,517,649

- \$1,030,674 from HUD
- \$12,000 in program income
- \$474,975 in prior year resources

ESG: \$228,800 (all from HUD)

The activities in the 2017 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. Many project details are forthcoming, as staff is still in the process of scoring and awarding grant applications and discussing infrastructure and housing projects, but the goals and activities are clearly budgeted.

No other 2017 projects will begin until the Action Plan is approved by HUD and contracts are executed with the City.

Financial Implications:

City Council appropriated federal block grant funds and program income in the amount of \$4,127,113 as part of the 2017 municipal budget process. The appropriation of new funds was based on estimated allocations; prior year resources were appropriated in prior years. The Community Development Division has reduced the amount of projected HOME program income to comply with new HUD rules released in January 2017. No additional appropriation is anticipated.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The Division solicited citizen participation through meetings with the Pikes Peak Continuum of Care, focus groups with seniors and disabled residents, a forum with people experiencing homelessness, and general public hearings to discuss capital improvements projects. The Division issued a Notice of Funding Availability process to solicit public services and emergency solutions grant projects in order to make our grant funding process open and competitive. We have held and will continue to hold meetings with department heads to identify priority projects.

During the 30-day comment period, the Division issued hard copies of the plan at libraries and community centers across the city and posted the draft on its website for public review. CDD hosted a public hearing on Monday, January 30 at City Council chambers to talk about the draft. Attached is a summary of all comments. Residents will also have an opportunity to comment on the Action Plan at the March 14 council session.

Alternatives:

Council can choose not to approve the Action Plan draft and wait to approve it once HUD announces the awards. This will prevent the Division from starting its program year on time and commencing projects with subrecipients on time.

Proposed Motion:

Approval of the draft 2017 Action Plan

Summary of Ordinance Language

N/A