



## Legislation Text

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**File #:** 19-055, **Version:** 1

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Resolution approving the 2019 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, Community Development Division Manager  
Peter Wysocki, Director of Planning and Community Development

**Summary:**

Approval of the Annual Action Plan draft to HUD identifying planned activities for the 2019 program year (Apr 1, 2019 through Mar 31, 2020)

**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, 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 2019 federal block grant funds is April 1, 2019 to March 31, 2020.

The Annual Action Plan process begins with the City's annual municipal budget process which includes an estimate of HUD funds for the coming year. 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 then 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 draft Annual Action Plan a minimum of 45 days prior to the start of the 2019 program year. When HUD announces its actual 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 2018, 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 2019, though the current federal shutdown may delay this further.

For the 2019 Action Plan, CDD estimates a 5% reduction in federal allocation amounts from 2018. 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 2019 Action Plan includes \$300,000 in program income for a total 2019 budget of \$4,824,183. The budget includes funds from the following sources:

**CDBG:** \$2,947,512

- \$2,847,512 from HUD
- \$100,000 in program income

**HOME:** \$1,645,112

- \$1,445,112 from HUD
- \$200,000 in program income

**ESG:** \$231,559 (all from HUD)

**TOTAL:** \$4,824,183

The projects and activities described in the 2019 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:**

Though the City received more funds than anticipated in Program Year 2018, the Division drafted the plan based on amounts 5% lower, as we make these estimates based on long-term trends. Per capita entitlements from HUD have decreased over the past two decades. 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 Pikes Peak Continuum of Care, focus groups with seniors, low-income working families, disability advocates, and general public hearings to discuss project priorities October through December of 2018. 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 2, 2019 for

public review of the draft 2019 Action Plan. Staff solicited input online and via community organizations and is hosting a public hearing on Monday, January 16 in Room 102 of the CAB to talk about the draft. All public comments and responses will be summarized and made available to Council before this item comes to the Feb. 12 regular session in the 2019 Action Plan as required by HUD.

Once the allocations are announced and Division staff amends the Plan to reflect actual PY 2019 numbers, the Plan will be printed and posted online, available to all citizens.

**Alternatives:**

Council can choose to not approve the Action Plan draft and decline the estimated \$4.5 million allocation of 2019 grant funds from HUD.

**Proposed Motion:**

Approve the resolution approving the 2019 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