

Date: July 9, 2024

To: Mark Israelson, City Manager

From: Shanette Eaden, Housing and Community Services Manager

Subject: 2024-25 City of Plano Action Plan

Background:

The U.S. Department of Housing and Urban Development (HUD) requires the City of Plano to submit a Consolidated Plan that proposes goals and objectives for the use of estimated HUD funds allocated to the City of Plano over the five-year consolidated plan period. Each year of the five-year Consolidated Plan period begins with the submission of an annual Action Plan to HUD using the required reporting format. The annual Action Plan report conveys the following to HUD:

- a brief summary of the most recent completed Action Plan year;
- a list of proposed activities that the City will undertake with HUD allocated funds; and,
- general activities that the City will engage in to assist low-to-moderate income residents.

Overview:

The City of Plano is currently in the 2023-2024 Action Plan Grant Year, which is year four of the five-year 2020-2024 Consolidated Plan. However, this Action Plan represents the upcoming 2024-2025 Action Plan Grant Year, which is year five of the five-year Consolidated Plan, that begins October 1, 2024. The 2024-2025 Action Plan report includes the following:

- 1) Performance outcomes from the most recently completed 2022 Grant Year that ended September 30, 2023, which is grant year three of the five-year consolidated plan;
- 2) Proposed uses for HUD funds during Grant Year 2024-25, which is grant year five of the five-year consolidated plan that begins on October 1, 2024; and,
- 3) Other actions or activities that the City of Plano will engage in to assist low-to-moderate income residents.

The Neighborhood Services Department's Community Services Division expects to receive \$2,198,894 available to allocate in federal funds and program income during fiscal year 2024-25. Of these funds, \$78,239 in Home Investment Partnerships Program (HOME) funds was not allocated due to the lack of request for the use of Community Housing Development Organization HOME funding. An additional \$147,487 in Community Development Block Grant (CDBG) funds was not allocated due to a lack of funding requests. These funds are eligible to be allocated during fiscal year 2024-25 and 2025-26.

The total breakdown of expected funding is as follows:

Funding Source	Amount
CDBG (2024)	\$ 1,557,300
Estimated CDBG Program Income (2024)	\$ 100,000
HOME (2024)	\$ 521,594
Estimated HOME Program Income (2024)	\$ 20,000
Total Federal Funding	\$ 2,198,894

Moreover, the City had \$134,000 in CDBG and \$196,865 HOME funds that were not spent from 2023 and is available to allocate during the 2024-25 fiscal year. The Community Relations Commission (CRC) has recommended the programs outlined below to receive federal funding.

City of Plano Grant Administration	\$ 363,619
City of Plano Housing Rehabilitation	\$ 1,164,793
City of Plano First Time Homebuyer	\$ 8,000
City of Plano Homelessness Prevention Program	\$ 122,000
Texas Muslim Women's Foundation	\$ 33,039
Samaritan Inn	\$ 55,065
City House	\$ 27,120
The Family Place	\$ 11,371
Habitat for Humanity of Collin County	\$ 500,000
Required HUD CHDO Set-Aside	\$ 78,239

HUD funds must be used to meet the goals set forth in the City's 2020-2024 Consolidated Plan, which was approved by City Council on March 23, 2020. Annually, HUD requires the submission of an Action Plan that explains programs and activities to be undertaken within the upcoming year to meet the City's Consolidated Plan goals.

Public services can be funded through CDBG, but are limited to 15% of the total CDBG entitlement funds and the prior year's program income. Public services are defined as activities directed toward improving community services, including but not limited to: employment services, crime prevention, public safety, child care, health services, substance abuse services, fair housing counseling, education programs, energy conservation, services for senior citizens and homeless persons, welfare services and recreational services. The 2024-25 CDBG public service grant amount is budgeted at \$248,595, which is at the maximum 15%.

Likewise, activities related to providing housing for low-to-moderate income households may be funded with HOME funds. A minimum of 15%, or \$78,239 of the HOME funding allocation must be set aside for a Community Housing Development Organization (CHDO). An application for this set-aside funding was not submitted; therefore, these funds were not allocated for the 2024-25 Grant Year. These funds may be allocated during the 2024-25 and 2025-26 grant process if requested.

Next Steps:

If approved, the City Manager will make application for the use of HUD funds for the 2024-2025 fiscal year. The Buffington Community Services Grant (BCSG) funding recommendations will be presented at the August 15, 2024 City Council budget work session.

CC: Sam Greif, Deputy City Manager
Curtis Howard, Director of Neighborhood Services