



# Memorandum

**Date:** July 9, 2019  
**To:** Mark D. Israelson, City Manager  
**From:** Shanette Eaden, Housing and Community Services Manager  
**Subject:** 2019 – 2020 Federal Grant Recommendations

## Summary

The Neighborhood Services Department’s Community Services Division has a total of \$1,991,120 in federal funds and program income to be allocated during fiscal year 2019-20. The Community Relations Commission allocated all Community Development Block Grant funds. However, \$77,197 in Home Investment Partnerships Program funds was not allocated due to the lack of submission by a qualified applicant. These funds may be allocated during the 2020-21 grant process.

The Community Relations Commission (CRC) has recommended the programs outlined below to receive federal funding:

Agency/Program	Recommended Amount
City of Plano Grant Administration	\$ 321,409
City of Plano Housing Rehabilitation	\$1,110,514
City of Plano First Time Homebuyer	\$ 262,000
City of Plano Homelessness Prevention Program	\$ 122,000
Texas Muslim Women’s Foundation	\$ 44,545
Boys & Girls Clubs of Collin County	\$ 53,455

## Background

Annually, the U.S. Department of Housing and Urban Development (HUD), provides block grant funds to eligible states, counties, and municipalities using a formula allocation. Eligible entities receiving Community Development Block Grant (CDBG) funds through the formula allocation are referred to as entitlement communities. Likewise, those entities that are eligible to receive HOME Investment Partnerships funds are designated as participating jurisdictions. The City of Plano became an entitlement community in 1985 and a participating jurisdiction in 2003. Funds received by HUD must be used to promote one of HUD’s three statutory objectives of providing 1) Decent Housing, 2) Suitable Living Environment, or 3) Expanding Economic Opportunities.

Community Services Division oversees the administration of all HUD funds. The division expects to receive a total of \$1,864,370 in CDBG and HOME funds from HUD by October 1, 2019. The City expects to receive \$126,750 in program income from payment of existing housing rehabilitation loans.

The total breakdown of expected funding is as follows:

<b>Funding Source</b>	<b>Amount</b>
CDBG	\$ 1,349,727
Estimated CDBG Program Income	\$ 120,000
HOME	\$ 514,643
Estimated HOME Program Income	\$ 6,750
<b>Total Federal Funding</b>	<b>\$ 1,991,120</b>

HUD funds must be used to meet the goals set forth in the City's 2015-2019 Consolidated Plan, which was approved by City Council in March 2015. 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. These activities do not fall under any other CDBG category. The 2019-20 CDBG public service grant amount is budgeted at \$220,000, 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%, \$77,197, 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, and therefore these funds were not allocated for the 2019-20 grant year. These funds will be allocated during the 2020-21 grant process.

The City of Plano uses a consolidated grant process to allocate HUD funds and Buffington Community Service Grant (BCSG) funds. As mentioned previously, HUD funds come from the federal government. However, BCSG funds come from the general fund and currently receive a City Council allocation of \$2 per capita. During April and May 2019, the CRC held six (6) public meetings, including one (1) public hearing, to consider agency requests for 2019 CDBG and HOME funding provided to the City of Plano by HUD. On May 16, 2019, the Commission held a meeting to determine agency funding recommendations. Thirty (30) requests, in the amount of \$2,895,752, were considered during the Consolidated Grant process. Five (5) requests were recommended by the Commission for CDBG and HOME funds; sixteen (16) requests were recommended for Buffington Community Service Grant (BCSG) funds. The Commission approved these recommendations in a vote of 6-0-1, with an abstention vote from Commissioner Virani, who was appointed after scoring for the 2019 Consolidated Grant Process was underway.

### Next Steps

If approved, the City Manager will make application for the use of HUD funds for the 2019-2020 fiscal year. The BCSG funding recommendations will be presented at the August 1, City Council grant work session.

xc: Jack Carr, Deputy City Manager  
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