



Legislation Details (With Text)

File #: GID-1617-47 **Version:** 1 **Name:** CDBG Public Hearing
Type: Public Hearing **Status:** Passed
File created: 4/21/2017 **In control:** City Council
On agenda: 5/9/2017 **Final action:** 5/9/2017
Title: PUBLIC HEARING REGARDING THE PROPOSED THIRD YEAR ACTION PLAN FOR THE FORTY-THIRD YEAR NORMAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION WHICH INCLUDES THE 2017 HOME PROGRAM TOTALING \$1,072,678 TO BE SUBMITTED TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Text File CDBG 2017, 2. 2017-2018 Action Plan Draft

Date	Ver.	Action By	Action	Result
5/9/2017	1	City Council		
5/9/2017	1	City Council		
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PUBLIC HEARING REGARDING THE PROPOSED THIRD YEAR ACTION PLAN FOR THE FORTY-THIRD YEAR NORMAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION WHICH INCLUDES THE 2017 HOME PROGRAM TOTALING \$1,072,678 TO BE SUBMITTED TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

BACKGROUND: On May 12, 2015 the Norman City Council approved the 2015-2019 Consolidated Plan which is a comprehensive planning approach to identify and address the needs of low-to-moderate income residents of Norman. The Consolidated Plan provides a basis and strategy for the use of federal funds granted to the City of Norman by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs. While the Consolidated Plan serves as a planning document meeting the federal government statutory requirements in 24CFR 91.200-91.230, the Annual Action Plan is the mechanism where the programs and projects are authorized and funded. This Annual Action Plan covers the period beginning July 1, 2017 through June 30, 2018 (2017 Federal Budget). The U.S. Department of Housing and Urban Development (HUD) defines the City of Norman as an entitlement community due to its population and demographics. As an entitlement community, the City of Norman receives an annual formula allocation of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding dependent upon funding in the Federal Budget. Programs and activities described in this plan are intended to primarily benefit low and moderate-income residents of the City of Norman, neighborhoods with high concentrations of low-income and moderate-income residents, and the city as a whole.

This plan is the product of public outreach, public hearings, and consultation with multiple agencies that serve the needs of low and moderate-income residents of Norman and agencies that serve the needs of special populations. The Third Year Action Plan for the 43rd Year Community Development Block Grant Program (\$756,303) and the 2017 HOME Program (\$316,375) includes the proposed use of funds with references to the Five-Year Consolidated Plan Objectives and expected performance outcomes, and totals \$1,072,678. This program year funding is based upon an estimate that anticipates level funding from the 16-17 Program Year. Any change in the final allocation amount will be modified by adjustments within these proposed projects.

A complete draft of this document was made available for public review beginning April 10, 2017.

DISCUSSION: The Third Year Action Plan is based upon research which utilized existing documents, and the recommendations of the Community Development Policy Committee as a result of a formal citizen participation process. This process included multiple interactions with interested parties and also opportunities for citizen participation from the general public. These interactions included neighborhood meetings for the five target neighborhoods where specific neighborhood needs were discussed as well as overall community development activities; multiple individual and focus group meetings where specific information regarding public services, public facilities, housing, homelessness, and economic development/anti-poverty were discussed; in September 2016 the annual Community Dialogue on housing and community development needs was held where issues that affect low and moderate income citizens were discussed in addition to the election of Policy Committee Representatives. The CDBG Policy Committee meetings included an extensive review of the previous Action Plan's and the current Consolidated Plan's Goals and Objectives and discussed the information that was assembled from the Community Dialogue, neighborhood meetings and focus groups. Utilizing the information that was compiled from this extensive citizen participation process the CDBG Policy Committee unanimously approved the Third Year Action Plan on April 5, 2017.

The CDBG and HOME projects proposed include housing rehabilitation and related housing projects at \$597,771 and funding of public services including transportation at \$113,382. The housing related projects include housing rehabilitation, Tenant Based Rental Assistance, and assistance for Community Housing Development Organization activities to develop affordable housing. This grant proposal designates the full 15% allowed for Public Services (including the Bus Pass Program). All projects are listed in the attached 2017-2018 Third Year Action Plan.

On December 15, 2016, HUD issued Notice CPD-16-18 (attached) that provides instructions to CDBG and HOME grantees on the timing of the FY2017 consolidated plans and action plans. This guidance was developed to allow for costs incurred prior to execution of a grant agreement. The anticipated delay of the grant agreements is the result of Congress operating the FY2017 Federal Budget under a Continuing Resolution. Until the FY2017 Federal Budget is approved, HUD cannot provide allocation numbers or execute grant agreements, only estimates. It is this estimate that the City of Norman Policy Committee utilized. For clarification, the FY2017 Federal Budget is from October 1, 2017 thru September 30, 2018 and includes the CDBG and HOME funding for the City of Norman program year that begins July 1, 2017 and ends June 30, 2018. By approving this proposed Action Plan, the City of Norman CDBG and HOME Programs can continue usual operations until the grant agreements are received.

A thirty-day comment period on the proposed Action Plan ends on May 12, 2017. It has been estimated by HUD that late August is the earliest that we can expect to receive the actual allocation amounts. After adjustment in the budget amounts to balance with the actual allocation, the Third Year (2017-2018) Action Plan will be forwarded to the Department of Housing and Urban Development for review. Once the actual allocation amounts are received, if a substantial change from the projection would result in the cancellation of an approved project, the CDBG Policy Committee will meet and propose changes to the City Council for consideration before submittal to HUD for review.

Funds for CDBG and HOME projects have been included in the FYE 2018 City of Norman annual budget.

RECOMMENDATION: Approval of the Third Year Action Plan which includes the Forty-Third Year Community Development Block Grant Program and the 2017 HOME Program are recommended as proposed.