

AGENDA



Thursday, July 26, 2007

**Neighborhood Housing and Community Development
RECOMMENDATION FOR COUNCIL ACTION****Item No. 23**

Subject: Approve a resolution adopting the City's (1) Action Plan for Fiscal Year 2007-2008, related to allocation of the U.S. Department of Housing and Urban Development grant funds, and (2) Community Development Fiscal Year 2007-2008 Program required by Texas Local Government Code Chapter 373, including proposed funding allocations.

For More Information: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108

Boards and Commission Action: A public hearing needs assessment was conducted on March 15, 2007. A public hearing on the Draft 2007-2008 Action Plan was conducted on May 10, 2007. Recommended by the Community Development Commission with one amendment.

Prior Council Action: Public hearing needs assessment conducted on March 8, 2007. A public hearing on the Draft 2007-2008 Action Plan conducted on May 17, 2007.

To receive certain federal entitlement grant funds, federal law requires the City to develop an annual Action Plan. In addition, Chapter 373, Texas Local Government Code, requires a city that utilizes federal funds to establish an approved community development program that is determined to achieve a public purpose. This Fiscal Year 2007-2008 Action Plan and Chapter 373 Community Development Program (the Fiscal Year 2007-2008 Plans) are one-year strategic plans that describe community needs, resources, priorities, and proposed activities to be undertaken under certain federal housing and community development grants programs and in accordance with Chapter 373, Texas Local Government Code.

The U.S. Department of Housing and Urban Development (HUD) and state law require that the public have opportunities to participate in the development of the Fiscal Year 2007-2008 Plans through two City Council public hearings and a thirty-day written comment period. The City provides further opportunities by conducting at least two Community Development Commission (CDC) public hearings. The first set of public hearings on needs assessment was conducted by Council on March 8, 2007 and by the CDC on March 15, 2007. A public hearing on the draft Fiscal Year 2007-2008 Action Plans was conducted by the CDC on May 10, 2007 and by Council on May 17, 2007. Notice of these hearings was published in three local newspapers. The thirty-day written comment period ended on June 5, 2007.

The CDC recommended the FY2007-08 Action Plan at their June 12th meeting with one amendment. The CDC would reduce funding for Homebuyer Counseling from \$408,356 to \$180,000 and increase the Rental Housing Development Assistance Program by \$228,356. These funds are Housing Trust Fund monies.

Staff concurs with the CDC recommendation and revised the draft Action Plan. In its first year of operation, the Homebuyer Counseling Program has been remarkably successful educating 106 clients and expanding to serve Spanish-speaking clients. The original budget estimate of \$408,356 envisioned adding several staff and expanding the number of courses offered. After reviewing program operations and production levels of comparable homebuyer education programs, staff believes \$180,000 is sufficient

to meet program needs. The additional funds in Rental Housing Development Assistance will enable the City to create and retain more affordable housing units.

The City must submit its Council-approved Fiscal Year 2007-2008 Action Plan to HUD by August 15, 2007.