

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: 07/08/2014		DATE SUBMITTED: 6/26/2014	
DEPARTMENT OF ORIGIN: Community Development Services		SUBMITTED BY: Alsie Bond	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consideration of a Resolution, as required by the U.S. Department of Housing and Urban Development (HUD), approving the City's 2014 Consolidated Action Plan (CAP), and authorizing the City Manager to act as the City official to submit and implement said Plan.			
SUMMARY STATEMENT: The 2014 CAP serves as the City's official annual application to HUD for \$864,653.00 in Community Development Block Grant (CDBG) funds and \$302,724.00 in Home Investment Partnerships Grant (HOME) funds. This funding level represents a 35% decrease in HOME funds and a 15% decrease in CDBG funds over the last 5 years. This plan also includes a slight modification of major rehabilitation/reconstruction loan terms in order to provide for a return on investment for future projects, because of the decrease in the federal grants. This modification removes the forgivable portion of the loan terms, requiring all of the assistance to be repayable. For households earning less than 50% of the Area Median Income (A.M.I.), the repayable loan is combined with a deferred loan portion that must be repaid if the property is sold to a non-eligible household. The Plan describes how the City intends to use the funds to address local needs through eligible activities as identified through targeted goals in the approved 2010-2014 5-Year Consolidated Plan.			
<p>The Community Development Advisory Committee (CDAC) and the Joint Relief Funding Review Committee (JRFRC) developed these funding recommendations with Community Development Service Department (Department) staff following extensive public participation, site visits, and an application review process. The CDAC held four (4) public hearings and six (6) public meetings to obtain citizen comments concerning community needs and fair housing for the planning and development of the 2014 CAP. The public hearings were held on March 20, 2014, and June 26, 2014, to obtain input on community needs and provide input on the 2014 CAP, and provide information on the Fair Housing and Affirmative Marketing Plans. Five (5) public meetings were held between October 2013 and June 26, 2014, to obtain input on community needs for the 2014 CAP. The Bryan-College Station JRFRC, which reviews applications for public service agency funding, held two (2) public meetings on May 21 and May 22, 2014, for ranking proposals and making funding recommendations, and six (6) public meetings between April and May 2014, for agency proposal review.</p>			
<p>On June 26, 2014, during a regular CDAC public meeting, a public hearing was held to present the draft of the 2014 Consolidated Action Plan and begin the required 30-day comment period. A second public hearing was held to provide for public comment on Fair Housing and the Department's Affirmative Marketing Plan. The Council Action form provides for a draft (Attachment A) of the 2014 Proposed Projects/Activities, which are also listed at:</p> <p>http://www.bryantx.gov/departments/community-development</p>			
<p>The 2014 CAP is the fifth and final annual plan of the approved 5-year 2010-2014 Consolidated Plan, which provides housing and non-housing goals and objectives for a five (5) year period. Goals are met by specific CDBG or HOME funding, in combination with partnering with other providers to achieve the objectives or by providing</p>			

technical assistance. Additional efforts in the 2014 CAP include demonstration of potential leveraging with community partners to effectively increase utilization of federal dollars, improve awareness of Fair Housing standards including outreach/marketing, and build awareness of and access to services/housing for persons with disabilities. The non-housing section includes an analysis of non-housing needs including health and social services, infrastructure, public facilities and economic development for low and moderate income persons for the 5 year period. The CAP also acknowledges the 2012 HOME Appropriation Law requirements and the HOME 2013 Final Rule, which impose new requirements on projects that receive FY2012 and subsequent HOME grant funds. Policies have been adopted to implement these requirements. The purpose of the new regulations is to improve HOME project and developer selection, and to ensure that there is adequate market demand for HOME affordable housing developments.

This agenda item provides for approval of a Resolution authorizing the City Manager to act as the City Official for the 2014 CAP, and authorizes the City Manager or his designee to submit the 2014 CAP to HUD. This item also authorizes the City Manager to modify Community Development loan terms excluding principal reduction. The purpose of a loan modification is to alleviate financial distress of the client and avoid foreclosure of a federal project, if possible. The Department's loan modification and refinancing policy states that the client must provide documentation the household has experienced a significant, negative change in income. The City may offer to refinance, modify, or, extend the note ("loan modification"), but not to reduce principal. To receive a loan modification, the client household must remain under 80% of the area median income and be financially unable to pay the current note based upon the qualifying ratios (33% "front end" maximum housing debt-to-income ratio, 43% "back end" maximum total debt to income ratio). Staff will review the circumstances and provide for a loan modification request and staff recommendation to be approved by the City Manager, based upon the household's short term or long term need.

A complete draft of the 2014 annual CAP can be reviewed at the City Secretary's Office, or by requesting a copy from the Community Development Services Department at 979-209-5175.

STAFF ANALYSIS AND RECOMMENDATION: Staff recommends approval of the 2014 CAP. The Department administers the CDBG and HOME grants by adhering to the previous City Council and HUD-approved 2010-2014 5- year Consolidated Plan through the development and implementation of the annual plans.

These grants provide for eligible activities primarily for low to moderate income citizens including housing programs, public service funding, public facilities/infrastructure, economic development, acquisition, and clearance/demolition. The Department's housing goals are delivered through focus on the preservation, improvement, and development of affordable housing, primarily in the City's older neighborhoods. The Department collaborates with local private non-profits such as Habitat for Humanity, Elder-Aid, Brazos Valley Affordable Housing, No Limits, and Embrace, as well as private developers to promote homeownership and increase the supply of affordable housing in low to moderate income neighborhoods, as well as to encourage re-development and attract small business developments. The Department seeks to catalyze redevelopment in low to moderate income neighborhoods by identifying housing impact areas and cooperate with neighborhood residents, churches, non-profit and private developers to establish planned affordable housing developments. Housing funds will be needed for potential land acquisition, developer incentives (such as increased down payment assistance to eligible households seeking a new home) and possible housing-related infrastructure in these impact areas. Currently, two housing developments are in progress and staff has identified a 3rd area in which to work with other City departments to determine the feasibility of an affordable housing development that will further leverage federal and local dollars.

To improve the image and growth of low to moderate income neighborhoods and stimulate economic development, it is necessary to address the living conditions of citizens living in substandard housing. The Department administers four (4) direct assistance housing programs within the City Limits of the City of Bryan, including:

- Minor Repair, which provides up to \$5,000 of CDBG grant funds for necessary repairs to owner occupied homes
- Major Rehabilitation/Reconstruction, which, with City Council approval of this CAP, will provide affordable financing of needed rehabilitation or reconstruction using no-interest and deferred (not forgivable) loans, structured upon the household's ability to repay.
- Homebuyer's Assistance, which provides up to \$7,500 (or more, for City-sponsored developments) as a deferred loan for principal reduction and closing costs for first time homebuyers.

- Clearance/Demolition, which provides funds for the voluntary demolition of unoccupied, dilapidated residential properties for eligible property owners, who agree to either: (1) Participate in a development agreement for the redevelopment of affordable housing on the property; (2) Sell the property to the City for fair market value less the cost of demolition for the purpose of redevelopment as affordable housing or, (3) An income-eligible property owner may receive a loan, consisting of ½ of the amount as a 0%-interest loan, repayable monthly, with a term of 5 to 15 years, based upon the owner’s ability to repay, and ½ of the amount as deferred and forgivable, secured by a deed of trust. The deferred, forgivable portion will be forgiven upon successful completion of the terms of the repayment loan.

Non-profit public service funding is provided through a joint effort with the City of College Station. Both Cities appoint three (3) members to the Joint Relief Funding Review Committee, which reviews proposals on an annual basis and makes recommendations for CDBG funding to each City Council to allocate 15% of each City’s CDBG grant (the maximum allowable amount) as specified in each City’s 5-Year Consolidated Plan.

The CAP reflects maximum administrative costs of 20% for CDBG and 10% for HOME. Also, the HOME grant requires 15% if the total funding to be set-aside for development by nonprofit Community Housing Development Organizations.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the 2014 Consolidated Action Plan and attached Resolution, which includes a project funding allocation plan that meets the requirements as identified by HUD for the Community Development Block Grant and Home Investment Partnerships Grant.
2. Add, delete, or revise priorities, objectives and goals in the 2014 plan-recommended projects and activities, in accordance with the previously-adopted 2010/14 5-Year Consolidated Plan and all CDBG and HOME requirements. (This option may require consideration at a future City Council meeting.)

1. **ATTACHMENTS:** Resolution approving the City’s 2014 Consolidated Action Plan authorizing the City Manager as the City official to submit and implement the 2014 annual Action Plan and authorizing the City Manager to modify the Department’s loans (without a reduction in principal);
2. Attachment A: 2014 Consolidated Action Plan’s Proposed Projects/Activities Priority Summary and Leveraging Information. (.pdf format)

FUNDING SOURCE: 2014 Community Development Block grant and Home Investment Partnerships grant funds from the U.S. Department of Housing and Urban Development.

APPROVALS: Joey Dunn, 6-6-14; Hugh R. Walker, 06/24/2014

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 06/30/2014

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 07/01/2014

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, APPROVING THE CITY OF BRYAN'S COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME FUNDS 2014 CONSOLIDATED ACTION PLAN AND APPROVING THE PROPOSED USE OF THESE FUNDS; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AND SUBMIT THE CITY OF BRYAN'S 2014 CONSOLIDATED ACTION PLAN FOR \$864,653.00 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND \$302,724.00 IN HOME INVESTMENT PARTNERSHIP FUNDS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND TO PERFORM OTHER DUTIES AS REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN ORDER TO IMPLEMENT THE PROJECTS IDENTIFIED IN THE 2014 ANNUAL ACTION PLAN; AUTHORIZING HUD REPRESENTATIVES AND THE FEDERAL COMPTROLLER GENERAL TO EXAMINE RECORDS RELATIVE TO THE PROGRAMS; APPOINTING THE CITY MANAGER OR HIS DESIGNEE TO ACT AS THE RESPONSIBLE LOCAL OFFICIAL, AUTHORIZING THE CITY MANAGER TO MODIFY CERTAIN LOAN TERMS; AND PROVIDING AN EFFECTIVE DATE:

WHEREAS, the City of Bryan, Texas is a home rule city with the legal authority to apply for and accept Federal funds described as the Community Development Block Grant (CDBG) and the Home Investment Partnerships Program (HOME); and

WHEREAS, the programs will be conducted and administered in conformity with the appropriate Federal legislation and regulations referred to in the Community Development Act, 1992 and the National Affordable Housing Act of 1990; and

WHEREAS, the citizens of Bryan, Texas have been furnished adequate information concerning proposed CDBG and HOME projects; and

WHEREAS, the Community Development staff has prepared the 2014 Consolidated Action Plan (2014 Plan) for submission to the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the funding recommendations were developed by the Community Development Advisory Committee and the Bryan-College Station Joint Relief Funding Review Committee following extensive public participation, site visits, and an application review process; and

WHEREAS, views of citizens have been solicited and obtained through public hearings; and

WHEREAS, the projects/activities provided for in the 2014 Plan were developed in accordance to the approved 2010-2014 5-Year Consolidated plan and through consultations, public meetings and public hearings; and

WHEREAS, the City of Bryan, Texas is willing to implement the certifications provided in the applications and Action Plan described herein below; and

WHEREAS, the 2014 Plan describes how the City of Bryan intends to utilize \$864,653.00 in CDBG funds and \$302,724.00 in HOME funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN THAT:

Section 1.

The City Council hereby approves the proposed priorities, strategies, outcome measurements and objectives implemented through the projects/activities in the 2014 Consolidated Action Plan and further incorporate the 2014 Consolidated Action Plan into this Resolution by reference for all purposes.

Section 2.

The City Council hereby approves of the allocation of CDBG and HOME funds as stated in the 2014 Plan, and incorporates the 2014 Plan into this Resolution by reference for all purposes.

Section 3.

The City Manager of the City of Bryan is hereby authorized to sign and submit to HUD, as the official act of the City the 2014 Plan for funds for the purpose of participating in the CDBG and HOME programs and any subsequent Plans. The applications include all necessary elements required for submission, including actions to address priority needs identified in that plan, proposed actions for the 2014 Plan, and program certifications, all of which items are hereby approved.

Section 4.

The City Manager of Bryan, Texas or his/her designee is authorized as the representative of the City of Bryan in connection with the Plans. He/she is authorized to provide such additional information as may be required, and to execute whatever forms or documents are determined by the Secretary of HUD as necessary to effectuate or implant the Certifications in the application.

Section 5.

The City Manager of Bryan, Texas is authorized by the City Council to modify the terms of federally funded loans within the City's Community Development Department programs, including those which were previously executed by the Mayor and the City Council. The modified terms must be consistent with the Plan and City policies and may not reduce the amount of principal owed.

Section 6.

Any authorized representative of HUD or the Comptroller General is hereby granted the right of access to examine all records, books, papers or documents related to the grants.

Section 7.

The City Manager of Bryan, Texas or his/her designee is hereby appointed as the responsible local official under the National Environmental Policy Act of 1969 insofar as such provisions apply; and does consent and accept the jurisdiction of the Federal courts for the purpose of enforcement of his/her responsibilities as such officials.

Section 8.

Any resolutions or parts of resolutions that are in conflict with this Resolution are hereby rescinded to the extent of the conflict.

THIS RESOLUTION SHALL BE EFFECTIVE IMMEDIATELY UPON ITS PASSAGE AND ADOPTION.

PASSED AND APPROVED this 8th day of July, 2014.

ATTEST:

CITY OF BRYAN:

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney