



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: O-2

Date: July 26, 2006

Subject: Request that the City Council consider approving an ordinance adopting the fiscal year 2006-2007 Community Development Block Grant (CDBG) and HOME Programs.

Page: 1 of 1

Item Reference: CDBG Regulations, Census Information, and HUD Low and Moderate Income (PSMA) Data, Housing Surveys

On March 21, 2006 the Neighborhood Services Department held the first of three (3) public hearings to inform the public of the availability of federal funds for fiscal year 2006-07 and to solicit citizen and neighborhood input. Subsequent hearings were held April 4, 2006 and April 7, 2006. On March 21, 2006, Staff conducted a CDBG Public Services Application workshop to provide an in-depth overview of the Community Development Block Grant (CDBG) and HOME programs and to further explain the application process. Request for Proposals (RFP) for Public Service, Public Facility, and Housing were solicited beginning March 21-April 24, 2006 and technical assistance was provided as requested. The RFP committee reviewed each proposal received and recommended funding based on guidelines required by the U.S. Department of Housing and Urban Development (HUD) and City Staff.

Total allocation from HUD for the CDBG Program is \$965,457. The total allocation for the HOME Program is \$487,789. The funding represents a 9.9 percent reduction compared to the current fiscal year allocation. Attached is the proposed budget recommendation which includes Staff requests, external requests, and administrative and direct delivery costs. The administrative budgets are subject to the same review process as all other City departments and will be finalized with the City budget.

A final public hearing was held July 12, 2006 at the City Council meeting, during which Staff requested direction on the proposed programs. No changes were submitted.

RECOMMENDATION:

It is recommended that the City Council adopt the ordinance approving the fiscal year 2006-2007 Community Development Block Grant (CDBG) and HOME Programs.

**Drafted/Recommended By:
Department Leader**


Brenda Johnson

**Edited/Submitted By:
City Manager**

ORDINANCE NO. 0-2006-68

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME APPLICATION AND BUDGET FOR 2006-2007, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, for many years, the U. S. Department of Housing and Urban Development has allocated funds through grant applications to the City of Tyler for housing rehabilitation and neighborhood improvement programs, along with administrative costs associated with such programs; and

WHEREAS, the City of Tyler has obtained extensive statistical demographic and research information, solicited citizen input, and developed a strategic plan to address identified community needs; and

WHEREAS, it is in the public interest that such proposed application and budget for 2006-2007 be approved by Council, subject to approval and allocation by the U. S. Department of Housing and Urban Development;

WHEREAS, the City of Tyler is proposing implementation of its 2006-2007 Community Development Block Grant (CDBG) and HOME Programs,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1: That the proposed budget for 2006-2007 Community Development Block Grant funds, attached hereto as Exhibit "B" and made a part hereof for all purposes, is hereby approved, subject to approval and allocation by the U. S. Department of Housing and Urban Development.

PART 2: That the City of Tyler grants and designates the City Manager with the authority to execute and submit all documentation and certifications necessary to the U.S. Department of Housing and Urban Development in order to receive CDBG and HOME program funding to be utilized to provide eligible services and programs for low-income residents in the City on or before the submission deadline of August 15, 2006.

PART 3: That this ordinance shall take effect immediately upon adoption.

PASSED AND APPROVED this 26th day of July, A. D., 2006.

JOSEPH O. SEEBER, MAYOR
CITY OF TYLER, TEXAS

ATTEST:

APPROVED:

CASSANDRA BRAGER, CITY CLERK

CITY ATTORNEY

EXHIBIT "B" TO ORDINANCE 0-2006-68 (PAGE 1 OF 3)
 (Ordinance is labeled Exhibit "A" in transmittal to HUD)

PROPOSED 2006 CDBG AND HOME BUDGET

Projects	Activities	2006 CDBG	2006 HOME	Total 2006 CDBG and HOME
Administration		\$193,091	\$48,778	\$241,869
Public Services		\$70,000		\$70,000
	<i>Tyler AIDS Services</i>	\$40,000		
	<i>Literacy Council</i>	\$30,000		
Owner Rehab		\$300,000		\$300,000
Homebuyers		\$40,000	\$47,475	\$87,475
Demolition		\$175,000		\$175,000
Code Enforcement		\$50,000		\$50,000
Public Facility		\$122,366		\$122,366
	<i>Park – Hillside</i>	\$45,000		
	<i>Curb and Gutter – Proyecto Rosalinda</i>	\$77,366		
Interim Assistance		\$15,000		\$15,000
CHDO Operating			\$24,389	\$24,389
CHDO Set-Aside			\$73,168	\$73,168
Housing (TBRA)	<i>Tyler AIDS Services</i>		\$54,000	\$54,000
New Construction			\$239,979	\$239,979
TOTALS		\$965,457	\$487,789	\$1,453,246

HOUSING AND CODE RELATED PROJECTS

Organization	Program Name and Description	2006 CDBG		2006 HOME		
		# to be Served	Amount Requested	Proposed Amount	# to be Served	Amount Requested
City of Tyler Neighborhood Services Department	"Clearance/Demolition" : Provides funding for project delivery costs and the removal of dilapidated structures and site clearance to eliminate slum and blight.	44 projects	\$175,000	\$175,000	Not Eligible	Not Eligible
	Population Served: Not Applicable Area Served: City wide demolition only					
City of Tyler Neighborhood Services Department	"Interim Assistance" : Provides funding for special neighborhood clean-up events in conjunction with neighborhood revitalization efforts.	2 projects	\$15,000	\$15,000	Not Eligible	Not Eligible
	Population Served: Not Applicable Area Served: Low-income Census Tracts and Block Groups					
City of Tyler Neighborhood Services Department	"Code Enforcement – Housing Inspections" : Provides funding for project delivery costs and the identification of housing code violations related to neighborhood revitalization.	500 inspections	\$50,000	\$50,000	Not Eligible	Not Eligible
	Population Served: Not Applicable Area Served: Low-income Census Tracts and Block Groups					
City of Tyler Neighborhood Services Department	"Housing Rehabilitation Program" : Funding for project delivery costs for the rehabilitation of dwellings occupied by low-income homeowners to bring units into compliance with housing and building codes. CDBG funds are also used for emergency rehabilitation assistance to remove conditions that threaten the immediate safety and health of homeowner occupants and to increase handicapped accessibility for disabled.	21 projects	CDBG: \$300,000	CDBG: \$300,000	Not Requested	Not Requested
	Population Served: Low-income homeowners					
	Area Served: 100% Tyler – Funds are available city-wide for Emergency Rehab and Removal of Architectural Barrier Program; CDBG funds are available for use in the target area that is designated annually for the Housing Rehabilitation Program.					
	Population Served: Low-income households Area Served: 100% Tyler –city-wide/ Low-income Census Tracts and Block Groups					
City of Tyler Neighborhood Services Department	"First-Time Homebuyer's Program" : Provides project delivery costs & funds for Downpayment & Closing Cost assistance to low-income first-time homebuyers.	5-7 low-income households	\$40,000	\$40,000	5-7 low-income households	\$47,475
	Population Served: Low-income first-time homebuyers					
	Area Served: 100% Tyler					
Tyler Community Homes	"15% CHDO Set-Aside" : HOME program requires that 15% of each year's HOME grant be reserved or awarded to special non-profit organizations called Community Housing Development Organization (CHDO)	Not Eligible	Not Eligible	Not Eligible	Not determined	\$73,168
	Population Served: 1 Low-income rental household					
	Area Served: 100% Tyler					
Tyler Community Homes	"CHDO Operating" : HOME program allows 5% of the HOME grant to be used by CHDOs for operating costs associated with CHDO-eligible projects	Not Eligible	Not Eligible	Not Eligible	Not determined	\$24,389
	Population Served: Not applicable					
	Area Served: 100% Tyler					

EXHIBIT “B” TO ORDINANCE 0-2006-68 (PAGE 3 OF 3)

City of Tyler Neighborhood Services Department	<p>“New Construction”: HOME program allows New Construction of modest and affordable dwellings for low-income households Population Served: Low-income households Area Served: 100% Tyler</p>	Not Eligible	Not Eligible	Not Eligible	3 low-income households	\$239,979	\$239,979
	<p>“Housing-TBRA”: Provides monthly rental assistance to persons with AIDS diagnosis Population Served: Victims of AIDS and HIV Area Served: 100% Tyler</p>	Not Eligible	Not Eligible	Not Eligible	10 low-income households	\$54,000	\$54,000

PUBLIC FACILITY ACTIVITIES - CDBG ONLY

City of Tyler Neighborhood Services Department	<p>“Hillside Park”: Provides funding for park improvements in low income neighborhood Population Served: Low-income households Area Served: Projecto Rosalinda Target Area</p>	1 park improve-ment project	\$45,000	\$45,000	Not Eligible	Not Eligible	Not Eligible
	<p>“Curbs and Gutter – Proyecto Rosalinda”: Provides funding for project delivery costs and infrastructure improvements in low-income neighborhoods Population Served: Low-income households Area Served: Projecto Rosalinda Target Area</p>	1 project	\$77,366	\$77,366	Not Eligible	Not Eligible	Not Eligible

PUBLIC SERVICE ACTIVITIES – SUBJECT TO 15% CAP – CDBG ONLY

Agency	Program Name and Brief Description	# to be Served	Amount Requested	Proposed Amount	Previous Year Funding
Literacy Council of Tyler, Inc.	<p>“Adult Literacy Program” – will provide ESL/GED services for illiterate adults at four new sites Population Served: Illiterate adults</p>	150	\$40,000	\$30,000	\$40,000
	<p>“Emergency Assistance Program” - will provide persons with AIDS diagnosis and who are at risk of becoming homeless to receive short-term rent, mortgage, and/or utility assistance Population Served: Persons with HIV/AIDS</p>	75	\$50,757	\$40,000	\$0