



AGENDA ITEM SUMMARY

City Council

STAFF

Beth Rosen, Grants Compliance and Policy Manager

SUBJECT

Items Relating to the Appropriation of Federal Funds in the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Program Funds.

EXECUTIVE SUMMARY

A. First Reading of Ordinance No. 074, 2024, Making Supplemental Appropriations in the Community Development Block Grant Fund.

B. First Reading of Ordinance No. 075, 2024, Making Supplemental Appropriations in the HOME Investments Partnerships Grant Fund.

The purpose of this item is to appropriate the City's FY2024 Community Development Block Grant (CDBG) Entitlement Grant and FY2024 Home Investment Partnerships Program (HOME) Participating Jurisdiction Grant from the Department of Housing and Urban Development (HUD), and CDBG program income from FY2022 and FY2023 and HOME Program Income from FY2022 and FY2023.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

BACKGROUND / DISCUSSION

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to eligible cities and counties to improve the living conditions for low and moderate- income persons. Recipient communities develop their own programs and funding priorities. In the 2020-2024 Consolidated Plan submitted to HUD, the City prioritized the use of these funds to further its affordable housing goals and provide public services for persons experiencing homelessness and persons most at risk of homelessness.

The HOME Investment Partnership Program (HOME) provides annual grants on a formula basis to Participating Jurisdictions to implement local housing strategies designed to increase homeownership and housing opportunity for low and very low-income residents. These funds are used annually to further the affordable housing goals outlined in the Housing Strategic Plan.

On May 7, 2024, HUD published formula allocations for both the CDBG and HOME programs. This appropriation includes \$1,107,934 for CDBG and \$602,015 for HOME. Additionally, the City receives annual repayments into the CDBG and HOME programs, referred to as Program Income (PI), through the payoffs of Home Buyer Assistance (HBA) loans and loan payments on affordable housing projects. These

payments go back to their respective programs for re-allocation to eligible projects. Since April 1, 2023, the CDBG program has received \$103,659 in Program Income and the HOME Program has received \$83,688 in Program Income.

Ordinance No. 074, 2024, appropriates a total of \$1,211,593 into the CDBG Program, which includes the Entitlement Award of \$1,107,934 and \$103,659 from Program Income.

Ordinance No. 075, 2024, appropriates a total of \$685,703 into the HOME Program, which includes the Entitlement Award of \$602,015 and \$83,688 from Program Income.

These funds are allocated through an annual Competitive Process, with funding recommendations being made to Council by the Human Services and Housing Funding Board. Recommendations for the use of these funds will be presented to Council at its regular meeting on June 18, 2024.

CITY FINANCIAL IMPACTS

This item will appropriate \$1,897,296 in federal funding to the City of Fort Collins which will be allocated to housing and community development related programs and projects, and the administration of the funds, thereby reducing the demand on the City's General Fund budget to address such needs.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance A for Consideration
2. Ordinance B for Consideration
3. HUD FY2024 Appropriation Publication