



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: June 27, 2022

TO: President Heather Graham and Members of City Council
CC: Nicholas A. Gradisar, Mayor
VIA: Marissa Stoller, City Clerk
FROM: Bryan Gallagher, Director, Housing and Citizen Services
SUBJECT: AN ORDINANCE APPROVING AND ADOPTING THE CITY OF PUEBLO'S 2022-2023 ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND THE HOME INVESTMENT PARTNERSHIP ACT GRANT (HOME), AUTHORIZING THE MAYOR OF THE CITY OF PUEBLO TO SUBMIT THE APPLICATION TOGETHER WITH ALL REQUIRED AND NECESSARY CERTIFICATIONS, ASSURANCES, AND DOCUMENTATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND APPROPRIATING AND BUDGETING CDBG AND HOME FUNDS THEREFORE

SUMMARY:

This Ordinance approves the 2022-2023 Action Plan as presented. The Action Plan contains the funding recommendations made by the Citizens' Advisory Committee (CAC) and Staff.

PREVIOUS COUNCIL ACTION:

The City Council has not taken any previous action on this matter.

BACKGROUND:

As an entitlement city, the City of Pueblo is required by the U.S. Department of Housing and Urban Development (HUD) to complete an Annual Action Plan for each of the years of the Consolidated Plan. This Action Plan and the accompanying documentation serve as the City's application to HUD for the 2022-2023 Community Development Block Grant (CDBG) and HOME Investment Partnership Act Grant (HOME). This is the third Action Plan under the 2020-2024 Five-Year Consolidated Plan.

A public meeting was held to receive citizen input and to hear applicant presentations on July 22, 2021. HUD CPD Notice 22-05 requested a delay in the annual action plan submission process. The notice of the availability of the 2022 Annual Action Plan was published on March 10, 2022 and made available to the public for review on March 11, 2022, formally opening the public comment period for thirty-days. Public meetings were held on March 17, 2022 and April 14, 2022. Copies were available at the City Clerk's Office, the Rawlings Library, the Department of Housing and Citizen Services (Department), and the City's website.

FINANCIAL IMPLICATIONS:

The City anticipates receiving \$1,495,303 in CDBG funding and \$979,677 in HOME Consortium grant funding with an additional \$479,134.72 in program income and \$34,203.11 in homebuyer recapture for housing and community development projects in 2022. The HOME Consortium grant is shared with Pueblo County on an 87%/13% City/County basis. The HOME grant requires a 25% match. The City's portion is \$196,547. The City received more program income and HOME formula grant funding than anticipated, and as such, the appropriated \$135,000 within the City's 2022 budget is an insufficient match. Additional funds of \$61,547 are requested from the General Fund Balance to be applied to the match deficit.

BOARD/COMMISSION RECOMMENDATION:

The Citizens Advisory Committee (CAC) has recommended that the City Council approve the activities outlined in the 2022-2023 Action Plan and presented its recommendations to Council during Work Session on September 13, 2021.

STAKEHOLDER PROCESS:

The following stakeholder processes were undertaken by the Department. On May 1, 2021, applications for grant funding were made available to the community. Public hearings were held before the CAC on July 22, 2021. The public hearings were open for public comments, and for funding applicants to present their requests to the CAC. The CAC deliberations were held on August 10, 2021. This was an open meeting, but opportunity for public comment is not provided. The 30-day comment period began March 12, 2022, with the publication of a public notice in *The Pueblo Chieftain*.

ALTERNATIVES:

The City Council can choose to not apply for the CDBG and HOME grants, in which case a number of community services will need to find alternative funding.

RECOMMENDATION:

Approval of the Ordinance.

ATTACHMENTS:

2022 CDBG and HOME Funding Attachment A

2022 Annual Action Plan

Application for Federal Assistance SF-424/SF-424D: HOME

Application for Federal Assistance SF-424/SF-424D: CDBG

Certifications

Department Certificate of Correctness

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF PUEBLO'S 2022-2023 ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND THE HOME INVESTMENT PARTNERSHIP ACT GRANT (HOME), AUTHORIZING THE MAYOR OF THE CITY OF PUEBLO TO SUBMIT THE APPLICATION TOGETHER WITH ALL REQUIRED AND NECESSARY CERTIFICATIONS, ASSURANCES, AND DOCUMENTATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND APPROPRIATING AND BUDGETING CDBG AND HOME FUNDS THEREFORE

WHEREAS, the City of Pueblo is designated as an entitlement city under the Housing and Community Development Act of 1974, and will receive Community Development Block Grant (CDBG) and HOME Investment Partnership Act Grants (HOME) for fiscal year 2022; and,

WHEREAS, the City of Pueblo conducted a citizen participation process that included two public hearings within the City of Pueblo in addition to a third public hearing before City Council to obtain the views of citizens, non-profit and neighborhood groups on the City's housing and community needs; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1.

The City Council hereby finds and determines that the City of Pueblo's 2022-2023 Action Plan listing projects and programs for funding from CDBG and HOME federal funds has been developed to give maximum feasible priority to activities which will benefit low- to moderate-income families and/or aid in the prevention or elimination of slum and blight, as required by HUD, and is hereby approved, adopted, and incorporated herein.

SECTION 2.

The Mayor is hereby authorized to submit, in the name of the City of Pueblo, the applications (SF-424/SF-424D) and the 2022-2023 Action Plan, together with all required and necessary certifications, assurances, and documentation to the U.S. Department of Housing and Urban Development for \$1,459,303.00 in 2022 CDBG funds and \$979,677.00 in 2022 HOME funds, along with \$479,134.72 in HOME program income and \$34,203.11 in homebuyer funds recaptured from prior years.

SECTION 3.

CDBG funds in the amount of \$1,459,303.00 and HOME funds in the amount of \$977,677.00, HOME program income in the amount of \$479,134.72, and HOME homebuyer recaptured funds in the amount of \$34,203.11, the 2022 allocation, are hereby budgeted and appropriated for the projects and in the amounts set forth in the 2022-2023 Action Plan. A list of the recommended projects is herein included as Attachment A.

SECTION 4.

The HOME Program requires local matching funds. The City's portion of matching funds is \$196,547.00. During the annual budget process, \$135,000.00 was previously budgeted and appropriated for the HOME match. The balance of City HOME matching funds in the amount of \$61,547.00 are hereby budgeted and appropriated from the General Fund to the projects and in the amounts set forth in the 2022-2023 Action Plan.

SECTION 5.

The officers and staff of the City are authorized to perform any and all acts consistent with this Ordinance to implement the policies and procedures described herein.

SECTION 6.

If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 7.

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

Action by City Council:

Introduced and initial adoption of Ordinance by City Council on _____.

Final adoption of Ordinance by City Council on _____.

President of City Council

Action by the Mayor:

- Approved on _____.
- Disapproved on _____ based on the following objections:

Mayor

Action by City Council After Disapproval by the Mayor:

- Council did not act to override the Mayor's veto.
- Ordinance re-adopted on a vote of _____, on _____
- Council action on _____ failed to override the Mayor's veto.

President of City Council

ATTEST

City Clerk