



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER



Texas CDBG

Program Year 2020 Overview

Method of Distribution



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Welcome and thank you for joining us for an Overview of the Texas CDBG Program Year 2020 Method of Distribution. I am Suzanne Barnard, Director for CDBG Programs at TDA, and I am joined by several staff members to address any questions you may have about the process or the content of the plan for using CDBG funds in 2020.



Program Year 2020

- 2020 – 2024 Consolidated Plan
 - Prepared and submitted by TDHCA
 - Describes needs, goals, and strategies related to HUD funding
- 2020 One Year Action Plan
 - Includes “Method of Distribution” for awards issued September 2020 – August 2021

The reason for this webinar centers around the Consolidated Plan required by HUD. According to HUD, the Consolidated Plan is “designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Emergency Solutions Grants (ESG) Program, and Housing Opportunities for Persons With AIDS (HOPWA) Program.”

For Texas, the Consolidated Plan is prepared primarily by the Texas Department of Housing and Community Affairs, and will cover program funding for Federal Fiscal Years 2020 to 2024.

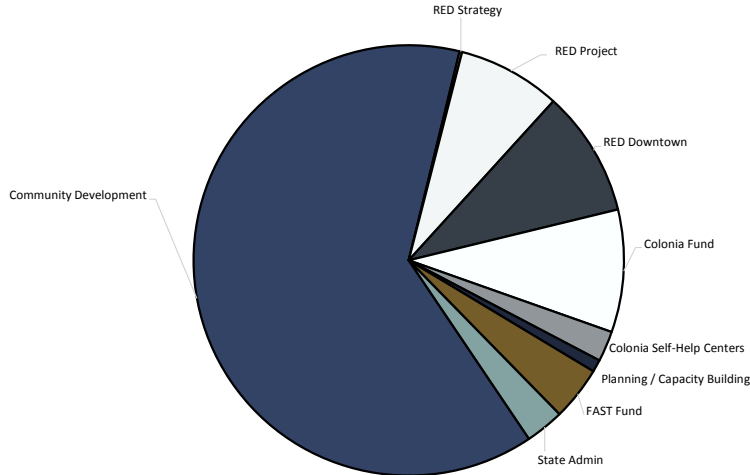
Within the Consolidated Plan is the One Year Action Plan, which describes specific actions and priorities for that Program Year. Most importantly to many of you, this includes the Method of Distribution for CDBG and other HUD funds.

I want to pause a moment here and point out the dates for this plan. Texas recently aligned its Program Year with the State Fiscal Year – September to August. TDA cannot award grants until after 1) Congress appropriates and 2) HUD allocates and executes an agreement for the funds, therefore the Program Year for TDA to begin using CDBG is exactly one year behind the State Fiscal Year. The Action Plan also addresses the use of deobligated funds and program income made available that year, so this Method of Distribution covers all awards to be issued between September 2020 and August 2021.



Program Year 2020

Funds Available – PY 2020



This chart shows the relative size of each fund category in the Texas CDBG program. Included in this chart is the \$68 Million allocation for 2020, and an estimated \$4 Million in deobligated funds and \$2 Million in program income. Those last two figures are estimates of the funds that will be available as of September 1, and will change as actual funds are received.

The Action Plan does allow TDA to transfer funding between categories in certain cases - to make partially fundable applications whole or to meet obligation deadlines. Significant changes to this funding plan, however, will require an amendment to the Action Plan.



Community Development Fund

- Description: Regional Competition – flexible projects based on local/regional priorities
- Funding Available
 - \$45.8M allocation funds
 - Est. \$1M deobligated funds
- Grant Amount: varies by region
- Application Cycle: previously received and scored
- National Objective: LMI Area, LMI Housing, LMI Clientele

The largest fund category is the Community Development Fund. Over two thirds of Texas CDBG funding is assigned to this regional competition. This is the most flexible program offered by TxCDBG, with project choices driven by local and regional priorities. For 2020, we are in the second year of a two year cycle, therefore the applications to be funded under this Action Plan have already been received and scored. Staff is already working to continue evaluation and prepare contracts for those applications in funding range. One note: funding for the CD Fund is allocated to each region by formula. For 2020, eight regions did not have enough applications submitted to fully utilize the allocated funding, so the remaining funds from those regions were reallocated to regions with unfunded applications.

Now I know we have discussed the future of the CD Fund a lot lately, and I will address this at the end of this presentation. But for 2020, the Action Plan will still reflect the process used to accept applications for the 2019-2020 application cycle.



Rural Economic Development – Downtown Revitalization / Main Street Program

- Description: address slum / blighted conditions in downtown areas
- Funding Available
 - \$7M allocation funds
 - Plus 2019 “rollover” from TCF
- Grant Amount: \$500,000
- Application Cycle: available now, due August 4
- National Objective: Slum & Blight (area or spot basis)

Economic Development is critical to the Texas CDBG program, and the next few fund categories address this need.

The second largest fund category for 2020 is the Downtown Revitalization & Main Street Program. This program aims to address blighted conditions in downtown areas, often by improving sidewalks, ADA accessibility, street lighting. The funds assigned to this category are significantly greater than the historical funding level due to the transition in the Texas Capital Fund programs. It is for this reason that the maximum grant amount has also significantly increased this year. Please also note that any funds not used in the final TCF Real Estate/Infrastructure competition under the 2019 Action Plan will be added to the funding for Downtown Revitalization – currently \$6.7 million remains unused in the 2019 TCF program.



Rural Economic Development - Strategy

- Description: targeted economic development planning
- Funding Available
 - \$135,000 program income funds
- Grant Amount: \$45,000
- Application Cycle: to be determined
- National Objective: to be determined

As part of the program evaluation and planning process, TDA determined this year that the traditional Texas Capital Fund Real Estate and Infrastructure program was no longer meeting the needs of rural Texas. The program was suspended in November, and TDA is offering a final round of applications under the current 2019 Action Plan, which is underway.

In its place, TDA is developing a two part economic development opportunity for rural Texas. The first part is called the Rural Economic Development Strategy Program. This is a planning grant for very targeted economic development strategic thinking, resulting in a plan with specific action steps for the community to further their economic development goals. TDA piloted this concept last year with state funding sources in two communities.

The funding amounts are established in the Action Plan, but many specific details of the program are in development. The application cycle for this competitive grant will be announced at a future date.



Rural Economic Development - Project

- Description: targeted economic development project implementation based on existing plan
- Funding Available
 - \$3.8M allocation funds
 - Est \$1.9M program income funds
- Grant Amount: \$750,000
- Application Cycle: to be determined
- National Objective: LMI (area/jobs/etc), Slum/Blight

Part 2 of the RED program is the Rural Economic Development Project Program. The goal here is to provide funding to implement the specific action steps identified in the economic development plan. Intensive technical assistance will be used to identify which of those steps are eligible for CDBG funding, using any appropriate combination of national objectives and eligible activities.

For Program Year 2020, RED-Project funding is set aside for the two communities that participated in the economic development planning pilot. In addition, a competitive cycle will be announced later in the year for communities that already have an economic development plan in place to request RED Project funding to implement that plan. A similar pattern is anticipated in future years – RED Project funding set aside for RED Strategy grant recipients, and a separate competitive cycle for those with equivalent planning efforts. The amount of funding assigned to this category may increase in future years as the program is developed.



Colonia Fund - Construction

- Description: basic infrastructure and housing improvements for colonia communities
- Funding Available
 - \$4.5M allocation funds
 - Plus 2019 “rollover” from CEDAP
- Grant Amount: \$1,000,000
- Application Cycle: some applications previously received, secondary round due June
- National Objective: LMI Area, LMI Housing

The Colonia Fund is a federal set-aside requiring TDA to award 10% of CDBG funding to project benefitting colonia communities. These funds are primarily used for basic infrastructure and housing rehabilitation projects.

For 2020, the Colonia Fund Construction program is in the second year of its two year cycle – however, the competition conducted last year did NOT provide enough applications to exhaust this funding set-aside. As a result, TDA is offering a second round to complete the biennial cycle. In addition to the traditional 6.6% of CDBG funds set aside for this program, any remaining funds assigned to the CEDAP program for 2019 may be rolled into the funding for CFC – currently just under \$2 Million in CEDAP funding remains.



Colonia Fund – Economically Distressed Areas Program Set-Aside

- Description: house-to-line connections for first time water/sewer in colonia communities
 - State Legislature set-aside
 - Included in federal colonia set-aside
- Funding Available:
 - \$2.3M allocation funds
- Grant Amount: \$1,000,000
- Application Cycle: as needed
- National Objective: LMI Housing

The CEDAP Program is a State Legislative set-aside within the Federal Colonia set-aside, assigning 3.4% of the CDBG allocation to fund yardlines for first-time water and sewer projects in partnership with other federal and state funding agencies, such as USDA, TWDB, or NADBank.

Applications for CEDAP are accepted on an as needed basis. If no CEDAP applications are funded during Program Year 2020, the funds may be transferred to other Colonia Fund categories.



Colonia Self Help Center Program

- Description: public services, housing, and other assistance in designated colonia communities
 - State Legislature set-aside
 - Separate from the federal colonia set-aside
 - Administered by TDHCA
- Funding Available:
 - \$1.7M allocation funds
 - Plus dedicated deobligated funds
- National Objective: LMI Area, LMI Housing, LMI Clientele

The Colonia Self Help Center Program is a State Legislative set-aside, in addition to the federal set-aside, assigning 2.5% of the CDBG allocation to activities in designated colonias, as administered by TDHCA.

In addition to the set-aside funding for 2020, TDHCA may award additional contracts using funds previously deobligated from Self Help Center projects.



Planning & Capacity Building Fund

- Description: planning studies - including comprehensive plans, utility system plans, etc.
- Funding Available
 - \$0.68 M allocation funds
- Grant Amount: varies by community size, up to \$75,000
- Application Cycle: available now, due July
- National Objective: LMI Area

The Planning & Capacity Building Fund is a small but important part of the Texas CDBG program. Along with other changes to better assist rural communities, the maximum grant amount was increased for this Action Plan. The overall funding assigned to the program remains consistent with past years.



Fire, Ambulance and Service Truck (FAST) Fund

- Description: eligible emergency rescue vehicles
- Funding Available
 - Est. \$3M deobligated funds
- Grant Amount: \$500,000
- Application Cycle: available now, due July

The FAST Fund is a relatively new program, which uses funds nearing their federal expiration date to provide emergency vehicles and equipment to low-to moderate-income areas.

For 2020, we anticipate approx. \$3 Million to be available for this program. Again, this is an estimate based on funds anticipated to be returned unused from existing grants. As funding becomes available, the Action Plan offers flexibility in either continuing to award grants from the current application cycle or offering a new competition.



“Transfer Only” Fund Categories

- State Urgent Need Fund
 - repair/improvement of infrastructure damaged by state-declared disaster event
 - Transfer up to \$3 Million
- Colonias-to-Cities Initiative
 - investment in colonia infrastructure as part of annexation process
 - Colonia Funding only
- Utility U
 - on-the-job training for utility operators
 - Transfer up to \$200,000

Finally, there are several funding categories for which no funding is initially assigned in the 2020 Action Plan, but funds may be transferred as needed.

The State Urgent Need Fund provides for repair, replacement, or improvement of infrastructure damaged by tornados, small floods, drought, or other State-declared disaster events that do not reach the threshold for federal assistance.

The Colonia-to-Cities Initiative is a partnership between a municipality and a colonia community, investing significant resources in the infrastructure as the colonia is annexed by the city.

Utility U is a hands-on job training program for utility operators. This program meets a need identified by TDA’s funding and technical assistance partner agencies and is intended to promote safe and stable operation of the systems that may benefit from CDBG construction funding.

To request more information or an application for any of these programs, please contact Aubrey-Ann Gilmore.

OYAP Next Steps



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So that covers how TDA proposes to use CDBG funds in Program Year 2020. What happens next?



Action Plan Approval Process

Consolidated Plan (2020-2024), with 2020 Action Plan

March 26 TDHCA Board considers Draft Consolidated Plan

Public Comment Period

~ Six Public hearings across state

June TDHCA Board may approve Plan for submittal to HUD

Program Year 2020 Grant Agreement

September 1 Program Year begins

The Consolidated Plan, including the 2020 Action Plan and Method of Distribution, will be publicly presented at the TDHCA Board meeting on March 26. This was originally anticipated for the February meeting, but the timing of HUD release of information regarding the allocation prompted a change in dates. Following the Board discussion and approval, a public comment period will be observed with six or so hearings across the state hosted by TDHCA. We anticipate the final approval of the Consolidated Plan at the June Board meeting.

Once the Consolidated Plan is submitted, HUD staff will review and accept the document, then issue a Grant Agreement. There is no specific timeline for this process – based on past experience, it could be weeks or months. TDA can generally begin awarding Program Year 2020 grants only once the Action Plan year begins September 1 AND the Grant Agreement with HUD has been signed.

Beyond Program Year 2020

Additional Program Information



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In order to continue effectively funding grants in rural communities, the TxCDBG Program works several years ahead to plan for funding availability and application cycles. Here's is a brief touch on upcoming action for future Action Plans.



Community Development Fund 2021-2022

Unified Scoring Committee

- now Regions nominate USC members
 Discuss and study Eligible Scoring Criteria
- April 27-28 Committee Meeting & Public Hearing
 Corpus Christi

Regional Project Priorities

- By April 15 Regional public hearings
 Discuss and
 select Project Priorities

Unified Scoring Committee

The Unified Scoring Committee (USC) is responsible for developing the objective scoring factors for all regions used to prioritize applicants. The USC must establish the numerical value of the points assigned to each scoring factor.

2020 - 2021 CD Reference Materials

Adopted TAC Rule for Community Development (CD) Fund
Eligible Scoring Criteria
RRC Guidebooks by Region (2015-2016, 2017-2018 and 2019-2020) Reference ONLY
2020-2021 Tracking Reports - coming soon!

Upcoming Project Priority Hearings

To be updated as needed.

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| AACOG | March 16, 2020, 10 AM | Alamo Area Council of Governments 8700 Tesoro Drive, Suite 160 San Antonio, Texas 78217 |
| ATCOG | | |
| BVCOG | | |
| CAPCOG | | |
| CBDOG | | |
| CTCOG | March 26, 2020, 11 AM | Central Texas Council of Governments 2180 N. Main Street, Room A1 Belton, Texas 76513 |

The Community Development Fund application cycle for 2021-2022 is just around the corner. The first step in this process is to appoint members of the Unified Scoring Committee. This is a new process, included in the Texas Administrative Code Rules adopted last month. The state planning regions are currently nominating their representatives for this 24 member committee, and Commissioner Miller will review and appoint the members. Once the member is appointed, we encourage communities to discuss with them the potential criteria. The TDA website currently includes a document labeled Eligible Scoring Criteria – similar to previous years, this book includes “objective and verifiable” scoring factors previously used by various regions, from which the Unified Scoring Criteria will choose factors for this round. If there are factors not included in this book that you would like the Committee to consider, please submit to Aubrey-Ann Gilmore no later than April 15 to be included in the Committee’s final options. TDA will send a listserv summarizing this process.

The Unified Scoring Committee will meet in Corpus Christi at the end of April. This Committee will establish scoring criteria for 65% of the point values to be used for this application cycle, using criteria found in the published Eligible Scoring Criteria guide.

As a separate process, each COG will hold a public hearing, in which the governing body or a designated committee will select the Project Priorities for the region. Regional determinations of what kind of projects are prioritized – such as water improvements, streets, housing, or community centers – are an important part of the TxCDBG process that continues in this modified format.



2021-2022 Application Cycles

Community Development Fund and Colonia Fund – Construction/Planning

August 2020 Application Release

Spring 2021 Application Due

Once scoring criteria and regional priorities are established for the CD Fund, TDA anticipates releasing the application about August, with a due date next spring.

The next regular round of CFC funding is also coming up. To help our communities take advantage of some administrative efficiencies in developing applications, the Colonia Fund Construction and Planning application will follow the same timeline as the CD Fund. This application process should be very similar to the Secondary Round for the 2019-2020 CFC application cycle currently underway.

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