



## Travis County Commissioners Court Agenda Request

**Meeting Date:** October 23, 2012

**Prepared By/Phone Number:** Christy Moffett, 854-3460

**Elected/Appointed Official/Dept. Head:**

Sherri E. Fleming, County Executive of Travis County Health and Human Services & Veterans Service

**Commissioners Court Sponsor:** Judge Samuel T. Biscoe

### **AGENDA LANGUAGE:**

Consider and take appropriate action regarding approval of the Program Year 2012 Community Development Block Grant Agreement provided by HUD.

### **BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:**

Under the provisions of Title 1 of the Housing and Community Development Act of 1974 (42 USC 5301), the Federal government sponsors a program that provides annual grants to cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, by expanding economic opportunities for low and moderate income persons. This grant agreement approves Travis County's PY 2012 Action Plan. Beginning in 2006, the program is operating under its second Consolidated Plan.

The grant agreement is the same document executed annually for the last five years. The County Attorney's office has reviewed and approved the agreement. The Auditor's Office has the agreement under review; however, the CDBG Office anticipates their approval prior to October 23, 2012.

The HUD letter and grant agreement are attached with one addition to the grant agreement: Per the County Attorney's office request, "by" was added to the signature line. HUD recognizes the County Judge as the certifying official for all transactions unless the Commissioners Court delegates the responsibility to someone else.

**STAFF RECOMMENDATIONS:**

Staff recommends approval.

**ISSUES AND OPPORTUNITIES:**

CDBG staff is responding to the action item in the letter regarding a request for clarification on the administrative and planning (A&P) funds that will not be expended for last year. Staff requests the reprogramming of any unused A&P funding from PY11 into a community development project sometime during the next year. This assures that the County stays within the proper ratios for the A&P budget annually.

With the execution of this agreement, the County assumes HUD's responsibility for all environmental reviews with any HUD funding source within the County, but outside the City of Austin.

The County has 60 days to execute the agreement from the date of the letter or forfeit funds.

**FISCAL IMPACT AND SOURCE OF FUNDING:**

Executing the agreement allows the County to have access to \$896,341 in federal funding and to implement the projects approved for PY 2012.

**REQUIRED AUTHORIZATIONS:**

County Attorney's Office  
Auditor's Office

**cc:**

Leslie Browder, PBO  
Diana Ramirez, PBO  
Jason Walker, Purchasing Office  
Caula McMarion, TCHHS&VS  
DeDe Bell, Auditor's Office  
Steven Manilla, TNR  
Cynthia McDonald, TNR  
Mary Etta Gerhardt, County Attorney's Office

Jessica Rio, PBO  
Cyd Grimes, Purchasing Office  
Kathleen Haas, TCHHS&VS  
Nicki Riley, Auditor's Office  
Janice Cohoon, Auditor's Office  
Lee Turner, TNR



**SEP 28 2012**

**U.S. Department of Housing and Urban Development**  
 San Antonio Field Office, Region VI  
 Office of Community Planning and Development  
 H.F Garcia Federal Bldg/U.S Courthouse  
 615 E. Houston Street, Suite 347  
 San Antonio, Texas 78205-3601  
 Phone (210) 475-6820 Fax: (210) 472-6825  
[www.hud.gov](http://www.hud.gov) [www.espanol.hud.gov](http://www.espanol.hud.gov)

Ms. Sherri Fleming  
 Executive Manager  
 Travis County HHSVS  
 P.O. Box 1748  
 Austin, TX 78767

Dear Ms. Fleming:

**SUBJECT: Approval of 2012 One-Year Action Plan Submission - Community Planning and Development Block Grant Program (CDBG) B-12-UC-48-0503**

We want to thank you and your staff for the submission of the County's 2012 Action Plan. The plan is a requirement for the County's Entitlement Community Development Block Grant (CDBG) program. We commend the County on the contents of the Action Plan document as the information provided was very well organized and well written. The Plan covers the period beginning October 1, 2012 and ending on September 30, 2013. This letter serves as official approval notification of the AP for the 2nd year of the County's Three-year Consolidated Plan Strategy (CPS). The Grant amount for the 2012 Program Year is approved for the following amount:

**CDBG            \$896,341.00**

The Action Plan provided project descriptions on the use of the new program year funding. The projects identified are reflective of the County's Three Year CPS and are a continuing effort to meet the various goals and objectives established in the CPS. According to the Action Plan, the disbursement of funds will be attributed to the following types of activities:

| <u>CDBG Activities</u>                    | <u>CPS Priority</u> | <u>Amount Funded</u> | <u>Percentage of Funds</u> |
|---|---------------------|----------------------|----------------------------|
| <b>CDGB Administration</b>                |                     | <b>\$179,268.00</b>  | <b>20%</b>                 |
| <b>Housing</b>                            | <b>High</b>         | <b>\$256,024.00</b>  | <b>28%</b>                 |
| Owner Occupied Home Rehabilitation        |                     |                      |                            |
| <b>Public Facilities/Infrastructure</b>   | <b>High</b>         |                      |                            |
| Lake Oak Estates Street Improvements      |                     | <b>\$326,598.00</b>  | <b>37%</b>                 |
| <b>Public Services/Community Services</b> | <b>High</b>         | <b>\$134,451.00</b>  | <b>15%</b>                 |
| Social Work Expansion                     |                     | \$106,000.00         |                            |
| Fair Housing Counseling                   |                     | \$28,451.00          |                            |
| <b>Totals</b>                             |                     | <b>\$896.341.00</b>  | <b>100%</b>                |

The AP presented maps which illustrated the targeting of program funds to predominately low and moderate-income areas and described the citizen participation process. Our review of the County's Citizen participation process determined that the county has met the requirements in accordance with 24 CFR, part 91.220(b) which requires the AP to contain a summary of the citizen participation and consultation process, a summary of comments or views, and a summary of comments or views not accepted and the reasons for non acceptance. Based on our review of the County's funded projects the following comments are provided:

**Owner Occupied Home Rehabilitation - Funded amount \$256,024.00:** The County funded this project in Program year **2008** (\$106,136.00); **2009** (130,000.00); **2011** (\$368,636.00); and with the 2012 funding amount the total amount of CDBG Funds invested in this project is now at \$860,796.00. A review of the County's IDIS PR03 Report determined that the County has not drawn any funds for this project. The fact that this will be the 4<sup>th</sup> year of funding for this project and no benefit has been realized by the County's eligible low-mod population is of major concern for HUD. A review of the County's accomplish narratives in the HUD IDIS PR03 Report seems to indicate that a major factor in delaying implementation of this project has been due to conflicting priorities in completing other projects.

The County historically has not been able to meet the annual CDBG Timeliness expenditure requirements. In 2011, the County did meet their expenditure requirements for the 1<sup>st</sup> time however were back in noncompliance in 2012 and currently fall under our sanctions policy as a result. If the County does not meet their expenditure ratio in 2013, it will be required to go thru an informal consultation as provided for in 24 CFR 570.911 of the CDBG regulations. At that time, the grantee will have the opportunity to demonstrate how factors beyond its reasonable control caused significant delays in program implementation and affected timely performance. The burden will be on the grantee to make a compelling argument that it qualifies for an exception. We request that the County no longer delay the implementation of this project.

**CDBG Planning and Administration (PA):** The County allocated \$179,268.00 in 2012 for this activity. A review of IDIS Activity PR03 Report determined that in the Program Year 2011, the County funded Planning and Administration in the amount of \$158,000.00 of which \$35,133.39 remains unexpended. The fact that the County is allocating \$179,268.00 funds to PA when there is already an unexpended balance of \$35,133.39 raises some concerns. The County should be aware that there should not be a "cushion" of unused funds in for planning and Administration. The Department of Housing and Urban and Development's position is that these funds would more effectively serve low and moderate income persons and be more in keeping with the intent of the CDBG program by being reprogrammed into other CDBG eligible activities. As of note, the County was not able to meet the 1.5 timeliness test ratio on July 31, 2012. The next timeliness test will be conducted on July 31, 2013. The reprogramming of excess Planning and Administration funds to other eligible activities could improve the County's draw down rate, which would in turn improve the County's timeliness situation. **Action Item:** We request that the County provide a response no later than 30 days from the date of this letter indicating what steps it will take to address the large excess of Planning and Administration funds.

Although, the County's proposed projects have been reviewed as described in the Action Plan, please note that approval of this grant award does not give automatic approval to the specific projects identified in the Action Plan or subsequent projects created by amendments. It is the responsibility of the County to ensure that each project is eligible and can meet a national objective in accordance with HUD regulations. Grantees are required to properly document and justify each project's eligibility and national objective in its files for future HUD on-site monitoring reviews. Each file should include all elements required in the regulations for each program regarding records to be maintained. This should include, among other things, agreements, maps indicating service areas and the basis for the determinations; i.e. income limits, eligibility documents, etc.

We request that the County's CDBG Office continue to remain in contact with Mr. Alberto Solorzano, our CDBG-R point of contact, to ensure that all CDBG-R close-out certification requirements are met within the required deadlines. If there are any questions regarding these deadlines, please contact Mr. Solorzano at 210-475-6800, x2297.

We remind the County that certain activities are subject to the provisions of 24 CFR Part 58 (Environmental review Procedures for Entities Assuming HUD Environmental Responsibilities). Funds for such activities may not be obligated or expended unless there is a written release of funds notification from our Field Office. To initiate this process, the County must submit to our Office an executed HUD Form 7015.15, Request for Release of Funds and Certification. Only units of general local government can assume responsibility for environmental reviews under 24 CFR Part 58. Sponsors can supply the required information to the responsible entity to prepare the review.

**Office of Fair Housing and Equal Opportunity (OFHEO):** The OFHEO has reviewed the County's Action Plan and has provided the following advisory comments:

- Standard Form Certifications specified by HUD fail to make reference to require compliance with Section 109 of HCD act of 1974, and Section 504 of the Rehabilitation Act of 1973. The Grantee should be reminded of required compliance with all applicable federal civil rights laws.

- The County is reminded that in accordance with the Fair Housing Act, they must administer all program and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act (24 CFR 570.601)

If you have any questions regarding these advisory comments, please contact Al Galvan at 210-475-6800, x2219.

**San Antonio Office of Public Housing review (SAOPH):** Your Action Plan was reviewed and approved by the SAOPH.

Enclosed are two copies of the Grant Agreement for the CDBG program covered by this Action Plan. Please sign the agreements and return one original copy to this office. Failure to return the executed funding forms within 60 days from the date of this letter may constitute a rejection of the grant and cause for HUD to determine that the funds are available for reallocation to other grantees.

Should there be a need to establish or change the depository account where the grant funds are being wired to, a Direct Deposit sign-up form (SF-1199A) must be completed by both the County and involved financial institution and mailed to our Field Office.

Please note that your upcoming Consolidated Annual Performance Report (CAPER) is due in this office no later than December, 31, 2012. The Department looks forward to a successful partnership with the County during the upcoming year. We ask that the County respond to our Action item no later than 30 days from the date of this letter. If you have any questions regarding this approval notification or if we may be of assistance, please contact David Rios, Community Planning and Development Representative, at (210) 475-6800, extension 2314.

Sincerely,



Elva F. Garcia  
Office of Community Planning  
and Development

cc:

The Honorable Samuel T. Biscoe, Judge, Travis County  
Ms. Christy Moffett, Senior Planner

# Funding Approval/Agreement


Title I of the Housing and Community Development Act (Public Law 930383)  
 HI-00515R of 20515R

**U.S. Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 Community Development Block Grant Program

OMB Approval No.  
 2506-0193 (exp 1/31/2015)

|   |  |   |   |  |
|---|--|---|---|--|
| 1. Name of Grantee (as shown in item 5 of Standard Form 424)<br><b>Travis County</b>  |  | 3a. Grantee's 9-digit Tax ID Number:<br>746000192 | 3b. Grantee's DUNS Number:<br>030908842 | 4. Date use of funds may begin (mm/dd/yyyy):<br>10/01/2012 |
| 2. Grantee's Complete Address (as shown in item 5 of Standard Form 424)<br><b>Travis County, P.O. Box 1748, Austin, Texas 78767</b> |  | 5a. Project/Grant No. 1<br><b>B-12-UC-48-0503</b> |   | 6a. Amount Approved<br><b>\$896.341</b>                    |
|   |  | 5b. Project/Grant No. 2                           |   | 6b. Amount Approved  |
|   |  | 5c. Project/Grant No. 3                           |   | 6c. Amount Approved  |

**Grant Agreement:** This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions/addendums, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

|  |  |   |  |
|--|--|---|--|
| U.S. Department of Housing and Urban Development (By Name)<br><b>Elva F. Garcia</b>            |  | Grantee Name<br><b>Travis County</b>                            |  |
| Title<br><b>Director, Community Planning and Development</b>                                   |  | Title<br><b>Honorable Samuel T. Biscoe, Travis County Judge</b> |  |
| Signature<br> |  | Signature   |  |
| Date (mm/dd/yyyy)<br><b>SEP 28 2012</b>  |  | Date (mm/dd/yyyy)   |  |

|  |  |  |  |        |
|--|--|--|--|--------|
| 7. Category of Title I Assistance for this Funding Action (check only one)<br><input checked="" type="checkbox"/> a. Entitlement, Sec 106(b)<br><input type="checkbox"/> b. State-Administered, Sec 106(d)(1)<br><input type="checkbox"/> c. HUD-Administered Small Cities, Sec 106(d)(2)(B)<br><input type="checkbox"/> d. Indian CDBG Programs, Sec 106(a)(1)<br><input type="checkbox"/> e. Surplus Urban Renewal Funds, Sec 112(b)<br><input type="checkbox"/> f. Special Purpose Grants, Sec 107<br><input type="checkbox"/> g. Loan Guarantee, Sec 108 | 8. Special Conditions (check one)<br><input checked="" type="checkbox"/> None<br><input type="checkbox"/> Attached | 9a. Date HUD Received Submission (mm/dd/yyyy) <b>08/14/2012</b>  | 10. check one<br><input checked="" type="checkbox"/> a. Orig. Funding Approval<br><input type="checkbox"/> b. Amendment Amendment Number |        |
|  |  | 9b. Date Grantee Notified (mm/dd/yyyy) <b>09/28/2012</b>         |  |        |
|  |  | 9c. Date of Start of Program Year (mm/dd/yyyy) <b>10/01/2012</b> |  |        |
| 11. Amount of Community Development Block Grant  |  |  |  |        |
|  |  | FY <b>(2012)</b>   | FY ( )   | FY ( ) |
| a. Funds Reserved for this Grantee   |  | <b>\$896,341</b>   |  |        |
| b. Funds now being Approved  |  | <b>\$896,341</b>   |  |        |
| c. Reservation to be Cancelled (11a minus 11b)   |  |  |  |        |

|   |   |
|---|---|
| 12a. Amount of Loan Guarantee Commitment now being Approved   | 12b. Name and complete Address of Public Agency               |
| <b>Loan Guarantee Acceptance Provisions for Designated Agencies:</b><br>The public agency hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it. | 12c. Name of Authorized Official for Designated Public Agency |
|   | Title   |
|   | Signature   |

### HUD Accounting use Only

| Batch | TAC | Program Y | A Reg Area | Document No. | Project Number | Category | Amount | Effective Date (mm/dd/yyyy) | F |
|-------|-----|-----------|------------|--------------|----------------|----------|--------|-----------------------------|---|
|       | 153 |           |            |              |                |          |        |                             |   |
|       | 176 |           |            |              |                |          |        |                             |   |
|       |     | Y         |            |              | Project Number |          | Amount |                             |   |
|       |     | Y         |            |              | Project Number |          | Amount |                             |   |

|                               |                                 |              |                  |            |             |
|-------------------------------|---------------------------------|--------------|------------------|------------|-------------|
| Date Entered PAS (mm/dd/yyyy) | Date Entered LOCCS (mm/dd/yyyy) | Batch Number | Transaction Code | Entered By | Verified By |
|-------------------------------|---------------------------------|--------------|------------------|------------|-------------|