



## CITY OF PLANO COUNCIL AGENDA ITEM

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		6/25/12		
Department:		Planning/Community Services		
Department Head		Phyllis Jarrell		
Agenda Coordinator (include phone #): <b>Karen Suiter ext. 7566</b>				
<b>CAPTION</b>				
Public Hearing and Consideration of a Resolution of the City Council of the City of Plano, Texas, adopting the 2012-2013 Action Plan, including the summary of Community Development Block Grant and HOME Investment Partnership objectives and proposed use of funds for program year 2012-2013; and declaring an effective date.				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2012-13</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	<b>0</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	0	0	<b>0</b>
BALANCE	0	0	0	<b>0</b>
<b>FUND(S):     CDBG &amp; HOME GRANT FUNDS</b>				
<b>COMMENTS:</b> This item has no fiscal impact.				
STRATEGIC PLAN GOAL: Adopting the 2012-13 Action Plan relates to the City's goal of Partnering for Community Benefit, Great Neighborhoods - 1 <sup>st</sup> Choice to Live, and Financially Strong City with Service Excellence.				
<b>SUMMARY OF ITEM</b>				
This resolution formally adopts the 2012-13 Action Plan, which includes the final statement of Community Development Block Grant and HOME Program objectives, thereby setting the budget for the use of these funds in 2012-13. If, as a result of the public hearing, any of the proposed projects are changed, this resolution will need to be amended prior to its approval.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Staff Summary, Resolution, Action Plan		Community Relations Commission Approved 5 - 0		

**A Resolution of the City Council of the City of Plano, Texas, adopting the 2012-2013 Action Plan, including the summary of Community Development Block Grant and HOME Partnership objectives and proposed use of funds for program year 2012-2013; and declaring an effective date.**

**WHEREAS**, the Community Relations Commission held public hearings in 2012 on April 11, April 17, April 24, and May 1 and made final recommendations at the public meeting on May 22, 2012, concerning the 2012-2013 Action Plan, and the use of the Community Development Block Grant Funds, and the HOME Investment Partnership Funds collectively referred to herein as “the Funds”, and;

**WHEREAS**, the City Council held a public hearing on June 25, 2012, to receive public comments concerning the recommendations of the Community Relations Commission, and;

**WHEREAS**, the City Council has authorized the City Manager to make application for the Funds;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**SECTION I.** - The 2012-2013 Action Plan (Exhibit “A” attached hereto), including the summary of Community Development Block Grant and HOME Investment Partnership Objectives and proposed use of funds for 2012-2013, are hereby adopted with funding allocations as follows:

Boys and Girls Clubs of Collin County	\$ 30,000
Christ United Methodist Church	\$ 42,000
First Time Homebuyer Assistance	\$ 40,000
Grant Administration	\$234,000
Homelessness Prevention	\$ 48,000
Helping Partners	\$ 17,000
Housing Rehabilitation	\$768,620
Communities in Schools Dallas Region	\$ 15,000
Habitat for Humanity of South Collin County	\$134,533
LaunchAbility	\$ 10,000
Maurice Barnett Geriatric Wellness Center – PHC	\$ 33,344
Maurice Barnett Geriatric Wellness Center – Gatekeeper	\$ 22,000
Plano Housing Corporation	\$125,000

**SECTION II.** - This resolution shall take effect immediately upon its passage.

**DULY PASSED AND APPROVED THIS 25TH DAY OF JUNE 2012.**

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

Approved as to form:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

# CITY OF PLANO

## COMMUNITY RELATIONS COMMISSION

June 25, 2012

### Report on 2012-2013 Federal Grant Recommendations

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#### SUMMARY OF RECOMMENDATIONS:

The Community Services Division has a total of \$1,519,497 in federal funds and program income to be allocated for 2012-13. This amount is derived as follows:

New 2012-13 CDBG Grant amount:	\$1,088,964
New 2012-13 HOME Grant amount:	\$ 342,533
Estimated CDBG Program Income for 2012-13:	\$ 80,000
<u>Estimated HOME Program Income for 2012-13:</u>	<u>\$ 8,000</u>
Total Amount:	\$1,519,497

Each year, projected program income must be included in the allocations. For 2012-13, staff has estimated \$88,000 in program income; therefore, must include the additional funds in the year's total. The estimate includes \$80,000 in CDBG program income and \$8,000 in HOME program income, although the actual amount collected may be substantially more or less.

Because there is uncertainty about the actual amount of program income the City will collect and because nearly all of the income is generated by the housing rehabilitation program's loans, program income is typically allocated to the housing rehabilitation program rather than to a particular agency. If there is a shortfall, the housing rehabilitation program is best able to absorb the loss because of the large amount of funding it receives. The rehabilitation program did not receive HOME funds, so HOME program income is allocated to the first-time homebuyer assistance program as part of that program's funding recommendation.

Public services can be funded through CDBG, but are limited to 15% of the total of CDBG entitlement funds and program income. Public services are defined as activities directed toward improving community services, including employment, crime prevention, child care, health care, drug abuse, education, fair housing counseling, energy conservation, welfare, or recreational needs, and which do not fall under any other CDBG category. The 2012-13 CDBG public service grant amount is calculated to be \$175,344, at the maximum 15%. The City received \$529,997 in public service requests from agencies considered for CDBG funds. Any change in the recommendations should take the public service cap (15% limit) into account.

Prior direction from the City Council has been to use CDBG funds primarily to fund housing and neighborhood projects. Housing is a great concern for the City because deteriorating housing results in high crime rates, lower property taxes, and higher tax rates. In addition, the lack of affordable housing under \$110,000 is a major focus. Federal funds are the primary source the City has to address housing concerns such as rehabilitation needs. For these reasons, CDBG funds are used toward housing and neighborhoods with 69% of these funds directed to those areas within the following recommendations.

HOME funds impact affordable housing, with the exception of grant administration funds. Funds dedicated to grant administration equal 17% of CDBG and 9% of HOME as is allowed by the grants.

HUD expects the City to use CDBG and HOME funds to meet the goals expressed in the Five-Year Consolidated Plan, which are included in the Action Plan. In our annual report to HUD and the community, we are expected to explain our progress in meeting these goals using our available resources.

The following are the Commission's recommendations for the use of the 2012-13 grants. The chart shown below demonstrates how the recommendations are distributed between the two sources of funds. Please note that, for comparison purposes, the last column on the right shows the total amount the agency received in 2011.

<b>2012 Applicant</b>	<b>CDBG</b>	<b>HOME</b>	<b>2012 Total Grant</b>	<b>2012 Request</b>	<b>2011 Funding</b>
Boys and Girls Clubs of Collin County	\$ 30,000	\$ -	\$ 30,000	\$ 50,000	\$ 22,000
Christ United Methodist Church	\$ -	\$ 42,000	\$ 42,000	\$ 50,000	\$ 35,000
City of Plano – First Time Homebuyer Assistance	\$ -	\$ 40,000	\$ 40,000	\$ 51,757	\$ 150,000
City of Plano – Grant Administration	\$ 200,000	\$ 34,000	\$ 234,000	\$ 252,046	\$ 255,685
City of Plano – Homelessness Prevention	\$ 48,000	\$ -	\$ 48,000	\$ 74,935	\$ 43,755
City of Plano – Helping Partners	\$ 17,000	\$ -	\$ 17,000	\$ 56,005	\$ 20,000
City of Plano – Housing Rehabilitation	\$ 768,620	\$ -	\$ 768,620	\$ 805,000	\$ 795,000
Communities in Schools Dallas Region	\$ 15,000	\$ -	\$ 15,000	\$ 30,000	\$ 18,000
Habitat for Humanity of South Collin County	\$ -	\$ 134,533	\$ 134,533	\$ 170,000	\$ 120,000
LaunchAbility	\$ 25,000	\$ -	\$ 25,000	\$ 16,596	\$ 10,000
Maurice Barnett Geriatric Wellness Center – PHC	\$ 33,344	\$ -	\$ 33,344	\$ 46,250	\$ 30,000
Maurice Barnett Geriatric Wellness Center – Gatekeeper	\$ 22,000	\$ -	\$ 22,000	\$ 35,620	\$ 23,000
Plano Housing Corporation	\$ 25,000	\$100,000	\$ 125,000	\$ 175,000	\$ 158,968

## 2010 - 2014 CONSOLIDATED PLAN COMMUNITY DEVELOPMENT STRATEGIES AND OBJECTIVES

### **DECENT HOUSING**

*Strategy DH: Encourage the provision of decent, safe and affordable housing for low and moderate income and special needs residents.*

Objective DH-1.1 (Affordability): Continue to preserve and enhance existing housing stock through home rehabilitation.

Objective DH-1.2 (Affordability): Continue to create affordable homeownership opportunities through homeownership assistance, new construction and/or acquisition and rehabilitation of land and properties for income qualifying households.

Objective DH-1.3 (Affordability): Increase and support affordable rental housing opportunities in Plano.

### **SUITABLE LIVING ENVIRONMENT**

*Strategy SL: Improve and maintain suitable living environments by supporting and enhancing public facilities, public services and infrastructure for low income persons, special needs populations and neighborhoods in need of revitalization.*

Objective SL-2.1 (Availability/Accessibility): Develop and upgrade public facilities and infrastructure to help lower income persons, those with special needs and neighborhoods in need.

Objective SL-2.2 (Availability/Accessibility): Fund public service activities serving primarily lower income persons and those with special needs.

Objective SL-3 (Sustainability): Support the rehabilitation/revitalization of aging neighborhoods through a mixture of infrastructure improvements, home and business rehabilitation, code enforcement, and expanding economic opportunities.

### **ECONOMIC OPPORTUNITIES**

*Strategy EO: Encourage economic opportunities that promote private investment for low and moderate income persons and area workforce.*

Objective EO-1 (Availability/Accessibility): Create and/or expand opportunities for small businesses and/or microenterprises.

### **OTHER**

*Strategy O: Continue program planning and administration that supports all of the above strategies and objectives.*

Objective O-1: Use CDBG and HOME funds to coordinate, monitor and implement the Consolidated Plan objectives according to HUD.

## Request Details:

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Program: **SMART Moves** Request: \$ 50,000  
Agency: **Boys and Girls Clubs of Collin County** Recommendation: **CDBG** \$ **30,000**

The Boys and Girls Clubs organization is requesting financial assistance for the SMART Moves program, which is a comprehensive prevention and education program for at-risk youth run out of the Douglass Community Center. The program is designed to combat threats to children from engaging in risky behaviors including alcohol, tobacco, other drugs, teenage pregnancy, and gang violence.

This program relates to SL-2.2: Fund public service activities serving primarily lower income persons and those with special needs.

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Program: **House on the Corner** Request: \$ 50,000  
Agency: **Christ United Methodist Church** Recommendation: **HOME** \$ **42,000**

Christ United Methodist Church has built one new, affordable house for the past seven years moving the completed home to a residential lot in the Douglass Community. As with Habitat for Humanity, their volunteer hours and donations are an excellent source of matching funds for the HOME grant.

This activity relates to DH-1.2: Continue to create affordable homeownership opportunities through homeownership assistance, new construction and/or acquisition and rehabilitation of land and properties for income qualified households.

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Program: **First Time Homebuyer Assistance** Request: \$ 51,757  
Agency: **City of Plano Community Services** Recommendation: **HOME** \$ **40,000**

This program provides down payment and closing cost assistance to enable a low-income family to purchase their first home. Funds will assist 12 households to buy a home. The amount recommended includes an estimated \$8,000 in HOME program income based on loan repayments.

This activity relates to DH-1.2: Continue to create affordable homeownership opportunities through homeownership assistance, new construction and/or acquisition and rehabilitation of land and properties for income qualifying households.

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Program: **Grant Administration**  
Agency: **City of Plano Community Services**

Request: \$ 252,046  
Recommendation: **HOME \$ 34,000**  
**CDBG \$ 200,000**

The administrative funds from CDBG are used for expenses of administration of the grant, including the annual audit, the cost of travel to HUD-related training, legal notices and advertisements, and fair housing expenses. The administrative funds are also required to staff oversight of the grants, including development of HUD reports, subrecipient agency monitoring, and financial management.

HOME administrative funds are used for the same purposes as CDBG administrative funds. HOME administrative funds do not require matching funds; thereby, reducing the City's potential liability for contributing cash out of the budget for the required match.

This activity relates to O-1: Use CDBG and HOME funds to coordinate, monitor and implement the Consolidated Plan objectives according to HUD.

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Program: **Helping Partners**  
Agency: **City of Plano Volunteers in Plano**

Request: \$ 56,005  
Recommendation: **CDBG \$ 17,000**

Helping Partners is a referral service that brings volunteer groups to location-eligible Plano homeowners and neighborhoods in need of repairs, cleanups or other services. The program connects pre-approved homeowners with community organizations who have resources to assist them.

This activity relates to DH-1.1: Continue to preserve and enhance existing housing stock through home rehabilitation.

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Program: **Homelessness Prevention**  
Agency: **City of Plano Community Services**

Request: \$ 75,935  
Recommendation: **CDBG \$ 48,000**

For a number of years the City has funded a homeless prevention program, whereby families who are in non-recurring difficulties which have put them in danger of losing their home can receive up to three months of rent and utility assistance. The program is subcontracted to the Samaritan Inn and has specific guidelines that distinguish this program from other family assistance programs run by the agency.

This program relates to SL-2.2: Fund public service activities serving primarily lower income persons and those with special needs.

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Program:	<b>Housing Rehabilitation</b>	Request:	\$805,000
Agency:	<b>City of Plano Community Services</b>	Recommendation:	<b>CDBG \$ 768,620</b>

This is an on-going program of low-interest loans for the rehabilitation of houses in Plano. The program also provides for the acquisition, rehabilitation and resale of single family homes to low and moderate-income homebuyers. The program helps low-income households to make their homes livable, and has been the primary activity of the Community Development program in Plano since its inception. Housing Rehabilitation provides a decent living environment for low-income families, and visibly improves neighborhoods.

Since this is a revolving loan fund, a portion of the money is recovered to be used again. The amount recommended includes an estimated \$80,000 in program income based on loan repayments.

This activity relates to DH-1.1: Continue to preserve and enhance existing housing stock through home rehabilitation.

Program:	<b>One Student at a Time-Plano ISD</b>	Request:	\$ 30,000
Agency:	<b>Communities in Schools Dallas, Inc.</b>	Recommendation:	<b>CDBG \$ 15,000</b>

Communities in Schools Dallas, Inc. requested funds to compensate campus managers at Armstrong and Bowman Middle Schools. These individuals provide academic and social support services, enrichment activities, parental involvement or student/family support services and health and human service resources and referrals for at-risk students.

This program relates to SL-2.2: Fund public service activities serving primarily lower income persons and those with special needs.

Program:	<b>New and Rehabilitated Affordable Housing</b>	Request:	\$ 170,000
Agency:	<b>Habitat for Humanity of South Collin County</b>	Recommendation:	<b>HOME \$ 134,533</b>

Habitat requested funds to acquire land and build houses in Plano. The program will also allow for the purchase and rehabilitation of single family dwelling units for the purpose of housing affordable low and moderate-income households. The volunteer hours and donations obtained by Habitat in building their homes have been valuable in meeting the City's matching requirements for the HOME program.

This activity relates to DH-1.2: Continue to create affordable homeownership opportunities through homeownership assistance, new construction and/or acquisition and rehabilitation of land and properties for income qualifying households.

Program:	<b>Supported Employment/Continued Support</b>	Request:	\$ 16,596
Agency:	<b>LaunchAbility</b>	Recommendation:	<b>CDBG \$ 10,000</b>

This request is for the Supported Employment program, a comprehensive program that helps adults with cognitive disabilities to obtain employment at market pay.

This program relates to Strategy EO: Encourage economic opportunities that promote private investment for low and moderate income persons and area workforce.

Program:	<b>Preventative Health Care</b>	Request:	\$ 46,250
Agency:	<b>Maurice Barnett Geriatric Wellness Center</b>	Recommendation:	<b>CDBG \$ 33,344</b>

This request is for preventative nursing care, counseling, health education, referrals, medical equipment lending and routine preventative service not covered by Medicare. Individuals participating in this program will be either elderly or severely disabled.

This program relates to SL-2.2: Fund public service activities serving primarily lower income persons and those with special needs.

Program:	<b>Gatekeeper</b>	Request:	\$ 35,620
Agency:	<b>Maurice Barnett Geriatric Wellness Center</b>	Recommendation:	<b>CDBG \$ 22,000</b>

This service assists at-risk Plano elderly or disabled adults with case management. Case management will include referrals to the appropriate community partners, assistance in securing resources and advocacy.

This program relates to SL-2.2: Fund public service activities serving primarily lower income persons and those with special needs.

Program:	<b>Land Purchase and Lot Preparation</b>	Request:	\$ 175,000
Agency:	<b>Plano Housing Corporation</b>	Recommendation:	<b>CDBG \$ 25,000</b> <b>HOME \$ 100,000</b>

This request is for funds to support operational and housing expenses to purchase, rehabilitate, and re-sell single-family homes. The homes are typically sold at a discount from appraised value to make them more affordable to low-income families.

HOME rules require that at least 15% of the HOME funds be designated for Community Housing Development Organizations (CHDO's). The rules also allow the City to provide up to 5% of the HOME grant for CHDO operating expenses. No matching funds are required for operating expenses which benefits the City by reducing our matching requirements. Plano Housing Corporation is currently our only CHDO, and will automatically receive \$51,380 (15% of the HOME grant). The Commission is recommending \$100,000 from HOME, including \$17,127 (5%) of the HOME entitlement grant for operating expenses. The Commission also recommended that \$25,000 be granted from CDBG funds for a total of \$125,000.

This activity relates to DH-1.1: Continue to preserve and enhance existing housing stock through home rehabilitation.

## Unfunded Request Details:

Five agency requests were considered for CDBG public service funding but not recommended by the Commission.

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Program:	<b>Emergency Assistance</b>	Request:	\$ 50,000
Agency:	<b>Assistance Center of Collin County</b>	Recommendation:	<b>CDBG \$ 0</b>

The organization requested funds to cover operating expenses and to provide rent, utility and transportation services to citizens of Plano.

The Commissioners had unanimous concern over the quality and clarity of information provided in the application and at the hearing. They did not perceive the program to be clearly defined in the information provided, especially regarding program impact and measurable goals as there was a lack of comparable information provided. They expressed concerns about the changes in the application from a self-sufficiency program with wrap-around services back to a short-term financial assistance program with only immediate goals on family impact. Mid or long-term impact of the program is no longer tracked as in previous years. There was additional concern over the overall financial stability of the agency based on the information provided.

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Program:	<b>Part-time Case Manager</b>	Request:	\$ 5,598
Agency:	<b>Family Promise of Collin County</b>	Recommendation:	<b>CDBG \$ 0</b>

The organization requested funds to support compensation of a part-time staff person to assist the director in daily operations. Family Promise provides shelter, food and support services to Collin County families with children as they regain sustainable independence.

The Commissioners had unanimous concern over the quality and clarity of information provided in the application and at the hearing. They did not perceive the program to be clearly defined in the information provided. Concerns also included the location of operations, need for a vehicle, and transient nature of the program. They expressed a desire for the agency to provide a clearer application in future years, as they appreciate the way the program leverages community resources and meets unmet needs.

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Program:	<b>Family Self Sufficiency/Steps to Success</b>	Request:	\$ 10,000
Agency:	<b>Plano Housing Authority</b>	Recommendation:	<b>CDBG \$ 0</b>

The Plano Housing Authority requested funds to support the Steps to Success program which provides resources, services, mentoring and case management for participants to achieve self-sufficiency.

The Commission had unanimous concern this year over the quality and clarity of information provided in the application and the hearing. They questioned the programmatic impact and how those measurements correspond with the goals. They were not clear on the explanation of how the funding requested was critical in supporting the program goals, and thought the programs might be provided in a more cost effective manner, such as utilizing City of Plano Recreation classes to provide basic auto maintenance education. Finally, the incongruent financial information provided did not meet a minimum quality threshold necessary for responsible commitment of public funds.

Program: **Emergency Financial Assistance** Request: \$ 45,000  
Agency: **Salvation Army** Recommendation: **CDBG** \$ 0

The Salvation Army requested funds to provide short-term financial assistance to individuals and families for rent, mortgage and utility payment.

The Commissioners had unanimous concern over the quality and clarity of information provided in the application and at the hearing. They did not perceive the program to be clearly defined in the information provided, especially regarding program impact and measureable goals. They were disappointed that the Salvation Army was unable to provide clarity and detail on the corrective management actions taken in recent years to address issues with previous grants during the public hearing. As a result, the Commission did not recommend funding.

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Program: **Child Abuse Prevention** Request: \$ 12,057  
Agency: **Strengthening Families of North Texas** Recommendation: **CDBG** \$ 0

The organization requested funds to support educating and providing support services to assist families at risk of abuse and neglect before intervention from Child Protective Services is required.

The Community Development Block grant (CDBG) utilizes Federal funding. Due to the City's obligation to return local funds to the Federal government, if standards are not met, we have stricter requirements on use of those funds. For example, they are not recommended to agencies who do not have their financials audited annually by a Certified Public Accountant. Additional risk was perceived due to the agency's current lack of a facility out of which to operate.

The Commissioners ultimately had a unanimous concern over the quality and clarity of information provided in the application and at the hearing. They did not perceive the program to be clearly defined and desire to see a stronger track record of stable operations prior to committing taxpayer funds.

# 2012-2013 City of Plano Action Plan

Prepared for  
United States Department of Housing  
and Urban Development  
by the  
City of Plano, TX



Executive Summary	1
<b>2012-13 Objectives and Outcomes</b>	1
<b>Evaluation of Past Performance</b>	2
Citizen Participation	2
Resources	3
Annual Objectives	3
Geographic Distribution/Allocation Priorities	9
Annual Affordable Housing Goals	10
Public Housing	11
Homeless and Special Needs	11
Barriers to Affordable Housing	12
Meeting Underserved Needs	14
Anti-Poverty Strategies	14
Lead Based Paint Hazard Reduction	15
Inter-agency Coordination	15
Program Specific Requirements	15
<b>CDBG</b>	17
<b>HOME</b>	17
Summary Statement	19

## Executive Summary

As part of the Federal regulations guiding the development of this document, the City is required to provide an executive summary that includes objectives and outcomes identified for the plan year, as well as an evaluation of past performance, a summary of the citizen participation and consultation process, and a summary of comments or views expressed with reasons for any comments not accepted.

The City of Plano 2012-13 Action Plan details activities that will receive U.S. Department of Housing and Urban Development (HUD) funds from October 1, 2012 through September 30, 2013. After a lengthy citizen participation process that encouraged involvement from Plano residents and those organizations assisting Plano residents, the activities detailed in the Plan represent the recommendations of the Community Relations Commission. Funding for the activities will come from HUD's Community Development Block Grant (CDBG) and HOME Investment Partnership Grant (HOME) funds. All of the activities will improve the quality of life for Plano residents and enhance the overall community.

Priorities for funding are established through the 2010-2014 City of Plano Consolidated Plan. The 2010-2014 Consolidated Plan details the strategies, objectives, outcomes and goals the City of Plano will address with the use of HUD funds. The City of Plano combines general funds with HUD funds to achieve the objectives and outcomes set forth in the 2010-2014 Consolidated Plan. The 2012-13 Action Plan serves as year three of the five years.

## 2012-13 Objectives and Outcomes

The following are the FY 2012 objectives and outcomes identified for funding in the 2012-13 Annual Action Plan.

### Decent Housing

**Objective 1:** To preserve and enhance existing housing stock through home rehabilitation.

*Outcome:* Provide programs to rehabilitate and improve the existing stock of homes occupied by low and moderate income owners.

**Objective 2:** To create affordable homeownership opportunities through homeownership assistance, new construction and/or acquisition and rehabilitation of land and properties for income qualifying households.

*Outcome:* Provide assistance to homebuyers with downpayment assistance, closing cost assistance, and/or homebuyer education and counseling.

### Suitable Living Environment

**Objective:** Fund public service activities serving primarily lower income persons and those with special needs.

*Outcome 1:* Provide support to organizations that engage in public services for Plano residents, especially special needs populations, including but not limited to low income elderly, persons with disabilities, persons with HIV/AIDS and at-risk youth.

*Outcome 2:* Assist homeless supportive services across the entire spectrum of need, from homelessness to self-sufficiency, with the continued emphasis on homelessness prevention.

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## 2012-2013 City of Plano Action Plan

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### Economic Opportunities

**Objective:** Create and/or expand opportunities for small businesses and/or microenterprises.

*Outcome:* Support activities that provide job training and assist with job/small business creation.

### Evaluation of Past Performance

The City of Plano strives to improve performance of all organizations participating in the delivery of activities funded to enhance and improve the quality of life of Plano residents. Within the past 12 months, City staff has made changes in policies, procedures and overall processes for in-house HUD-funded programs. One significant change was to the Housing Rehabilitation construction process. In 2011, the Community Services Division (CSD) incorporated a warranty escrow component to improve the overall construction process and decrease the City's liability in the event of post-construction repairs during the 12 months following project completion.

In the past twelve months, the City of Plano has invested \$904,494 of HUD funds in the community to meet objectives and outcomes outlined in the 2010-2014 Consolidated Plan. \$43,938 in CDBG funds provided homelessness prevention and case management to Plano residents. \$502,795 in CDBG and \$140,775 in HOME funds were spent on creating, improving, and/or placing low to moderate income households into Plano's affordable housing stock. \$216,986 was spent on services to assist the elderly, disabled adults, at-risk youth, patients living with AIDS/HIV, and provide grant administration.

On October 1, 2012, the City will enter the third year of the 2010-2014 Consolidated Plan which ends with FY2014. Much progress has been made toward addressing annual objectives. The 2011 Action Plan year ends on September 30, 2012, to-date, several programs in the Suitable Living objective have met or exceeded annual outcomes and the City has exceeded the Economic Opportunity outcome. The City expects to meet all other 2011-12 annual objectives by the end of FY2011.

### Public Participation

The City of Plano understands the importance of citizen participation when making decisions that affect the community. The Community Relations Commission (CRC), policy recommending body to the Plano City Council, is made up of Plano residents and serves as the first resource by which the community can participate in funding allocations for HUD and City of Plano Buffington Community Service Grant funds. Through its coordination with staff, the CRC oversees the citizen participation process. In January 2012, the City of Plano notified organizations that expressed interest in providing services to Plano residents of available funding through electronic mail, letters sent by the U.S. Post Office, the Plano Star Courier and via the web at [www.planoplanning.gov](http://www.planoplanning.gov).

Applications were accessible via the City's website. In order to assist interested agencies in applying, City staff held two mandatory application trainings on January 27<sup>th</sup> and February 1<sup>st</sup>. One-on-one technical assistance was made available by appointment to organizations interested in applying. Several organizations met with the CSD Manager and staff to request general guidance in preparing their application before official submission. On March 28<sup>th</sup>, the City published a notification in the Plano Star Courier informing the public of hearings for the use of CDBG and HOME funds. The CRC held public hearings for those desiring to speak on 2012 funding allocations on April 11<sup>th</sup>, April 17<sup>th</sup>, April 24<sup>th</sup> and May 1<sup>st</sup>.

On May 22, 2012, the CRC made recommendations for the use of grant funding. A preliminary funding notice for the proposed 2012 Action Plan was published in the Plano Star Courier newspaper on June 10, 2012. The 30 day public comment period began on June 11, 2012 and ended on July 12, 2012. In addition to listing CRC funding recommendations, it also explained how to obtain a copy of the City of Plano Draft 2012-13 Action Plan and noted the City Council public hearing date on June 25, 2012.

### Summary of Citizen Comments or Plan Views:

Comments received were made during CRC hearings by organization representatives regarding information presented in their written application. No written or public comments, other than written applications, have been received by City staff.

Additional comments will be inserted here at the end of the comment period, July 12, 2012.

### Resources

The City of Plano will use both CDBG and HOME funds during FY 2012. The following represents the FY 2012 CDBG and HOME entitlement allocations as compared to last year.

	FY 2011	FY 2012	Difference
<b>CDBG</b>	\$1,169,726	<b>\$1,088,964</b>	-\$80,762
<b>HOME</b>	\$423,487	<b>\$342,533</b>	-\$80,954
<b>Total</b>	<b>\$1,593,213</b>	<b>\$1,431,497</b>	<b>-\$161,716</b>

HUD funds impact public services (social services), affordable housing, and grant administration. The 2012 reduction in CDBG funds has resulted in a 3.1% drop in available public services funding compared to that available in 2011. Non-profit partners will generally receive a smaller allocation this year due to the reduction in CDBG.

Affordable housing programs are funded through 72% of the CDBG allocation and 92% of the HOME allocation. Unfortunately, the cuts have resulted in a loss of funding to our affordable housing partners, Habitat for Humanity, Plano Housing Corporation and Christ United Methodist Church's 'House on the Corner'. Additionally, fewer homeowners will receive home rehabilitations again this year through the City's Housing Rehabilitation Program.

The City expects to receive program income from rehabilitation loans for both the CDBG and HOME programs. In FY 2012, the City anticipates receiving at least \$80,000 in CDBG and \$8,000 in HOME program income.

The City will also use general fund dollars to further support objectives and outcomes established in the 2010-2014 Consolidated Plan.

The City of Plano will meet the 25% HOME match requirement of \$85,633 through volunteer labor and donations received by Habitat for Humanity of South Collin County's Plano projects and Christ United Methodist Church's 'House on the Corner' project.

The above mentioned federal funds will be used to leverage private sector and non-federal public sources to aid organizations in providing a more complete scale of services to Plano residents. Funds provided by the City of Plano to organizations are not enough to fund their entire program. For public service organizations, these funds help leverage state, foundation, and sometimes other federal funds to provide a continuum of services to Plano residents. For non-public service organizations, CDBG and HOME funds are used to leverage private bank funds and other federal programs to assist homebuyers and homeowners in improving or purchasing a home.

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**2012-2013 City of Plano Action Plan**


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**Annual Objectives**

The Community Relations Commission has recommended the following activities for 2012:

<b>DECENT HOUSING</b>	
<b>Objective 1: Continue to preserve and enhance existing stock of homes occupied by low and moderate income owners.</b>	
Agency, Program	City of Plano, <b>Housing Rehabilitation</b>
Amount, Source	\$688,620 (CDBG) \$ 80,000 (CDBG Program Income)
Activity	Provide low-interest rehabilitation and reconstruction loans to low-to-moderate income owner-occupied and rental housing, some of which may include historic preservation. Also provide for the acquisition, rehabilitation and resale of single family homes.
Outcome	22 houses rehabilitated
Customer/ Beneficiary	Low-to-moderate income(LMI) homeowners
Service Area	City-wide
Agency, Program	City of Plano, <b>Helping Partners</b>
Amount, Source	\$17,000 (CDBG)
Activity	Connects volunteers with homeowners or neighborhoods in need of repairs, cleanups or other services.
Outcome	60 households assisted
Customer/ Beneficiary	Plano residents living within City of Plano Benefit Area
Service Area	Locations within City of Plano Benefit Area Map (Geographic Distribution section)
<b>Objective 2: Continue to preserve and enhance existing stock of homes occupied by low and moderate income owners.</b>	
Agency, Program	City of Plano, <b>Homeownership Financial Assistance</b>
Amount, Source	\$32,000 (HOME) \$ 8,000 (HOME Program Income)
Activity	Provide downpayment and closing cost assistance of up to \$10,000 to low-to-moderate income families buying homes in Plano, including a mandatory eight hour homebuyer education class.

## 2012-2013 City of Plano Action Plan

Outcome	12 households assisted into homeownership
Customer/ Beneficiary	LMI homebuyers
Service Area	Citywide
Agency, Program	Christ United Methodist Church, <b>House on the Corner</b>
Amount, Source	\$42,000 (HOME)
Activity	Construct an affordable house for an eligible homebuyer.
Outcome	1 house constructed and sold to a qualified homebuyer
Customer/ Beneficiary	LMI households
Service Area	Citywide
Agency, Program	Habitat for Humanity of South Collin County, <b>Habitat for Humanity Plano Builds 2012-13</b>
Activity	Acquire residential lots for the purpose of construction of housing and/or purchase existing homes for rehabilitation and resale.
Amount, Source	\$134,533 (HOME)
Outcome	3 houses rehabilitated or constructed and sold to a qualified homebuyer
Customer/ Beneficiary	LMI households
Service Area	Citywide
Agency, Program	Plano Housing Corporation, <b>Acquisition, Rehabilitation and Sale of Homes</b>
Activity	Purchase and develop residential lots and/or purchase existing homes for rehabilitation and resale.
Amount, Source	\$ 25,000 (CDBG) \$100,000 (HOME)
Outcome	2 houses rehabilitated and resold
Customer/ Beneficiary	LMI households
Service Area	Citywide

## 2012-2013 City of Plano Action Plan

**2012-13 Decent Housing Outcome Summary**

Rehabilitation/ Repair Goal	New Construction Goal	New Homeowner Goal	Total Outcome Goal
84 households	4 households	12 households	100 households

**SUITABLE LIVING ENVIRONMENT**

Objective: Fund public service activities serving primarily lower income persons and those with special needs.

Agency, Program	City of Plano, <b>Homelessness Prevention</b>
Activity	Provide rent or mortgage payments and utility assistance.
Amount, Source	\$48,000 (CDBG)
Outcome	27 households prevented from becoming homeless
Customer/ Beneficiary	LMI households
Service Area	Citywide
Agency, Program	Maurice Barnett Geriatric Wellness, <b>Gatekeeper</b>
Activity	Provide support services to the elderly.
Amount, Source	\$22,000 (CDBG)
Outcome	15 individuals assisted with support services
Customer/ Beneficiary	Seniors ages 62 years of age or older and/or severely disabled
Service Area	Citywide
Agency, Program	Maurice Barnett Geriatric Wellness, <b>Preventive Healthcare</b>
Activity	Provide preventative health care to the elderly.
Amount, Source	\$33,344 (CDBG)
Outcome	486 individuals assisted with healthcare
Customer/ Beneficiary	Seniors ages 62 years of age or older and/or severely disabled
Service Area	Citywide

## 2012-2013 City of Plano Action Plan

Agency, Program	Boys and Girls Clubs of Collin County, <b>SMART Moves</b>
Activity	Provides an education program for at-risk youth.
Amount, Source	\$30,000 (CDBG)
Outcome	122 youth educated
Customer/ Beneficiary	LMI Youth
Service Area	Citywide
Agency, Program	Communities in School Dallas Region, <b>One Student at a Time - Armstrong &amp; Bowman Middle Schools</b>
Activity	Provide counseling/support to at-risk youth.
Amount, Source	\$15,000 (CDBG)
Outcome	30 at-risk youth
Customer/ Beneficiary	LMI Youth
Service Area	Armstrong Middles School and Williams High School students residing in Plano

## 2012-13 Suitable Living Outcome Summary

Households	Individuals	Total Outcome Goal
27	653	680

**ECONOMIC OPPORTUNITIES**

Objective: Create and/or expand opportunities for small businesses and/or microenterprises.

Agency, Program	LaunchAbility, <b>Individualized Supported Employment</b>
Activity	Provide job training and ongoing support to obtain and keep employment.
Amount, Source	\$10,000 (CDBG)
Outcome	3 disabled adults
Customer/Beneficiary	Severely disabled adults
Service Area	Citywide

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**2012-2013 City of Plano Action Plan**


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**2012-13 Economic Opportunities Outcome Summary**

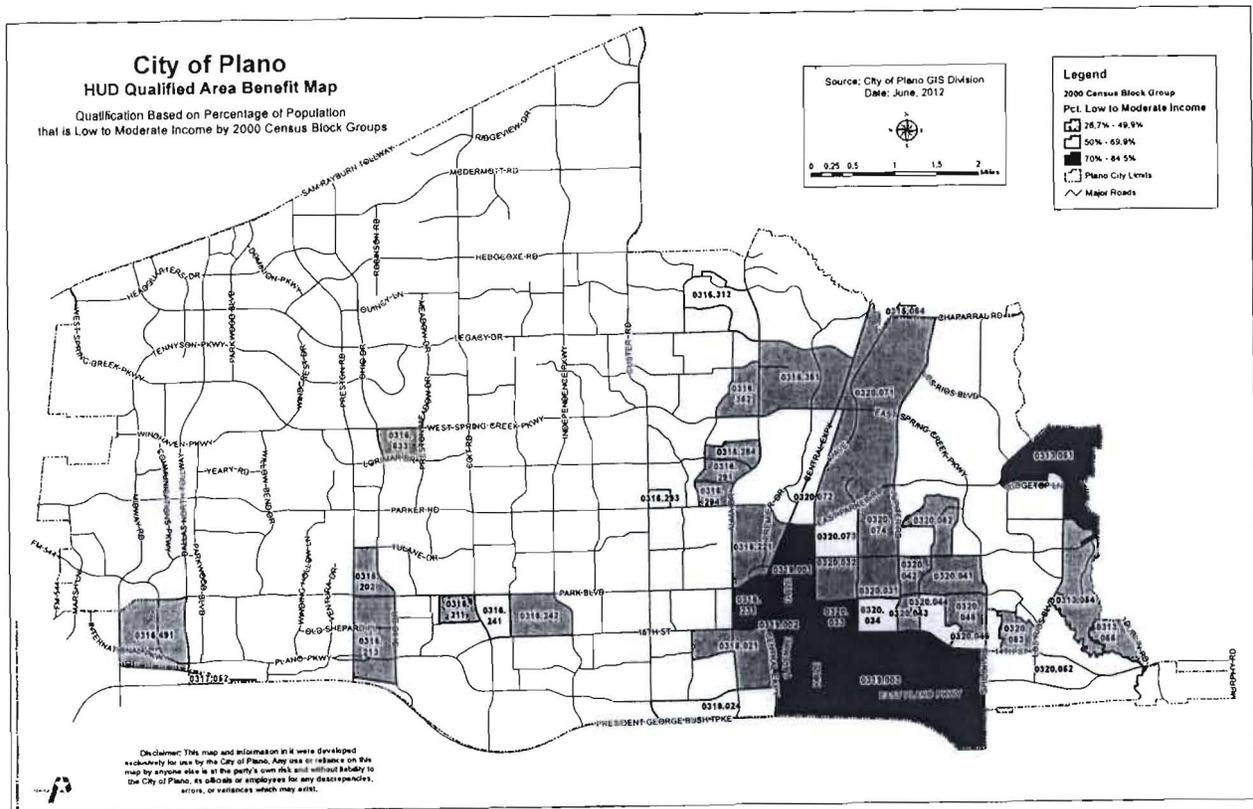
<b>Households</b>	<b>Individuals</b>	<b>Total Outcome Goal</b>
0	3	3

<b>Other Objective</b>	
Agency, Program	City of Plano, <b>Grant Administration</b>
Activity	Provide oversight, monitoring, and coordination of the CDBG and HOME programs, as well as fair housing promotion, services, and counseling.
Amount, Source	\$200,000 (CDBG) \$ 34,000 (HOME)
Outcome	Effectively administer grant-funded programs
Customer/Beneficiary	LMI households and individuals
Service Area	Citywide

**Geographic Distribution/Allocating Priorities**

In general, assistance provided to low-to-moderate income residents is not restricted to any particular geographic area in Plano. The City will fund one program, Helping Partners, which has designated service areas. Eligible service areas are those census tracts with an area median income of 26% or higher. The City has developed the below City of Plano Benefit Area Map highlighting these eligible areas for 2012. The assistance being provided through this program is available to all residents living within these service areas, and the amount of funding allocated for this program represents 1% of the 2012 CDBG entitlement allocation.

This map was generated based on data retrieved from [www.hud.gov/offices/cpd/systems/census/lowmod/index.cfm#overall](http://www.hud.gov/offices/cpd/systems/census/lowmod/index.cfm#overall) for Overall Low/Mod Percentages for FY2012 Participations.



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**2012-2013 City of Plano Action Plan**


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**Annual Affordable Housing Goals**

The City of Plano uses the majority of HUD funds to improve affordable housing in Plano. The City's annual affordable housing goals highlight the areas that the City of Plano plans to address. The goals addressed each year change depending on the amount of HUD funding available. The following chart represents 2012-13 Affordable Housing Goals.

**ANNUAL HOUSING COMPLETION GOALS**

<b>Grantee Name: City of Plano Program Year: 2012-13</b>	<b>Expected Annual # of Units to be Completed</b>	<b>Actual # Completed</b>	<b>Resources Used During the Period</b>
<b>ANNUAL AFFORDABLE HOUSING GOALS (sec. 215)</b>			
Homeless households	0	0	
Non-homeless household	70	0	CDBG, HOME
Special Needs households	0	0	
<b>AFFORDABLE RENTAL HOUSING GOALS (sec. 215)</b>			
Acquisition of existing units	0	0	
Production of new units	0	0	
Rehabilitation of existing units	0	0	
Rental Assistance	27	0	CDBG
<b>Total Sec. 215 Affordable Rental</b>	<b>27</b>	<b>0</b>	
<b>AFFORDABLE OWNER HOUSING GOALS (sec. 215)</b>			
Acquisition of existing units	3	0	CDBG, HOME
Production of new units	6	0	CDBG, HOME
Rehabilitation of existing units	22	0	CDBG
Homebuyer Assistance	12	0	CDBG
<b>Total Sec. 215 Affordable Owner</b>	<b>43</b>	<b>0</b>	
<b>ANNUAL HOUSING GOALS</b>			
Annual Rental Housing Goal	27	0	CDBG
Annual Owner Housing Goal	43	0	CDBG, HOME
<b>Total Annual Housing Goal</b>	<b>70</b>	<b>0</b>	<b>CDBG, HOME</b>

***Explanation of Expected Numbers:***

- **Non-Homeless Households:** Homelessness Prevention, First-Time Homebuyer, Plano Housing Corporation, Habitat for Humanity, Christ United Methodist, and Rehabilitation goals.
- **Rental Assistance:** Homeless Prevention goal.
- **Acquisition of existing owner units:** Plano Housing Corporation goal.
- **Production of new owner units:** Christ United Methodist and Habitat for Humanity goals.
- **Rehabilitation of existing owner units:** Rehabilitation goal.
- **Homebuyer Assistance:** First-Time Homebuyer goal.

**Public Housing**

The Plano Housing Authority (PHA) fills an important need in the community for low income Plano residents. Through the use of Section 8 vouchers and a small portion of public housing units, Plano's most vulnerable populations are kept from entering into the realm of homelessness. The City of Plano will continue to work with the Plano Housing Authority to assist in encouraging residents to participate in the PHA Self Sufficiency Program. PHA residents participating in the program attend the City of Plano's eight hour, HUD-approved, homeownership class. After attending the class, the PHA leverages City of Plano First-Time Homebuyer funds to assist Self Sufficiency Program participants in becoming a homeowner.

Though PHA is not designated as "troubled" by HUD, the City of Plano continues to work with the PHA and is available to assist them, if needed.

**Homeless or At-Risk of Homelessness**

The City of Plano outlined its homeless strategy in its 2010-2014 Consolidated Plan. The strategies and objectives below will be funded by both city general funds and HUD funds. The City's five year strategy, objectives and outcomes pertaining to homeless and special needs populations are as follows:

**Strategy**

To improve and maintain suitable living environments by supporting and enhancing public facilities, public services and infrastructure for low income persons, special needs populations and neighborhoods in need of revitalization.

**Objective 1:** To develop and upgrade public facilities and infrastructure to help lower income persons, those with special needs and neighborhoods in need.

*Outcome 1:* Support and assist with the creation of additional shelter, supportive services, and transitional housing for homeless and under-housed.

**Objective 2:** Fund public service activities serving primarily lower income persons and those with special needs.

*Outcome 2:* Assist homeless supportive services across the entire spectrum of need, from homelessness to self-sufficiency, with the continued emphasis on homelessness prevention.

## 2012-2013 City of Plano Action Plan

In 2012-13, the City will continue to use CDBG funds to impact Plano's homeless population by preventing more Plano residents from becoming homeless and locating those that are currently homeless during the annual homeless count. Through the City of Plano's Homelessness Prevention program, Plano residents are provided up to three consecutive months of emergency rent or mortgage and utility assistance, as well as intense case management to ensure that residents move from being at-risk of becoming homeless to being stably housed. Additionally, the City supports the Collin County Homeless Coalition's annual Collin County Homeless Count, using CDBG funds to provide staff that assist with the coordination of the Count and printing "emergency pocket pals" for all homeless residents found during the Count. The City will provide general funds to assist Collin County's only Homeless Shelter, the Samaritan Inn, in serving Plano residents experiencing homelessness.

### Non-Homeless Special Needs Populations

Likewise, through the use of general funds, the City will provide funds to Hope's Door to provide a variety of services to victims of domestic violence. Through the use of HUD funds and City general funds, several organizations provided services to the elderly, persons with AIDS/HIV and disabled individuals. In 2012-13, these populations will receive support services, homelessness prevention services, job training and home repair assistance to improve their quality of life.

### Barriers to Affordable Housing

The City of Plano continues to work at removing barriers to affordable housing and prevent barriers from arising for Plano residents. In 2010, the City of Plano conducted an Analysis of Impediments to Fair Housing (AI). The AI produced a Fair Housing Action Plan that the City began following in 2010-11 and will continue to follow in 2012-13. The Fair Housing Action Plan suggested that the following activities be taken to reduce the fair housing impediments:

#### **Action Item 1: Make it easier for residents to find information about fair housing and the complaint process. The City has improved its website by:**

- Defining fair housing on the website. Discuss what fair housing is and provide the basics of the federal Fair Housing Act and the City's fair housing ordinance.
- Providing instructions for filing a complaint.
- Providing links to the Texas Workforce Commission Civil Rights Division (TWCCRD) and HUD's websites.
- Providing cross links with the Plano Housing Authority's website.

In addition, the City is partnering with the housing authority and local housing non-profits to promote education and understanding of fair housing laws and rights through some of the following activities:

1. Fair housing presentations at neighborhood meetings and community events;
2. Sponsoring fair housing poster contests in elementary schools; and
3. Displaying fair housing brochures and posters at community/recreation centers, in schools, health clinics, non-profits and city/county agencies that are frequented by populations most vulnerable to housing discrimination.

The City provided the above information in English and Spanish via a web translator tool online. Due to problems with accuracy, the tool was removed; however, the City is actively seeking alternatives.

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**2012-2013 City of Plano Action Plan**

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**Action Item 2: Continue policies to encourage and create mixed types of housing, affordable to households of all income levels.**

- The City has several policies that encourage housing opportunities for low and moderate income households. The City's Housing Infill ordinance allows the City to acquire, donate land and/or allocate other funds toward the development of affordable housing.
- The City's Housing Density Policy Statement that is part of its Comprehensive Plan outlines guiding principles for the development of larger scale, multifamily developments to avoid concentrations of such housing types. The policy statement includes a discussion of the positives of multifamily developments and counters common myths about multifamily developments. The document is a very positive step toward increasing public awareness about housing diversity and reducing NIMBYism.
- The City is actively working to increase the mix of housing type and pricing in Plano through development of two new zoning districts. The urban mixed-use well-designed urban blend of uses as well as traditional neighborhood concept within appropriate areas of the city.

**Fostering Affordable Housing**

In 2012-13, the City will continue addressing all of the actions set forth in the AI. Furthermore, the City will continue to work and ensure that city zoning and other ordinances are conducive to the creation of more affordable housing in Plano. Organizations developing affordable housing in Plano will continue to receive funding to address these needs as well as letters of support for tax credit projects with the intent to provide affordable housing consistent with the Consolidated Plan. Additionally, through the City's Housing Rehabilitation program, the City of Plano will acquire and rehabilitate affordable homes (including foreclosures) for sale to low-to-moderate income households.

**Meeting Underserved Needs**

The need for assistance to help under-served populations in Plano continues to grow with the unstable economy and unemployment. Moreover, the decrease in HUD funding, as shown in the Executive Summary of the document, places a strain on the available funds to assist organizations helping under-served populations. The City of Plano will continue to address the gap in services and needs of under-served communities through City general funds. In an effort to further help under-served populations, the City's Community Relations Commission changed the funding priorities for city general funds. All city-funded FY 2012 activities provide short-term, urgent economic assistance or care services, offering immediate relief of crisis impacting the physical and/or mental health of Plano residents. General categories for such assistance and care include food, clothing, shelter, transportation, and medical or crisis counseling care.

The City will also address underserved needs in other areas such as business and outreach. The City's Housing Rehabilitation program diligently works to include minority and women-owned contractors in the program's contracting opportunities. Letters will continue to be sent describing the rehabilitation program and requesting applications be completed for inclusion on the home improvement and rehabilitation contractor list. City staff will make efforts to attend events and meetings that minority and women-owned contractors sponsor. Also, staff will continue to attend community meetings that are minority focused, such as "Unidos" held in the City of Plano in order to encourage minorities and women to participate in our programs.

**Anti-Poverty Strategy**

The City of Plano's anti-poverty strategies include assisting organizations, financially, that provide services for families living in poverty and to help families escape poverty. Through City general funds and HUD funds, families living in poverty have access to health care, education, food and support services. Additionally, the City works closely with homeowners and community groups to promote neighborhood involvement and neighborhood revitalization which lead to the reduction of poverty and strengthen community and family values. Through the City's "Love Where You Live" program, neighborhoods are revitalized and communities are strengthened through acts of kindness, outreach and volunteerism. The program allows the City to collaborate with various community, faith-based, and educational groups to make neighborhood and home improvements. Using the City's Neighborhood Enhancement Tool, assessments are completed to decide which neighborhoods should be engaged in community projects. As a result, these anti-poverty strategies strengthen families and the entire community.

### **Lead Paint Hazards**

Lead-based paint hazards are addressed through the Housing Rehabilitation program. Homes are evaluated for lead paint and, when necessary, such hazards are mitigated. Actions taken to reduce lead-based paint will be conducted in accordance with HUD's lead-based paint regulations. In addition, homes to be purchased through the First-Time Homebuyer Program that fail the required visual paint inspection may be mitigated for lead paint. If lead paint is present, the owner will be informed of the appropriate requirements to respond to the lead paint, and the purchase will not proceed with federal funds unless and until interim controls are completed.

### **Inter-agency Coordination**

Inter-agency coordination is important to the institutional infrastructure surrounding HUD and city funded programs. Institutional structure is developed through financial assistance from the CDBG, HOME, city-funded grants, and other city general funds. Coordination between public and private housing agencies and social service agencies is an on-going process. The City participates in the Collin County Social Services Association, Collin County Homeless Coalition and Metro Dallas Homeless Alliance (MDHA); the Dallas Continuum of Care, National Community Development Association and the Texas Health Resources Community Council. Public Housing resident initiatives are supported by the Housing Authority. The City also coordinates with local faith-based groups to address the needs of Plano residents.

### **Program Specific Requirements**

The purpose of monitoring activities funded by HUD and the City of Plano is to ensure that the activity is successfully carried out and compliant with all applicable rules and regulations. Where the activity is to be performed by a subrecipient or a CHDO, a contract between the agency and the City is signed. The contract specifies what will be done with the money allocated, and the rules and regulations which apply. In addition, City staff will meet with the agencies prior to the start of the grant year to explain the required record-keeping and provide each agency a compliance manual online.

To ensure that HOME and CDBG funds for affordable housing are committed and spent in a timely manner, the City will review monthly the progress of expenditures. In situations where the expenditures are not timely, staff will work with the subrecipient/CHDO to rectify the situation.

The monitoring process consists of the following steps:

1. Notification of subrecipient or CHDO of scheduled monitoring visit.
2. Entrance **conference** with agency staff, to explain what will be done during the visit.
3. **Review documents** justifying expenditures and work completed or in progress, to determine the **quality of the work** and whether it complies with regulations and codes.

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**2012-2013 City of Plano Action Plan**

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4. Financial and Program investigation including review of income qualification documents, when applicable.
5. Review HOME match documentation, when applicable.
6. On-site inspection of housing units under way and completed, where applicable.
7. Exit conference to report tentative conclusions and findings to agency staff.
8. Written follow-up detailing any problems found and request for a response explaining how the problem(s) will be corrected.
9. When necessary, additional follow-up visit to see that problems have been corrected, including re-inspection for cited corrections in housing units.

In most cases, monitoring visits will be conducted when work is complete. However, in some cases, particularly with new subrecipients or CHDOs, more frequent monitoring visits will be conducted.

HOME funds will not be used for rental assistance, and therefore there will be no requirement to monitor for long-term compliance with property standards.

## CDBG

In accordance with HUD requirements set forth in 91.220(l)(1), this brief paragraph seeks to address the 2012-13 CDBG programmatic status. As stated, the City of Plano expects to receive \$80,000 in CDBG program income from home rehabilitation loans during FY 2012-13. The City of Plano does not have float-funded activities and the City's Housing Rehabilitation Program is the only program using revolving loan funds. The City does not have a Section 108 loan program and does not have surplus funds from urban renewal settlements. Finally, the City of Plano estimates that 90% of all CDBG funds will be used on activities that benefit persons of low and moderate income.

## HOME

The *Consolidated and Further Continuing Appropriations Act of 2012* (P.L. 112-55) imposed new requirements on projects that receive FY 2012 funds from the HOME Investment Partnerships Program (HOME). City staff is actively working to implement the new 2012 requirements into our 2012 procedures and written agreements for developers. Since the guidance for these changes is just being released, City of Plano HOME program standards are expected to change beyond the publication date of this Action Plan regarding the following four items:

- 1) The City must repay any HOME funds invested in projects that are not completed within four years of the commitment date, as determined by a signature of each party to the written agreement. HUD may grant a one year extension upon determination that the failure to complete the project is beyond the control of the PJ.
- 2) The City may only commit FY 2012 HOME funds to a project after it has underwritten the project, assessed the developer capacity and fiscal soundness of the developer being funded, and examined the neighborhood market conditions to ensure that there is an adequate need for the HOME project. The PJ must certify, at the time HOME funds are committed, that these actions have been taken for each project.
- 3) The City must convert any FY 2012 HOME homeownership unit that has not been sold to an eligible homebuyer within six months of construction completion to a HOME-assisted rental unit.
- 4) The City may only provide FY 2012 HOME funds for development activities to Community Housing Development Organizations (CHDOs) that have demonstrated that they have staff with demonstrated development experience.

Required matching funds for the HOME program will be provided by the housing developers for the funds allocated to them. Matching funds for the City's portion of HOME funds will be provided primarily through the value of cash contributions, fee waivers, donated materials, equipment, and volunteer labor.

It has been determined that federal funds will be leveraged by other resources, such as loans from lenders, "boot strap" funds from Texas Department of Housing and Community Affairs (TDHCA), grants from the Federal Home Loan bank, as well as local homebuyer grants.

To ensure affordability, the City of Plano will impose recapture requirements on homeownership projects receiving subsidy that do not continue to reside in the residence for the entire affordability term.

Homebuyer HOME assistance will be provided as a deferred payment loan, amortizing annually over the course of the minimum period of affordability. An estimated 60% (7) of the households assisted in becoming homeowners will be minority households.

If the homeowner sells the property at any time prior to the end of the affordability period, he/she will be expected to pay the full unamortized amount due at the time of sale. If, however, the net proceeds of the sale, less the amount of homeowner investment (defined as down payment and documented capital

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**2012-2013 City of Plano Action Plan**


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improvements), is less than the unamortized amount remaining, the City will share the net proceeds with the homeowner. The net proceeds will be divided proportionally according to the following mathematical formulas:

$$\frac{\text{HOME Subsidy}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net Proceeds} = \text{HOME amount recaptured by P.J.}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME subsidy} + \text{homeowner investment}} \times \text{Net proceeds} = \text{Amount to homeowner}$$

The City of Plano will apply HOME Resale provisions when there is no direct subsidy made to the homebuyer, meaning no funds to recapture. Resale would normally occur with funds provided to developers. The home will be sold to qualified low-to-moderate income buyers, the sales price will remain affordable, and the seller will receive a fair return. Projects only involving development subsidy will not be subject to recapture.

The City of Plano does not intend to use a form of investment not described in the HOME regulations.

The City of Plano does not intend to use HOME funds to refinance existing debt secured by multifamily housing.

The City of Plano will self-impose an affordability period of ten (10) years on Homeowner Rehabilitation projects. Assistance will be provided as an interest bearing note, a deferred payment loan, or a combination of both.

The resale and recapture of funds will be enforced with liens, deed restrictions, affidavits, and contracts.

**Summary Statement**

In summary, the City developed this document to describe future community development activities that will take place in the upcoming fiscal year. The document will serve as a guide to achieving objectives and outcomes set forth in the 2010-2014 Consolidated Plan during FY2012. It is designed to meet HUD requirements set forth in Title 24 Part 91.220. Activities in this plan serve as an avenue to improve the quality of life for all Plano residents and revitalize the community. Citizens are encouraged to read this document and submit comments and/or questions to City staff.