

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Chris McGinn, Director of Neighborhood and Inspection Services

DATE: August 4, 2025

SUBJECT: **Public Hearing: Consideration of a Resolution of the City Council of the City of Lewisville, Texas, Providing for the Adoption of the 2025 Annual Action Plan as Required by the U.S. Department Of Housing And Urban Development And Authorization for the City Manager, or Her Designee, to Submit the Plan to the U.S. Department of Housing and Urban Development.**

BACKGROUND

An Annual Action Plan must be submitted to the Department of Housing and Urban Development (HUD) by August 15, 2025 as a requirement to receive Community Development Block Grant (CDBG) funds of \$847,606 and HOME Investment Partnership Funds (HOME) of \$347,555.08 in FY 2025-2026. The CDBG Advisory Committee reviewed applications submitted by non-profit agencies for projects that address HUD national objectives and Consolidated Plan priorities. At a meeting on June 17, 2025, the Committee voted 5-0 to recommend a social services budget with CDBG and City funds (\$240,000). The Plan was made available for a 30-day public comment period.

ANALYSIS

Adoption of Annual Action Plan

The Annual Action Plan was made available for public review during a 30-day public comment period beginning July 3, 2025 and was advertised for a public hearing before City Council on August 4, 2025. The plan includes a chart summarizing comments from public hearings on planned allocated funds the CDBG Advisory Committee held fall of 2024. To date, there have been no public comments to the committee or staff on this plan.

The 2025 Annual Action Plan fulfills requirements from HUD to receive CDBG entitlement grant funds for Housing, Community Development, and Public Service projects. The CDBG budget recommendations are incorporated into the plan and are itemized in the chart below. FY25-26 will be the second year the City of Lewisville will receive HOME Investment Partnership Funds (HOME) and recommendations are incorporated into the plan and are also itemized in the chart below.

The Annual Action Plan has been developed in accordance with HUD regulations and the City's Consolidated Plan. The plan also includes elements such as rationale for geographic targeting, funding sources, and coordination with community agencies. Funds for social service agencies were allocated based on an annual open application cycle. This year there was an open application for public infrastructure funds. Staff reviewed and scored applications.

Receipt of Proposed Budget for City Social Service Agency Fund

Concurrent with the consideration of proposals for CDBG funding, the CDBG Advisory Committee also scored and reviewed proposals for the City Social Service Agency Fund (City Fund). The Committee used a target budget of \$240,000 for the City Fund based on current funding. The City Fund recommendations will be brought for Council review and discussion at a later date.

Administration

The City is allowed to utilize 20% of the total CDBG allocation for administrative costs. These funds will be used to fund 100% of the CDBG Grants Specialist's salary and 45% of the CDBG Grant Coordinator's salary. The amount for FY2025-2026 will be \$169,521.20.

The City is allowed to utilize 10% of the total HOME allocation for administrative costs. These funds will be used to fund 20% of the CDBG Grant Coordinator's salary. The amount for FY2025-2026 is \$37,655.50. Staff is monitoring the federal government's budget process as they determine if they will fund HOME next fiscal year.

Housing and Community Development Projects through CDBG:

Minor Housing Rehabilitation Program - \$186,250.99: A housing rehabilitation program to support low-to-moderate-income homeowners with heating, ventilation, and air-conditioning (HVAC) repair, replacement, or installation in their homes extending the livability in their home and affordability for the homeowner.

Denton County Friends of the Family's Family Justice Center Project - \$364,692.91: Public Infrastructure project assisting Denton County's only domestic violence provider in the development of a Family Justice Center in Denton.

Considered but not recommended for CDBG funding:

More agencies applied for funding this year than in previous years, this made it difficult for the committee to allocate the funding and made it impossible to fund all applicants. The CDBG Advisory Committee reviews and scores the applications. Each application can receive up to 150 points and the committee scores based on 13 questions that look at the applicant's budget, data, and how the program ranks in the City's Social Service Category Priority List. Please see agencies considered but not recommended for funding because their scores were below 80%:

- Cumberland Youth & Family Services – Counseling Clinic
- Giving Grace – Bedtime Rescue
- Chin Youth Organization of North America – Chin Up Lewisville
- Love Thy Neighbor – Clothing Assistance Program

HOME Projects

Eligible CHDO Expansion into Lewisville and Operating - \$338,899.57: The City is required to set-aside at least 15% for activities to be carried out by an eligible Community Housing Development Organizations (CHDOs). A maximum of 5% of the grant may be used for CHDO Operating Expense activities and up to 10% of the grant amount may be used for administration to carry out the grant. Programs will include eligible CHDO projects that preserve or develop affordable housing unit(s) in the City of Lewisville. Up to 10% of this funding may be used to provide technical assistance and site control or project-specific seed money loans to CHDOs.

Project	CDBG	HOME
Administration		
	\$169,521.20	\$37,655.50
Public Infrastructure		
Minor Housing Rehabilitation Program	\$186,250.99	
Denton County Friends of the Family's Family Justice Center	\$364,692.91	
Eligible CHDO Projects and Operating		\$338,899.57
Public Services		
SPAN – Meals on Wheels	\$25,000	
PediPlace	\$51,178.05	
Boys & Girls Club of Greater Tarrant County	\$13,000	
Denton County Friends of the Family - Shelter	\$14,000	
CASA of Denton County	\$23,962.85	
Total	\$847,606	\$376,555.08

CITY STAFF'S RECOMMENDATION

That the City Council approve the resolution and authorize the City Manager, or her designee, to submit the plan to the U.S. Department of Housing and Urban Development as set forth in the caption above.