

PY16 Substantial Amendment #2

- Notification via Newspapers – Week of December 19, 2022
- Mailout to Community Contacts – Completed December 22, 2022
- Social media, NextDoor, Community Centers, and Email notices – Completed by Dec. 27
- Public Comment Draft of Substantial Amendment document placed on court's Jan. 10, 2023 agenda for approval.
- 30-day Public Comment Period (January 11 – February 9, 2023)
- Public Hearing – January 24, 2023
- All comments received and the transcript from the public hearing will be included in Section IV. Of this substantial amendment document.

I. Introduction

The Community Development Block Grant (CDBG) initiative is a federal grant program administered by the U.S. Department of Housing and Urban Development (HUD). The program provides annual grants to cities and counties to carry out a variety of community development activities aimed at revitalizing neighborhoods, improving affordable housing options, and providing improved community facilities and services. Since 2006, Travis County has received CDBG funds from HUD on an annual basis.

The administration of the CDBG program follows a cycle that includes the drafting of a Consolidated Plan, an Action Plan, and an annual evaluation. The Consolidated Plan identifies the County's community and housing needs and outlines the strategies to address those needs over a five-year period. The Action Plan defines the specific activities and projects to be undertaken during each program year. The annual evaluation assesses yearly accomplishments.

According to Travis County's Citizen Participation Plan as required by HUD rules, a substantial amendment is required if any of the changes represent 1) a change in the location or beneficiaries of a project proposed under the Consolidated Plan or Action Plan; 2) a change in the scope of the project by more than 25%; or 3) a change in the funding of a new project that was not originally subject.

Travis County is proposing a **second substantial amendment to the** Program Year 2016 (PY16) Action Plan.

REASON FOR SUBSTANTIAL AMENDMENT:

1. Cost savings from public service projects cannot be reallocated to home rehab project types **without substantially amending the PY16 Action Plan** because the project type is different.

CPP PROVISION THAT REQUIRES SUBSTANTIAL AMENDMENT FOR THE REALLOCATION OF FUNDS:

Section IV.C.7 of the Citizen Participation Plan (CPP) – August 2021 (See pages 14-15)

IV. Participation Opportunities

C. Annual Action Plan

7. Substantial Amendments When the location or beneficiaries of a project proposed under the Action Plan are changed, the CDBG service area is changed, the scope of the project is increased or reduced by more than 25%, or a new project is funded that was not originally subject to public review, Travis County HHS shall substantially amend its plan.

Use of an alternate project by the process defined in Section III.C.6 of this plan, will not require a Substantial Amendment. Approval by the Travis County Commissioners Court will be necessary to replace a funded project with an alternate or to fund an alternate with cost

savings from a completed project regardless of whether or not the increase or decrease exceeds 25%.

If, upon the completion of a project, there are cost savings not exceeding \$24,999, Travis County may reallocate the cost savings for the same project type, in a future annual Action Plan, without substantially amending the impacted Action Plan. The following actions shall be required to reallocate cost savings up to \$24,999:

- Reallocated funds shall be clearly documented in the future annual Action Plan within which funds are reprogrammed/reallocated. The Action Plan shall include a full description of the program and the amount of funds that were not expended, and which are being reprogrammed for a new purpose, and the original program year for the funds.
 - For example: PY20 Project A's budget was \$30,000. Only \$17,000 was spent. \$13,000 can be reprogrammed without a substantial amendment. The reallocation of the remaining \$13,000 must clearly state in the future Action Plan, "PY22 Project B, will be funded partially or fully with \$13,000 in cost savings from PY20 Project A."
- The Action Plan must specify the intended use of the reallocated funds.
- The reallocation proposal must be tied to the delivery of priorities outlined in the applicable Travis County five-year ConPlan.

Because the reallocation of cost savings will be included in the annual action planning process, the public will have a reasonable opportunity to provide feedback on the reallocation proposal, during the annual 30-day Action Plan public comment period.

The reallocation of funds more than \$24,999 is subject to a substantial amendment, unless remaining cost savings are connected to a perpetual project, which would allow existing unspent funds to be spent first, prior to expending current year program funds.

If a project which is replaced by an alternate is deleted permanently, a substantial amendment will be completed in the summer during the next Annual Action Plan process to allow for public comment on the deletion of the project. Consideration of any project that was not identified as an alternate will go through the normal substantial amendment process.

The amendment process shall include:

- a. Public notice,
- b. A thirty (30) day public comment period, and
- c. One (1) public hearing at Travis County Commissioners Court during the public comment period.

As necessary, such notice may also include a public hearing in the precinct in which the project has been changed or added. Amendments to the Action Plan may take place at any time during the program year.

Travis County will document and report all public comments from citizens, public agencies, and other interested parties in preparing its final submissions. Public comments will be considered when feasible and beneficial, preceding final approval of Travis County Commissioners Court.

On January 10, 2023, the Travis County CDBG Office submitted a substantially amended PY16 Action Plan draft to propose the reallocation of cost-savings for the following PY16 projects:

Action Plan Program Year	IDIS Activity ID	Project Activity	Original Project Type	New Project Type	Cost-Savings (Unspent Funds)	Reason for Substantial Amendment per CPP Section C.7
2016 (PY16)	67	PY16 Admin & Planning	Admin	Home Rehab	\$17,615.74	Different Project Type
2016 (PY16)	68	PY16 Tenant's Rights (public services)	Public Service	Home Rehab	\$ 6,225.00	Different Project Type
2016 (PY16)	72	PY16 Land Acquisition – McKinney	Acquisition	Home Rehab	\$19,999.00	Different Project Type

II. Public Engagement

During the week of December 19, 2022 Travis County published a Public Notice announcing the availability of the draft Substantial Amendment, the public comment period, and the public hearings at Travis County Commissioners Court. The notice appeared in several area newspapers of general circulation. Copies of the notices may be found in *Attachment B* (English and Spanish). Public notices were also posted at the six Travis County Community Centers, on the Travis County Website, the HHS Department webpage, the CDBG website (English and Spanish.) Email and postal mail notices were provided to people who attended public hearings previously or who requested to be on the notification list.

Travis County HHS presented the proposed Substantial Amendment projects to the Travis County Commissioners Court on January 24, 2023. The Substantial Amendment was posted for public review and written comments prior to final approval by the Travis County Commissioners Court.

The 30-day public comment period was held from January 11, 2023 to February 9, 2023. A public hearings will be held at 9am during Travis County Commissioners Court on January 24, 2023. The public has the opportunity to submit comments in writing via email or postal mail, or verbally at the public hearing. The draft Substantial Amendment was posted on the Travis County CDBG website (<https://www.traviscountytexas.gov/health-human-services/cdbg>), and copies of the document were available for review at the six Travis County Community Centers.

III. Second (2nd) Amendment to the PY16 Action Plan

The Program Year 2016 (PY16) Action Plan covers the time period from October 1, 2016 to September 30, 2017. Travis County Commissioners Court approved the PY16 Action Plan on August 9, 2016. Travis County's CDBG allocation for PY16 was \$1,087,585.

Note: The table below represents the projects with cost-savings, which will be reallocated as a result of the 2nd substantial amendment to the PY16 action plan. The priority and performance table conveys specifics about the intended use (home rehab). The stricken deleted projects were original PY16 Action Plan projects. These projects were removed via the first substantial amendment and were replaced by the stricken content under "Amendment of Approved Projects". The stricken content was left in (not deleted) from this second substantial amendment to document and clearly convey an accurate record of projects (original as well as those included in the first substantial amendment) that had cost-savings and how much of those cost-savings will be re-allocated to home rehab.

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Priority & Performance Measurement Information (HUD-prescribed)			
Priority Need Category	Owner Occupied Housing	Project	Rehabilitation of existing units
Eligible Activity	Rehabilitation	Outcome Category	Availability/ Accessibility
Objective Category	Decent Housing	Specific Objective	Improve the quality of owner housing
Citation	\$570.202	Accomplishment	TBD in PY23 Action Plan
Eligibility	LMH	Matrix Code	14A, Rehabilitation, Single Unit Residential and 14H Rehabilitation Project Delivery
Priority in the PY19-23 Strategic Plan	High	Travis County SAP #	TBD

Deleted Projects

Two approved projects for PY16 did not proceed, requiring the reallocation of \$266,053 in PY16 funds to an approved PY16 alternate project. The following projects are being deleted from the PY16 Action Plan.

Figure 4: Deleted PY15 Projects

Project	Allocation
Northeast Feeder Route Bus Service	\$56,053
Hillmoore Drive Street Improvements	\$210,000
Total	\$266,053

Project Details for the Northeast Feeder Route Bus Service

The Northeast Feeder Route (Route 237) is a Capital Metro bus route located in Northeast Austin and unincorporated Travis County. Due to an unforeseen issue related to the subrecipient contract execution, the project will not be paid with CDBG funds and the project is being cancelled.

Project Details for Hillmoore Drive Street Improvements

Hillmoore Drive is a low speed low volume road that does not meet minimum Travis County standards, so it has not been accepted onto the Travis County maintained roadway system. This project would provide the improvements necessary to bring the roadway up to Travis County standards and be accepted as a County maintained road. The PY16 funds would have funded the construction phase of the project. Purchasing Department procedures were followed to identify a design firm for the project. The proposed bid that was received for the design phase was not reasonable given the total project scope and cost. The project was deemed infeasible and is being cancelled.

Amendment of Approved PY16 Project

The PY16 Action Plan includes an approved Land Acquisition for Affordable Housing project. The project allocates funds for the purpose of developing affordable housing in the CDBG service area. The intention was to amend the project once a subrecipient identified a parcel for purchase and a plan for development.

The project is being amended to reflect both the reallocation of funds from cancelled PY16 projects and the project details including site location, housing units, and project developer.

Project #4: PY16 Land Acquisition for Affordable Housing Development – \$512,983

Project Description: This project would provide funds for land acquisition for the purpose of developing affordable rental housing in Southeast Travis County including \$19,999 for environmental requirements. The proposed project will provide an estimated 312 units of new rental housing, 296 of which will be set aside for families earning between 50-60% Area Median Income. The site is located on 17.2 acres (18.1du/acre) in unincorporated Travis County at 6609 McKinney Falls Parkway. For additional information see *Attachment C: Maps*. The project developer is AMTEX Multi-Housing LLC.

~~This is a 4% tax credit project under consideration by the Travis County Housing Finance Corporation as bond issuer and General Partner. The details of which entity will own the land is still under negotiation as the deal firms up, however, a forgivable loan will be provided to the entity for the life of the affordability period.~~

~~The CDBG Office has completed a Fair Housing Review and the area is deemed as transitioning. It was an impacted area at the time the Analysis of Impediments to Fair Housing Choice was published and now is not based on more current data. The TCHFC completed additional analysis to help determine if the area was ready for development.~~

~~Affordability will be required for a minimum of 30 years or longer dependent up on the requirements of the most stringent funding.~~

~~Note: This project is proposed to be substantially amended to increase funding. Original funding amount is \$246,930 and was intended to go out for competition to find a Developer.~~

Figure 5: Project 4—General Project Information

CDBG Funding	\$512,983
Leverage Funding	\$54,481,925
Program Delivery	AMTEX Multi Housing LLC
Program Oversight	Travis County Health and Human Services
Expected Start/Completion Date	Purchase of land by July 2018 and estimated project completion by May 2019.
Location	6609 McKinney Falls Parkway

Figure 6: Project 4—Priority and Performance Measurement Information (HUD prescribed)

Priority Need Category	Housing	Project	Land Acquisition for Affordable Housing
Eligible Activity	Land Acquisition	Outcome Category	Affordability
Objective Category	Decent Housing	Specific Objective	Provide land for development of affordable housing
Citation	§ 570.201 (a)	Accomplishment	312 units from PY15 & PY16
Eligibility	LMH	Matrix Code	1

Property at 6609 McKinney Falls Pkwy, Austin, TX

with respect to Opportunity Areas and Impacted Block Groups in Travis County
The property is in the unincorporated area, and is therefore in the Travis County CDBG service area and not in a City of Austin ECAP/RCAP. It is in a Very Low to Low Opportunity Area and in an impacted area per the County's April 2014 Analysis of Impediments (AI) report. However, it is not in an impacted block group based on the most recent LMISD data.

Impacted areas are low-to-moderate income areas with racial/ethnic concentrations 10% or above the Travis County average.

HUD's definition of an RCAP/ECAP is a Census tract that has a non white population of 50% or more AND a poverty rate of 40 percent or more; OR a non white population of 50% or more AND the poverty rate is three times the average tract poverty rate for the metro/micro area, whichever is lower.

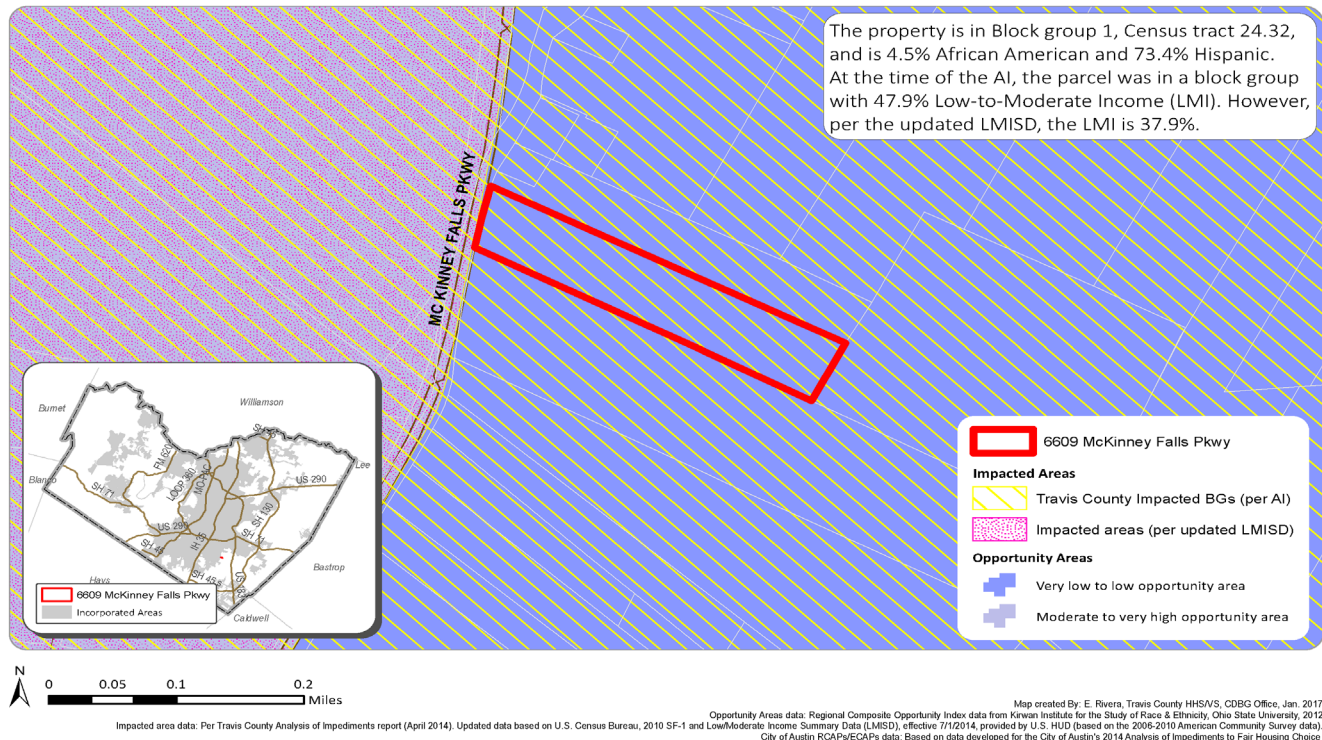


Figure 5: Project 4 – General Project Information

Priority in the 2014-2018 Strategic Plan	High	Travis County SAP #	TBD
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IV. Results of Participation Process

This section will be completed following the conclusion of the 30-day public comment period as well as the January 24, 2023 public hearing.