

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) requires local jurisdictions to prepare a 3-5 year Consolidated Plan and Strategy (CPS) in order to receive federal funds through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) Programs. The CPS serves the following functions:

1. A planning document for local jurisdictions, which builds upon a participator process at the grassroots level; An application for federal funds under HUD's formula grant programs;
2. A strategy to be followed in carrying out HUD programs for 3-5 years; and
3. An action plan that provides a basis for assessing performance.

The current five-year (FY 2018-2022) CPS was the result of an extensive needs assessment and community outreach process. The outreach efforts included the processes conducted during the development of the Assessment of Fair Housing (AFH), and the subsequent transformation of the AFH into the Analysis of Impediments, by the entitlement communities (and public housing authorities) in Hidalgo County including:

- Hidalgo County - Urban County Program (including the Cities of Alamo, Alton, Donna, Edcouch, Elsa, Granjeno, Hidalgo, La Joya, La Villa, Mercedes, Palmhurst, Palmview, Penitas, Progreso, Progreso Lakes, San Juan, Sullivan City, Weslaco and the unincorporated parts of the County
- City of Edinburg
- City of McAllen
- City of Mission
- City of Pharr

While the entitlement communities approached the consultation collectively, each community assessed their individual needs, goals, objectives and outcomes. This assessment produced an independent Consolidated Plan and Strategy document. As had been done under the previous Consolidated Plans, independent Action Plan and CAPER documents will also be composed and remitted by each community. No aggregated data is intended to be reported under this Consolidated Plan. The preparation of this FY 2019-2020 One-Year Action Plan represents Year 2 of the FY 2018-2023 CPS.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Three national goals/objectives serve as the overall framework for the use of Consolidated Plan funds. The goals are (1) to provide decent housing, (2) create a suitable living environment and (3) expand economic opportunities, to principally benefit extremely low-, low-, and moderate-income individuals and families. Income categories are calculated on an annual basis by HUD. Extremely low-income households have an income of 0-30% of Area Median Income (AMI). Low-income households have an income of 30-50% AMI and Moderate-income is defined as 50-80% AMI. All income levels are adjusted for family size.

Further, Consolidated Plan funded programs and projects must meet one of the following outcomes: (1) Availability/Accessibility, (2) Sustainability and (3) Affordability. These outcomes were developed by HUD in its Performance Measurement System.

Also, HUD has established a listing of Matrix Codes for projects funded with Consolidated Plan dollars. These Matrix Codes are prioritized at the local level based on the community needs assessment. Matrix Codes are categorized as either "High" or "Low" priorities. Priority designations are referenced throughout this document.

In summary, the following broadly defined activities were designated as "High" priorities:

- Housing - Construction, Counseling, Rehabilitation of Single and Multi-Unit Properties, Homeowner Assistance and Public Housing Modernization
- Infrastructure - Street Improvements, Water/Sewer Improvements, Sidewalk Construction, Flood/Drain Improvements and Repayments of Section 108 Loans
- Public Facilities - Youth Centers, Senior Centers, Homeless Facilities/Operating Costs, Neighborhood Facilities, Parks and Recreational Facilities, Fire Stations/Equipment and Health Centers
- Public Services - Social/Support Services for qualified individuals and families including services for seniors, children, youth, general population, handicapped persons, abused and neglected children and battered and abused spouses as well as transportation, health services and subsistence payments
- Economic Development - Financial resources/infrastructure upgrades intended to improve the business community including micro-enterprise loans, revolving loan funds and/or building acquisition, construction or rehabilitation

It is the intent of the City of McAllen to limit HUD resources to projects identified as "High" Priorities.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City recognizes the need to achieve as many of its enumerated goals as financially viable. In order to assess performance, the City composes a Consolidated Annual Performance and Evaluation Report (CAPER). The FY 2017-2018 CAPER was the final annual report related to the previous FY 2013-2017 Consolidated Plan and Strategy.

In summary, the City noted the following accomplishments in the FY 2017-2018 CAPER:

- Eight Homes constructed
- 10,170 persons were impacted through improvements of their water, sewer or storm sewer lines
- Completed Boys and Girls Club Renovations
- Assisted 6,928 persons through social service programs

Review of the 5-year accomplishments served as the basis for development of the goals noted in the current CPS. In addition, the accomplishments also served as a basis for determining "High" Priorities. Although noted in the previous CPS, some Matrix Codes continue to represent "High" Priorities and will be funded, as appropriate.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

As an entitlement community, a Citizen Participation Plan (CPP) has been adopted. Adherence to its particulars is detailed within this document in the section entitled "PR-15 Citizen Participation". Of note, the CPP mandates a minimum 15-day notification prior to holding a public hearing. The City will have held five public hearings regarding the development of this document.

In addition, this document was made available for public review for no less than 30-days as mandated by HUD. The City's comment period began on Monday, May 6, 2019 and will expire on Monday, June 10, 2019.

A summary of the efforts to broaden citizen participation including a listing of public hearings, comments received and reasons for not accepting are further detailed in "PR-15 Citizen Participation". Efforts to engage citizen participation were made through traditional means such as

publications in the newspaper and postings outside City Hall as well as less traditional means such as online/internet postings and notices.

Consultations with interested parties are detailed in "PR-10 Consultation". In brief, comments and consultations suggested a need for:

- Housing - Construction, Rehabilitation of Single-Unit Properties and Homeowner Assistance
- Infrastructure - Street Improvements and Water/Sewer Improvements
- Public Facilities - Centers for Youth/Child, Homeless Facilities/Operating Costs, Neighborhood Facilities, and Parks and Recreational Facilities
- Public Services - Social/Support Services for seniors, children, youth/children, general population, handicapped persons, abused and neglected children and battered and abused spouses, transportation, health, provision of food and subsistence payments

Any comments received during the 30-day comment period will be noted accordingly.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

In order to solicit input, McAllen will have held five public hearings within its jurisdiction during the period of January - May 2019. Three public hearings were held before the Community Development Advisory Council, one will be held during a regularly scheduled City Commission meeting and the final will be held at the McAllen Public Housing Authority. Eighty persons have attended the various hearings. All comments will be considered and their effect on this Action Plan may be viewed in the Section entitled "PR-15 Citizen Participation". Further, the draft of this document was made available for public comment beginning Monday, May 6, 2019 through an announcement in The Monitor, the newspaper of largest circulation. A subsequent announcement was placed in El Periodico, a Spanish-written newspaper. The comment period will expire on June 10, 2019.

Posting of notices were also placed in the City's outside bulletin board that is readily accessible 24-hours a day. All public hearings to be held in conjunction with the solicitation of public comment will occur in handicapped accessible facilities.

6. Summary of comments or views not accepted and the reasons for not accepting them

The jurisdiction accepts all comments; however, with limited resources, not all comments/projects can be funded. Nonetheless, all comments will contribute to a project's priority designation.

7. Summary

This document represents the second year of the FY 2017-2023 Consolidated Plan and Strategy. Submission of this application for funding is anticipated to be remitted on or about August 15, 2019.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
Lead Agency		MCALLEN	
CDBG Administrator	MCALLEN		Grant Administration-Community Development Office
HOPWA Administrator			
HOME Administrator	MCALLEN		Grant Administration-Community Development Office
ESG Administrator			
HOPWA-C Administrator	MCALLEN		Community Development

Table 1 – Responsible Agencies

Narrative (optional)

The City of McAllen's Grant Administration - Community Development (CD) Division assumed the lead in the development of the FY 2019-2020 One-Year Action Plan (OYAP) document. The CD Office administers the housing and community development programs covered by the CPS including those funded by Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). As the lead agency, staff coordinated the development and implementation of projects in coordination of the Consolidated Plan and Strategy with input from a broad range of stakeholders, including a fourteen-member panel that serve as the Community Development Advisory Council (CDAC). The CDAC is tasked with annually evaluating proposed projects, establishing timelines, conducting public hearings and broadly reviewing project expenditures. The CD Office and CDAC, in order to obtain input and solicit from interested parties, public agencies and community organizations, held several public hearings. Public notices were announced in the newspaper, posted on the City's notice board (physical and electronic) and the draft of the CPS was made available for the minimum 30-day comment period.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of McAllen held three public hearings in order to solicit input from the community regarding its needs. From these consultations and assessments, this document was composed in draft form. Two additional public hearings will be held in order to assess comments regarding the proposed projects and budgets noted in the draft document. Upon the completion of the 30-day comment period and subsequent approval by City Commission, the final document will serve to identify the projects and programs to be funded during the second year of the FY 2018-2022 Consolidated Plan and Strategy.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City coordinates its activities with a variety of organizations involved in the delivery of housing, homeless, non-homeless special needs, and community development activities. They include a designated Community Housing Development Organization (CHDO), the local Public Housing Authority, and various other community organizations whose fields of interest and services may include seniors, handicapped persons, health/mental health, domestic violence/prevention, youth/children, persons with HIV/AIDS and homelessness.

Staff consulted with these entities to collect information about housing and community development activities and needs. These consultations addressed:

- Housing Needs
- Housing Market Analysis/Substandard Housing
- Public Housing Needs and Strategy
- Continuum of Care (Homeless)
- Non-Homeless Special Needs
- Lead-Based Paint Hazards
- Community Development

The listing of organizations with whom the City consulted is included in this Section: Question 2 - Agency/Group/Organization.

To enhance the coordination between public and assisted housing providers, the City solicits comments directly from Affordable Homes of South Texas, Inc. and RGV Habitat for Humanities as well as will hold a public hearing at the McAllen Housing Authority's Family Development Center. Further, health and mental health providers were contacted to determine gaps in services including Community HOPE Projects, Inc., a CDBG supported entity who provides health and mental health services to low income

persons throughout South Texas. McAllen also continues to nurture relationships with various non-profit agencies in an effort to identify gaps in essential services. The City often receives requests for letters of support in attempts to leverage HUD funds.

Further, the CD Office has an on-going relationship with personnel from the U.S. Census Bureau. Collaboration has focused on informing program beneficiaries and service providers about services/gaps, the needs of immigrants and strategizing for Census 2020. Although the entitlement communities opted to not create a regional Consolidated Plan, staff often assist one another in the development of programs, processes or oversight. Coordination among these different levels of local government, community organizations, and the public are essential to addressing the needs identified in the CPS.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Hidalgo County is served by the Texas Homeless Network's (THN) Balance of State (BoS) for Continuum of Care (CoC) services. THN has a subcommittee designed to review CoC activities for the areas served under the BoS. Annually, the City participates in the Point-in-Time study that is coordinated by the THN.

Although the City coordinates with Hidalgo County-Urban County Program and the Continuum of Care in efforts to identify the needs of the homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons who are at risk of becoming homeless, the City also makes funding available for homeless assistance and prevention programs. Services for chronically homeless individuals and families are most likely provided by The Salvation Army with its emergency shelter located within the City limits. Services for families with children, particularly those fleeing domestic violence, are most likely served by Women Together Foundation, Inc. Women Together operates an emergency shelter and a transitional housing complex for female victims of domestic violence and their children; both are also found within the City's limits. Veterans and unaccompanied youth as well as persons affected by the immigration crisis are served by Catholic Charities of the RGV. Persons threatened with homelessness are often assisted by The Salvation Army or Silver Ribbon Community Partners. All four organizations were consulted during the development of the Consolidated Plan and will receive CDBG support from the City of McAllen. Lastly, the City of McAllen staff was tasked with developing an additional consultation tool regarding homelessness. The City distributed the secondary tool in order to ascertain gaps in services and descriptive characteristics of the homeless population in the area.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate

outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

It is the intent of the City to have a review of the draft document undertaken by the Texas Homeless Network. If provided, comments will be noted in the attachments.

The City of McAllen does not anticipate receiving ESG funds for the Consolidated Plan and Strategy timeframe. However, if funds are awarded, Standard Operating Procedures governing the award of HUD-awarded grants will require staff to prepare an application and publish a Notice of Funding Availability. Once received, applications will be presented to the Community Development Advisory Committee (CDAC). The CDAC is composed of fourteen residents who make recommendations to the City Commission regarding Community Development/HUD-awarded programs.

As with the other HUD programs, the City has established a berth for evaluation of performance and outcomes. The City allows for a 25% range in expected versus actual outcomes and expenditures in order to determine the success of a project. Along with this evaluation, staff considers the amount leveraged, monitoring/auditing reports and project's impact to determine future funding.

The Homeless Management Information System (HMIS) is operated by the THN. This system provided the most accurate assessment of unduplicated homeless persons/families and persons threatened with homelessness to date. While not all homeless service providers have access to the system/are required to use the system, Urban County Program requires the use of HMIS for homeless service providers using ESG, exclusive of those serving victims of domestic violence. If funded with ESG, the City will implement this requirement as well. Costs associated with maintaining HMIS will be eligible for reimbursement with ESG funds to the extent that they are available.

Because the oversight of HMIS falls on THN, the City will implement THN's policies and procedures for the use of HMIS. In particular, City staff and ESG recipients will execute user agreements that outline rules of behavior. HMIS will remain the primary means to maintain client and agency level data regarding homeless issues. Information will be extracted and reported in HUD's Integrated Disbursement and Information System (IDIS) either at the project level or as part of the CAPER narrative.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	AFFORDABLE HOMES OF SOUTH TEXAS, INC.
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	

Identify any Agency Types not consulted and provide rationale for not consulting

No agencies were intentionally omitted. To compile the contact list, staff utilized listings of organizations that had previously been funded or had inquired about funding. Further, public notices were posted on the municipal bulletin board, within the newspaper of largest general circulation and within a Spanish-written newspaper soliciting comments from interest parties and the general public.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Texas Homeless Network	Provision of Homeless Prevention Programs and addition of affordable housing units throughout the community

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Additional consultations

- Business and Civic Leaders - representatives on the CD Advisory Council

- Code Enforcement/Health Department - Lead-Based Paint, Revitalization Areas
- McAllen Housing Authority/Finance Corp. - Resident Self-Sufficiency Programs, Public Housing Units/Section 8 portfolio and waitlists, LIHTC projects

Planning Process to Narrow Digital Divide

McAllen ISD provides iPads or Chromebooks to its students. Wi-Fi internet is available at MISD campuses and at City facilities. However, in order to further narrow the digital divide, the Office of the Mayor began discussion with Spectrum to provide low-cost internet services. After deliberation, ATT was selected to provide low-cost internet services to qualified residences.

Increased Resilience to Natural Hazards

As the City saw during the disastrous flooding in June 2018, drainage improvement projects are a necessary component of the City's services. Each year, the City Engineer and/or the City's Drainage Engineer present the CD Council with applications based on the previous year's calls for assistance, street closures, property damage assessments and/or other variables. The City Engineer is a key staff member in the City's Emergency Management Plan and also serves as the local flood plain administrator. Within her purview lies services complementary to the provision of drainage such as street improvements, traffic assessments, sidewalk improvements (curb and gutter) and GIS planning and mapping. In an effort to increase community resiliency, the CDBG program annually funds water/sewer improvements projects and, during severe weather, CD staff serves as a liaison with residents and service organizations providing support in low and moderate-income areas. And, due to the June 2018 flooding, FEMA has awarded the City millions of dollars' worth of funding to address drainage/low lying areas. In addition, voters approved a bond for the provision of additional drainage projects throughout the community. Progress may be followed on the City's bond website.

Further, the McAllen Public Utilities is responsible for the provision of safe drinking water and sanitary sewer services. Recently, MPU upgraded or constructed new facilities for these services. CDBG funds are often used to assist in low-income areas to replace aging water and sewer infrastructure. Through upgrades/new construction, the now stable infrastructure is less likely to be negatively impacted during hazardous weather/situations.

Also, outdoor recreational space is used by the City as part of the drainage system. City/school parks at Jackson Elementary and McAuliffe Elementary serve as detention ponds to retain water during heavy rain events. The joint use of land serves to showcase the partnership between the City and McAllen school district and provide for natural hazard mitigation.

Staff from the Engineering Department, McAllen Public Utilities, and McAllen school district were consulted during the development of the Consolidated Plan.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of McAllen adopted a Citizen Participation Plan that will:

- Provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate income, residents of slum and blight areas and/or residents of low and moderate income neighborhoods;
- Provide citizens with reasonable and timely access to local meetings, information and records relating to the grantee's proposed use of HUD funds;
- Provide for technical assistance to groups or persons of low and moderate income that request assistance in developing proposals;
- Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program;
- Provide for timely written responses to written complaints; and
- Identify how the needs of the non-English speaking residents will be met where a significant number of non-English speaking residents can be reasonably expected to participate.

During the composition of the One-Year Action Plan, five public hearings and a 30-day comment period will have been instituted to solicit comments. So far, comments included need for:

- Child Care Services
- Food Banks
- Handicapped Services
- Health Centers
- Health Services
- Homeless Facilities
- Housing - Construction and Rehabilitation
- Operating costs of Homeless and HIV/AIDS Patient Programs

- Other Public Facilities and Improvements
- Other Public Services
- Parks and Recreational Facilities
- Senior Services
- Services for Abused and Neglected Children
- Services for Battered and Abused Spouses
- Subsistence Payments
- Transportation Services
- Street Improvements
- Water/Sewer Improvements
- Youth Services

The above-listed activities impacted goal setting through their identification as "high" priorities.

Efforts made to broaden citizen participation include the use of the 14-member Community Development Advisory Council, notices placed online, notices placed in Spanish-written newspapers, draft documents available at the main library and two branch libraries as well as traditional means of announcement/notices such as the use of the external bulletin board and advertisements in The Monitor. Public Hearing notices appear at least 15-days prior to said hearing,

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	To be determined May 13, 2019	To be determined	N/A	www.mcallen.net ; www.mypublicnotices.com/The Monitor

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Residents of Public and Assisted Housing	To be determined May 24, 2019	To be determined	N/A	www.mypublicnotices.com/The Monitor

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1,2)

Introduction

The City of McAllen is anticipating entitlement grant resources totaling exceeding \$3,000,000 during the next fiscal year (October 1, 2019 - September 30, 2020) to address obstacles to meet underserved needs, foster decent housing, and enhance communication between housing and social service agencies. The results of these activities will be reported in the Consolidated Annual Performance Evaluation Report to be remitted to HUD in December 2020.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,593,947	500,000	30,000	2,123,947	0	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	481,562	600,000	0	1,081,562	0	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of McAllen encourages non-profit subrecipients and municipal departments to leverage HUD funds with other resources. For FY 2019-2020, CDBG funds are expected to leverage approximately \$3 for every HUD dollar awarded to the City. The largest source of leverage is expected from federal programs, including other HUD funds.

The amounts to be used this fiscal year to address Community Development Activities as:

- Federal (Award) - \$1,593,947
- Program Income (CBDO Proceeds) - \$500,000

For the HOME Program, the leveraged funds include:

- Federal Award - \$481,562
- CHDO Proceeds - \$500,000

With the HOME program, the City will use no other forms of investment other than those described in 24 CFR 92.205(b). Anticipated leveraging for the HOME Program is:

- Private Funds \$1,040,000
- CHDO Proceeds \$600,000

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Publicly-owned land, specifically parks and McAllen ISD properties, may be rehabilitated for improvements/increased use as green or open space. It is not anticipated that any other publicly owned land or property will be used to address community development needs. Nonetheless, public property may be used to house public service activities such as using the library or community centers for educational programs, recruitment, fairs, distribution centers, etc.

For FY 2019-2020, ten City/School park projects are scheduled to be improved with CDBG funds.

Projects

AP-35 Projects – 91.220(d)

Introduction

The City of McAllen encourages non-profit subrecipients and municipal departments to leverage HUD funds with other resources. For FY 2019-2020, CDBG projects will leverage approximately \$3 for every HUD dollar. The largest source of leverage is federal government programs.

With the HOME program, the City will use no other forms of investment other than those described in 24 CFR 92.205(b). As an economically distressed area, the City has been waived (50%) from its HOME matching requirement.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

During the Consolidated Planning process, entitlement staff coordinated their community-wide consultations with public agencies and community organizations, in addition to conducting the citizen participation processes within their communities. Staff then met as a group to analyze the results from these needs assessment activities, and determined the similarities and differences of their resulting priorities.

As a result, the City will attempt to expend public funds in a manner that helps ensure funds make the most significant impact according to the issues brought forward by public agencies, community organizations, and residents during the community-wide consultation and citizen participation processes. In order to address financial obstacles, the City will direct their scarce resources toward projects that will leverage the commitment of other public and private sector support whenever possible.

In order to address financial obstacles, the City will direct their scarce resources toward projects that will leverage the commitment of other public and private sector support, whenever possible.

An ongoing concern to addressing underserved needs is the consistent number of persons crossing the border illegally. The area has seen an influx of illegal border crossers, many of whom are underage and, often, unaccompanied minors. This phenomenon has stretched local service providers and government resources.

AP-38 Project Summary

Project Summary Information

HUD MATRIX CODE	PROJECT NAME	AMOUNT
03: OTHER PUBLIC FACILITIES AND IMPROVEMENTS		
	C.A.M.P. University Sprinkler System	\$8,000
	Funds will be used for the (partial) purchase and installation of a sprinkler system	
	Women Together Foundation, Inc. – Satellite Center	\$20,000
	Funds will be used for facility improvements (A/C, restrooms, parking lot and flooring)	
03C: HOMELESS FACILITIES		
	Women Together Foundation, Inc. – Emergency Shelter	\$8,363
	Funds will be used for the purchase and installation of cameras and (security) doors	
03F: PARKS AND RECREATIONAL FACILITIES		
	McAllen ISD – City/School Pavilion Enhancement	\$45,500
	Funds will be used for the repair, sanding, priming and painting of city/park pavilions	
	McAllen ISD – City/School Pavilion Lighting Enhancement	\$84,500
	Funds will be used for the replacement of current light fixtures to LED fixtures	

McAllen ISD – Travis Middle School Tennis Court Resurfacing **\$65,000**

Funds will be used for court resurfacing, new backboards, netting and fencing

McAllen Parks and Recreation Dept. – Retama Park **\$75,000**

Funds will be used for playground equipment, basketball court work and fitness station

McAllen Parks and Recreation Dept. – Suarez Park **\$142,000**

Funds will be used for restrooms, playground areas, fencing and site amenities

McAllen Parks and Recreation Dept. – Uvalde Field Lighting **\$280,000**

Funds will be used for the addition of field lighting at Uvalde Fields

03J: WATER/SEWER IMPROVEMENTS

McAllen Public Utilities – Kendlewood Ave. Waterline Improvements **\$136,292**

Funds will install water lines along Kendlewood between Bicentennial and 20th St.

McAllen Public Utilities – Hackberry Ave. Waterline Improvements **\$136,292**

Funds will install water lines along Hackberry between Bicentennial and 20th St.

05: PUBLIC SERVICES (GENERAL)

Silver Ribbon Community Partners **\$4,900**

Funds will pay for rent and utilities, including deposits, medical equipment and assistance

McAllen Code Enforcement and Health **\$16,000**

Funds will be used for the purchase of two cameras to deter illegal dumping

The Salvation Army **\$9,800**

Funds will be used for rent, transportation, medication assistance and work clothes

05A: SENIOR SERVICES

Amigos Del Valle, Inc. **\$16,660**

Funds will be used for the preparation and delivery of noon meals to homebound elderly

LRGVDC – Area Agency on Aging **\$7,000**

Funds will provide medication, and medical supplies for elderly persons

05B: SERVICES FOR THE DISABLED

C.A.M.P. University **\$14,000**

Funds will reimburse the staff salaries who provide services to adults with special needs

05D: YOUTH SERVICES

Valley Alliance of Mentors for Opportunities and Scholarships (VAMOS) **\$5,000**

Funds will reimburse personnel who provide mentorship to qualified students

05E: TRANSPORTATION SERVICES

United Way of South Texas **\$5,000**

Funds will be used to purchase bus vouchers which will be issued to qualified residents

05L: CHILD CARE SERVICES

Boys and Girls Club of McAllen – Scholarship Program **\$15,000**

Funds will be used for membership, sports and/or summer camp scholarships

“In His Steps” Shoe Bank of McAllen **\$2,500**

Funds will be used for the purchase of shoes for school-aged children

05M: HEALTH SERVICES

Access Esperanza Clinics, Inc. **\$15,000**

Funds will be used for physical exams, pap, diabetes, lipid and STI testing and lab work

Comfort House Services, Inc. **\$20,940**

Funds will be used to reimburse the salaries of Caregivers who provide palliative care

Community HOPE Projects, Inc./HOPE Family Health Center **\$25,000**

Funds will provide diagnostic services, labs work and hospital fees

Easter Seals – Rio Grande Valley **\$8,000**

Funds will be used for occupational, physical and/or speech therapy units

05N: ABUSED AND NEGLECTED CHILDREN

Children’s Advocacy of Hidalgo County **\$15,000**

Funds will reimburse salaries of those who provide services to victims of child abuse

05Q: SUBSISTENCE PAYMENTS

Catholic Charities of the Rio Grande Valley **\$7,200**

Funds will reimburse utility/rental assistance and deposits to prevent homelessness

05W: FOOD BANKS

McAllen Food Pantry **\$40,000**

Funds will be used for the purchase of food to be distributed via several citywide pantries

Food Bank of the RGV **\$8,000**

Funds will purchase food to be distributed to seniors in housing developments

12: CONSTRUCTION OF HOUSING

Affordable Homes of South Texas, Inc. – New Construction **\$50,000**

Funds will be used for the construction of one home

14A: REHABILITATION; SINGLE-UNIT RESIDENTIAL

RGV Habitat for Humanity **\$20,000**

Funds will be used for accessibility improvements, mobility modifications & minor repairs

21A: GENERAL PROGRAM ADMINISTRATION

Administration **\$318,000**

Funds will be used for program administration

FY 2019-2020 PROPOSED HOME BUDGET

HUD MATRIX CODE	PROJECT NAME	AMOUNT
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12: CONSTRUCTION OF HOUSING

	Affordable Homes of South Texas, Inc. – New Construction	\$358,406
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Funds will be used for the construction of homes throughout the City

	RGV Habitat for Humanity	\$75,000
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Funds will be used for the construction of one home

21A: GENERAL PROGRAM ADMINISTRATION

Administration

\$48,156

Funds will be used for program administration related to the HOME Program

GRAND TOTAL

\$2,105,509

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

All Census Tracts within the City contain a preponderance of minorities. Nonetheless, CDBG resources are more narrowly focused on low income areas within the City, particularly south of Pecan Blvd. A map indicating low income areas will be provided as will project maps. These locally-created maps will overlay project sites with low income Census Tracts.

Geographic Distribution

Target Area	Percentage of Funds
CDBG ELIGIBLE CENSUS TRACTS	55%

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

CDBG regulations stipulate that projects which have an area-wide impact must primarily benefit low-income persons. The City uses 2010 Census Tracts and Block Groups to identify projects' geographic boundaries. Then, the City uses IDIS to compute the percentage of low income households.

The FY 2019-2020 projects that were deemed eligible using area-wide benefit/allocated geographically are:

- McAllen Public Utilities – Kendlewood Ave. Waterline Improvements
- McAllen Public Utilities – Hackberry Ave. Waterline Improvements
- McAllen ISD – Brown Middle School
- McAllen ISD – City/School Pavilion Enhancement
- McAllen ISD – City/School Pavilion Lighting Enhancement
- Parks and Recreation Dept. – Retama Park
- Parks and Recreation Dept. – Suarez Park
- Parks and Recreation Dept. – Uvalde Field Lighting

Discussion

CDBG funds are more narrowly focused within qualified Census Tracts/Block Groups, areas where more than 51% of residents are of low and moderate income. In addition, many non-profit organizations operate from low income Census Tracts or have satellite offices within the eligible areas. Because American Community Survey data is gathered annually, it is possible that currently-qualified Census Tracts/Block Groups may cease to remain qualified. While it is possible that changes to eligibility may

occur, it is anticipated that area benefit projects will remain eligible through the funding period.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Affordable Housing is a "High" priority need for the City of McAllen. CDBG, HOME and ESG funds are the primary mechanism used to address the housing needs faced by the general low income population, persons with special needs, the elderly, and homeless individuals and families. Of note, any ESG funds provided to homeless services providers will be on behalf of Hidalgo County - Urban County Program as the City of McAllen did not receive ESG funds for FY 2019 - 2020.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	9
Special-Needs	10
Total	19

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	15
The Production of New Units	9
Rehab of Existing Units	10
Acquisition of Existing Units	0
Total	34

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion

Emergency shelter/transitional housing services will be provided by The Salvation Army and Women Together Foundation, Inc. Homeless prevention services will be undertaken on behalf of Catholic Charities of the Rio Grande Valley, Silver Ribbon Community Partners and The Salvation Army.

Permanent housing activities will be undertaken by Affordable Homes of South Texas, Inc. and RGV Habitat for Humanity. Their goals are assisting:

- Ten owner-occupied households will be rehabilitated. It is estimated that eight households will have an income between 0-30% of Area Median and two households will have an income between 30-50% of Area Median.
- Nine homes will be constructed via Community Housing Development Organization (CHDO) HOME activities. It is estimated that six households will have incomes between 60-80% AMI, two households will have incomes between 50-60% AMI and one household will have an income

between 30-50% AMI.

AP-60 Public Housing – 91.220(h)

Introduction

One public hearing is scheduled to occur on May 24, 2019 at the McAllen Housing Authority's Family Development Center.

Actions planned during the next year to address the needs to public housing

No CDBG or HOME funds will be provided directly to the McAllen Housing Authority; however, other HUD funds will be utilized to assist residents maintain decent, safe and sanitary housing. Nonetheless, City staff assists the housing authority prepare environmental reviews, as necessary, for the use of federal funds. The City continues to stay actively involved in public housing concerns because the Mayor appoints persons to MHA Board of Directors. MHA is one partner organization in the City's newly formed housing coalition.

In addition, City staff continues to collaborate with MHA staff for the improvement of the facility and resident initiatives. City staff and MHA will prepare the AFH document alongside the other entitlement communities and public housing authorities in Hidalgo County. Contributing Factors identified in the AFH (included in the Analysis of Impediments) will help guide City and Housing Authority programs and policies.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Management of the public housing authority coordinates meetings with residents to discuss operations of the housing authority. The MHA Resident Advisory Board meets monthly to discuss resident initiatives and enact policies. Further, McAllen Housing Authority and Affordable Homes of South Texas, Inc. (AHSTI) began a successful program utilizing Section 8 vouchers for homeownership in 2004. Information on acquiring/purchasing affordable homes from AHSTI is readily available at the housing authority. The City's HOME funds may be used to assist these Section 8 Homeownership Recipients transition into homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

The McAllen Housing Authority has 138 fully-occupied Public Housing units and 1,269 Section 8/Housing Choice Vouchers. In addition to these two federal programs, the McAllen Housing Authority, through its

affiliates, owns and manages six (6) housing developments that offer an additional 338 affordable rental units in within the community; the construction of one of the two LIHTC projects has begun.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of McAllen did not receive Emergency Solutions Grant (ESG) funds for FY 2019 -2020. ESG funds are the primary mechanism to provide services for homeless individuals and families as well as prevent homelessness. As previously mentioned, the sole ESG recipient in the area is Hidalgo County - Urban County Program. However, Community Development Block Grant (CDBG) funds will be used to assist homeless individuals and families and prevent households from becoming homeless. Services to benefit persons with special needs also utilize CDBG program funds.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City will continue to serve as a referral service to agencies funded by CDBG. Three agencies will undertake the majority of services provided to homeless individuals using CDBG awarded funds:

- Catholic Charities of the Rio Grande Valley will provide homeless prevention and rapid rehousing services.
- The Salvation Army will use funds to also provide homeless prevention services and transportation vouchers to relocate persons with their families while also assisting shelter clients with clothing.
- Women Together Foundation, Inc. will use funds to address the needs of residents residing Emergency Shelter

Unsheltered homeless individuals represent one of the hardest cases to address. These individuals often have substance abuse, mental illness or other significant concerns which contribute to their homeless status. Unsheltered homeless will likely seek assistance from The Salvation Army. It is anticipated they will have the highest number of persons assisted with rapid rehousing which is primarily funded by the Emergency Solutions Grant from Hidalgo County - Urban County Program.

Non-U.S. resident adults and unaccompanied minors further represent some of the hardest cases to address. Their experiences with their governments and aid workers have often left them concerned about seeking assistance. The City and other non-profit groups have struggled to provide services for these undocumented individuals. Passage of legislation regarding citizenship may further prevent this group of people from seeking assistance. Nonetheless, efforts to stabilize these individuals and provide safe housing continue.

Addressing the emergency shelter and transitional housing needs of homeless persons

CDBG funds will be used to fund the single emergency shelter for victims of domestic violence. It is operated by Women Together Foundation, Inc. and located within the City of McAllen. The Women Together Emergency Shelter will receive CDBG assistance for FY 2019 - 2020.

Nonetheless, a transitional housing complex remains needed for the general population; however, with limited resources, no homeless service provider has actively sought construction of a transitional housing facility.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Victims of domestic violence who utilize the transitional housing complex are the most likely group of formerly homeless individuals who are able to obtain and maintain permanent housing. Many of these transitional housing residents use the services provided by Affordable Homes of South Texas, Inc. in order to purchase their own homes. Conversely, and as expected, chronically homeless individuals and unaccompanied youth have less success in obtaining and maintaining permanent housing.

Nonetheless, because of the success of the American Recovery Reinvestment Act (ARRA) of 2009-funded Homeless Prevention and Rapid Re-Housing Program (HPRP), the City and agencies were able to identify quality affordable rental units and units who would quickly process applications for homeless persons or those threatened with homelessness. This information presumably shortens the time persons' experience homelessness. When necessary, these units and landlords are contacted in an attempt to reduce the time a person or families are homeless. In addition, ARRA put into place the use of the Homeless Management Information System (HMIS) which allows agency staff to track not only the time families utilize homeless services but also enter case notes to assist households obtain mainstream services and address any potential relapses into homelessness. HMIS is operated under the auspices of the Texas Homeless Network. The Salvation Army and Catholic Charities of the RGV utilize HMIS to track client homelessness, provide data entry regarding mainstream programs and assist individuals and families transition from homelessness.

Of note, for FY 2019 - 2020, Catholic Charities of the Rio Grande Valley places a special emphasis on veterans and their families with homeless prevention activities.

Helping low-income individuals and families avoid becoming homeless, especially extremely

low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

A portion of CDBG funds have been targeted towards precariously housed populations, those threatened with homelessness. Homeless prevention programs which address delinquent rent and/or utilities are provided by several agencies and are funded through the City's FY 2019 -2020 CDBG allocation. The City continues to rely on non-profit and other governmental agencies to provide homeless prevention and homeless service activities. Various agencies have been identified within the City's Anti-Poverty Strategy, an effort to address the needs of persons whose income falls between 0-30% of area median.

Services that assist in preventing homelessness for persons discharging from publicly funded institutions include Catholic Charities of the RGV, The Salvation Army and United Way of South Texas. Catholic Charities of the RGV and The Salvation Army are awarded Community Development funds for the prevention of homelessness.

As indicated above, one of the closely monitored tools to address the needs of homeless individuals and families or precariously housed persons is the use of HMIS. HMIS allows users to monitor the number and length of times assistance was provided by the various homeless providers as well as review case notes regarding mainstream benefits, goals or other concerns.

Lastly, CD staff encourages agencies who assist individuals and families who are currently receiving CDBG services obtain a verification letter from the initial service provider as proof of eligibility for other CDBG-funded activities. This "shortcut" helps agencies and families reduce the wait time in providing services.

While the City has not been the primary contact for persons discharging from publicly funded institutions, CDBG-funded subrecipients are often points of contact. In many instances, however, case notes and/or files requesting reimbursement may provide summary of individual's situation and how the social service agency assuaged housing and support service needs.

Discussion

Addressing the needs of the homeless or persons threatened with homelessness is a "High" priority. As the municipality that houses both emergency shelters and the transitional housing complex within the County, the City has a stake in assuring that quality services are rendered by homeless service providers. The City will endeavor to expend some of the CDBG allocation in a manner to maximize the benefit for

homeless persons or those precariously housed.

Service providers for persons with alcohol or other drug addictions, persons with HIV/AIDS and their families as well as the public housing authority did not request CDBG funds in order to provide services; even so, persons who may fall into these categories are not specifically prohibited from receiving CDBG-funded housing or social services.

Nonetheless, during FY 2019-2020, the City will undertake the following actions in order to address housing and supportive services for non-homeless persons with special needs:

- Through the RGV Habitat for Humanity, funds will be used for the rehabilitation or reconstruction of 10 housing units focused on the elderly or persons with special needs
- Amigos Del Valle, Inc. will provide home delivered meals to homebound (frail) elderly individuals and their spouses
- C.A.M.P. University will provide services to adults with special needs who have aged out of the school setting. Services include instruction on tasks of daily living, recreation and arts and crafts are provided
- Easter Seals of the RGV will provide outpatient physical therapy, occupational therapy and speech/language pathology
- LRGVDC – Area Agency on Aging will provide prescription assistance, medical supplies
- Women Together Foundation, Inc. will assist women and children fleeing domestic violence
- Silver Ribbon Community Service provides a variety of services to adults who are clients of the State of Texas Adult Protective Services. Mostly elderly or persons with mental or physical disabilities are proposed to benefit

No CDBG funds are proposed to go directly to McAllen Housing Authority or agencies serving persons with alcohol or other substance abuse issues.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The City of McAllen identifies barriers to affordable housing in its Analysis of Impediments (AI). The development of the AI was intended to meet HUD requirements in addition to providing a detailed account of actions and activities that limit access to affordable housing. Additionally, strategies to overcome these obstacles are addressed. The AI is available for review at the City of McAllen's Community Development Office. The City will continue to review and update the AI to ensure that the document remains accurate.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In order to address the barriers, the City will

1. Provide funding for housing rehabilitation and reconstruction services
2. Encourage and support affordable housing developments
3. Implement practices to increase transportation services, particularly to areas of interest including the Texas A&M campus
4. Continue to encourage deconcentration of low-income housing and support a mixed type and varied styles of affordable housing
5. Participate in programs that provide access to equitable financial services, such as are available during the Homebuyer's Fair
6. Assist persons to access fair housing resources, including the completion of forms and provision of pamphlets
7. Continue the partnership with McAllen ISD
8. Utilize municipal departments and resources to ensure quality construction and developments within

the City

The City does not believe that planning requirements and code enforcement actions constitute barriers to fair and affordable housing. The majority of these policies or regulations cannot be considered excessive, exclusionary, discriminatory, or duplicative. It is not unreasonable for cities with jurisdictional authority to charge fees for development, especially pertaining to land preparation costs. However, it does need to be acknowledged that for the development of affordable housing these costs can be potentially prohibitive. In order to remove or ameliorate barriers to affordable housing, the City may waive or lower fees for the development of affordable housing. This may serve as an additional incentive to develop affordable housing. Through the inclusion of other federal and non-federal sources of funding, affordable housing may be more easily provided, particularly for extremely-low income households.

Discussion:

In order to raise awareness regarding barriers to affordable housing, the City will proclaim April as “Fair Housing Month”. During the event, the Mayor or a City Commissioner will provide information, explain types of discrimination and describe the courses of action that renters or homebuyers may take. HUD authorized pamphlets regarding the federal fair housing law are also available at the Community Development Office.

Additionally, City staff will provide assistance to any McAllen resident filing a federal fair housing discrimination complaint. Staff will provide intake services to the resident and forward the complaint to the appropriate HUD office. The complainant will receive notification from the HUD office regarding the status of the case. To date, the City of McAllen has not assisted anyone in filing a fair housing discrimination complaint. As such, the status and/or disposition of any filed complaints are not part of the City’s records.

Further, during the month of June, the City, in conjunction with Affordable Homes of South Texas, Inc., will continue to participate in/co-sponsor the Homebuyers’ Fair in order to disseminate information on housing opportunities. Information at the Homebuyers’ Fair will be provided in both English and Spanish.

Affordable housing remains a "High" Priority and will continue to be addressed using FY 2019-2020 CDBG and HOME funds. The City will attempt to ameliorate, to the extent feasible, any conditions that serve as barriers to construction, maintenance, development or sustainability of affordable housing units.

AP-85 Other Actions – 91.220(k)

Introduction:

As a fast-growing area, the City must balance a diverse array of housing and community development issues. Present needs far outweigh the amount of federal, state, and local government funding available to address them. However, the City encourages subrecipients to leverage any HUD-awarded funds (CDBG and/or HOME) with private and public dollars.

Actions planned to address obstacles to meeting underserved needs

The following obstacles to meeting underserved needs were identified:

- McAllen is located in one of the fastest growing regions in the country, and its population growth threatens to outstrip the existing capacity of local housing and community development organizations. With ongoing cutbacks to public services, individuals and families will be hard pressed to meet their needs for affordable housing and other community development assistance.
- McAllen percentage of households living in poverty was 25.7%, based on 2012-2016 American Community Survey (ACS) 5-year Estimates.
- As a result of the City's lower income levels, few extremely low- and low-income residents can afford a median priced home, or the rent for a market-rate two-bedroom apartment.
- The region continues to struggle with high unemployment.
- A major contributor to the region's high unemployment and poverty rates is its low educational attainment levels.

In order to overcome the identified obstacles, the City of McAllen has designated social services, housing and infrastructure, public facilities and economic development activities as "High" priorities. As such, HUD-awarded funds will be utilized to further these types of activities for the benefit of low- and moderate- income persons and circumvent the obstacles of meeting underserved needs.

Particularly as it relates to underserved needs, CDBG funds are used to:

Promote job training and self-sufficiency for persons of special needs through the C.A.M.P. University program

- Assist help working class families with child care. Boys and Girls Club of McAllen scholarship program provides after-school care, including help with homework, recreational activities as well as summer camps.
- Allow safety checks for homebound elderly persons through the Amigos Del Valle, Inc. program
- Support victims of domestic violence and abuse through Women Together Foundation, Inc.

and Children's Advocacy Center of Hidalgo County programs.

- Prevent homelessness through rental (Catholic Charities of the RGV, Silver Ribbon Community Partners, and The Salvation Army) and homeownership (Affordable Homes of South Texas, Inc.) programs

Actions planned to foster and maintain affordable housing

The City awarded funds to Affordable Homes of South Texas, Inc. (AHSTI) in order to provide affordable housing to its residents. AHSTI is annually certified as the City's Community Housing Development Organization (CHDO), a requirement to use HOME funds for new construction. In addition, RGV Habitat for Humanity is expected to seek CHDO Certification.

Actions planned to reduce lead-based paint hazards

In recognition of the dangers posed by lead-based paint, the City/Housing Provider Staff test homes that were constructed prior to January 1, 1978 for the presence of lead. The specific homes tested are those that are under consideration for housing rehabilitation and reconstruction assistance under the CDBG program. The appropriate abatement or interim control methods are employed if lead is found in the home. The City will model its Lead Based Paint Policy after the guidance issued in by EPA and HUD. This policy will be included it as part of the Standard Operating Procedures for the housing rehabilitation program in an effort to comply with the Lead Based Paint Requirements – HUD Lead Safe Housing Rule 24 CFR Part 35, Subpart J Rehabilitation Section 35.900.

In summary of the policy, the following are the levels of intervention and action:

- Rehabilitation activities less than \$5,000 – Safe work practices and work site clearance
- Rehabilitation activities between \$5,000 and \$25,000 – Risk assessment and interim controls
- Rehabilitation activities over \$25,000 – Risk Assessment and abatement

Any contractor/subcontractor attempting to work on federally funded projects in which lead-based paint is a concern is subject to compliance with the regulation.

In addition to CDBG-funded activities, the City provides local funds to continue to address substandard housing, including lead-based paint concerns. These funds are used to promote rehabilitation or reconstruction services, revitalize older (Pre-1978) neighborhoods as well as provide the means to distribute literature including information on the prevention of lead based paint poisoning.

Actions planned to reduce the number of poverty-level families

McAllen's vision for development still remains to establish decent housing and suitable living environments while expanding economic opportunities for low and moderate-income individuals. In

order to develop effective strategies for economic development and job creation, the City must overcome the multiple barriers to job creation, which include the lack of education and skilled labor force, sufficient capital and adequate information. Strategies include: providing support services as required to reduce barriers to job training and permanent employment, providing programs for literacy and life skills, identifying jobs and providing training programs to meet required employment skills; and initiating regional business development efforts to expand businesses and stimulate entrepreneurial spirit.

The following social service organizations are the most prominent agencies in assisting extremely low- and low-income individuals and families find housing and/or supportive services within McAllen

- American Red Cross

- Amigos Del Valle, Inc. - CDBG
- Catholic Charities of the RGV - CDBG
- Comfort House Services, Inc. - CDBG
- Community HOPE Projects, Inc. - CDBG
- Consumer Credit Counseling of South Texas
- Food Bank of the RGV – CDBG
- Hidalgo County – Community Service Agency
- McAllen Metro – Municipal Transportation System
- McAllen Food Pantry - CDBG
- McAllen Housing Finance Corp.
- McAllen I.S.D. – Free Lunch
- McAllen Public Housing Authority
- Palmer Drug Abuse Program
- Silver Ribbon Community Partners - CDBG
- Texas Department of Health and Human Services
- Texas Rural Legal Aid
- The Salvation Army - CDBG
- Tropical Texas Mental Health and Mental Retardation Center
- Valley AIDS Council (VAC)
- Women Together Foundation, Inc. - CDBG

Actions planned to develop institutional structure

The City of McAllen’s municipal government is a Commissioner-Mayor form of government. The Mayor and six Commissioners serve as McAllen’s legislative body.

The City’s Community Development Department is responsible for oversight of housing and community development funds received from the U.S. Department of Housing and Urban Development

(HUD). Excluding the administration portion of its award, the City contracts all CDBG and HOME funds to social service agencies and municipal departments for the implementation of eligible projects. The City uses the following departments to undertake projects:

- Engineering Department - design and construction management of infrastructure and/or public facilities
- Parks and Recreation Department - analysis of green space, open space and recreation programs
- Finance Department - issuance of payments and liaison with external auditors
- Internal Auditing Department - monitoring of subrecipient and department procedures
- Purchasing and Contracting Department - provides technical assistance related to purchasing policies applicable to municipal and subrecipient agencies
- Office of Management and Budget - budget analysis, reconciliation and confirmation of federal financial accounting systems

To further strengthen the institutional structure of the region, the City undertook a collaborative approach to the development of the Consolidated Plan and Strategy. Commitment and coordination among different levels of local government, community organizations, and the public has been essential, and has resulted in a broad-based approach to putting HUD funds to work throughout Hidalgo County.

In addition, the City Commission has appointed a fourteen-member advisory council to review and recommend HUD-awarded funds to non-profit and City department projects. The advisory council holds several public hearings, tours the proposed construction sites and visits with applicants prior to recommending funding.

These processes are intended to remain while developing programs using CDBG and HOME funds.

Actions planned to enhance coordination between public and private housing and social service agencies

The City works with a variety of organizations involved in the delivery of housing, homeless, non-homeless special needs, and community development activities – including many of the public agencies and community organizations consulted during the development of the CPS and One-Year Action Plan. These include the Public Housing Authority (PHA), the Community Housing Development Organization (CHDO), and community organizations whose fields of interest and service include but are not limited to: social services, youth services, elderly services, handicapped services, abused children’s services, health services, homeless services and domestic violence assistance/crisis management.

The strength of the City’s CDBG program structure is derived from the variety of public agencies and community organizations in the area that are working diligently toward one common goal: to provide affordable housing, supportive services, and community development assistance to benefit low- and moderate-income individuals and families. Local agencies, community-based organizations, and social

service providers must coordinate their activities in response to the region's urgent needs. Each stakeholder in the delivery system contributes valuable resources and expertise.

Although not funded by CDBG, economic development in the community is primarily undertaken by the McAllen Economic Development Corporation and the McAllen Chamber of Commerce. General Funds and Development Corporation of McAllen dollars are used to supplement the organizations budgets in an effort to continue to support economic development in the City.

In an effort to enhance coordination between public and private housing and social service agencies:

- The City coordinates its subrecipient orientation so that CDBG-funded entities have an opportunity to meet one another
- The City has posted its resource book online which contains information on the various CDBG funded services
- The City maintains a booth at the annual homebuyer fair to distribute information to residents
- The City, through local funds, supports other varied non-profit organizations
- The City provides all subrecipients with a complete list of current projects for reference when case management necessitates additional services
- The McAllen Cable Network films segments related to CDBG-funded activities
- Staff from the McAllen Cable Network utilize social media to provide relevant information for residents

Discussion:

The City of McAllen determined the priority ranking of its housing and community development needs through a consultation process with public agencies, community organizations and residents during the composition of the FY 2018-2022 Consolidated Plan and Strategy (CPS) and development of the Assessment of Fair Housing.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I) (1,2,4)

Introduction:

In the Action Plan, the City describes the programs and services that it will undertake during the period beginning October 1, 2019 until September 30, 2020. The Action Plan details the populations that will be served, projects to be undertaken, and resources that will be used over the next year to address the first of the five years covered by the Consolidated Plan and Strategy.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

With the HOME program, the City will use no other forms of investment other than those described in 24 CFR 92.205(b). As an economically distressed area, the City has been waived (50%) from its HOME matching requirement.

The City will utilize the HOME affordable homeownership limits for the area and will not independently determine the 95% median area purchase price for its HOME Program.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City has adopted a recapture policy that serves to address the continued affordability of housing units acquired and/or constructed with HOME funds. When HOME funds are used, restrictions will be placed on the unit to ensure compliance with the recapture requirements described in 24 CFR 92.254(a)(5)(ii). The amount subject to recapture option is limited to the direct subsidy.

The City has selected the "Owner Investment Returned First" recapture option for its HOME Program. If net proceeds are available, the owner will receive their investment before the HOME note is repaid. An equal amount (based on length of affordability) will be reduced on the anniversary of closing. The difference between the HOME investment and any reduction is due the City to the extent net proceeds are available. Such is outlined in the Homebuyer Assistance Contract. The City will maintain the original Homebuyer Contracts and will subsequently receive the City's executed original note and deed of trust for its investment in the HOME-built units.

The City has also opted to allow for the presumption of affordability, an effort to allow secondary homebuyers the opportunity to assume the mandatory HOME period of affordability if no additional HOME funds are invested.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

As detailed above, the City has adopted a recapture policy to address the continued affordability of housing units acquired and/or constructed with HOME funds. In summary, the City has selected the "Owner Investment Returned First" recapture option for its HOME Program. If net proceeds are available, the owner will receive their investment before the HOME note is repaid. An equal amount (based on length of affordability) will be reduced on the anniversary of closing. The difference between the HOME investment and any reduction is due the City to the extent net

proceeds are available. Nonetheless, the City has also included the provision to allow a second borrow to continue the period of affordability should no additional HOME assistance be necessary and the subsequent buyer qualifies as low-income.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not intend to refinance any existing debt secured by multi-family housing that is or has been rehabilitated with HOME funds under 24 CFR 92.206(b).