



**City of Brownsville Office of Grant
Management and Community
Development**

THIRD SUBSTANTIAL AMENDMENT TO FISCAL YEAR 2007-2011 ANNUAL ACTION PLANS

HOME Investment Partnerships Program

June 1, 2014

City of Brownsville
1043 E. Levee Street

**Third Substantial Amendment to the 2007-2008, 2008-2009, 2009-2010, 2010-2011, and 2011-2012
Annual Action Plans
City of Brownsville**

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| Grantee Name: | City of Brownsville |
| Name of Department Administering Funds: | Office of Grant management & Community Development |
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EXECUTIVE SUMMARY

The Third Substantial Amendment to the 2007-2008, 2008-2009, 2009-2010, 2010-2011, and 2011-2012 Annual Action Plans (October 1, 2007 through September 30, 2012) describes program and funding amendments to previous City of Brownsville Annual Action Plans, as proposed by the Office of Grant Management and Community Development (OGMCD).

The City of Brownsville (“the City”) is an Entitlement City in the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program, Emergency Solutions Grant (ESG) Program, and a Participating Jurisdiction in the HOME Investment Partnerships Program (HOME). As part of the City of Brownsville’s current Citizen Participation Plan (CPP), public notice and public hearings are required for Substantial Amendments to the City’s Annual Action Plan. As per the City’s CPP and 24 CFR Part 91, the City will amend its approved plan whenever it makes one of the following decisions:

1. To make a change in the goal, priority, or activity of the Consolidated Plan; or
2. To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously covered in the Action Plan; or
3. To change the purpose, scope, location, or beneficiaries of an activity included in the annual action plan.

Further, a substantial amendment to the Consolidated Plan or Annual Action Plan is defined by the City as a transfer between two or more Plan activities that is greater than 50% of the ESG program funds, 30% of the HOME program funds, and 20% of the CDBG program funds.

BACKGROUND

The City of Brownsville Office of Grant Management & Community Development (OGMCD) receives funding on an annual basis from HUD for the Community Development Block Grant (CDBG) Program; HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) Program. These funds are allocated by the City of Brownsville to various activities through the preparation and submission of a 3-5 year Consolidated Plan and Annual Action Plans submitted to HUD. The OGMCD is the lead department responsible for the development and administration of the Annual Action Plans for the City.

HOME Compliance

The City of Brownsville proposes this Substantial Amendment to its Fiscal Years 2007–2011 Annual Action Plans to carryout activities in accordance with the 2013 HOME Final Rule requirements. The proposed funding allocations in this Substantial Amendment will provide for the development of a tax-credit multifamily rental housing complex in the City of Brownsville. If it is determined that the proposed projects adequately meet the screening guidelines and selection criteria, the City will be authorized to execute an agreement with the agency.

Community Engagement

Community Engagement regarding this Substantial Amendment was achieved through several methods, and is in compliance with the City's current Citizen Participation Plan. The Notice of Public Hearing and Request for Public Comment was advertised in The Brownsville Herald on Sunday, June 1, 2014, with the 30-day period ending on July 1, 2014, 5:00 pm. The notice was also posted on the City's website, City Libraries, Community Network Centers and the Brownsville Housing Authority. Notice was provided in both English and Spanish.

A summary of comments received at the public hearings and in writing during the public comment period, along with the City's responses will be submitted to HUD. The City also held meetings with the Mayorca Villas, LP, as well as consulted with the HUD Technical Assistance provider, Cloudburst Group, to discuss the proposed project and obtain their input regarding consideration for the Substantial Amendment.

PROPOSED CHANGES

- 1. Increase:** Increased funding will be allocated to subrecipient TX Mayorca Villas, LP, for the development of multifamily rental housing units.

| Activity Name | Current Budget | Change | New Funding Amount |
|--|----------------|--------------------|--------------------|
| Tax Credit Multifamily Rental Housing | \$0 | + \$750,000 | \$750,000 |

Tax Credit Multifamily Rental Housing – The City of Brownsville will execute a written agreement with a subrecipient for the development of a tax credit multifamily rental housing complex as part of its Consolidated Plan goal to “promote affordable housing opportunities.” The multifamily rental housing complex has received tax credits by the State of Texas and requires gap financing by the City as part of the tax credit arrangement. The City Commission previously committed \$750,000 to the developer. Upon approval of this substantial amendment, the subrecipient will construct a tax credit multifamily rental housing complex with approximately fifty affordable units. The HOME funds will be used for gap financing as needed by the developer. **Funding is made available through HOME Entitlement Program funds, as well as Program Income generated from HOME Program activities.**

SUBSTANTIAL AMENDMENT PROCESS SCHEDULE

Comment Period: The City of Brownsville must provide for and encourage public participation, emphasizing involvement by low and moderate income people, especially those living in low and moderate income neighborhoods. Therefore, the City is accepting written comments on this proposed Substantial Amendment for a 30-day period beginning Tuesday, June 1, 2014 and ending at 5:00 pm on July 1, 2014. Any interested party may submit their written comments to Ms. Stephanie Reyes, Director of Grant Management & Community Development, RE: Substantial Amendment Public Input, 1034 E. Levee Street, 2nd Floor, Brownsville, TX 78520; Phone: (956) 548-6167; e-mail: stephanie.reyes@cob.us; fax: (956) 548-6161.

Public Hearings: In addition to the 30-day comment period, (2) two Public Hearings on the proposed changes will take place:

- June 25, 2014 (6:00 pm): Brownsville Citizens Advisory Committee Meeting
City Plaza, 2nd Floor, 1034 E. Elizabeth Street (Blue Room)
- July 1, 2014 (6:00 pm): Brownsville City Commission Meeting
City Plaza, 2nd Floor 1001 E. Elizabeth Street (Commission Chambers)

Submission: The substantial amendment will be submitted to HUD on July 2, 2014. HUD has 30 days to comment or request additional information.

The City of Brownsville does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the ADA Coordinator at (956) 548-6037 (voice or Relay TX). Requests from individuals needing special accommodations should be received at least 2- 3 days prior to the function.

PUBLIC NOTICE

The City of Brownsville has provided public notice of a 30-Day Comment Period (starting on Tuesday, June 1, 2014 and ending at 5:00 pm on July 1, 2014) in the Brownsville Herald, a local newspaper. All interested parties are encouraged to submit their written comments to Ms. Stephanie Reyes, Director of Grant Management & Community Development Department.

COMMENTS RECEIVED

(Public comment period ongoing)