



**Office of Grant Management and
Community Development**

Proposed Substantial Amendment to PY 2011 through PY 2014 Annual Action Plans

HOME Investment Partnerships Program

June 21, 2015

Proposed Substantial Amendment to Program Year (PY) 2011, 2012, 2013, and 2014 Annual Action Plans

Grantee Name:	City of Brownsville
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Background

The Substantial Amendment to the PY 2011, 2012, 2013, and 2014 Annual Action Plans 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 a Participating Jurisdiction in the U.S. Department of Housing and Urban Development's 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 30% of the HOME program funds.

Introduction

The City of Brownsville Office of Grant Management and Community Development (OGMCD) receives funding on an annual basis from HUD for the HOME Investment Partnerships Program (HOME). These funds are allocated by the City 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.



The proposed Substantial Amendment will allocate funding generated from the construction of 30 single-family housing by community housing development organizations (CHDOs) to a variety of eligible homebuyer activities, including \$1,272,468 for down payment and closing costs for first-time homebuyers and up to \$180,000 for land acquisition of a minimum of 10 lots for future development of more single-family housing within Brownsville City limits. Down payment and closing costs assistance will be made possible through the City of Brownsville's Homebuyer Assistance Program that is set to be administered by the Community Development Corporation of Brownsville (CDCB) upon approval of this substantial amendment. A minimum of 50 families will benefit from down payment and closing cost assistance in the ensuing year.

Moreover, funding will be allocated to two CHDOs to cover some of its operating expenses. The HOME Rule allows a participating jurisdiction, such as the City of Brownsville, to allocate up to 5 percent of its annual HOME allocation to be used to pay for operating expenses incurred by a CHDO. Operating expenses are reasonable and necessary costs for the operation of a CHDO. Examples of operating expenses include salaries, wages, employee education, training and travel, rent, and utilities, among many others. Two CHDOs, Architecture for Charity of Texas, Inc. (ACT) and Brownsville Affordable Homeownership Corporation (BAHC), will be allocated \$50,000 and \$75,000 for operating expenses, respectively.

Also included in this proposed substantial amendment are budget reallocations and reductions to the Tenant Based Rental Assistance Program (TBRA) due to its early phase out on January 2016. To offset the budget reduction to the TBRA Program, and in agreement with the Housing Authority of the City of Brownsville (HACB), funding originally allocated to the Homebuyer Assistance Program (HBA) was reallocated to the TBRA Program. The administration of the HBA Program was originally awarded to the Brownsville Housing Finance Corporation (BHFC), an instrumentality of HACB, for the 2014 program year. However, after negotiations with HACB, it was mutually agreed to shift funding from these programs.

Other changes proposed by the substantial amendment relate to older projects awarded funds (as early as 2011) that are unlikely to be implemented in the immediate future.

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 June 21, 2015, with the 30-day period ending on July 21, 2015 at 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.

Summary of Proposed Changes

- 1. Allocation: Approximately \$50,000 will be allocated to Architecture for Charity of Texas, Inc. (ACT), a community housing development organization (CHDO), for operating expenses.**

Program income generated from the construction of single-family housing will be used to allocate \$50,000 for operating expenses of the Architecture for Charity of Texas, Inc., (ACT), a community housing development organization (CHDO).



- 2. Allocation: Approximately \$180,000 will be allocated to Architecture for Charity of Texas, Inc. (ACT), a community housing development organization (CHDO), for land acquisition.**

Program income generated from the construction of single-family housing will be used to allocate \$180,000 for the acquisition of 10 scattered lots within Brownsville City limits to Architecture for Charity of Texas, Inc., (ACT), a community housing development organization (CHDO). These 10 lots will be sites of future affordable housing units.

- 3. Allocation: Approximately \$75,000 will be allocated to Brownsville Affordable Homeownership Corporation (BAHC), a community housing development organization (CHDO), for operating expenses.**

Program income generated from the construction of single-family housing will be used to allocate \$75,000 for operating expenses of the Brownsville Affordable Homeownership Corporation (BAHC), a community housing development organization (CHDO).

- 4. Allocation: Approximately \$1,272,468 will be allocated to the City of Brownsville's Homebuyer Assistance Program to fund down payment assistance and closing costs.**

Program income generated from the construction of single-family housing will be used to fund the City of Brownsville's Homebuyer Assistance Program (HBA). A minimum of 50 eligible first-time homebuyers will benefit through the HBA Program. The HBA Program will be administered by the Community Development Corporation of Brownsville (CDCB), acting in the capacity of a subrecipient.

- 5. Reduction: Approximately \$705,000 will be reduced from the Tenant Based Rental Assistance (TBRA) Program due to the early phase-out of the Program.**

Funding for the Tenant Based Rental Assistance Program will be reduced by \$705,000 due to its early phase out on January 2016. An unanticipated entitlement funding shortfall for this program prompted shortening the duration of the agreement for the TBRA Program by one year.

- 6. Reduction: Approximately \$153,028 will be reallocated from the Homebuyer Assistance Program to the Tenant Based Rental Assistance (TBRA) Program.**

The Brownsville Housing Finance Corporation (BHFC), an instrumentality of the Housing Authority of the City of Brownsville (HACB), was awarded \$153,028 to fund the City of Brownsville Homebuyer Assistance Program (HBA) in PY 2014. Due to a budget reduction to the Tenant Based Rental Assistance (TBRA) Program, the amount originally allocated to fund the Homebuyer Assistance Program in PY 2014 will be reallocated to the TBRA Program to offset a larger budget reduction.

- 7. Reduction: Approximately \$510,554 will be reduced for the Poinsettia Gardens Multifamily Rental Project.**

Funding for this project will be reduced by \$510,554 to cancel the activity. This project was originally awarded funds in PY 2012.

- 8. Reduction: Approximately \$160,000 will be reduced for the Self Help Low Income Housing Program.**



Funding for this project will be reduced by \$160,000 to cancel the activity. This project was originally awarded funds in PY 2012.

9. Reduction: Approximately \$99,829 will be reduced for the Boot Camp Elderly Housing Replacement Program

Funding for this project will be reduced by \$99,829 to cancel the activity. This project was originally awarded funds in PY 2012, and is currently being funded with Community Development Block Grant (CDBG) funds.

10. Reduction: Approximately \$650,000 will be defunded for Land Acquisition of Scattered Lots located in Downtown Brownsville by a community housing development organization (CHDO).

Funding for the Land Acquisition of Scattered Lots Project will be reduced by \$650,000 to cancel the activity. The CHDO identified to carry out this project was the Community Development Corporation of Brownsville (CDCB). CDCB cited issues finding lots that fell within budget, making the project unfeasible.

Table 1: Summary of Proposed Changes

Activity Name	Current Budget	Change	New Funding Amount
CHDO Operating Expenses	\$ -	\$ 50,000.00	\$ 50,000.00
Land Acquisition	\$ -	\$ 180,000.00	\$ 180,000.00
CHDO Operating Expenses	\$ -	\$ 75,000.00	\$ 75,000.00
Homebuyer Assistance Program	\$ -	\$ 1,272,468.21	\$ 1,272,468.21
Tenant Based Rental Assistance	\$ 1,875,000.00	\$ (705,000.00)	\$ 1,170,000.00
Homebuyer Assistance Program	\$ 153,028.00	\$ (153,028.00)	\$ -
Poinsettia Gardens Multifamily Rental Project	\$ 510,554.50	\$ (510,554.50)	\$ -
Self Help Low Income Housing Program	\$ 160,000.00	\$ (160,000.00)	\$ -
Boot Camp Elderly Housing Replacement Program	\$ 99,829.30	\$ (99,829.30)	\$ -
Land Acquisition of Scattered Lots	\$ 650,000.00	\$ (650,000.00)	\$ -

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 June 21, 2015 and ending at 5:00 pm on July 21, 2015. Any interested party may submit their written comments to Ms. Marina Zolezzi, Director, Office 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: mzolezzi@cob.us; fax: (956) 548-6161.



Public Hearings

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

- July 8, 2015 (6:00 pm): Brownsville Citizens Advisory Committee Meeting
1001 E. Elizabeth Street (City Hall, 4th Floor)
- August 4, 2015 (6:00 pm): Brownsville City Commission Meeting
1001 E. Elizabeth Street (Commission Chambers)

Submission

The substantial amendment will be submitted to HUD on August 5, 2015.

Public Notice

The City of Brownsville has provided public notice of a 30-Day Comment Period (starting on June 21, 2015 and ending at 5:00 pm on July 21, 2015) in the Brownsville Herald, a local newspaper. All interested parties are encouraged to submit their written comments to Ms. Marina Zolezzi, Director of the Office of Grant Management and Community Development.

Comments Received

Any comments received during the 30-Day Comment Period will be included in this section.

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.

