MINUTES

FOR THE PUBLIC HEARING OF THE

CITY COUNCIL OF THE CITY OF BANDERA

DECEMBER 4, 2014

AT 5:05 PM IN THE MUNICIPAL BUILDING

AT 511 MAIN STREET, BANDERA, TX

1. Meeting called to order by Mayor John Hegemier at 5:05 pm. Council members

Sheila Pumphrey, Jim Hannah, and Charlotte Browning were present. Suzanne Schauman and Glenn Clark, Council members were absent. City Administrator, Lamar Schulz, City Secretary, Karen Chesler and City Treasurer, Betty Brown were also present.

1. Subject: The submission of an application to the Texas Department of Agriculture, Office of Rural Affairs for a Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the citizen participation plan, the development of local housing and community development needs, the amount of TxCDBG funding available, all eligible TxCDBG activities, and the use of past TxCDBG funds.

Margaret Hardin explained she works for Langford Management Services who provide consulting and grant writing services. They write applications for cities for funds from grant sources and have written for Bandera since 1997. The Public Hearing tonight is in order to apply for funding from Texas Departmental of Agriculture for a Community Development Block Grant. Bandera currently has a grant to replace the sewer line off 8th and Maple Street. The city will start the project after hiring an administrator and engineer to do the work for this sewer project. It is time to put together another application for projects the city needs or wants to do. In order to start that process, the city needs to write an application and hold a public hearing for residents to hear what is being requested and provide comments for housing or developmental needs. Ms. Hardin handed out a pamphlet that explains everything about the program in a brief synopsis. Ms. Hardin is going to cover some of the high points, answer questions, and the mayor can take comments from the community. The money comes from HUD (Housing and Urban Development) which are Federal funds passed down from the Department of Agriculture to the office of rural affairs. The fund gives to non-entitlement communities and Bandera is a non-entitlement community. Bandera does not qualify for funds directly from HUD. An entitlement community is a city with a population of 50,000 people or a county with 200,000 people. Bandera has to competitively ask for grant funds under this program. There is a list of seven categories where funding can come from out of the Community Development Fund. There are six other funds where you can get money for other projects. Capital Funds is an academic development tool for businesses that want to expand or new businesses that need infrastructure on a site. The business can request the city to provide the water or sewer but if they can’t afford to the Capital Fund can help fund the project but the business needs to match with the jobs they create. It is not usually money from the city but the business needs to create jobs. The Colonia Fund is for unincorporated areas and counties that do not have water and sewer. Bandera does not qualify for funding under this category. The Planning/Capacity Building Fund is for a plan that would give good maps for the city’s infrastructure. Disaster Relief/Urgent Need Fund has been requested by Bandera after the flood. The Step Fund is for unincorporated areas. The Community Enhancement Fund is newer but is for other needs in communities including renewable energies. Ms. Hardin is going to focus on the Community Development Fund because Bandera has applied previously and been successful at receiving funds. The funds have to benefit at least 51% of low or moderate income persons. That is the reason some people do not see these funds being used in their area. Work is being done in some areas and not others based on the income levels. City wide projects have been done with a door to door survey of the city. According to the census information, Bandera is not 51% low-moderate income but the door to door survey ends up with more than 51 percent in the low to moderate income level but based on the door to door survey is usually around 60 percent. For a city wide project, we would have to do a door to door survey of the city. Eligible activities under this fund are water and sewer projects. The most likely funded projects are based on the priority of the council government. AACOG sets the priorities and they set the scoring criteria. Ms. Hardin would advise against anything that is not the number one priority. A lot of cities are interested in streets and drainage projects because they have done the water and sewer projects. Those are some eligible activities but ineligible activities include building a new city hall or equipment. The Community Development Fund is a project that provides $275,000 to $800,000 set by the Regional Review Committee (RRC). These amounts are set to benefit a larger group of people. At $800,000 you would only be able to fund 1.5 projects but at the $275,000 you can fund more projects. The minimum amount used to be $250,000 but about five years ago they increased to $275,000. $275,000 is the maximum available for Bandera to apply for. The Regional Review Committee has set the scoring and AACOG is based on the census information, thus, we do not have much control over the information. The poverty percentage, the per capita information, and per capita property value are all used in the point system for ranking the different projects. Ms. Hardin recommends putting in the maximum amount to get the most matching points. The Department of Agriculture’s criteria are past election, past performance, and basic infrastructure which is water and sewer. The past election will hurt Bandera this round because a project was funded in 2014. The past performance has to do with how you performed on previous grants if everything went well, timely, and was good with no findings or exceptions on grants with the city. Thus, Bandera wouldn’t make any points and wouldn’t lose any points. To start the application process again we needed to hold this public hearing for citizens to discuss the development needs for Bandera. Then the suggestions will go to council to adopt a resolution for $13,750 if you want the $275,000 which is five percent. Five days before submitting the application to TDA we need to publish a notice in the local paper. Ms. Hardin does not charge an application fee. The only cost to the city is the Public Hearing Notice in the paper and if a door to door survey is needed. In the past, council members, city crews, or employees have done the door to door survey. The process for the door to door survey will be developed as they move forward with the application process and the project the city wants to apply for.

John Hegemier asked can a water project be considered a city wide project. Margaret Hardin replied city wide refers to a proect that benefits the whole city. Bandera can do a water line project but it needs to impact the community in a specific area. John Hegemier asked if a new well could be a city wide project. Margaret Hardin replied a new well can be if it serves the whole city but if different wells serve different areas of town it is not a city wide project. If the distribution system services the whole city that would be a city wide project. Robert Koimn asked what is the timing for these applications. Margaret Hardin replied the applications are due February 27th for funding in 2015-2016. The 2015 awards should be announced in the summer but has not always been on time. The applications use to be written in September and October but TDA decided to go back to a single year application and then changed in back. The applications are for two years of funding. The previous application for the sewer was written five years ago but it did not get funded the first time around. They rewrote the application in 2013-2014 but were not funded until 2014. Robert Koimn asked if funding can be for growth areas like the ETJ. Margaret Hardin replied it cannot, it has to be for existing residents because the requirement are to serve low-moderate residents. Robert Koimn clarified it is within the city limits. Margaret Hardin explained if you had residents outside the city limits and the city water or sewer systems served them then those lines could be replaced but cannot be extended to other areas. It has to be where people already are. Robert Koimn asked if someone is receiving water but not sewer and not within the city could that project could be considered. Margaret Hardin explained it is an eligible project. Ms. Hardin explained eligible projects are those that give 51 percent of people in the low to moderate income. Robert Koimn asked why can’t we extend into the ETJ area that has that population unless you already have utilities there. Margaret Hardin explained no, you can extend new utilities to a group as long as they are the 51 percent of the low to moderate income. If you have an area where the wells are failing and the city decides they want to serve them, they could choose to do that project but needs to meet the 51 percent income. The median income is based on Bandera’s income. The Section 8 income as HUD sets the limits are based on census information and community surveys. Bandera counties median income for this year is $58,800 for a family of four. To serve people with the 51 percent low-mod which are those that make 80 percent or less of the median income? The chart has a family of one to twelve. For a family of four, if you are at 30 percent of the median income you are making $17,650, 50 percent is $29,400, and 80 percent is $47,040. Anyone in the household making money the income counts. They have communities in the state considered low to moderate income and they do not need to do a door to door survey but Bandera does not fit in that category. It is based on the median income of the county. Since 1999 the city has received seven of these grants. The grant cycle is every two years. When HUD sends the money to the state for the first projects on the list are funded until the money runs out. The next year they continue down the list until the money runs out. Applications are submitted once every two years to make the process flow smoother but sometimes the cost estimates are two years old and not good but most of the time they are pretty accurate. There have been situations where the cost of the project has risen and is out of the budget and thus the city is not always able to come up with the additional funds for the city to contribute. You only get $275,000 and whatever is remaining to complete the project the city needs to come up with or scale back the project.

1. Adjourn

**Council member Glenn Clark made a motion to adjourn at 5:27 pm, seconded by Council Member Jim Hannah. All in favor. Motion carried.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Karen Chesler John Hegemier

City Secretary Mayor