

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Stan Boling, AICP
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DATE: June 12, 2018

SUBJECT: FIRST PUBLIC HEARING TO CONSIDER APPLYING FOR A COMMUNITY DEVELOPMENT BLOCK GRANT AND REQUEST FOR AUTHORIZATION TO PROCEED WITH CONSULTANT SELECTION PROCESS (LEGISLATIVE)

It is requested that the following information be given formal consideration by the Board of County Commissioners at its regular meeting of June 19, 2018.

INTRODUCTION

The next Community Development Block Grant (CDBG) application cycle closes on August 13, 2018. In order to submit a competitive grant application, however, the county must initiate the application process at this time. That involves undertaking several actions, including choosing a CDBG application category, holding two public hearings, and holding a Fair Housing Workshop.

BACKGROUND

The Community Development Block Grant (CDBG) program application process provides an opportunity for eligible cities and counties to compete for funds to improve local housing, streets, utilities, and public facilities. Those funds are available in several categories: housing rehabilitation, neighborhood revitalization, and commercial revitalization.

Since 1995, Indian River County has applied for 9 regular CDBGs totaling \$6,750,000, and has been awarded 5 of them totaling \$3,750,000. A list of the County's past CDBG applications by year with project descriptions, requested funding amounts, and awarded funding amounts is attached. As shown in Attachment #1, past county CDBG funded projects have included sewer, road paving, drainage, a fire station, and affordable housing rehabilitation projects. Those activities have been completed in the communities of Gifford and Wabasso.

For the regular small cities CDBG program the maximum amount that the County can apply for in either the housing rehabilitation, neighborhood revitalization, or commercial revitalization categories is \$750,000. The maximum amount that the County can apply for in the economic development category is \$1,500,000.

DESCRIPTION AND CONDITIONS

CDBG Program

Under the CDBG program, there are four grant categories from which Indian River County may apply for funds. Those categories are: commercial revitalization, housing rehabilitation, neighborhood revitalization, and economic development. Attachment #2 contains project option summary sheets for each of those CDBG activity categories. Those sheets also list potential points that could be awarded for each activity.

Based on existing CDBG program rules, Indian River County may choose to apply for a grant in the commercial revitalization category, the housing rehabilitation category, or the neighborhood revitalization category. If awarded a grant in one of those three categories, the county may not apply for another grant in any of those three categories until the awarded grant is closed.

As shown in Attachment 1, the County's most recent CDBG award was for Phase II of the Wabasso Sewer project. That grant was applied for in 2014 and awarded in 2015, but was cancelled by the County in 2017 after project bids came in approximately \$1 million over budget. That project is now being pursued with other funding sources. With no current active CDBG's the County may now apply for a new CDBG.

Economic Development Category

A fourth CDBG category, the economic development grant category, is independent of the other three categories. In the same fiscal year that Indian River County applies for a grant in one of the first three categories, the county may also choose to apply for funds in the economic development category. Even if Indian River County has an open commercial revitalization, housing rehabilitation, or neighborhood revitalization grant, an economic development CDBG application may still be submitted to the Florida Department of Economic Opportunity (DEO) for consideration. However, to apply for a ED CDBG there should be a committed private business partner that will "guarantee" creation of new jobs. Currently, there is no private business partner requesting this funding. Staff continues to offer assistance if and when an opportunity for an ED CDBG application arises.

In the past, the County has worked with two separate developers of potential projects/businesses to apply for ED CDBG funds to construct infrastructure to their proposed projects/businesses. One application was for infrastructure serving an assisted living facility and another application was for a distribution center. In both instances, the projects were not assisted with CDBG funds. While not assisted with CDBG funds, the distribution center was built. The assisted living facility was not built. At this time, no developers have requested that County staff pursue CDBG funds from this category.

CDBG Application Cycle

Neighborhood Revitalization, Housing Rehabilitation, and Commercial Revitalization CDBG applications are subject to an annual application cycle. The next application deadline is August 13, 2018. The Economic Development CDBG application time frame, however, is different. Instead of being limited to annual cycles, Economic Development CDBG applications may be submitted monthly. In most cases, Economic Development CDBG applications are related to private development projects. As previously mentioned, staff will continue to look for ED CDBG opportunities.

CDBG Application Process

The CDBG application process involves various steps, including:

- Advertising for and holding a first public hearing to obtain public input on the County's economic and community development needs.
- Advertising for and holding a second public hearing to apply for a specific CDBG category.
- Holding a Citizen Advisory Task Force (CATF) Meeting to discuss potential project alternatives for the CDBG application (held on June 8th 2018).
- Holding a Fair Housing Workshops (workshop was held on June 8th 2018 at the CATF meeting).
- Advertising for and selecting a consultant to administer the CDBG.

At this time, to qualify for the CDBG application process, the Board of County Commissioners is to hold the first public hearing. If, after the first public hearing, the Board of County Commissioners chooses to continue with the application process, a second public hearing will be scheduled in front of the Board of County Commissioners (tentatively scheduled for Tuesday, July 3, 2018). At the second public hearing, staff will request BCC approval to submit a CDBG application in the most appropriate CDBG category.

CATF

On Friday, June 8, 2018 the Indian River County CDBG CATF met, discussed potential projects/community needs, considered all potential CDBG categories, held a fair housing workshop, and took public comment. To comply with CDBG rules, staff will report the results of that meeting to the BCC after public comments are received at the public hearing. This will allow for separate independent public comment.

CDBG Application

Community Development Block Grant consultant Guardian Community Resource Management, Inc., (GCRM) who the County has used with previous CDBG applications and projects has offered to assist with assembling a new CDBG application at no cost to the county. GCRM provided that service with past applications. If the BCC selects a CDBG category/activity and directs staff to move forward with a CDBG application, staff will work closely with GCRM to prepare an application and present an overview of that application and recommendation to the BCC at a second public hearing.

Grant Administration Services

If the County is successful in obtaining a CDBG, the county will need to initiate a competitive process to hire a consultant to manage the program. That consultant may or may not be GCRM. Funding for administration of the grant will come directly from the CDBG.

ANALYSIS

While there is a whole range of activities that can be pursued with CDBG funds, past county projects/activities have focused on infrastructure, housing, and a fire station, and those projects have been in the Wabasso and Gifford communities.

Since the small cities CDBG is a highly competitive program it is important that the County select an activity that will provide the highest points. As shown in Attachment 2, activities in the commercial revitalization category, the housing rehabilitation category, and the neighborhood revitalization category that provide the highest points for scoring purposes include:

CDBG Projects by Category with Highest Potential Points	
Housing Rehabilitation Category	Potential Points
Acquisition in 100 year floodplain	75
Housing Rehab/Demolition/Replacement	75
Permanent Relocation as a part of Hazard Mitigation	75
Removal of Housing Architectural Barriers	75
Temporary Relocation	75
<i>Note: Remaining projects in this category score between 35 and 70 points</i>	
Neighborhood Revitalization Category	Potential Points
New Sewage Treatment Plant	85
New Sewer Lines & Components	85
Sewer Hookups	85
Water Hookups	85
Water Lines, New – Potable	85
New Water Tank/Well/Treatment Plant	85
<i>Note: Remaining projects in this category score between 25 and 70 points</i>	
Commercial Revitalization Category	Potential Points
Commercial Building Rehabilitation	75
Parking Facilities	75
Sidewalks and Pedestrian Malls	75
<i>Note: Remaining projects in this category score between 30 and 65 points</i>	

With the County’s last CDBG application, the County came very close to not receiving a CDBG award. At that time, Indian River County was the 2nd to last community to receive funding in its

application category. An additional 30 communities in the category did not receive funding (Attachment 3). The community that received the last CDBG award scored +/- 12 points less than what IRC scored and the next community in line (first to not receive a CDBG award) scored +/-13 points less than IRC.

CONCLUSION

The County currently has the opportunity to apply for a regular CDBG in the amount of \$750,000 in either the Commercial Revitalization, Housing Rehabilitation, or Neighborhood Revitalization category. The County may also apply for an Economic Development CDBG in the amount of up to \$1,500,000 outside the “normal” CDBG application window if a willing business wishes to participate and commit to creating new jobs. Past CDBG grant application scoring for the regular CDBG categories have placed the County as one of the last communities to receive a grant award. Because of this, grant category projects that have the highest potential points will give the County the greatest potential of receiving a CDBG award. If after taking public comment the County desires to proceed with a CDBG application, the BCC must provide staff with direction on what CDBG category to pursue.

RECOMMENDATION

Staff recommends that the Board of County Commissioners:

1. Open the first public hearing and obtain public input regarding the county’s economic and community development needs;
2. Consider the CATF’s recommendation after public comments are received at the public hearing;
3. Provide direction to staff regarding pursuing a CDBG category funding; and
4. Authorize the Community Development Director to issue an RFP to hire a consultant to administer the CDBG if the grant is awarded.
5. Announce the intention to hold a 2nd public hearing, currently scheduled for July 3rd 2018, to review a proposed CDBG application with proposed activities, dollar amounts, and estimated percentage benefit to low and moderate income persons.

ATTACHMENTS

- 1.) Indian River County CDBG Applications 1995 – 2017
- 2.) Potential projects/activity options for each CDBG application category
- 3.) FFY 2014 CDBG Awards – Florida DEO