

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Stan Boling, AICP
Community Development Director

THROUGH: Sasan Rohani, AICP
Chief, Long-Range Planning

FROM: Bill Schutt, AICP
Senior Economic Development Planner, Long Range Planning

DATE: July 2, 2018

RE: Request for Authorization for the Community Development Director to Make Application for a Community Development Block Grant in the Housing Rehabilitation Category and Request to Approve the Indian River County Community Development Block Grant (CDBG) Housing Assistance Plan (HAP) for Housing Rehabilitation (Legislative)

It is requested that the following information be given formal consideration by the Board of County Commissioners at its regular meeting of July 10, 2018.

BACKGROUND

The Federal Fiscal Year (FFY) 2017 Community Development Block Grant (CDBG) application cycle for the Florida Small Cities CDBG program closes on August 13, 2018. To submit a competitive grant application, the County must undertake several activities, including holding a Citizens Advisory Task Force (CATF) meeting, conducting a Fair Housing Workshop/Training, holding two public hearings, and choosing a CDBG application category. Several of these activities have been completed.

On June 8, 2018, at a publicly advertised meeting, the County's CATF held a Fair Housing Training/Workshop, discussed applying for a CDBG during the FFY 2017 application cycle, took public comment, considered all potential CDBG categories, discussed potential projects/community needs, and recommended that the County apply for a CDBG in the Housing Rehabilitation Category (Attachment #1).

On June 19, 2018, the Board of County Commissioners (BCC) held the first of two required public

hearings for a CDBG application. At that time, the BCC took public comment and discussed potential projects that the County could apply for based on suggestions from the public and the CATF. Projects suggested by the public included:

- Housing Rehabilitation
- Septic to Sewer Projects

After discussion, the BCC directed staff to initiate the preparation of a Housing Rehabilitation Community Development Block Grant (CDBG) application. The BCC also directed staff to issue a Request For Proposals (RFP) to hire a consultant to administer the CDBG if the grant is awarded.

DESCRIPTION AND CONDITIONS

CDBG Application

As indicated, the Board of County Commissioners chose to apply for a Housing Rehabilitation Community Development Block Grant. This type of grant provides funds to bring substandard housing up to code for very low and low-income residents. Water or sewer hookups may be performed as a complimentary activity in conjunction with rehabilitation of a home.

Housing Rehabilitation CDBG grants are awarded to communities on a competitive basis. All grant applications must be received by the Department of Economic Opportunity (DEO) no later than August 13, 2018. The following table gives a breakdown of the scoring system used by DEO to rank Housing Rehabilitation grant applications:

Scoring Breakdown for Housing Rehabilitation Category	
Community-wide needs	250 points
Outstanding Performance in Equal Employment Opportunity and Fair Housing	90 points
Special Designation	20 points
Grant History	100 points
CATF Score	10 points
Sources and uses of Non-CDBG SHIP Funds (Leverage)	25 points
Housing Rehabilitation Category Summary Score	505 points
Total points	1,000 points

CDBG Housing Assistance Plan

The Housing CDBG application requires the County to adopt a CDBG Housing Assistance Plan (HAP) that outlines all applicable standards and guidelines that will apply to housing rehabilitation and replacement activities that may be funded with CDBG funds. The County HAP must be submitted to the state with the County’s CDBG application. To meet this requirement, a proposed HAP was drafted and is included as Attachment #3 to this item. In addition to addressing the proposed use of regular CDBG Housing Rehabilitation funds that are part of the attached grant application, that HAP also addresses use of potential future funding through special allocations from the CDBG Disaster Recovery Initiative (DRI) program. This includes potential CDBG DR (Disaster Recovery) funding related to Hurricane Irma.

At the July 10, 2018 second public hearing, the Board must obtain public input on the county’s proposed Housing Rehabilitation CDBG application, and to move the application forward must approve the application and approve the HAP for submittal to DEO.

ANALYSIS

CDBG Application

Recently, county staff and Guardian Community Resource Management, Inc., the county’s prior CDBG grant administration consultant that has agreed to prepare the grant application at no cost to the County, prepared the proposed Housing Rehabilitation CDBG application (Attachment #2). As drafted, the CDBG application requests approval of a \$750,000 grant for the rehabilitation of a minimum of eleven (11) owner-occupied housing units in unincorporated Indian River County for very low and low to moderate income households. The below table lists the proposed activities for which CDBG funds will be used.

Proposed Activities	
Activity	Budget (Approximately)
Housing Rehabilitation	\$615,500
Temporary Relocation	\$22,000
Administration (Up to 15% of overall grant)	\$112,500
TOTAL CDBG BUDGET	\$750,000

▪ **Matching Funds**

By contributing a financial match to the project, the county has the opportunity to improve its application score. With the maximum match of \$50,000, the county can gain 25 additional application points and, therefore, improve the project’s chances of being funded in this fiscal year. In the proposed CDBG application, the county commits \$50,000 in SHIP funds to the proposed

project. Those funds will be available to qualified households in the project area to be used to pay for housing rehabilitation, which is a normal SHIP function.

CDBG Housing Assistance Plan

The HAP establishes the following guidelines for both the regular CDBG Housing Rehabilitation Program Category and for special allocations that occasionally become available through the CDBG Disaster Recovery Initiative (DRI) Housing Rehabilitation and Assistance Category:

- Sets the county's CDBG housing rehabilitation policies.
- Identifies how owner occupied housing units will be chosen for rehabilitation.
- Establishes eligibility criteria for the units and the owners.
- Establishes guidelines for determining when a housing unit is not feasible for rehabilitation.
- Provides for CDBG rehabilitation funds to be granted to housing unit owners as deferred payment loans that will be forgiven in ten (10) years.
- Establishes procedures for reviewing applications, bidding work, contracting for rehabilitation activities, inspecting completed work, processing change orders, making payments, and undertaking other activities.
- Provides information regarding conflict of interest, and
- Sets a procedure for appeal of any decisions made through the CDBG rehabilitation process.

If the county is successful in obtaining CDBG funds, then the HAP guidelines and standards will be utilized for all rehabilitation and replacement work done with the CDBG funds.

ALTERNATIVES

With respect to the proposed Housing Rehabilitation CDBG application and related Housing Assistance Plan, the Board of County Commissioners has three alternatives. These are:

1. To approve the application and plan as proposed; or
2. To approve the proposed application and plan with changes; or
3. To reject the proposed application and plan.

Staff supports either alternatives 1 or 2.

RECOMMENDATION

Staff recommends that the Board of County Commissioners:

1. Open the public hearing and obtain public input on the application.
2. Approve the proposed application and attached resolution authorizing the Chairman, or the Community Development Director in the Chairman's absence, to execute all necessary certifications for the CDBG application.

3. Authorize the Community Development Director, or in his absence a designee of the Community Development Director, to make minor corrections to, execute, and submit the application to the Florida Department of Economic Opportunity for their consideration.
4. Authorize the Community Development Director, or in his absence a designee of the Community Development Director, to submit any additional information and sign subsequent forms as needed for the DEO, grant application, agreement, or related state or federal request.
5. Commit to spend, as local leverage for the CDBG, \$50,000 in County SHIP funding on CDBG eligible activities identified in the CDBG application in the time period required by the CDBG program.
6. Approve the attached CDBG Housing Assistance Plan for Indian River County FFY 2018 – 2022, authorize the Community Development Director to make any needed minor modifications, and authorize the Chairman to sign the plan.

ATTACHMENTS

- 1.) Unapproved June 8, 2018 CATF meeting minutes
- 2.) Proposed Housing Rehabilitation CDBG application.
- 3.) CDBG Housing Assistance Plan for Indian River County FFY 2018 – 2022
- 4.) CDBG application authorization resolution
- 5.) Indian River County Budget Office Grant Form

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