



**CITY OF GAINESVILLE****Inter-Office Communication**

**Neighborhood Improvement Department**  
**Housing & Community Development Division**

**Telephone 334-5026**  
**Fax 334-3166**  
**Box 22**

**DATE:** January 28, 2016

**TO:** Mayor Edward Braddy

**VIA:** Anthony Lyons, Interim City Manager   
 Fred Murry, Assistant City Manager 

**FROM:** Jacqueline Richardson, HCD Manager  
 Deneace M. Joshua, HCD Supervisor

**SUBJECT: CDBG & HOME Program Funding - \$10,000 Threshold**

This memorandum serves as an update to the March 4, 2015 informational memo to the City Commission regarding the CDBG and HOME Program funding regarding the implementation of a new minimum grant funding process as recommended by HUD (See Attachment A).

As outlined in said memorandum, starting with FY 2014-2015, the goal was to gradually decrease the funding awards to allow outside agencies with sufficient time to seek other alternative funding sources for their programs. As such, the following grant funding schedule was implemented to streamline and improve fiscal responsibility:

- FY 2015-2016: minimum \$5,000 grant award per project/program; and
- FY 2016-2017: minimum \$10,000 grant award per project/program

Staff has discussed the \$10,000 minimum threshold implementation process with all currently funded agencies; and those agencies that attended the annual CDBG/HOME Program Applicant Workshop on February 10, 2015. Staff will also provide another overview of the \$10,000 minimum threshold during the next annual CDBG/HOME Program Applicant Workshop scheduled to be held February 9, 2016. Additionally, the FY 2016-2017 CDBG Program advertisements will include information regarding the \$10,000 minimum threshold requirements.

Therefore, beginning FY 2016-2017, the CDBG Program will require a \$10,000 minimum grant allocation for outside agency public services projects. As a result, the \$10,000 minimum threshold may result in some of the currently funded agencies not receiving funding and/or a reduction of funding from the CDBG Program. As such, agencies have been encouraged to continue to seek other alternative funding sources for their programs. The implementation of HUD's recommendation will allow the City to remain in compliance with HUD's recommendation to maximize efficiency of limited resources and grant effectiveness for administering the CDBG Program.

Should you have any questions, please contact the HCD office.

cc: Members of the City Commission



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**Neighborhood Improvement Department**  
**Housing & Community Development Division**

**Telephone 334-5026**  
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**Box 22**

**DATE:** March 4, 2015

**TO:** Mayor Edward Braddy

**VIA:** Russ Blackburn, City Manager   
Fred Murry, Assistant City Manager 

**FROM:** Jacqueline Richardson, HCD Manager  
Deneace M. Joshua, HCD/Block Grant Supervisor

**SUBJECT: CDBG & HOME Program Funding**

This memorandum serves as an informational item regarding the CDBG and HOME Program funding regarding the implementation of a new minimum grant funding process as recommended by HUD.

The City of Gainesville is an entitlement community and based upon a formula, the City receives an allocation of federal funds directly from the U. S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME). The CDBG Program is a flexible program that provides communities with resources to address a wide range of community development needs. The HOME Program provides a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership to create affordable housing for low-income households. Attached for reference is a brief summary of the CDBG and HOME Program (Attachment 1).

In accordance with the City Commission's CDBG/HOME funding priorities established in 2006, annually, a portion of the CDBG/HOME funds are set-aside for the Block Grant Administration, City Housing Programs, City Codes Enforcement Programs and the Cold Night Shelter Program. The remaining CDBG/HOME funds are made available to non-profit outside agencies and other public agencies through a competitive process for public services and other housing programs. This competitive process includes application reviews, site visits, and funding recommendations made by the Citizens Advisory Committee for Community Development (CACCD), a 15-member citizen advisory board appointed by the City Commission to make important recommendations for the use of the CDBG and HOME Program funding. In October 2014 and January 2015, City staff presented the City Commission's directive to the CACCD to review and determine if the current the CDBG/HOME funding priorities are continuing to sufficiently address the needs of the community. The CACCD unanimously agreed that the current CDBG/HOME funding priorities are still sufficient for meeting the needs of the community. Attached for reference is a summary of the CDBG/HOME Programs/Activities funded in FY 2014-2015 (Attachment 2).

Historically, the City has allocated CDBG/HOME public service funds to various non-profit organizations. In FY 2014-2015, the City allocated CDBG Public Services funding to 26 non-profit organizations. The grant funding ranged from \$2,000 to \$24,685. The City awarded 19 grants to non-profit organization less than \$10,000; and 7 grants that were funded \$10,000 or more (see Attachment 2-CDBG Program Public Service Activities funded in FY 2014-2015). Many of these non-profit organizations have depended upon these funds to provide services to our community. The City of Gainesville has greatly benefited from partnerships with these organizations to provide public services in our community.

Based on recent discussions with HUD staff and consultants, HUD has recommended that local governments establish minimum grant awards for public service programs. Some of the comments made by the HUD staff include: the City has a large number of subrecipient contracts to administer; and it is recommended that the City consider implementing a minimum grant award in order to maximize efficiency of limited resources and grant effectiveness. According to instructions from HUD, it is recommended for local governments to implement a minimum \$10,000 grant award amount for Public Service programs to maximize efficiency of limited resources; and grant effectiveness for administering smaller versus larger grants for CDBG funded projects and programs.

As a result, a new funding recommendation process has been discussed with the CAACD; and communicated to the currently funded organizations receiving CDBG funds. Additionally, on February 10, 2015, this information was made available to potential applicants during the FY 2015-2016 CDBG/HOME Applicant Workshop. This information is also outlined in FY 2015-2016 CDBG/HOME grant funding application. Over the next year, the goal is to gradually decrease the funding awards to allow outside agencies with sufficient time to seek other alternative funding sources for their programs. Attached for reference is the estimated annual timeline of the CDBG/HOME grant funding application process (Attachment 3).

As such, the following grant funding schedule will be implemented to streamline and improve fiscal responsibility:

- FY 2015-2016: minimum \$5,000 grant award per project/program
- FY 2016-2017: minimum \$10,000 grant award per project/program.

Therefore, City staff and the CACCD believe that implementing this new grant award system will comply with HUD's recommendation to maximize efficiency of limited resources and grant effectiveness for administering smaller versus larger grants for CDBG funded projects and programs.

Should you have any questions, please contact the HCD office.

cc: Members of the City Commission

## ATTACHMENT 1

**CDBG/HOME Program Summary****Community Development Block Grant Program (CDBG):**

The federally funded CDBG program was authorized under Title I of the Housing and Community Development Act of 1974, as amended, in order to consolidate eight competitive programs in to one formula-based entitlement program for communities around the country. The primary objective of the CDBG program is to primarily benefit persons of low and moderate income; by funding projects and programs that provide decent housing; a suitable living environment; and expand economic opportunities.

CDBG funds may be used for community development activities (such as real estate acquisition, relocation, demolition, rehabilitation of housing and commercial buildings), construction of public facilities and improvements (such as water, sewer, and other utilities, street paving, and sidewalks), construction and maintenance of neighborhood centers, and the conversion of school buildings, public services, and economic development and job creation/retention activities.

CDBG regulations limit the amounts that can be expended on Block Grant Planning/Administrative Programs (20%) and Public Service Programs (15%). Public Service programs are eligible for CDBG Program funding, if they primarily benefit low and moderate-income residents. Examples of public service programs include, but not limited to, child care, health care, job training/education, recreation programs, senior meals, youth programs, children abuse counseling/treatment services, and homeless programs.

**Home Investment Partnership Program (HOME):**

The HOME Investment Partnerships Program (HOME Program) is funded by the U.S. Department of Housing and Urban Development (HUD). Authorized under the Cranston-Gonzalez National Affordable Housing Act, the purpose of the program is to expand the supply of decent, safe, affordable housing and strengthen public-private housing partnerships between units of general local governments, public housing authorities, nonprofits, and for-profit entities.

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is designed exclusively to create affordable housing for low-income households. Public Services Programs are not eligible to be funded through the HOME Program. A minimum of 15% of the annual HOME grant award is required to be set-aside for certain nonprofit agencies known as Community Housing Development Organizations (CHDOs).

The CDBG and HOME Programs require communities to develop a 5-year plan called the Consolidated Plan to direct the spending of funds and ensuring that proposed projects are aligned with the community's most urgent needs. Each year communities develop an Annual Action Plan using the Consolidated Plan goals in determining the activities to be funded for that year. At the end of each year, the City reports its accomplishments in the Consolidated Annual Performance and Evaluation Report (CAPER).

## ATTACHMENT 2

**CDBG PROGRAM ALLOCATION**  
**FISCAL YEAR 2015**  
**(October 1, 2014 - September 30, 2015)**

**FY 2015 CDBG Allocation = \$1,304,889**

<u>PROGRAM / ACTIVITY</u>	<u>FY 2015 CDBG ALLOCATION</u>
<u>HOUSING PROGRAMS</u>	
Alachua Habitat for the Humanity	\$ 10,000
Center for Independent Living, Inc. (Housing)	\$ 10,000
City - Housing & Community Development ( Housing Prog. Delivv)	\$ 320,863
City - Housing & Community Development (Housing Programs)	\$ 309,669
Neighborhood Housing & Development, Corp. (Housing)	\$ 12,000
Total Housing Programs	\$ 662,532
<u>PUBLIC SERVICES - 15% Cap of \$1,304,889 = \$182,684.46</u>	
Black-On-Black Crime Task Force, Inc.	\$ 5,000
Boys & Girls Club of Alachua County	\$ 10,000
Bread of the Mighty Food Bank	\$ 10,000
Bread of the Mighty Food Bank - Kids Café Program	\$ 5,000
Child Advocacy Center	\$ 6,000
Children's Home Society	\$ 5,000
Cultural Arts Coalition, Inc.	\$ 3,000
Early Learning Coalition of Alachua County	\$ 10,000
Easter Seals Florida	\$ 3,000
Elder Care of Alachua County	\$ 24,685
Family Promise Center (formally Interfaith Hospitality Network)	\$ 5,000
Florida Certified Organic Growers - Gift Gardens Program	\$ 2,000
Florida Certified Organic Growers - Farmers Market Program	\$ 2,000
Florida Cetitified Organic Growers - Porter's Farm Program	\$ 3,000
Gardenia Garden, Inc.	\$ 4,000
Girls Place, Inc.	\$ 3,000
Girls Scouts of Gateway Council, Inc.	\$ 5,000
Helping Hands Clinic, Inc. (Homeless Assist & Low Income)	\$ 10,000
Helping Hands Clinic, Inc. (Homeless & LMi Women's Clinic)	\$ 5,000
Meridian Behavioral Healthcare, Inc.	\$ 5,000
St. Francis House (Homeless Assistance)	\$ 10,000
Star Center Children's Threatre, Inc.	\$ 5,000
The Ark School of Fitness, Inc. (NEW Agency)	\$ 2,000
The Educational Foundation of Alachua County	\$ 3,000
The River Phonenix Center for Peacebuilding (NEW Agency)	\$ 2,000
Three Rivers Legal Services, Inc. (Homeless Assistance)	\$ 10,000
<u>OTHER</u>	
City of Gainesville - Cold Weather Shelter Project (Homeless)	\$ 25,000
<b>TOTAL PUBLIC SERVICES</b>	<b>\$ 182,685</b>
<u>CODE ENFORCEMENT PROJECTS</u>	
City of Gainesville - Code Enforcement Division Projects	\$ 198,695
<u>PLANNING &amp; ADMINISTRATION</u>	
City of Gainesville - Block Grant Administration	\$ 260,977
<b>CDBG PROGRAM BUDGET - FY 2015</b>	<b>\$ 1,304,889</b>

## ATTACHMENT 2

**HOME PROGRAM ALLOCATION****FISCAL YEAR 2015****(October 1, 2014 - September 30, 2015)**  
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FY 2015 Allocation = \$ 545,175

<b>PROGRAM / ACTIVITY</b> =====	<b>FY 2015 ALLOCATION</b> =====
<b><i>Planning &amp; Administration</i></b>	
City of Gainesville - HCD - Block Grant Administration	\$ 54,517
<b><i>CHDO Operating Expenses</i></b>	
Neighborhood Housing and Development Corp.	\$ 8,000
<b><i>Purchase Rehabilitation</i></b>	
Alachua Habitat for the Humanity	\$ 7,000
Neighborhood Housing and Development Corporation (CHDO)	\$ 81,777
<b><i>New Construction</i></b>	
Alachua Habitat for the Humanity	\$ 7,500
<b><i>Moderate Or Substantial Rehab.</i></b>	
City of Gainesville - HCD - Homeowner Rehabilitation Program	\$ 184,760
City of Gainesville - HCD - House Replacement Program (Reconstruction)	\$ 75,000
City of Gainesville - HCD - Housing Rehabilitation Program Delivery	\$ 54,951
The Arc of Alachua County (NEW Agency)	\$ 6,670
<b><i>Downpayment Assistance</i></b>	
City of Gainesville - HCD Downpayment Assistance Program	\$ 40,000
<b><i>Rental Construction</i></b>	
City of Gainesville - HCD - Rental Housing Program	\$ 25,000
<b>HOME Program FY 2015 Allocations</b>	<b>\$ 545,175</b>

ATTACHMENT 3

**Annual CDBG/HOME Grant Funding Application Process Timeline**

- January: -Distribute Application notices to interested applicants
- February: -Publish Notice of Application Availability  
-Hold Workshop for Potential CDBG/HOME Applicants
- March: -Application deadline for CDBG/HOME applications (1<sup>st</sup> week of March)  
-City staff conducts review of submitted application to ensure completeness and compliance with federal guidelines  
-City staff distributes application packets to CACCD for review funding requests and schedule site visits
- March-April: -CACCD conduct on-site visits to Agencies
- April-May: -CACCD Board Special Meetings to hear Agencies' Presentation  
-CACCD discuss Agencies' funding request and site visits
- May: -CACCD finalize funding recommendations
- June: -CACCD present funding recommendations to the City Commission  
-City Commission makes final agency allocations
- July: -City staff notifies all Agencies of the City Commission final allocation of funds to their Agency
- August: Submit City's Annual Action Plan Application to HUD for review and approval of the next year's funding
- September -City staff prepares all Agencies Contracts  
-City staff conducts a mandatory contract meeting with all organizations to provide an overview of their contracts
- October 1 -Beginning of the new funding Year