



Legislation Text

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FY 2016-2017 Funding Recommendations and Annual Action Plan (Application) for Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Funds (B)

The City Commission is asked to consider recommendations for allocating CDBG and HOME funds for FY 2016-2017, and to authorize the submission of an Annual Action Plan (Application) to the U.S. Department of Housing and Urban Development (HUD) based on the funding allocations that are approved by the City Commission.

Each year the City of Gainesville receives an allocation of CDBG and HOME Program funds from HUD for local community development, housing activities, and public services. The total estimated CDBG and HOME program expenditures for FY 2016-2017 is \$1,666,408, which includes \$1,211,681 CDBG Program funding and \$448,727 HOME Program funding. The City's Housing & Community Development Division (HCD) administers the CDBG and HOME funds allocated to outside agencies and City projects.

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 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.

In March 2015 and January 2016, staff advised the City Commission via memorandum that HUD recommended that local governments establish minimum grant awards for public service programs (Attachment C). HUD's recommendations include that local governments have a large number of subrecipient contracts to administer; and it is recommended that the local governments 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. The CACCD also supports HUD's grant award recommendation.

As a result, a two-year transitional grant funding process was implemented to gradually decrease the funding awards to allow outside agencies with sufficient time to seek other alternative funding sources for their programs. This information was discussed and communicated to the currently funded organizations receiving CDBG funds. Additionally, on February 10, 2015, this information was made available to currently funded and

potential applicants during the FY 2015-2016 CDBG/HOME Applicant Workshop; and on February 9, 2016 this information was made available to currently funded and potential applicants during the FY 2016-2017 CDBG/HOME Applicant Workshop. This information is also outlined in FY 2015-2016 and FY 2016-2017 CDBG/HOME grant funding applications. 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. Please note that CACCD recommended for the Housing Rehabilitation set-aside to remain at a minimum of \$5,000 per grant award based on the amount of funding available and the smaller number of applicants requesting funding.

The implementation of this new grant award process for Public Services projects 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.

In FY 2016-2017, a portion of the CDBG and HOME funds are set-aside for the City projects: City Housing Programs; Block Grant Administration; Code Enforcement; and Cold Weather Shelter for the homeless. In addition, a portion of the CDBG and HOME funds are made available to non-profit outside organizations and other public agencies through a competitive process that involves review and recommendations by the Citizens Advisory Committee for Community Development (CACCD). The FY 2016-2017 CDBG and HOME funding set-asides are outlined in Attachment A.

On May 17, 2016, the CACCD formulated its recommendations on allocating the CDBG and HOME "competitive" set-aside for non-profit outside organizations and other public agencies. The CACCD's recommendations total \$199,635, for CDBG and \$96,309 for HOME. Copies of the CDBG and HOME applications that were reviewed by the CACCD are on file in the Office of the Clerk of the Commission. The CACCD's funding recommendations for the CDBG and HOME Programs are included in Attachment B.

The Annual Action Plan (Application) that is submitted to HUD outlines the specific agencies and activities to be funded through CDBG and HOME in the next fiscal year. The Application will be based on the City Commission's approval of the FY 2016-2017 CDBG and HOME funding allocations. The City's Annual Action Plan must be submitted to HUD by August 15, 2016.

The total projected CDBG and HOME program expenditures for FY 2016-2017 is \$1,666,408. Sources of funding for each program are as follows: CDBG - \$1,211,681; and HOME - \$448,727.

The City Commission: 1) consider recommendations from the CACCD for the outside agencies that are designated to receive FY 2016-2017 CDBG and HOME funds ; 2) approve the FY 2016-2017 CDBG and HOME set-aside funding for City projects: City Housing Programs; Block Grant Administration; Code Enforcement; and Cold Weather Shelter for the homeless; 3) authorize the City Manager or designee to prepare and submit the FY 2016-2017 Annual Action Plan (Application), including all understandings and assurances contained therein, to the U.S. Department of Housing and Urban Development for financial assistance under the Community Development Block Grant Program and HOME Investment Partnerships Program and to act on behalf of the City of Gainesville in all matters pertaining to the CDBG and HOME Programs; 4) authorize the City Manager or designee to take actions as appropriate to allocate the FY 2016-2017 CDBG and HOME funds; and 5) authorize the City Manager to execute subrecipient agreements with those outside agencies that are designated to receive FY 2016-2017 CDBG and HOME funding, subject to approval by the City Attorney as to form and legality.