

CITY COMMISSION WORKSHOP CDBG

City Hall Training Room
February 1, 2011 5:30 p.m.

I. Call to Order

Mayor Ed Kelley called the meeting to order at 5:30 p.m.

Present were Mayor Ed Kelley, Commissioners Rick Boehm, Troy Kent, Bill Partington and James Stowers, City Attorney Randy Hayes, City Manager Joyce Shanahan, Assistant City Manager Ted MacLeod, and Grants Coordinator Loretta Moisio, Neighborhood Improvement Advisory Board members Rev. Willie Branch, Jean Dwyer, Andrea Hall and Kenneth Kimble.

II. Community Development Block Grant Program Presentation

Ms. Shanahan stated last year there was a discussion about goal setting for Community Development Block Grant (CDBG) for the next fiscal year and the decision making process. She acknowledged Ms. Moisio as the City's Grants Coordinator who would introduce the representatives from the County and that they would give an overview on how the CDBG program works. Ormond Beach receives CDBG monies from the County. Some cities are entitlement cities where they receive monies directly from the Federal Government, such as Port Orange, Deltona and Daytona Beach, in addition to cities that are Metropolitan Statistical Areas (MSA). The goal was to give direction to the Neighborhood Improvement Advisory Board.

Grants Coordinator Loretta Moisio stated the City was a subrecipient of Volusia County and introduced Ms. Diana Phillips, Manager of Volusia County's Housing and Grants Administration, and Ms. Donna King, Volusia County's Community Development Block Grant (CDBG) Coordinator who would be giving the presentation.

Ms. Phillips thanked the City for the invitation to the workshop and Ms. Moisio for all the hard work that she has done over the past 12 years.

Federal Entitlement

Ms. Phillips stated that CDBG was a federal entitlement program administered through the U.S. Department of Housing and Urban Development (HUD) authorized by Statute 24 CFR 570. She stated the primary objective was to develop viable communities by providing decent

housing, a suitable living environment, and expanded economic opportunities for persons of low and moderate income. She stated the award amount was based on the approved legislative budget. She stated last year's allocation was about \$2.1 million with a fiscal year of October 1 through September 30. One thing that changes the amount of money received is if a City within the confines of the County reaches the population of 50,000 and they become an entitlement city. At that point, they should recalculate the amount for the County, but what HUD has done in the past was deduct those funds from the amount the County received.

Ms. Phillips stated CDBG funds were on Federal fiscal year of October through September. Every city in Volusia County participates with the exception of Daytona Beach, Deltona and Port Orange which are entitlement cities. Oak Hill has decided to opt out of Volusia County's program. They have a population of less than 50,000, but they wanted to go through a competitive application process through the State, which is the Small Cities CDBG Program. The advantage is that there are a lot of dollars available, but it was a competitive process and required a lot of administrative tasks.

Ms. Shanahan stated it was not an every year entitlement, but usually for special projects and they would have to continuously reapply.

Ms. Phillips stated the cities participate through the County with a Cooperation Agreement, which is a three year agreement that allows the County to use the cities' population and low income information in development of the formula for the amount of funding they receive. The City's agreement is good for one more year, in which Ormond Beach can decide whether it wanted to opt out or continue as a subrecipient.

Ms. Phillips stated that Volusia County retained 38.8% of the allocation for administrative costs and countywide housing programs. She stated their administrative costs averaged about 15%, and they have a requirement to not use more than 20%. The allocation was used for home buyer assistance and housing rehabilitation activities for those who qualify.

Mayor Kelley asked whether the percentages were based on income.

Ms. Phillips stated it was not based on population. The cities have received these percentages for over 20 years and initially they were defined as population, income, housing stock, age of houses, and economic indicators. Some smaller populated cities did not receive enough money to complete a project, so their percentages were increased so they would have \$50,000 annually. Once Deltona became an entitlement city, their portion was added to all the other participating jurisdictions. Ms. Phillips stated this has not been revised since 2006 when Port Orange became an entitlement city.

Consolidated Plan

Ms. Phillips stated they developed an annual and five-year Consolidated Plan, which was the grant application for the CDBG program. She stated they provided annual planning and subrecipient training. She stated they performed CDBG regulatory review of all projects, an environmental review and mitigation planning of all projects, reviewed and approved all funds reimbursement requests, reviewed and processed project amendments, capital project implementation, ensured timeliness of expenditures, implemented a countywide housing rehabilitation and homebuyer assistance program, completed an Annual Performance and Evaluation Report, and provided technical assistance as needed. She noted the annual funding had to be spent in a timely manner. The requirement for spending was at the end of July you could not have more than 1.5 times the annual allocation in the line of credit.

Ms. Phillips stated they also implement the Home Investment Partnership Program (HOME) a housing grant, and the Emergency Shelter Grant (ESG) program. The ESG is a grant for people that are facing homelessness or who are homeless.

Ms. Phillips stated that once the allocation was known, the city would identify proposed projects and budgets for the County to determine whether or not the project was within the listing of statutory eligible activities, whether it fell within a category of explicitly ineligible activities, met a national objective of the program, which centered around benefiting people of lower income, the costs were reasonable, and/or whether environmental protection regulations could be met if the activity was implemented. She stated that citizen participation was a requirement in developing the plan, such as a public hearing requirement to obtain citizens' views, proposals and questions, as well as to provide progress and past performance. Ms. Phillips praised the NIAB for their involvement on the development of the Plan, as some cities don't have that involvement. In the event the community disagrees with the ultimate decision of the Commission on how to use the funds, a timely response is required to the community detailing the reasons.

Eligible Activities / National Objective

Ms. Donna King, Volusia County's Community Development Block Grant (CDBG) Coordinator listed the eligible activities as:

- Acquisition of real property
- Public facility improvement
- Clearance
- Public Services (has a maximum cap of 15% for the County)

- Economic development

The County activities were:

- Homebuyer assistance
- Planning and capacity building (a maximum cap of 20%)
- Housing rehabilitation
- Code enforcement
- Administration

Ms. King stated in addition to being an eligible activity, each activity has to meet a national objective, which were benefiting low-income persons, eliminating slums or blight, and meeting urgent community development needs that posed health and safety issues where no other source of funding existed. The funding can be used to serve a low income area, benefit a limited clientele, provide housing or create job for low income persons. An area was considered a low income area when 51% of the population is low-income. It would be a few years before the new Census results are calculated new CDBG areas determined.

Ms. Phillips noted the 2010 Census did not ask for household information so it will be interesting to see how they determine the CDBG areas, because income was the information HUD uses to determine those areas.

Ms. King stated limited clientele benefits are activities done outside the designated CDBG area. Those activities with direct benefits require income and family size information and have to be verified and comply with HUD regulations. If an activity exclusively benefited those populations, then it was eligible for funding. She stated these populations were homeless individuals, persons 62 years of age or older, abused children, battered spouses, severely disabled persons, illiterate persons, persons living with AIDS, and migrant farm workers. She stated these activities could take place at any location.

Subrecipient Agreement

Ms. King stated public service activities had to be implemented by the City. The County only implements capital projects. She stated that either the participating city or county could implement CDBG projects as long as all regulations were followed. She stated that if a city implemented it, a Subrecipient Agreement was developed that outlined the rules, and special federal construction and procurement rules applied to CDBG funded projects.

Ms. King stated that there were two types of amendments to the Consolidated Plan, substantial amendments and technical corrections. The substantial amendment included a change in the stated purpose or beneficiaries, a change in the scope as it relates to the types of eligible

activities, canceling or adding an activity, a change in location, or a change in the dollar amount by 50% or more. She stated the city would submit a detailed written request for an amendment change whereby the county would determine eligibility, national objective compliance, and complete an environmental review, which would be approved by the County and submitted to HUD and the applicable modifications made to the subrecipient agreement. She stated that a technical correction included a change in implementation responsibility or a change in the dollar amount by less than 50% whereby the city would submit a detailed written request for the change and modify the subrecipient agreement.

Expenditure Requirement

Ms. King stated the CDBG expenditure requirement was that you could not have more than 1½ times its current allocation in its line of credit on July 30.

Commissioner Partington asked where the City was with their current allotment.

Ms. Lamison stated the City was and has been doing very well with their spending. She reviewed some of the past expenditures starting in 2007 and noted that the total balance was \$180,376.92. The total amount for the approved projects was \$173,275 which left a balance of \$7,101.

Ms. Shanahan thanked Ms. King and Ms. Phillips for their presentations. She noted the NIAB members' input into the process really helps move the program along and there should not be any problem reaching our goal.

Comments / Questions

Ms. Moisio stated a lot of projects were completed with the exception of the PACE Center roofing for the FY 2010-2011 projects. She passed out the Annual and Five-Year Plan through FY 2014-2015 and noted it was just a plan and the first year was the annual plan which would be implemented once the agreement was approved by the City and the County. Ms. Moisio stated the out years were not solid and each year they could be revised. The goal was to have the Commission give their priorities to the Board so they would have direction as to what type of projects to recommend.

Ms. Shanahan stated it appeared that infrastructure projects were being done instead of something visible because of only being able to spend the funds in the CDBG area.

Ms. Moisio handed out a copy of the CDBG Funded Projects that have been completed since 1997 so the Commission could see what had been done over the years. The peninsula was recently added to the CDBG area and

the Board decided to do projects there once the mainland projects were completed. She stated with the limited amount of coverage area, it is challenging coming up with projects.

Commissioner Partington asked whether \$150,000 always rolled over; wherein Ms. Moisio stated the reason it was carried over this year was because the FY 2010-2011 projects have not started. Those projects cannot start until the County gives the notice to proceed which occurs after agreement approval.

Mayor Kelley stated last year there were projects that were turned down that had to be reconfigured. Was there a strict limit on what projects could be done.

Commissioner Partington agreed that there were a lot of constraints on projects that can be done. He stated the improvements on the mainland with the sidewalks and the lights were good and asked the Board whether there was a lot of frustration in trying to find projects.

Commissioner Boehm asked how were the residents notified about the meetings. He asked whether the Great Kids Explorers was a regularly funded project.

Ms. Moisio stated Great Kids Explorer came to the last public hearing meeting and requested funding. She was unsure if they were going to return again next year. She noted all the meetings were publicly advertised and over the years notices have been mailed to all the residents in the CDBG areas.

Commissioner Kent stated he was excited about the new members to the Board. He noted he lives in the CDBG area and has received the notices about the meetings. He noted the attendance is poor even with the change in meeting location. Commissioner Kent stated his big concern was the watermain projects from FY 2011-2015. He noted he does not want to see the funds going to watermain projects and the City's utility funds should take care of the watermain projects. CDBG funds should show visible benefits to the community. He expressed an interest in daycare and senior adult care and the ability to have caregivers attend school. He would like the Board to come up with creative ways to help people in the CDBG area.

Ms. Shanahan stated one of the projects considered last year was World Changers, a religious program where youth come to the area to do home improvements on low income homes.

Ms. Phillips stated World Changers information states that religion is the main cause. She spoke with HUD regarding them and it appeared that a

requirement of that program was to participate in religious activities. Ms. Phillips stated that it was possible to work through it after she spoke with other cities that have used them if the organization would sign an agreement that religion would not be in their forefront.

Ms. Phillips stated the County would make itself available to attend the NIAB meeting so that the Board would have a clearer understanding on the projects that are eligible.

Commissioner Kent stated he was interested in housing rehabilitation, code enforcement and using funds to create jobs for low income persons, as eligible projects.

Ms. Shanahan asked whether the City could do a student job program; wherein Ms. Phillips stated it has been done by the City of Deland using CDBG funds.

Ms. Dwyer stated the Board has always had a problem with community participation. The watermain issues continue to come up because this was a request from the few residents that do attend the meetings. She noted the residents have advised the Board that there was an issue with water drainage on Selden Avenue. She asked should the Board recommend the projects of the residents or choose something she may have knowledge about, such as the need for health insurance so that people can get their prescriptions. Ms. Dwyer stated there are people that don't qualify for Medicaid and can't afford health insurance. She brought up at a previous meeting about developing a summer program and was told no because of implementation and not having staff to oversee it.

Ms. Shanahan stated a summer program would be good if a non-profit group could implement it.

Ms. Phillips stated the City could contract with a non-profit agency.

Commissioner Boehm suggested Halifax Habitat for Humanity (Habitat) as a program for youth to rehabilitate homes since Leisure Services already has a summer job program for youth. The World Changers would not be available for the entire summer. Habitat, if available, would be able to supervise the youth for the entire summer.

Ms. Shanahan stated it would be a good idea to find a non-profit organization to undertake this project.

Commissioner Stowers wanted to understand that the reason for the workshop was that there was a disconnect between what the Board was recommending to the Commission and what the Commission perceived was

being implemented as the five-year plan, specifically the watermain project. He stated the infrastructure projects should be funded by the City. He would like the funds spent on projects that have a direct positive impact on the CDBG area. Commissioner Stowers agreed with lot acquisition for Habitat, home buyer assistance programs, urban gardens, which would save on food costs.

Ms. Dwyer stated it was her point that the residents are not coming to the meetings with suggestions for the use of the funds and at times it's a challenge finding projects for the Board to recommend to the Commission.

Mayor Kelley stated the suggestion that the County attend the meetings would be a great asset to finding eligible projects. He also suggested a working walking meeting through the neighborhood.

Commissioner Kent stated he appreciated the few residents that attended the meetings. He appreciated the ideas that came from the Board and understands their frustrations, especially with the County being able to assist.

Commissioner Partington agreed with Commissioners Stowers and Kent in not wanting to use CDBG funds for watermain projects. He would like to see the funds touch the lives of the people with projects like the Great Kids Explorers, tutoring, employment, and swimming lessons.

Rev. Branch stated he was honored to be recommended as a member of the Board, and looked forward to the challenge. He stated it was disappointing to know that the Census would not be available until 2013 with a possible change in coverage areas because there were needs in other areas.

Mr. Kimble stated he appreciated the workshop because he received a lot of information and was excited. He agreed that the Board needed to get out in the community to see what the needs are and it may be a way to get people to attend the meetings.

Ms. Hall stated she would like to see more of the community attend the meetings as well. She was unaware of what the Board did and appreciated the information received at the workshop.

Mayor Kelley stated getting the community involved has always been a challenge.

Commissioner Boehm stated the Leisure Services Advisory Board has gotten the Halifax Garden Club involved and may be interested in the urban garden project. He approved of public/private partnerships. He stated the

City should look for other grant funding as well. He suggested the Board go to the community to determine their needs.

Commissioner Kelley suggested a neighborhood drive workshop. Review the mission statement and see if the project would fall in line with the statement.

Ms. Shanahan thanked the County for attending the meeting and their offer to attend the Neighborhood Improvement Advisory Board meetings. If the Board wanted to do a driving/walking tour, it could be arranged.

III. Close the Meeting

The meeting was adjourned at 6:45 p.m.

Transcribed by: Sha Moss