



City of Largo Agenda Item 4

Meeting Date
06/12/18

Presenter: Matthew Anderson, Housing Manager

Department: CD – Community Development

TITLE:

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FY 2018-2019 ACTION PLAN

The U.S. Department of Housing and Urban Development (HUD) requires each jurisdiction receiving federal funding for CDBG and HOME funds to submit a Strategic Plan every five years and an Action Plan each year. The FY 2018-2019 Action Plan identifies activities to be funded, and the proposed funding sources for those activities, for the fourth year of the five-year plan. The Action plan was developed to support the five-year priorities to create and maintain affordable housing, address homelessness, and assist non-homeless persons with special needs. Following the Work Session, the Action Plan will be scheduled for City Commission approval at the July 3, 2018, Regular Meeting.

The Action Plan contains CDBG-funded activities, as well as activities funded by the Home Investment Partnership Program (HOME), Pinellas County Housing Trust Fund (HTF) and the State Housing Initiatives Partnership (SHIP) Program. Approximately 87.7% of all funding is allocated toward the City's housing and community development programs and program administration, and 12.3% of funding is allocated to subrecipient projects and programs. The majority of the funding is allocated toward the creation of affordable housing and rehabilitation of the City's housing stock.

Attached are Appendices B and C from the Action Plan (Appendix A in the Action Plan is the CDBG Target Area Map which is not included in this memo), which provide details on the funding allocations (Appendix B) and the Alternate Projects List (Appendix C). The Alternate Projects List provides a list of prioritized projects to be funded if additional funds are received or a primary project is delayed or canceled. A copy of the draft CDBG FY 2018-2019 Action Plan has been sent to the City Commission electronically and posted on the City website. Hard copies of the Action Plan will be made available upon request.

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Budgeted Amount: \$0.00 **Budget Page No(s):** N/A **Available Amount:** \$0.00 **Expenditure Amount:** \$0.00

Additional Budgetary Information: Total projected FY 2018-2019 available: CDBG: \$1,117,382, HOME: \$690,421, HTF: \$8,000, and SHIP: \$433,000; proposed \$37,500 from City General Fund

Funding Source(s): CDBG, HOME, HTF, SHIP, General Fund **Sufficient Funds Available:** Yes No **Budget Amendment Required:** Yes No **Source:** N/A

City Attorney Reviewed: Yes No N/A **Advisory Board Recommendation:** For Against N/A **Consistent With:** Yes No N/A CDBG

Potential Motion/Direction Requested: DOES THE CITY COMMISSION CONCUR WITH THE PROPOSED FUNDING ALLOCATIONS? DOES THE CITY COMMISSION CONCUR WITH THE PRIORITY ORDER OF THE ALTERNATE PROJECTS LIST? DOES THE CITY COMMISSION CONCUR WITH THE CDBG FY 2018-2019 ACTION PLAN?

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Attachments: Pages 2 and 3, Appendix B (Proposed Funding Allocations), Appendix C (Proposed Alternate Projects List)

The Community Development Advisory Board (CDAB) held four public meetings, which are required as part of the citizen participation component of the presentation of the Action Plan. A pre-planning meeting was held on December 11, 2017, to solicit ideas from the CDAB, citizens and stakeholders. Subrecipient applicants made presentations to the CDAB on March 12, 2018. The CDAB made funding recommendations based on the applications and presentations on March 26, 2018. These recommendations were incorporated into the Action Plan. At its April 30, 2018 meeting, the CDAB recommended approval of the CDBG Action Plan to the City Commission.

In addition to these meetings, the City’s Housing Division participated in a joint pre-planning meeting with Pinellas County on January 19, 2018. A notice of a 30-day public comment period was published on May 18, 2018 to allow 30 days for citizen comment prior to adoption of the plan. Final approval of the Action Plan, by Resolution, is scheduled as a public hearing at the July 3, 2018, Regular City Commission meeting. Copies of the plan have been made available to the public at the Largo Public Library, City Hall and on the City’s website.

As in past years, City staff developed funding projections based on the information available at the time the Action Plan was being prepared. The table below depicts the anticipated funding resources for the Action Plan:

Funding Projections

Available Funding	CDBG	HOME	HTF	SHIP
Grant Entitlement	\$533,382	\$290,421	\$0	\$113,000
Program Income	\$250,000	\$200,000	\$8,000	\$200,000
Carryover from Prior Year	\$332,000	\$200,000	\$0	\$120,000
Total Funds Available	\$1,115,382	\$690,421	\$8,000	\$433,000
GRAND TOTAL:				\$2,246,803

- CDBG: The City will receive an 11.4% increase for next year’s grant entitlement. The national increase for the program was 10% and population adjustments added to the City’s remaining increase.
- HOME: The City receives a portion of Pinellas County’s HOME entitlement as part of the Pinellas County Consortium. Due to national increases in program funding, the City will receive an increase of approximately 38% in HOME grant entitlement next year.
- HTF: Pinellas County has not allocated additional funding to the Pinellas County Housing Trust Fund. The anticipated revenues come from loan paybacks on a project that was funded with prior allocations.
- SHIP: The City will receive a 67.6% decrease in funding next year. In the past two years, SHIP funding has been cut by almost 78%. This is due to funds at the state level being reallocated from the Sadowski Trust Fund that funds affordable housing in Florida to non-trust fund related state budget items.
- All funding sources included in the plan are expected to generate program income during FY 2018-2019 from loan payments from outstanding mortgages and re-sale of affordable housing properties (CDBG and SHIP only).
- Carryover estimates are based on expected unallocated balances from prior year grants.

In addition to the funding estimates above, this year’s Action Plan includes two recommendations for General Fund contributions toward homeless and non-homeless special needs initiatives. The Action Plan includes \$10,000 recommended for Pinellas County Homeless Leadership Board and \$27,500 toward a new program with Directions for Living, “*Enriching Lives Through Mental Health Services*,” which would be in partnership with Largo Police Department. These items will also be presented at the June 12, 2018, City Commission Work Session for further discussion.

The line item details of proposed funding allocations from all resources is attached to this memo (Appendix B). Two items that have changed in the FY 2018-2019 Action Plan compared to past years are:

- *Affordable Housing Development Program:* Affordable housing developers no longer apply through the subrecipient process for funding. Instead, the Affordable Housing Development Program has an allocated pool of funding in the Action Plan and will apply on a site-specific basis for funding throughout the year. Since the Action Plan process starts a year in advance of funding release, developers who would apply through the subrecipient process had to ask for a general amount of funding without having sites selected. This also hindered the Housing Division's ability to fund shovel-ready projects that arose during the year if a general amount of funding was already allocated to specific developers. This new approach is similar to the affordable housing programs Pinellas County and St. Petersburg provide.
- *Public Services:* The FY 2018-2019 Notice of Funding Availability (NOFA) stated that public service agencies selected for funding for FY 2018-2019 will be utilized in FY 2019-2020 as well. These are the last two years remaining on the city's CDBG Five-Year Strategic Plan. This will provide some continuity over the two-year period and alleviate a tremendous amount of both staff and subrecipient time is involved in the application and review process. Most public service subrecipients applied for the same program each year and were selected as supporting the goals of the Five-Year Strategic Plan. The agreements for FY 2018-2019 will include a fiscal non-funding clause, and the amounts awarded will be adjusted to remain compliant with the cap on funding that can be used for public services. The FY 2019-2020 NOFA will still accept applications for capital improvements projects. Once the next Five-Year Strategic Plan is developed and the goals for such established, the City will re-open the public services application process for the FY 2020-2021 grant cycle.

The Action Plan contains language regarding how funding adjustments will be made in the event that more or less funding is received.

- If additional funding is available, projects listed on the Alternate Projects list may be funded.
- If there is a reduction in funding from the estimated amounts, funding will be decreased in proportional amounts to the amounts in the Action Plan, except in the case where a project cannot be fully completed if the dollar amount is reduced (for example, if a capital project is funded for the full amount and cannot be accomplished with a lesser amount).

Under the new grant-based accounting system for HUD, any carryover funding from prior years has to be re-allocated toward a specific project. Typically carryover funds come from the sales of affordable housing properties from the prior year and the carryover is allocated in the Action Plan to the Affordable Housing Development Program. Therefore, a change in the amount of carryover funding will adjust the Affordable Housing Development Program funding.

	A	B	C	D	E	F	G
1	Appendix B						
2	Funding Recommendations						
3	2018-2019 CDBG Action Plan						
4							
5	EXPENDITURES	Amount Requested	Community Development Department Recommendations				
6			CDBG	City Gen. Fund*	HOME	Housing Trust Fund	SHIP
7							
8	AFFORDABLE HOUSING DEVELOPMENT (AHD)						
9	Affordable Housing Development Program		\$414,822	\$0		\$0	\$120,000
10	Subtotal: AHD Housing Projects	\$0	\$414,822	\$0	\$0	\$0	\$120,000
11							
12	CAPITAL IMPROVEMENTS TO PUBLIC FACILITIES						
13	Westcare – Davis Bradley – Building Assessment & Parking Lot Repaving	\$42,189	\$0	\$0			
14	Religious Community Services (RCS) – Affordable Housing Parking Lot Sealing	\$1,980	Not eligible	\$0			
15	Directions for Living – Emergency Generator	\$27,839	\$27,839	\$0			
16	CASA Domestic Violence Shelter – Grease Trap Replacement/Upgrade	\$20,000	\$20,000	\$0			
17	City of Largo Sidewalk Installation – CDBG Target Area	\$60,000	Alt. List	\$0			
18	Subtotal: Capital Projects	\$152,008	\$47,839	\$0	\$0	\$0	\$0
19							
20	PUBLIC SERVICES (Subject to 15% CDBG Cap)	MAX:	\$127,000				
21							
22	Public Services: Homeless Facility Operating Costs						
23	Westcare – A Turning Point – Case Management Mental Health Services for Homeless	\$30,000	\$13,800	\$0			
24	RCS Grace House – Case Management Support Services	\$50,000	\$22,800	\$0			
25	Pinellas Homeless Leadership Board	\$25,000	\$0	\$10,000			
26	Catholic Charities – Pinellas Hope Operating Costs	\$30,000	\$18,000	\$0			
27	Subtotal – Homeless Facility Operating Costs	\$135,000	\$54,600	\$10,000	\$0	\$0	\$0
28							
29	Public Services: General						
30	Pinellas Opportunity Council – Chore Services	\$15,000	\$14,450	\$0			
31	Gulfcoast Legal Services – Housing and Financial Legal Services	\$30,798	\$23,000	\$0			
32	Gulf Coast Jewish Family & Community Services – Outreach Activities	\$62,500	\$0				
33	Gulf Coast Jewish Family & Community Services – Mental Health Counseling	\$37,500	\$0	\$0			
34	Directions for Living – Mental Health Navigator Team	\$79,998	\$29,150	\$27,500			
35	Subtotal – Non-Homeless Special Needs Services	\$225,796	\$66,600	\$27,500	\$0	\$0	\$0
36							
37	Public Services: Education & Counseling						
38	Tampa Bay CDC – Homebuyer Education & Counseling	\$15,000	\$5,650	\$0			\$4,900
39	Catholic Charities – Homebuyer Education & Counseling	\$15,000	\$0	\$0			\$0.00
40	Subtotal: Public Services – Education & Counseling	\$30,000	\$5,650	\$0	\$0	\$0	\$4,900
41							
42	TOTAL PUBLIC SERVICES	\$390,796	\$126,850	\$37,500	\$0	\$0	\$4,900
43							
44	HOUSING PROGRAMS						
45	Downpayment Assistance Program		\$0	\$0	\$234,000	\$0	\$36,000
46	Tampa Bay CDC – Homebuyer Assistance Program Admin	\$18,000	Include in project cost for Downpayment Assistance/Homebuyer Assistance (AHD)				
47	Owner-Occupied/Rental Housing Rehabilitation		\$251,595	\$0	\$422,379	\$7,200	\$218,300
48	Community Service Foundation – Rental Housing Rehabilitation	\$20,000	\$25,000	\$0	\$0	\$0	\$0
49	Catholic Charities – Rental Housing Rehabilitation	\$39,560	\$39,600	\$0	\$0	\$0	\$0
50	Housing Program Delivery Services		\$30,000				
51	Slum & Blight Removal		\$25,000				
52	Rental Deposit & Eviction Prevention Program	\$0					Alt. List
53	Subtotal: Housing Programs	\$77,560	\$371,195	\$0	\$656,379	\$7,200	\$254,300
54							
55	PROGRAM ADMINISTRATION						
56	Planning & Administration		\$156,676	\$0	\$34,042	\$800	\$53,800
57	Subtotal: Program Administration	\$0	\$156,676	\$0	\$34,042	\$800	\$53,800
58							
59	GRAND TOTALS	\$620,364	\$1,117,382	\$37,500	\$690,421	\$8,000	\$433,000
60							
61	Total Funds:		\$2,286,303	CDBG Target Area:	\$1,523,896		
62	Percent Subrecipient Project Funding:		12.3%		67.76%		
63	Percent City Project/Program Funding:		87.7%				
64							
65	*Recommendations placed in this draft Action Plan for General Fund are subject to the City's full budget review process in addition to the Action Plan review process.						

Appendix C
City of Largo
FY 2018-2019 CDBG Action Plan
Alternate Projects List

	Project	Estimated Amount
1	Additional Funding for Primary List Public Service Subrecipients (Subject to Cap)	\$50,000
2	Affordable Housing Development	\$750,000
3	Housing Rehabilitation	\$500,000
4	Downpayment Assistance	\$250,000
5	Community Investment (CI) – Revitalization/Redevelopment Areas and other Income Eligible Neighborhoods (sidewalks, bus shelters, lighting, slum & blight removal, etc.)	\$500,000
6	Rental Deposit & Eviction Prevention Programs/Rapid Re-Housing	\$50,000
7	Homeless/Homeless Prevention Services	\$50,000
8	Housing Counseling	\$20,000
9	CI-Emergency – Address Slum and Blight (acquisition, relocation, clearance, historic preservation, rehabilitation, code enforcement)	\$100,000
10	CI-Infrastructure to Support Economic Development and Neighborhood Revitalization	\$600,000
11	CI-Economic Development – Expand Opportunities through Job Creation, Business Preservation and Private Investment	\$100,000
12	CI-Emergency-Address Community Needs Before, During and After an Emergency	\$500,000

Projects may be funded from the Alternate Projects List if additional funding is available or if a funded project is canceled or delayed beyond the grant year. Factors to be taken into consideration for selecting from the Alternate Projects list include: priority rank on the List, available funding based on funding caps (ex. Public Services Cap), eligibility of project for available funding source, and timeframe for completion in relation to the time period available for expending funds.