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Title: Public Hearing - Resolution No. 2022-13, Approval of the City of Deltona Community Development Block Grant (CDBG) Program Year 2022-2023 Annual Action Plan (AAP) - Ron A. Paradise, Community Services Director (386) 878-8610.
Strategic Goal: Effective Government.

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Date	Ver.	Action By	Action	Result
7/5/2022	1	City Commission	accept	Pass

TO: Mayor and Commission

AGENDA DATE: 7/5/2022

FROM: John A. Peters, III, P.E., Acting City Manager

AGENDA ITEM: 6 - B

SUBJECT:

Public Hearing - Resolution No. 2022-13, Approval of the City of Deltona Community Development Block Grant (CDBG) Program Year 2022-2023 Annual Action Plan (AAP) - Ron A. Paradise, Community Services Director (386) 878-8610.

Strategic Goal: Effective Government.

LOCATION:

Citywide

BACKGROUND:

The City of Deltona is recognized by the United States Department of Housing and Urban Development (HUD) as an entitlement community and is therefore eligible to receive CDBG funding. For funding cycle Program Year (PY) 2022-2023, the City is tentatively approved to receive approximately \$558,558. This amount is approximately \$50,000 less than the City received last program year.

In order to appropriately manage federal grant dollars, HUD requires entitlement communities to annually report how grant funds will be expended as part of an Annual Action Plan (AAP). The Plan illustrates how the City has used CDBG funds, how those funds were leveraged with State (SHIP) money and how CDBG funds will be used in the next year. There is also information presented in the report regarding COVID-19 allocations administered by the City.

CDBG money within the City of Deltona has been used to fund stormwater improvement projects,

park and recreation upgrades, owner occupied home rehabilitation for low income households, and non-profit entities providing public services. Please note: Parks and stormwater projects are directed to certain areas of the City with a preponderance of low income households known as Areas of Greatest Need (AGN).

For a number of years as part of the Annual Action Plan process, the City has funded through the annual Community Development Block Grant (CDBG) several public service entities providing a wide range of public services, including childcare, elder activities, homeless prevention (food, utility/rent assistance), counseling, and after school programs. The amount of money the City can allocate for public service applicant funding is capped at 15% of the entire annual CDBG entitlement. While the City of Deltona in the past has been encouraged by the United States Department of Housing and Urban Development (HUD) to fund public services, the City is under no obligation to fund public services or fund public services at or near the 15% cap. However, the City has had a history of funding various public services, and every year public service applicants are competing for limited CDBG public service dollars.

Per Commission direction, staff has performed the public service ranking and provided a funding recommendation. Staff ranking is predicated on written evaluation criteria. The criteria include important elements ranging from the demonstration of service capacity to the usage of the HMIS or similar tracking system. This year there were five (5) public service applicants vying for up to \$83,000 in possible CDBG funds.

The ranking committee was made up of a cross section of four staff members who were provided with the application packages and ranking criteria. Some staff members have experience with public service project implementation, contract compliance, and HUD monitoring and auditing requirements. Other staff members do not work directly in the community development disciplines but understand contract compliance, tax return matters, financial leveraging, staff capacity, etc. The ranking represents strict adherence to the points based ranking criteria, including implementing 'National Objectives' and City priorities. The ranking and suggested awards indicate the public service applicants were generally prepared to implement requisite missions. Higher ranked applicants tended to be better leveraged having established relationships with other public funders and private donors. The five applicants have been longstanding partners with the City regarding the provision of public services. The five public service providers have demonstrated an ability to effectively implement projects and comply with required tracking and monitoring activities.

During deliberation of the ranking committee, there was a determination that full funding should be granted to all Public Service applicants. However, the total amount of funding requested by the applicants is \$94,500 or \$11,500 more than the 15% public service cap. The proposal of staff is since the City has over \$350,000 in CDBG CARES CV-3 money to expend and there are two public service entities (New Hope Human Services and The Neighborhood Center of West Volusia) that provide CDBG CARES CV-3 eligible services (rental, utility, and mortgage assistance), \$11,500 of CDBG CARES CV-3 could be used in a manner to ensure all five of the public service entities were awarded the full requested amount of funding.

Therefore, the amount of funding recommended as a result of the Staff committee was as follows: Neighborhood Center/Homelessness \$25,000 (\$5,750 funded via CARES CV-3); Boys and Girls Club/Youth Programs \$20,000; Hands of Hope/Homelessness \$21,500 (\$5,750 funded via CARES CV-3), Council on Aging/Elder Activities \$15,000; and Early Learning Coalition/Childcare \$13,000 for a total of **\$94,500**. \$83,000 from the PY 2022-2023 CDBG allocation and \$11,500 from the CDBG

CARES CV-3 allocation. For more information on the public service ranking, see the ranking score sheet which is attached as an exhibit to the attached AAP.

Besides public service funding, the City has allocated the majority of the program year 2022-2023 funding for housing assistance (\$365,000). The remaining funds will be allocated to administration (\$110,000).

On June 20, 2022, the City Commission directed Staff to explore utilizing more of the available CARES CV-3 allocation to facilitate further public service funding and to determine if there are eligible and achievable stormwater projects that could be funded utilizing CDBG money. As per Commission direction, Staff explored the idea of funding eligible stormwater projects. There was a determination that two small scale stormwater projects are located within a CDBG AGN and would be eligible for funding. Both projects, one on the Vercelli Street corridor and the other on Pine Bluff Av. involve the replacement of antiquated stormwater piping and related drainage infrastructure. The projects are achievable with City crews and material can be sourced to complete the jobs in a timely manner. Each project is estimated to cost \$30,000 requiring a \$60,000 allocation of CDBG funding. The proposal is the \$60,000 be allocated to the stormwater projects from the \$365,000 proposed to be spend on housing needs. This would result in housing activity being funded \$305,000.

The initial Staff recommendation for funding social services totaled \$94,500 and involved the use of CDBG CARES CV-3 money. More specifically, New Hope and the Neighborhood Center would be granted \$5,750 each out of CARES CV-3 funding. At the June 20, 2022 meeting there was discussion about funding the Early Learning Coalition an extra \$10,000. In addition, there was direction to determine if New Hope could be funded \$25,000 in lieu of the \$21,500 requested. Staff indicated that it may be possible to fund both New Hope and the Neighborhood Center entirely with CARES CV-3 money.

Staff has concluded based on conversations with HUD, the idea of funding New Hope and the Neighborhood Center entirely with CARES CV-3 money is not feasible. Staff did learn the expenditure of CARES CV-3 money can be protracted out to September of 2023, but the CARES CV-3 money can only be used to assist applicants that have been directly impacted by COVID. The limitations on the expenditure of the money on those that have been directly affected by COVID would hamstring the missions of both New Hope and the Neighborhood Center. According to both public service providers there are not enough applicants that can attribute need because of COVID.

In light of the above the following public service funding arrangement including funding sources is proposed.

Public Services

Organization	Amount	Source
Early Learning Coalition	\$13,000	CDBG
Boys and Girls Club	\$20,000	CDBG
Council on Aging	\$15,000	CDBG
New Hope	\$21,500	CDBG - \$15,750 CARES CV-3 - \$5,750
The Neighborhood Center	\$25,000	CDBG - \$19,250 CARES CV-3 - \$5,750

For more information see the attached Program Year 2022-2023 Annual Action Plan.

The Acting City Manager has the authority to make corrections of scrivener's errors and the like.

Options:

Option 1

Approve the funding as follows:

- 1) Housing Assistance: \$305,000
- 2) Stormwater: \$60,000
- 3) Public Service Funding:

<u>Public Service Provider/Mission</u>	<u>Amount Proposed</u>
Neighborhood Center/Homelessness CARES CV-3	\$25,000 - \$19,250 funded via CDBG and \$5,750
Boys and Girls Club/Youth Programs	\$20,000
Hands of Hope/Homelessness CARES CV-3	\$21,500 - \$15,750 funded via CDBG and \$5,750
Council on Aging/Elder Activities	\$15,000
Early Learning Coalition/Childcare	\$13,000
Total	\$83,000 CDBG \$11,500 CARES CV-3
4) Administration:	\$110,000

Rationale for approving Option 1: Option 1 represents CDBG compliant expenditures which involves administration, public service provision, stormwater upgrades, and housing assistance. In addition, the public service funding (ranking and award amount) has been vetted utilizing Commission accepted ranking methodology in light of National Objectives and City priorities. The total public service award amount does not exceed the CDBG 15% cap. An \$11,500 from CDBG CARES CV-3 is proposed to be added to public service funding for the Neighborhood Center and Hands of Hope. The administration amount will pay for the Community Development Staff members and is consistent with CDBG rules - cannot exceed 20% of the grant award. Finally, the suggested housing assistance allocation will be leveraged with SHIP or other funds to improve City housing stock and prevent homelessness.

Option 2

The City Commission may choose other funding arrangements and projects. However, those projects and arrangements need to be consistent with HUD requirements including being located within an Area of Greatest Need (AGN) and projects must be consistent with a myriad of Federal contractual and monitoring parameters including the timely expenditure of funds. Currently, besides what has been identified there are no projects that meet the CDBG/HUD criteria for location within an AGN or can be completed in a timely manner. Finally, public service ranking and award amounts are based on staff ranking. If the rankings and awards are changed, such changes should be done in a manner that maintains the spirit and intent of the application and ranking process.

COST:

\$558,558 CDBG and \$11,500 in CARES CV-3

SOURCE OF FUNDS:

United States Department of Housing and Urban Development

ORIGINATING DEPARTMENT:

Planning and Development Services

STAFF RECOMMENDATION PRESENTED BY:

Ron A. Paradise, Director, Planning and Development Services - Staff recommends the City Commission approve Resolution No. 2022-13 and direct the Acting City Manager to transmit the Program Year 2022-2023 Annual Action Plan with updated expenditures for housing - \$305,000, public services - \$83,000 CDBG and \$11,500 CARES CV-3, stormwater - \$60,000, and administration - \$110,000 to the U.S. Department of Housing and Urban Development.

POTENTIAL MOTION:

"I hereby move to approve Resolution No. 2022-13 and direct the Acting City Manager to transmit the Program Year 2022-2023 Annual Action Plan, with updated expenditures for housing - \$305,000, public services - \$83,000 CDBG and \$11,500 CARES CV-3, stormwater - \$60,000, and administration - \$110,000 to the U.S. Department of Housing and Urban Development. The Acting City Manager has the authority to make corrections of scrivener's errors and the like."