



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: July 1, 2014

TITLE: Draft Annual Action Plan for Fiscal Year 2014-2015 Entitlement Grant
Programs through the U.S. Department of Housing and Urban
Development (HUD)

Recommendation

It is recommended that the City Commission determine the allocations for the Community Development Block Grant (CDBG) Program, HOME Investment Partnership Program and Housing Opportunities for Persons With HIV/AIDS (HOPWA) Program. Further, it is recommended that the City Manager be authorized to execute the necessary documents associated with the Annual Action Plan and its submittal to the Department of Housing and Urban Development (HUD) by August 15, 2014.

Background

Each year, the City of Fort Lauderdale is required to submit an Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) in order to continue receiving funding for the City's Entitlement Grant Programs through HUD. Those programs include:

- Emergency Solutions Grant (ESG);
- HOME Investment Partnerships (HOME);
- Community Development Block Grant (CDBG); and
- Housing Opportunities for Persons with HIV/AIDS (HOPWA).

Congress has released preliminary entitlement allocations for the 2014-2015 fiscal year. The City will receive an increase of \$8,110 in HOME funding, but will receive a decrease of \$62,939 in CDBG funding and decrease of \$930,037 in HOPWA funding. The City has been advised that it will not receive any ESG funding for the upcoming fiscal year, which represents a decrease of \$112,945. The 2014-2015 estimated allocations from HUD to the City for these programs are:

Emergency Solutions Grant (ESG)	\$0
HOME Investment Partnerships (HOME)	\$506,413
Community Development Block Grant (CDBG)	\$1,486,487
Housing Opportunities for Persons with HIV/AIDS (HOPWA)	\$7,378,513

A summary of proposed activities for these programs are located within the draft budget and narrative summary, attached as **Exhibit 1** and summarized below. This Public Hearing item is presented today in order to receive final approval on the draft Annual Action Plan, which will subsequently submitted to HUD.

For the 2014-2015 fiscal year, the amount of CDBG funding the City will receive is \$1,486,847. At the June 3, 2014 Conference Meeting, the City Commission provided direction on funding for the CDBG Public Services agencies. Deducting the amount of CDBG administrative funding and the Public Service agency funding from the CDBG award amount, **\$748,043.80** remains for various CDBG requests. The remaining CDBG requests are \$1,506,277.20, which are delineated as follows:

Neighborhood Revitalization Strategy Area (NRSA)	Mount Bethel – Childcare Assistance Program and Family Resource Center	\$250,000
Neighborhood Revitalization Strategy Area (NRSA)	Housing Authority – STEP-UP Apprenticeship Program	\$250,000
Neighborhood Revitalization Strategy Area (NRSA)	Housing Opportunities, Mortgage Assistance and Effective Neighborhood (H.O.M.E.S., Inc.)	\$174,227.20
Other CDBG Activities	Public Works Department – CIP Projects	\$500,000
Other CDBG Activities	Grace Community Development Corporation	\$257,000
Other CDBG Activities	First Baptist Church Piney Grove – Cradle Nursery	\$105,000

CDBG requests are separated and defined in five categories as listed below and further explained in **Exhibit 1**. All categories are funded at the Commission’s discretion, however, some categories have maximums and in the case of Administration, the full 20% should be utilized so that there is not a budgetary impact on the City’s General Fund.

Housing Programs – No Housing Programs are recommended for funding through CDBG. Staff proposes to fund these activities using HOME funds and the State Housing Initiative Partnership (SHIP) Program funds. There is no minimum or maximum CDBG funding cap for this category.

Neighborhood Revitalization Strategy Area (NSRA) Programs – The purpose of this Neighborhood Revitalization Strategy Area (NRSA) is to continue the efforts of the past years to revitalize the northwest quadrant of the City. The boundaries for the NRSA are: N.W. 7th Avenue on the east; Broward Boulevard on the south; I-95 on the west; and Sunrise Boulevard on the north. The NRSA is the low income target area that all HUD certified Community Based Development Organization's (CBDO) must operate within. Within the NRSA, CBDO's can provide the following services: housing, community development, economic development (including job training and education) activities. There is no minimum or maximum CDBG funding cap for this category.

Public Service Activities – while the Commission has the discretion to not award any Public Service Activity (*other than Fair Housing Activities*), the maximum amount of CDBG funds in this category cannot exceed 15% of the annual allocation. The recommendations in this category meet the maximum allowed.

Other CDBG Activities – Public Works Projects and unsolicited funding requests.

Program and Rehabilitation Administration – HUD permits 20% of the CDBG allocation to be set aside for Program Administration. Approximately \$200,000 annually is set aside for housing quality standard (HQS) property inspections, application processing and underwriting related expenses.

Based on staff preliminary review of the funding requests in the CDBG categories, all requests meet HUD guidelines.

Housing Opportunities for Persons with HIV/AIDS (HOPWA):

The HOPWA estimate shows a decrease in the HOPWA Entitlement allocation of approximately \$930,000. The City does have unspent HOPWA funds from the 2012-2013 fiscal years. It is recommended that these dollars be reprogrammed to meet the next year's shortfall. Currently, we estimate needing approximately \$1.2 million in the unspent HOPWA funds to meet the need for the 2014 – 2015 Fiscal Year. The decrease in federal funding would mean less clients served.

The HOPWA recommendations were provided by the Community Services Board (CSB) and are based on discussion at their June 9, 2014 meeting.

Additionally, staff has prepared a separate Substantial Amendment Commission Item (CAM #14-0815) to move \$800,819.39 in unspent HOPWA funds into the HOPWA allocation in order to meet next year's shortfall and the projected spending needs.

The CSB did recommend HOPWA funding for the Housing Authority of the City of Fort Lauderdale (HACFL), however, after careful consideration HACFL has decided that they would like to return two (2) HOPWA properties that the City provided them, and as a result, HACFL will not require HOPWA funding. City staff will bring a subsequent CAM back to the Commission once a new agency(ies) have been selected to administer HOPWA in these properties.

Strategic Connections

This item corresponds to the *Press Play Fort Lauderdale Strategic Plan 2018* initiative; it is included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing Neighborhood Enhancement:

- **Goal 5:** Be a community of strong, beautiful, and healthy neighborhoods.
- **Option 2:** Ensure a range of housing options for current and future neighbors.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan*: **We are community.**

Resource Impact

There is no fiscal impact with these amendments.

Attachment:

Exhibit 1 - Proposed Budget and Narrative Summary

Prepared By: Jonathan Brown, Housing & Community Development Manager

Department Director: Greg Brewton, Sustainable Development
Jenni Morejon, Director Designee