

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**WORKSHOP SUMMARY**

**Meeting Date:** January 17, 2012

**Department:** Housing and Community Development

**I. EXECUTIVE BRIEF**

**Title:** Provide historical Community Development Block Grant (CDBG) Program overview and funding allocation strategies and review options for modifications to funding strategies for Fiscal Year (FY) 2012-2013. Staff is seeking Board direction on allocation of funding for the following four (4) strategies within the CDBG Program: 1) Economic Development Activities; 2) Area of Hope Funding for the Glades Tri Cities; 3) Public Service Agencies; and 4) Non-Entitlement Communities.

**Summary:** Palm Beach County receives an annual allocation of Community Development Block Grant funds from the Federal Department of Housing and Urban Development. In FY 2011-2012, the County received \$6,138,977, which is a 16.5% decline from FY 2010-2011. In FY 2012-2013, the estimated CDBG funds anticipated to be received are \$5,396,297, which is an additional decline of 12%. The County historically utilizes these funds for public facilities and infrastructure, public services, economic development, and housing activities.

The CDBG Program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities.

The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

HUD determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas. Countywide (TKF)

**Background and Policy Issues: (Continued on page 3)**

**Attachment:**

1. Presentation

**Recommended by:**

  
Department Director

  
Date

1/6/2012

**Approved by:**

  
Asst. County Administrator

  
Date

1/9/2012

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Operating Costs	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income (County)	0	0	0	0	0
In-Kind Match (County)	0	0	0	0	0
NET FISCAL IMPACT	\$0	\$0	\$0	\$0	\$0
# Additional FTE Positions (Cumulative)	0	0	0	0	0

Is Item Included in Current Budget: Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Account No:

Reporting Category \_\_\_\_\_

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

Departmental Fiscal Review: \_\_\_\_\_

## III. REVIEW COMMENTS

OFMB Fiscal and/or

OFMB

Legal Sufficiency:

Assistant County Attorney

Contract Development & Control  
Comments:

Contract Dev. & Control

Other Department Review:

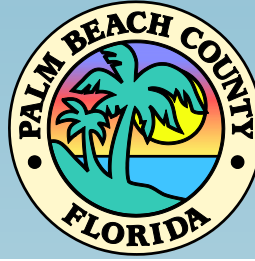
Department Director

This summary is not to be used as a basis for payment.

## Background and Policy Issues (continued from page 1):

The U.S. Department of Housing and Urban Development (HUD) through Federal Regulations outlined under Final Rule 24 CFR Part 91, et al, published January 5, 1995, consolidated into a single submission, the planning and application aspects of the CDBG, ESG, and HOME Programs. The regulations require that Palm Beach County administer the programs in a single consolidated program year via the preparation of an Action Plan (AP). In compliance with HUD's regulations, the County prepares the AP on an annual basis, and obtains the Board of County Commissioners (BCC) approval through a Public Hearing. The following information represents a summary of the citizen participation process, which is required by HUD and set forth in the County's Five Year Consolidated Plan.

- Notices of competitive solicitations for the CDBG and ESG Programs and Notices of Regional Meetings are published in the Palm Beach Post and are also posted on the County's website.
- Regional Meetings are held in both the western county and the eastern county. The purpose of the meetings is to discuss the CDBG, HOME, and ESG Programs, to provide technical assistance, and to receive input from the community concerning housing and non-housing needs.
- The County provides CDBG and ESG technical assistance to all organizations requesting such assistance during the application process.
- Letters are sent to all CDBG and ESG applicants advising them of the eligibility of their proposed activities; informing CDBG applicants of the CDBG Preliminary Funding Recommendation staff meetings, and the CDBG Selection Committee meeting; advising all applicants of the public meeting to discuss the AP; and advising all applicants of the BCC Public Hearing.
- The ESG Advisory Board meets to discuss the ESG Program, funding process, and to make funding recommendations. All applicants are notified of the meetings, and the meetings are publically noticed on the County's website.
- All CDBG and ESG applicants provided written notification of the funding recommendations, a public meeting to discuss the AP, and the BCC Public Hearing to approve the AP.
- A notice is published in the Palm Beach Post which summarizes the AP and funding recommendations; invites the public to attend a public meeting; and provides a Notice of the BCC Public Hearing to approve the AP.
- Prior to the public meeting and Public Hearing, a draft of the AP is made available to the public at County offices and through its posting on the County's website.
- A public meeting to receive input on the AP is held, and all comments received are given consideration, and if applicable, are incorporated into the AP.
- A BCC Public Hearing is held where a Resolution is adopted to approve the AP. Any needed changes to the AP resulting from BCC direction at the public hearing are incorporated into the final document.
- The approved AP is submitted to HUD no later than August 16<sup>th</sup> deadline each year. Failure to submit the AP by the deadline automatically results in a loss of all CDBG, ESG, and HOME funding for that fiscal year.



# **Palm Beach County's Community Development Block Grant (CDBG) Program**

**PRESENTED BY:  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**January 17, 2012**

**Palm Beach County Board of County Commissioners**

# Purpose

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- Provide Historical CDBG Program Overview and Funding Allocation Strategies
- Review Options for Modifications to Funding Allocation Strategies for Fiscal Year 2012 – 2013
- Receive Board Direction

# Historical Review and Funding Allocation Strategies

# CDBG Objectives

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HUD's primary CDBG objective is the development of viable urban communities through the provision of decent housing, a suitable living environment, and expanded economic opportunities.

## CDBG National Objectives:

1. Benefit to low- and moderate-income persons
2. The prevention or elimination of slums and blight
3. Meeting a community need of particular urgency

# CDBG Activities

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- Public Facilities and Infrastructure
- Public Services
- Economic Development
- Housing Activities



# CDBG Partners

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- ❑ Municipalities participating via Interlocal Agreement\*
- ❑ Non-profit Organizations
- ❑ Public Agencies
- ❑ County Departments
- ❑ For-profit Entities

\*Municipalities participating in the County's program and which have established CDBG target areas are referred to as "Local Entitlement Communities" and are guaranteed an allocation of CDBG funds through the County's current funding methodology.

# CDBG Annual Allocations

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Fiscal Year	Funding	Variance
FY 2007-08	\$7,068,569	
FY 2008-09	\$6,799,338	(3.8%)
FY 2009-10	\$6,815,780	.24%
FY 2010-11	\$7,351,246	7.9%
FY 2011-12	\$6,138,977	(16.5%)
FY 2012-13 *Estimated	\$5,396,297	(12%)

# CDBG Historical Distributions (2005–2011)

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Public Facilities and Infrastructure	\$22,388,323
Public Service Activities	\$ 7,237,544
Economic Development	\$ 5,575,519
Housing Activities	\$ 7,802,420
Total CDBG FYs 2005 – 2011	\$43,003,806

# Summary of Funding Distribution and Accomplishments: Public Facilities and Infrastructure

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Category	Funding	Projects
Water and Sewer Infrastructure	\$ 5,085,021	12
Street Improvements	\$ 6,894,036	19
Sidewalks	\$ 899,124	3
Demolition & Clearance	\$ 290,031	1
Drainage Infrastructure	\$ 1,059,211	6
Parks and Recreational Facilities	\$ 3,587,472	16
General Facilities	\$ 4,573,428	11
TOTAL	\$22,388,323	68

\*Includes 41 projects undertaken by Local Entitlement Municipalities.

# Summary of Funding Distribution and Accomplishments: Public Services

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Public Service Category	Funding	Beneficiaries
Homeless Services (8 agencies)	\$1,574,357	6,813
Housing Counseling (2 agencies)	\$ 649,999	7,300
Victims of Domestic Abuse (5 agencies)	\$1,598,584	2,339
Disabled & Senior Services (3 agencies)	\$1,037,378	1,876
Health Services (2 agencies)	\$ 625,232	5,193
Youth Services (5 agencies)	\$ 859,084	2,647
Fair Housing Services (1 agency)	\$ 892,910	481
TOTAL	\$7,237,544	26,649

# Summary of Funding Distribution and Accomplishments: Economic Development

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- Traditionally utilized to fund new or expanding for-profit enterprises for job creation or retention.
- Beginning in FY 2006 BCC directed allocation CDBG funding to business incubators instead of previous ad valorem funding source.

Economic Development Projects	Funding	FTE Jobs
For-Profits & Business Incubators	\$5,575,519	236

# Summary of Funding Distribution and Accomplishments: Housing Activities

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Program Type	Funding	Households
Housing Rehabilitation	\$5,024,478	111
Housing Demolition	\$2,083,456	86
Housing Relocation	\$ 694,486	31
TOTAL	\$7,802,420	228

# Current Funding Allocation Strategies

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- Special Area of Hope (Glades) Program: An annual allocation that rotates between each Glades municipality, and which is deducted from the County share of the CDBG grant.
- Economic Development Program: Allocates 10% of the CDBG grant to economic development activities for job creation and retention.
- Public Service Program: Allocates the maximum 15% of the CDBG grant to local non-profit organizations to provide public services.
- Non-Entitlement Communities: No specific funding allocation (i.e. Mangonia Park, Lake Clarke Shores)



# Options for Modifications to Funding Allocation Strategies

# Special Area of Hope (Glades) Program Options

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- Continue to provide the Special Area of Hope Allocation to Glades municipalities at the current funding level.
- Reduce the amount of the Special Area of Hope Allocation consistent with reduction in CDBG funds or some lower level.
- Eliminate the Special Area of Hope allocation in order to fund additional County-initiated projects (including County projects located within the Glades) or Non-Entitlement Community projects.

# Economic Development Options

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- Maintain historical allocation of 10% of the County's annual CDBG grant.
- Increase the funding allocation, and deduct the funding increase from either:
  - Special Area of Hope Program
  - Public Facilities and Infrastructure
  - Public Services

# Public Service Options

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- Continue to fund non-profit agencies to undertake public services at the historical maximum 15% level.
- Fund non-profit agencies to undertake public services at a reduced amount, and allocate the remaining public service funding to operation of the Homeless Resource Center (HRC).
- Discontinue funding of public services by non-profit agencies, and allocate the maximum 15% public service set aside to operation of the HRC.

# Non-Entitlement Communities Options

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- Allow Non-Entitlement Communities to participate in the Special Area of Hope funding.
- Do not establish fixed allocation and continue to allow County Departments to sponsor projects within Non-Entitlement Communities based on need priority.
- Do not allow Non-Entitlement Communities to receive funding.

# Board Direction