

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

WORKSHOP SUMMARY

Meeting Date: March 26, 2013

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

Title: This workshop item will provide a historical overview of the County's Annual Federal Department of Housing and Urban Development (HUD) Action Plan for the following programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG). Staff is seeking Board direction on program strategies and funding allocations for CDBG and HOME Programs for FY 2013-2014.

Summary: Palm Beach County is required to submit an annual Action Plan to HUD which outlines the strategies, funding allocations and beneficiaries for CDBG, HOME and ESG Programs. In FY 2012-2013, the County received \$5,393,765 for CDBG, \$1,592,579 for HOME, and \$491,748 for ESG. HUD has not yet released CDBG allocations for FY 2013-2014 due to the continuing Congressional debate over the federal budget and has recommended that the County utilize the FY 2012-2013 allocation amount for planning FY 2013-2014 activities. There is a probability that the County may see significant reductions or complete elimination of the funding entirely. If that occurs, Staff will revise the recommendations and bring them back to the Board.

Following this workshop, Staff will hold public meetings to discuss the proposed recommendations. The final Action Plan will be presented to the Board for adoption at a Public Hearing on July 16, 2013. (Strategic Planning Section) Countywide (TKF)

Background and Policy Issues: The CDBG Program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through expansion and retention of businesses. CDBG is an important tool for helping local governments to tackle serious challenges facing their communities. HUD allocates the annual CDBG appropriation between States and local jurisdictions called "entitlement communities". Entitlement communities are comprised of central cities of Metropolitan Statistical Areas; 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). Smaller municipalities may elect to participate in either a State program or an urban county program. Thirty (30) local municipalities participate in Palm Beach County's urban county program.

HUD determines the amount of each grant by using a formula comprised of several measures of community need including population, poverty, housing overcrowding, and age of housing.

Attachments:

1. Presentation

Recommended By: Edward B. Pomm

Department Director

Date

3/14/2013

Approved By: Sharon G. B.

Assistant County Administrator

Date

3/21/13

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____.

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

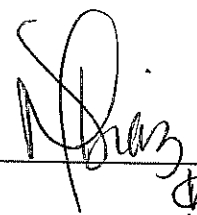

* No fiscal impact.

C. Departmental Fiscal Review:


 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

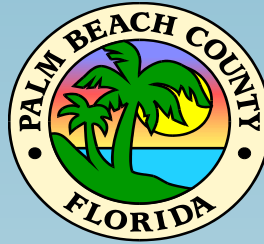
OFMB  3/19/2013
 Contract Development and Control  3/19/13

B. Legal Sufficiency:

 3/20/13
 Chief Assistant County Attorney

C. Other Department Review:

 Department Director



Palm Beach County Action Plan

Community Development Block Grant (CDBG) Program

Emergency Solutions Grant (ESG) Program

HOME Investments Partnership (HOME) Program

PRESENTED BY:
DEPARTMENT OF ECONOMIC SUSTAINABILITY

March 26, 2013

Palm Beach County Board of County Commissioners

Purpose

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- Provide Action Plan Overview and Program Funding Allocation Strategies
- Review Accomplishments
- Staff Recommendations
- Receive Board Direction

Action Plan

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- Required by HUD
- Serves as consolidated application for CDBG, ESG, and HOME Program funding
- Identifies uses and recipients of funding
- Presented to BCC for adoption at a public hearing in July of each year
- Due to HUD by August 14th annually



CDBG Overview and Historical Funding Allocations

CDBG Objectives

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CDBG's Primary Goals:

- ❑ Provision of decent housing;
- ❑ Creation of a suitable living environment; and
- ❑ Expanding economic opportunities.

CDBG National Objectives:

- ❑ Benefit low and moderate income persons;
- ❑ Prevention or elimination of slums and blight; and
- ❑ Meeting a community need of particular urgency.

CDBG Eligible Categories & Activities

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- **Public Facilities and Infrastructure**
 - ▣ Rehabilitation of a community center
 - ▣ Installation of public sanitary sewer system
- **Public Services**
 - ▣ Fair Housing enforcement and counseling
 - ▣ Operating costs of a homeless shelter facility
- **Economic Development**
 - ▣ Funding business incubators
 - ▣ Creating\maintaining jobs in the community
- **Housing Activities**
 - ▣ Demolition and Clearance of blighted housing
 - ▣ Rehabilitation of owner occupied single family homes

Historical CDBG Partners

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

*Municipalities with CDBG target areas are referred to as “Local Entitlement Communities” and are guaranteed an allocation of funds through the County’s current CDBG methodology.

Historical CDBG Annual Allocations

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Fiscal Year	Funding	Variance
FY 2005-06	\$7,888,623	N/A
FY 2006-07	\$7,100,250	(10%)
FY 2007-08	\$7,068,569	(.44%)
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	\$5,393,765	(12%)
FY 2013-14	To Be Determined	N/A



CDBG Accomplishments & Funding Distribution

CDBG Historical Distributions FY 2005-2013

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Activity Type	Funding	Percent
Public Facilities & Infrastructure	\$25,315,590	53%
Public Service Activities	\$ 8,300,116	17%
Housing Activities	\$ 8,274,119	17%
Economic Development	\$ 6,284,259	13%
Total FYs 2005-2013	\$48,174,084	100%

Accomplishments FY 2005-2013

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Public Facilities & Infrastructure	Funding	Projects
Street Improvements	\$ 7,179,629	20
Water and Sewer	\$ 7,023,914	15
General Public Facilities	\$ 4,573,428	11
Parks and Recreation	\$ 4,290,253	20
Drainage Infrastructure	\$ 1,059,211	6
Sidewalks	\$ 899,124	3
Demolition and Clearance	\$ 290,031	1
TOTAL	\$25,315,590	76

Accomplishments FY 2005-2013

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Public Services	Funding	Beneficiaries
Homeless Services (8 Agencies)	\$1,841,099	7,192
Victims of Domestic Abuse (5 Agencies)	\$1,622,060	2,371
Disabled & Senior Services (3 Agencies)	\$1,088,686	2,036
Fair Housing Services (1 Agency)	\$ 949,072	506
Youth Services (5 Agencies)	\$ 871,530	2,752
Housing Counseling (2 Agencies)	\$ 668,621	7,440
Health Services (2 Agencies)	\$ 652,249	5,937
Philip D. Lewis Center (1 agency)	\$ 606,799	769
TOTAL	\$8,300,116	29,003

Accomplishments FY 2005-2013

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Economic Development Projects	Funding	Jobs
Business Incubators	\$5,187,159	244
Economic Development Services	\$1,097,000	835

- Job creation or retention
- In FY 2008, the BCC directed CDBG to incubators
- Staff costs for economic development services
 - ▣ Enterprise Zone applications – 1,226 businesses
 - ▣ Urban Job Tax Credit applications – 220 businesses
 - ▣ Section 108 technical assistance – 1,117 businesses

Accomplishments FY 2005-2013

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Housing Program	Funding	Households
Housing Rehabilitation	\$5,382,498	118
Housing Demolition	\$2,197,141	90
Housing Relocation	\$ 694,486	31
TOTAL	\$8,274,125	239



FY 2013-2014 CDBG Recommendations

BCC Funding Priorities

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CDBG Activity	FY 2012-13 Actual	FY 2013-14 Proposed
Housing Rehabilitation and Demolition	\$ 375,200	\$ 100,000
Economic Development	\$ 766,593	\$1,041,793
Local Entitlement Municipality Allocation	\$1,027,047	\$1,027,047
Capital Projects (County/Non-entitlement)	\$1,654,802	\$1,654,802
Special Area of Hope	\$ 420,232	\$ 420,232
Senator Philip D. Lewis Center	\$ 862,418	\$1,149,891
Public Services	\$ 287,473	\$ -0-
TOTAL	\$5,393,765	\$5,393,765

FY 2013-2014 Recommendation

Housing Rehabilitation & Demolition

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Staff recommends: continue to fund demolition in the amount of \$100,000. Provide no CDBG funding for housing rehabilitation.

- NSP has funded over \$42M of acquisition and rehabilitation work
- Over 275 housing units have been rehabilitated
- Over 100 additional housing units will be rehabilitated in FY 2013-2014

FY 2013-2014 Recommendation

Economic Development

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Staff recommends: increase the allocation for economic development activities from \$766,593 to \$1,041,793.

- Fund the increase from Housing Rehabilitation
- Establish a Micro-Lending Program
- Continue to fund business incubators and economic development services

FY 2013-2014 Recommendation

Entitlement Municipalities

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Staff recommends: maintain current allocations (\$1,027,047) to Local Entitlement Municipalities based on percentage contribution to the County's overall CDBG grant.

FY 2013-2014 Recommendation

County/Non-entitlement Municipalities

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Staff recommends: maintain current allocation for County-implemented projects located in the unincorporated area and non-entitlement municipalities:

County Project	Department	Funding
10 th Avenue Drainage	Engineering	\$ 324,991
Mangonia Park Sewer Phase 2	Water Utilities	\$ 302,622
Lake Clarke Shores Sewer Phase 2	Water Utilities	\$ 270,261
10 th Avenue Sewer Phases 4 & 5	Water Utilities	\$ 540,646
Westgate Park	Parks & Rec	\$ 216,282
TOTAL	N/A	\$1,654,802

FY 2013-2014 Recommendation

Special Area of Hope Program

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Staff recommends: annual rotation of the Special Area of Hope (SAOH) Program Allocation in the amount of \$300K between all 8 Local Entitlement Municipalities.

- The SAOH Program Allocation started in FY 2001, and has provided the Glades Tri-Cities \$4.6M to date
- New 2010 Census data shows that all 8 Local Entitlement Municipalities exhibit indicators of need exceeding County averages
- Needs for infrastructure and public facility improvements in these municipalities remain high.

FY 2013-2014 Recommendation

Public Services

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Staff recommends: allocate all Public Service funds (\$1M) for Philip D. Lewis Center operational costs.

- In FY 2012-2013, BCC directed that Public Service funding be transitioned to the Lewis Center, starting with 75% (\$606,799).
- The remaining 25% (\$202,266) went to 12 local non-profits, a decrease from 21 the prior year.
- The average grant shrank from \$43,849 to \$16,855, but the program administration cost remained in excess of \$40,000.
- Finalizing the funding transition to the Lewis Center will complete BCC direction and increase administrative efficiency.

FY 2013-2014 Recommendation

CDBG Program Summary

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- Continue to fund demolition in the amount of \$100,000, but provide no CDBG funding for housing rehabilitation
- Increase funds for economic development from \$766K to \$1M
- Maintain current allocations (\$1M) to Local Entitlement Municipalities based on contribution to the overall CDBG grant
- Maintain the current allocation (\$1.5M) for projects implemented by County departments
- Rotate the annual Special Area of Hope Program Allocation (\$300K) between all 8 Local Entitlement Municipalities
- Allocate all Public Service funds (\$1M) for Philip D. Lewis Center operational costs



HOME Overview & Recommendation

HOME Program

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Objective

To provide decent affordable housing to lower income households.

Eligible Activities

- Homebuyer Assistance
- New construction of Rental or For-Sale Housing
- Acquisition and/or Rehabilitation of Affordable Housing
- Rental Assistance

Note: 15% of HOME funding must be allocated to non-profit groups designated as Community Housing Development Organizations (CHDOs).

HOME Historical Distributions FY 2005-2013

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Activity Type	FY 2005-13	Housing Units
Homebuyer Assistance Programs	\$14,104,503	409
CHDO Activities	\$ 4,349,181	44
New Rental Development	\$ 1,732,423	63
TOTAL	\$20,186,107	516

FY 2013-2014 Recommendations

HOME Program

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HOME Activity	FY 2012-13 Actual	FY 2013-14 Proposed
Homebuyer Mortgage Program	\$1,239,026	\$ -
CHDO Activities	\$ 353,553	\$ 353,553
Rental Development/Rehabilitation	\$ -	\$1,239,026
TOTAL	\$1,592,579	\$1,592,579



ESG Overview & Process

ESG Program

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Objective

- ❑ To provide housing and supportive services to the homeless, and the at-risk population.

Eligible Activities

- ❑ Emergency Shelter
- ❑ Homeless Prevention
- ❑ Rapid Re-Housing
- ❑ Street Outreach
- ❑ Client Management Information System

ESG Historical Allocations FY 2005-2013

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ESG Eligible Activity	Funding	Persons
Emergency Shelter	\$1,927,863	17,909
Homeless Prevention	\$ 608,947	5,473
Rapid Re-Housing	\$ 100,810	461
Essential Services	\$ 55,602	2,411
TOTAL	\$2,693,222	26,254

ESG Funded Agencies FY 2012-2013

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Agency	Funding	Persons
Adopt-A-Family of the Palm Beaches	\$93,777	461
Aid to Victims of Domestic Abuse	\$26,512	144
Center for Family Services	\$66,215	258
Children's Case Management Organization	\$21,667	360
Children's Home Society of Florida	\$15,671	186
Children's Place At HomeSafe	\$24,600	110
Coalition for Independent Living Options, Inc.	\$25,000	30
Jesus and You (JAY) Outreach Ministries	\$10,000	130
The Lord's Place- Family Program	\$30,000	126
The Lord's Place-Men's Recovery Center	\$30,000	75
Salvation Army	\$63,030	150
Vita Nova	\$60,394	130
YWCA	\$24,882	555
TOTAL	\$491,748	2,715

ESG Process

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- ❑ ESG is administered by the Palm Beach County Department of Community Services
- ❑ Funds are provided to local non-profit agencies through a competitive process
- ❑ FY 2013-2014 funding recommendations are forthcoming from a grant review committee selected by the PBC Homeless and Housing Alliance

Federal Allocations for FY 2013-2014

HUD has not provided estimates of FY 2013-2014 program allocations due to uncertainty associated with the continued federal budget debate. Therefore, staff recommendations are contingent upon the actual CDBG, ESG, and HOME allocations to Palm Beach County for FY 2013-2014.

Board Directions