



COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT DISCUSSION AND ACTION

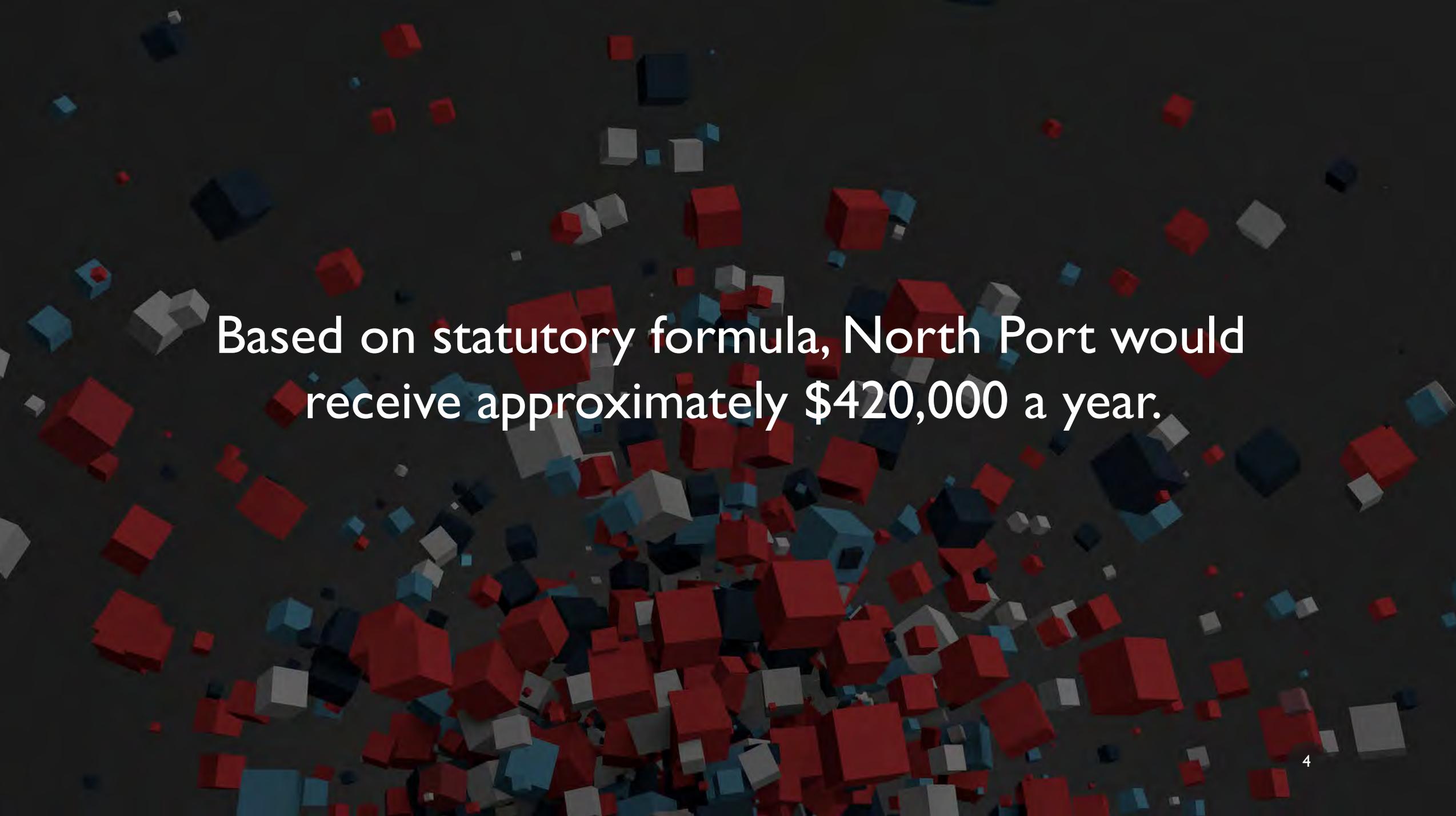
December 14, 2021

WHY ARE WE HERE?

- We are entitled to oversee our own Community Development Block Grant (CDBG) program funds.
- City has historically deferred CDBG entitlement funds to Sarasota County.
- The last three-year agreement with Sarasota County was executed in 2019. Agreement with county expires October 2022.
- If we want to become our own entitlement community, we must notify HUD and the County, and complete all federal program requirements by August 2022.

WHAT IS CDBG FUNDING AND HOW IS IT CALCULATED?

- Annual formula grant from the U.S. Department of Housing and Urban Development to be used to benefit low to moderate income persons.
- Eligibility as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget.
- HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory dual formula.



Based on statutory formula, North Port would receive approximately \$420,000 a year.

HISTORY AND BACKGROUND

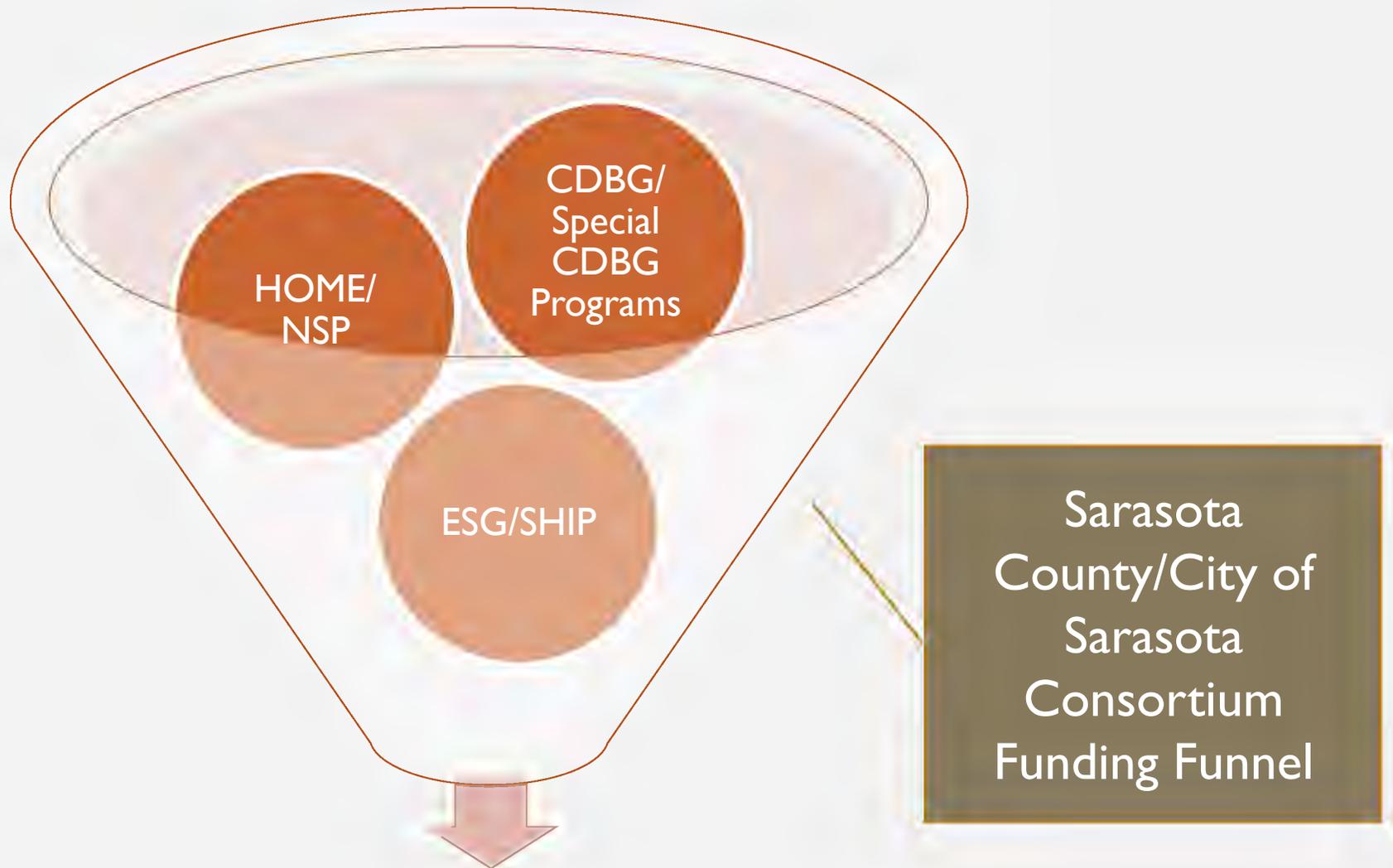
- The City of North Port entered into agreements in the 1990's to allow Sarasota County to oversee CDBG and HOME Investment Partnership Initiative (HOME) grant programs.
- There are interlocal agreements between the City of Sarasota and Sarasota County which allows them to operate as a consortium and receive HOME and State Housing Initiatives Partnership (SHIP) funds.
- These agreements form a Sarasota Consortium which is a collaboration between Sarasota County, City of Sarasota, City of North Port, City of Venice and various non-profit agencies.

CURRENT
NON-CDBG
BENEFITS
AVAILABLE TO
RESIDENTS
THROUGH
THE
CONSORTIUM

- CDBG funds for infrastructure improvements in low to moderate income areas.
- HOME Investment Partnership Initiatives: Provides formula grants to fund affordable housing and direct rental assistance to low-income households.
- Disaster Relief: Grants provided after Presidentially declared disasters to assist with community and neighborhood recovery such as CDBG-CV (special coronavirus funding).

CURRENT BENEFITS AVAILABLE TO RESIDENTS CONTINUED

- State Housing Initiatives Partnership Program (SHIP): Provides funding to local governments to create and preserve affordable housing.
- Neighborhood Stabilization Program (NSP): Provides emergency assistance to stabilize communities with high rates of abandoned and foreclosed homes.
- Emergency Solutions Grant (ESG): Provides funding for emergency shelters and prevent individuals/families from becoming homeless. Can only be used for homeless initiatives, including case work and mental health assistance.



All residents of Sarasota County, City of Venice, City of North Port, City of Sarasota

HOW DOES THE CURRENT PRIORITY SYSTEM WORK?

- A Countywide Steering Committee meets at a minimum once a year and reviews and votes on funding priorities. The Committee is made up of:
 - Two voting members from Sarasota County
 - One voting member from City of North Port
 - One voting member from City of Venice
 - One voting member from City of Sarasota (does not vote on County CDBG funds, they are their own Entitlement community)
- County Commission finalizes and approves funding priorities.

SARASOTA
COUNTY
CDBG
ENTITLEMENT
FUNDS
ALLOCATED
TO NORTH
PORT IN PAST
THREE YEARS

- **Fiscal year 2022 - \$508,005.20**
 - Utilities/Lift Stations: \$453,005.20*
 - Social Service Attendant: \$55,000.00*
- **Fiscal year 2021 - \$380,000.00**
 - Kirk Park Playground: \$225,000.00*
 - Jeffrey Lake Seawall Repairs: \$100,000.00*
 - Social Service Attendant: \$54,000.00
- **Fiscal year 2020 - \$164,050.00**
 - Sidewalks: \$110,050.00
 - Social Service Attendant: \$54,000.00

TOTAL: \$1,053,055.20

*Waiting for grant contracts from Sarasota County

NON – CDBG
PROGRAM
FUNDS
DISTRIBUTED
DIRECTLY TO
NORTH PORT
RESIDENTS
BETWEEN 2016
AND 2021

- 146 Single family homeowners - Home rehabilitation includes such items as roof replacement, HVAC, plumbing, electrical and code compliance
\$2,428,404.31
- 19 Single family homeowners - Hurricane hardening includes window and slider replacement
\$ 156,404.16
- 10 New home construction projects in partnership with non-profit developers
\$1,070,006.03
- 4 Homes acquired and renovated for use as transitional housing for homeless families
\$ 524,722.06
- 6 Households - down payment assistance
\$ 175,565.88

WHAT ARE SOME RESPONSIBILITIES OF BEING AN CDBG ENTITLEMENT COMMUNITY?

- Prepare a Five-Year Consolidated Plan and yearly Action Plans. Requires public participation.
- Prepare Substantial Amendments when we change priorities in the Consolidated Plan or Action Plans and if special disaster funds are received. Requires public participation.
- Prepare a year end report. Collect data and report that all activities benefit only low to moderate income census tracts or individuals. Report all information on CDBG's reporting system.
- Spend all funds in accordance with Federal regulations and guidance.
- Have someone who is functioning as a Section 3 coordinator.
- Conduct Assessments of Fair Housing and partake in Fair Housing activities.

RESPONSIBILITIES CONTINUED

- Ensure environmental reviews are completed on all earth moving projects.
- Monitor and audit program beneficiaries, including contractors, consultants, residents and non-profits.
- Spend no more than 20% of funds on program administration.
- Spend no more than 15% of funds on social services.
- Be ready to accept and administer different funding programs that our community may be eligible for.
- Keep up to date on the rapidly changing federal regulations and executive orders and incorporate into the program

There are hundreds of pages of CDBG program guidelines. Requirements are an overview.

OPTION I – STAY WITH COUNTY CONSORTIUM FOR THREE MORE YEARS

PROS

More bang for the buck – ability to fund higher cost projects

No direct costs to the City - Sarasota County conducts the majority of administrative and construction oversight burden

Residents will continue to receive direct benefits through the Consortium without interruption.

CONS

In competition with unincorporated Sarasota and City of Venice projects and priorities

Less control over funding allocations, projects and priorities

Financial Impact: No change. Existing staff will continue to work with construction projects as they currently do.

WHAT HAPPENS IF WE CHOSE OPTION 1?

- Let Sarasota County and HUD know that we will continue to defer our entitlement status to Sarasota County.
- Sign new contract with the county in the fall.

OPTION 2 – BECOME OUR OWN ENTITLEMENT COMMUNITY

PROS

More control over projects and priorities
(onboarding of new Program Administrator)

Opportunity to stretch our wings and form
programs tailored to specifically benefit North
Port community needs

Opportunities to receive and distribute special
funding for North Port specific priorities

Open new relationships with local, federal and
state partners

Estimated Financial Impact: \$81,000

CONS

Administratively burdensome

Possible risk to non-CDBG funds

Grant funding is not guaranteed

Potentially smaller projects with less amounts
of money

**OPTION 2: DETAILS OF ESTIMATED
FINANCIAL IMPACT FIRST YEAR FISCAL YEAR
2022**

Expenditures	Source	Estimated Amount
Consultant	General Fund	\$75,000
Initial Office Supplies for Program Administrator (purchase and set up before October 1, 2022)	General Fund	\$6,000
	General Fund Investment First Year	\$81,000

OPTION 2: DETAILS OF ESTIMATED FINANCIAL IMPACT FUTURE YEARS

Expenditure	Source	Estimated Cost
Program Administrator	CDBG	\$81,000*

* Up to 20% of CDBG funds can be used for program administration. 20% would be \$84,000 if we are allocated \$420,000. There may be educational/conference costs associated with the staff position that will need to be paid by General Fund. Personnel costs will increase with cost of living/performance reviews. Costs and staffing level estimates are based on current use and expected allocation of CDBG funds.

WHAT HAPPENS IF WE CHOSE OPTION 2?

- Budget amendment next month in the amount of \$81,000 and staff will hire a consultant to prepare a Consolidated Plan, Year One Action Plan and Assessment of Fair Housing.
- Include one staff person in the 2023 budget to manage the grant program.
- Staff to let Sarasota County and HUD know that we will not defer our future entitlement to Sarasota County.
- Staff to start working on arrangements to retain SHIP, HOME and other funding program benefits for North Port residents.

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QUESTIONS, DISCUSSION AND ACTION