



Legislation Text

File #: 2023-R-02, **Version:** 1

MOTION TO ADOPT PROPOSED RESOLUTION 2023-R-02.

PROPOSED RESOLUTION 2023-R-02 IS A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, AMENDING THE CITY'S ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG") PROGRAM YEAR 2019 BY REALLOCATING FUNDS FOR PUBLIC FACILITIES AND IMPROVEMENTS; DIRECTING THE CITY CLERK TO SUBMIT THE AMENDED ACTION PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND AUTHORIZING THE CITY MANAGER AND CITY ADMINISTRATION TO EXECUTE ALL REQUIRED DOCUMENTS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE

1. The City of Pembroke Pines is an entitlement recipient of federal funds from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG). The City received an additional allocation of funds through the CARES Act to specifically combat residents financially impacted by COVID-19 (CDBG-CV funds). To receive these funds, the City adopted a One-Year Action Plan that is consistent with its 2015-2019 Consolidated Plan for Housing and Community Development Programs.

2. The City currently contracts with Community Redevelopment Associates of Florida, "CRAFLA Inc." to administer City housing programs.

3. The City received \$545,110.00 in CDBG-CV1 (2019) and \$855,566 in CDBG-CV3 funds (2019). The City also carried over an additional \$19,063.00 from the 2017-2019 budget allocated into CV1; overall the City had a total of \$1,419,739.00 within both budgets.

4. The City programmed the total CV funds toward two programs:

- ☐ Micro-Enterprise program (CDBG-CV1), which served to assist small businesses with five (5) employees or less, aided with payroll expenses required in the creation and/or retention of jobs that may be lost due to COVID-19.

- ☐ The City also established the Foreclosure/Rental Assistance program (CDBG -CV3) which assisted with rental, mortgage, and/or utility assistance to qualified residents impacted by COVID-19.

5. The City's Micro-Enterprise program funded by CDBG-CV1, did not perform as well as expected as its requirements proved too stringent. Under the Micro-Enterprise program, businesses could qualify for assistance if that business had five (5) employees or less and were in business for two (2) years or more. Additionally, this program competed directly with later CARES Act business assistance programs such as the Paycheck Protection Program (PPP) and other state programs designed to assist small businesses..

6. City Foreclosure/Rental Assistance programs have had moderate success in assisting residents in need. To date, the City's program administrator has received 118 applications for the program in which the City has assisted 30% of eligible residents resulting in \$92,591.64 in foreclosure assistance and \$163,726.31 in rental assistance for a total of \$256,317.95. While the Foreclosure/Rental Assistance program had and still reflects a significant amount of applicants, many are deemed ineligible, as their applications cannot meet Federal submittal standards or prove loss of income/employment to be caused by COVID-19.

7. It is important to note, that State programs such as OUR Florida, Coronavirus Relief Funds (CRF) or Broward County's Emergency Rental Assistance Program (ERAP) , provided similar assistance in direct competition to the Federal CDBG programs.

8. For example, the City administered similar COVID-19 mortgage and rental assistance through the State's CRF program and provided approximately \$875,000 in resident housing assistance (\$723,582 in rental assistance and \$148,843 in foreclosure assistance) due to different eligibility requirements.

9. Based on current trends, City Staff and CRAFLA Inc. have acknowledged the need for COVID-19 assistance has been diminishing as the Country recovers from the pandemic.

10. HUD requires that the City expend at least 80% of CDBG-CV1/CV3 funds by August 03, 2023, to avoid penalties or the remaining funds being recaptured. HUD has very specific rules as to how CDBG-CV funds could be expended.

11. City Staff and contract housing administrator CRAFLA Inc. reviewed HUD CDBG-CV rules for acceptable expenditures and have determined that the funds that are remaining could be used for the rehabilitation of a medical facility that would provide testing, treatment, recovery, or isolation for patients; or establish separated areas or remote access to appropriately treat people who have been diagnosed or exposed to COVID-19 outbreak.

12. The 501 medical building at the Southwest Focal Point Senior Center has been identified as a facility that could be rehabilitated to provide this medical feature to residents while being compliant with HUD rules and regulations regarding the use of these funds. The City will provide the following qualifying rehabilitation projects for the 501 medical building:

- ☐ New Air Conditioning Units
- ☐ Roofing
- ☐ Building Fascia
- ☐ Windows and Doors
- ☐ Flooring
- ☐ Bathroom Remodel
- ☐ Generator

13. The following resolution amends CDBG Action plans for Program Year (PY) 2017, 2018, and 2019 in the following ways:

- a. Acknowledges the previous CDBG-CV Allocation of \$1,419,739 into the 2019 Action Plan.
- b. Amends previously established micro-enterprise program using CDBG funds.
- c. Re-allocates CDBG-CV funds to the newly established 501 Building account.
- d. Re-allocates PY 2019 CV-Microenterprise of \$529,178.00 into the 501 Building Project.

e. Reallocates a portion of PY 2019 CV-Foreclosure/Rental Assistance balance of \$449,885.00 into the 501 Building Project. The remaining balance of \$405,681.00 (of which, \$358,932 including program administration costs has already been drawn) will be utilized for current and incoming Foreclosure/Rental applications until funds are depleted.

14. Noticing of this application is compliant with the amended Citizens Participation plan provisions established within proposed Resolution 2023-R-02.

15. Administration recommends City Commission adopting proposed resolution 2023-R-02, then transmitting the substantial amendment to HUD via Broward County for their approval.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: Grant Funded Program

b) Amount budgeted for this item in Account No:

2019 CV-Microenterprise:
121-554-0600-534943-0000-000-0000-COVID - \$489,173.00 (To be re-allocated to 501 Building)
121-554-0600-531501-0000-000-0000-COVID - \$40,005.00 (To be re-allocated to 501 Building)

2019 CV-Foreclosure/Rental Assistance:
121-554-0600-531120-0000-000-0000-00CV3 (Foreclosure) - \$255,000.00 (To be re-allocated to 501 Building)
121-554-0600-534942-0000-000-0000-00CV3 (Rental/Utilities Assistance) - \$194,885.00 (To be re-allocated to 501 Building)

Reallocated to 501 Building

2022 Public Facilities (501 Building):
121-554-0600-662055-0000-000-0501-02022 - \$979,063 (After Allocations)
121-554-0600-664073-0000-000-0501-02022 (Generator)

c) Source of funding for difference, if not fully budgeted: Not Applicable.

d) 5 year projection of the operational cost of the project: Not Applicable.

e) Detail of additional staff requirements: Not Applicable.

FEASIBILITY REVIEW:

A feasibility review is required for the award, renewal and/or expiration of all function sourcing contracts. This analysis is to determine the financial effectiveness of function sourcing services.

a) Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service? Not Applicable.