

**Attachment 9**

**FY 2011 Consolidated Planning Process Policies**

03



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CLERK OF THE BOARD  
OF COUNTY COMMISSIONERS  
MIAMI-DADE COUNTY, FLORIDA

# Memorandum



Date: November 4, 2010

To: Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

Agenda Item No. 8(K)(1)(A)

From: George M. Burgess  
County Manager

Resolution R- 1083-10

Subject: Proposed FY 2011 Consolidated Planning Process Policies

This item serves to substitute the Proposed FY 2011 Consolidated Planning Process Policies presented to the Housing and Community Development (HCD) Committee on June 9, 2010. The changes made to the original item are detailed in the Recommendation section below.

## RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) adopt the attached FY 2011 Consolidated Planning Process Policies (Policy Paper), which outlines the utilization of federally funded grants allocated to Miami-Dade County. These policies will govern the implementation of Miami-Dade County's FY 2008 through FY 2012 Consolidated Plan through the development of the FY 2011 Consolidated Request for Applications (RFA) process and FY 2011 Action Plan.

The proposed policies have been revised to address the questions and concerns raised by the public and members of the Housing and Community Development (HCD) Committee at the June 9, 2010 public hearing. More specifically, the revisions to the original FY 2011 Policy Paper include:

- 1) reducing the Community Development Block Grant (CDBG) set-aside for County Departments from 50 percent to 40 percent;
- 2) dedicating ten percent of CDBG funding for economic development activities;
- 3) increasing the CDBG set-aside for NSRAs High Priority Needs/Neighborhood Initiatives to 20 percent (up from 16 percent) and decreasing the CDBG set-aside for Municipalities/Public Facilities/Capital Improvements to ten percent (from 14 percent);
- 4) increasing the participation of the Community Advisory Committees (CACs) in the RFA process;
- 5) eliminating the Cure Period because administrative procedures already provide for a cure;
- 6) modifying the policy related to membership of CACs to facilitate compliance with State and County regulatory requirements regarding the appointment of CAC members to the Community Action Agency (CAA) Board;
- 7) eliminating the language regarding staff's intent to utilize recaptured or unallocated funds for innovative projects as a new policy, as the County already has policies that give priority to projects that are sustainable and transit-oriented developments; and
- 8) allowing the County to enter into a contract for a term greater than one year for the provision of Emergency Shelter Grant (ESG) funded services at Beckham Hall, contingent on funding and renewal of the lease agreement for the facility.

## SCOPE

The attached FY 2011 Policy Paper addresses high priority needs of low- and moderate-income communities within the Miami-Dade County. It should be noted that the County's CDBG entitlement funds are utilized to meet the needs of the Unincorporated Municipal Service Area (UMSA) and those of municipalities without their own entitlement jurisdiction. Often referred to as the "participating municipalities", these cities have decided to participate in the County's CDBG program instead of separating from the County and applying directly to the U.S. Department of Housing and Urban Development (US HUD) for their own entitlement. They include the following cities: Sweetwater, North Miami Beach, South Miami, Opa-locka, Hialeah Gardens, and the Village of El Portal.

In addition to the County's entitlement, there are six municipalities within Miami-Dade County that apply for their own federal entitlements (Miami Gardens, Miami, Hialeah, Miami Beach, North Miami and Homestead) and receive federal funds directly from US HUD. One municipality (Florida City) participates in the State's Small Cities Program for federal CDBG and Home Investment Partnership (HOME) funds. Miami-Dade County may utilize federal funds, as appropriate, to fund high priority needs within entitlement jurisdictions if it can be demonstrated that the project is of "Metropolitan Significance."

#### **FISCAL IMPACT**

The FY 2011 Policy Paper includes the projected revenues for FY 2011 federal, state and local community, housing and economic development programs. As part of the FY 2011 Action Plan, these revenues will be recommended for allocation to organizations, developers, municipalities, not-for-profit organizations and County departments to address high priority needs in low- and moderate-income communities.

The FY 2011 Policy Paper includes the guidelines for how the County will allocate federal CDBG, HOME, and Emergency Shelter Grant (ESG) funds. Documentary Stamp Surtax (Surtax) and State Housing Initiatives Program (SHIP) funds have been included in past annual Consolidated Planning Process Policies as it offered an opportunity to use one consolidated RFA process for all federal, state, and local funds. However, no Surtax funds will be included in the FY 2011 RFA process that will result from the Board's adoption of this item. Surtax funds collected throughout the year will be reserved for a Mid-Year RFA process if sufficient funds are available. Because the State did not allocate SHIP funds for 2011, carryover SHIP funds will be used to continue second mortgage assistance and will be available for homeownership counseling in 2011. The following table lists the estimated funding for the FY 2011 RFA:

**FY 2010-FY 2011 Proposed Funds Available**

Funding Source	Type	FY 2010 Actual Funding	Estimated FY 2011 Funding
Community Development Block Grant (CDBG)	Federal	\$19,779,850	\$17,360,000
Emergency Shelter Grant (ESG)	Federal	788,826	750,000
**Home Investment Partnerships (HOME)	Federal	10,529,971	6,679,000
State Housing Initiative Partnership (SHIP)	State	500,000	TBD
***CDBG-R Recovery	Federal	1,000,000	0
<b>TOTAL ALL SOURCES</b>	<b>--</b>	<b>\$32,598,647</b>	<b>\$24,789,000</b>

\* Please note that the funding amounts reported reflect the actual funds awarded by US HUD as of March 31, 2010. These figures differ from the amounts in the FY 2010 Action Plan, as those amounts were projections based on prior year funding estimates.

\*\* FY 2010 HOME funding includes prior year's program income of \$3 million

\*\*\* Stimulus Funds not available for the FY 2011 RFA.

#### **BACKGROUND**

US HUD requires the County to submit a Consolidated Plan every five years. The most recent Consolidated Plan was submitted in November 2007. An annual Action Plan is also required to guide that respective year's implementation of the Consolidated Plan. The attached recommended FY 2011 Policy Paper serves as a blueprint to facilitate submission of the FY 2011 Action Plan to US HUD, which must be filed by November 15 every year.

Staff continues to consult with County departments, municipalities, community development corporations (CDCs), community-based organizations (CBOs) and neighborhood-based citizen participation groups as part of its continuing effort to meet the goals of the FY 2008-2012 Consolidated Plan. Active participation of all stakeholders is critical for successful implementation of the Action Plan while ensuring that federal requirements are met.

Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

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The outcome of these consultations has yielded new policy recommendations and changes to existing policies for the FY 2011 Consolidated Planning Process. These changes are being proposed based on feedback from the community and the latest federal Community Planning and Development (CPD) guidelines that strongly encourage: 1) the use of a local performance measurement system, 2) the development of new management strategies, and 3) the implementation of management by objectives.

The changes recommended in the FY 2011 Policy Paper are designed to better address the high priority needs identified in the FY 2008 through FY 2012 Consolidated Plan. During a planning meeting on February 3, 2010 with the various chairs of the County's eight Neighborhood Revitalization Strategy Areas (NRSAs), the CAC chairs expressed frustration with the lack of progress seen in their neighborhoods. Since the FY 2008 through FY 2012 Consolidated Plan was approved by the BCC in 2007, very few, if any, of these needs had been funded through the annual RFA process. The changes delineated below are designed to address the high priority needs, which will result in an increase in the quality of services, as well as an effective use of the funding awarded to the high poverty areas identified in the Consolidated Plan.

The following new policies are proposed for 2011:

**1. Implement a new funding methodology for allocating CDBG funds.**

Based on the policies described above, it is recommended that the following funding methodology be used in allocating the annual CDBG entitlement award:

- Pursuant to federal regulations, no more than 20 percent of the annual CDBG entitlement will be used for program administration.
- Forty percent of the total CDBG funding award will be set aside for County departments to carry out programmatic activities, which is inclusive of the 15 percent public service set-aside. This is a change from the recommendation to allocate 50 percent in the original FY 2011 Policy Paper. The practice of calculating the 40 percent for County Departments based on the total CDBG allocation will be maintained.
- A minimum of 20 percent of CDBG funding will be set aside to address the NRSA High Priority Needs/Neighborhood Initiatives, 10 percent will be set aside for Municipalities/Public Facilities/Capital Improvements, and 10 percent will be set aside for Economic Development. In the aggregate, no more than 40 percent of CDBG funds will be allocated between these three categories. Amounts allocated to County departments from the NRSA High Priority Needs/Neighborhood Initiatives category will be in addition to the County department cap of 40 percent.
- All allocations must be made prior to the commencement of the federal 30-day comment period. No funds will be placed in reserve accounts.

The following table shows how the estimated FY 2011 CDBG entitlement award of \$17.36 million will be allocated if the above funding methodology is implemented.

**Estimated FY 2011 CDBG Entitlement**

Category	FY 2011 Estimated Funding	FY 2011 Percentage
Administration	\$3,472,000	20%
County Departments	6,944,000	40%
*Municipalities/Public Facilities/Capital Improvements	1,736,000	10%
*Economic Development	1,736,000	10%
*NRSA High Priority Needs	3,472,000	20%
<b>Total</b>	<b>\$17,360,000</b>	<b>100%</b>

\*These amounts may change since Commission District Fund allocations will not be known until applications are received, scored and ranked.

This policy will ensure that funds are allocated to NRSA high priority needs, neighborhood initiatives and that the concerns of US HUD, the CACs and the Commissioners are addressed.

**2. Set aside 10 percent of the FY 2011 Community Development Block Grant (CDBG) funds, for economic development activities.**

As mentioned above, it is recommended that 10 percent, or an estimated \$1.736 million, of FY 2011 CDBG funds be set aside for economic development activities. Eligible activities include, but are not limited to, Technical Assistance to Businesses, the Business Incubator Assistance Program, and the Small Business Loan Program. In the event that all eligible economic development activities under the FY 2011 Action Plan total to less than the amount allocated for this category, the balance will be used for high priority needs in NSRAs as detailed below. The original FY 2011 Policy Paper presented to the HCD Committee did not include a specific amount of funding allocated for an economic development category.

**3. Set aside 20 percent of CDBG funds to address the high priority needs of the NSRAs and increase the participation of CACs in the annual Consolidated RFA process.**

Currently, each CAC representing an NRSA receives \$100,000 annually to fund activities within their respective area (a total of \$800,000 for the eight NSRAs). The FY 2011 Policy Paper recommends that the \$100,000 set-aside for each NRSA be eliminated. Instead, it is recommended that 20 percent of the CDBG funds, or an estimated \$3.472 million, be set aside to address the priority needs in all NSRAs, as identified in the Consolidated Plan. This represents an increase of over \$2.672 million from the \$800,000 currently set aside in FY 2010 for the NSRAs. The increase in funding is recommended based on comments from US HUD, which indicated that the County is not adequately investing funds in the NSRAs commensurate with the approved Consolidated Plan on file with US HUD.

The proposed policy also addresses concerns of the CACs regarding the current funding process. More specifically, the existing RFA process does not yield enough eligible applications that serve the needs of the NSRAs. As a result, some CACs have had to allocate their \$100,000 to countywide or multi-district activities and, in some cases, the funds have been subject to recapture. In addition, the \$100,000 set aside for the NSRAs is not sufficient to carry out the NRSA high priority needs identified in the Consolidated Plan.

Although it is recommended that the \$100,000 set-aside for CACs be eliminated, the FY 2011 Policy Paper seeks to increase the participation of CACs in the RFA process. As part of the FY 2011 RFA

process, the FY 2011 Policy Paper calls for the CACs to recommend the top three priority needs in their NRSAs to be considered for funding under the NRSA High Priority Needs category. Through this process, the County will ensure that the needs of the NRSAs, as well as the concerns of the CACs, are addressed. In addition, in FY 2011 each CAC will be invited to select a Committee member to represent their CAC in reviewing and scoring the FY 2011 RFA applications. In an effort to keep the CACs better informed regarding the use of federal funds in their communities, each CAC will receive the quarterly reports regarding the performance of the funded organizations within their respective NRSA during the respective CAC's regularly scheduled quarterly meetings. Finally, staff is committed to providing CAC members with training and workshops to help increase their understanding of federal regulations and enhance their capacity to serve their community.

**4. Expand the funding categories for Commission District Allocations.**

Each year \$200,000 in CDBG funds is set aside for each Commission District (for a total of \$2.6 million). Like the CACs, Commissioners have expressed frustration at the limited number of eligible activities to which they can allocate from their Commission District Fund (CDF). To address this issue, the allowable categories under which funds from the CDF can be allocated are expanded to include eligible activities in the following categories: 1) the NRSA High Priority Needs; 2) Municipalities/Public Facilities/Capital Improvements; and 3) Economic Development.

**5. The allocation of CDBG funds to Reserves will be discontinued.**

In the past, when CACs or Commissioners were unable to allocate their annual CDBG set aside to eligible projects, the funds remained in reserve accounts. In a letter from US HUD dated December 21, 2009, the County was reminded that all allocations must adhere to a 30-day public comment period, pursuant to both federal regulations and the County's own Citizen Participation Plan approved by the BCC. As such, it is recommended that all funds in the FY 2011 Action Plan be allocated to a specific and eligible project prior to the commencement of the federally required 30-day public comment period, including those allocations made by Commission Districts. Although Commissioners still have the opportunity to allocate from their \$200,000 CDF, in the event any of these funds are not allocated to a specific activity before the commencement of the 30-day public comment period, County staff will recommend the allocation of these balances.

**6. Set aside \$1 million in HOME funds to homeownership rehabilitation/reconstruction.**

It is recommended that \$1 million be set aside for homeowner rehabilitation to assist families with rehabilitating the aging housing stock in Miami-Dade County. Eligible applicants will be households whose income does not exceed 80 percent of the annual area median income. Currently, the County only funds homeownership rehabilitation work for seniors through the HOME program. With the creation of this new program, the County will now be able to address the needs of families regardless of the age of the homeowner.

**7. Increase technical assistance and capacity building to Community Housing Development Organizations (CHDOs).**

In an effort to strengthen CHDOs that have been negatively impacted by the depressed housing market, the County will make an effort to provide additional technical assistance, and capacity building to these organizations, and expand the number of certified CHDOs in Miami-Dade County. CHDOs are not-for-profit housing providers that are certified to meet certain HOME program requirements in order to be eligible for HOME CHDO operating support and other funding set aside for CHDOs. Technical assistance and capacity building will be provided through training workshops

and project-specific technical support. County staff and outside consultants currently provide these services and staff will seek to identify funding to expand these activities.

**8. New construction projects for homeownership units will not be funded in FY 2011.**

Due to the current condition of the housing market, it is proposed that there be **NO** funding for the construction of new homeownership units in FY 2011. This includes funding for the CHDO set aside projects. Instead, as mentioned earlier, the County will provide additional technical assistance to assist CHDOs to complete and close out existing homeownership projects.

**9. Develop strategy to assist homeownership projects previously funded by the County that are pending completion.**

It is recommended that, in the spirit of the "finish what we started" policy, priority be given to housing projects that have received a prior allocation of County funds but have been affected by the economic downturn. These allocations will be subject to internal and/or external underwriting, ensuring that the County's funding will provide the last critical piece of additional funding necessary to complete the housing project. These dollars will only be made available after an internal project financing restructuring analysis demonstrating that "but for" Miami-Dade County funds, the project cannot be completed. Reprogrammed dollars will be used to fund this strategy.

These funds may also be used to assist homeowners who received County second mortgage assistance when they purchased their primary residence, and who have subsequently been negatively affected by the economy. Funds can be used to replace senior debt and homeowner association obligations provided that the homeowner is motivated and the senior lender is willing.

**10. Community Advisory Committee Membership**

In the FY 2009 Consolidated Planning Policies, the BCC approved a policy requiring each CAC to have thirteen members, one of which was to be appointed by the District Commissioner where the CAC is located. Since the majority of CACs in Miami-Dade County are subject to CAA's Community Service Block Grant (CSBG) regulations, it is recommended that this policy be revised to facilitate compliance with Florida Administrative Code and Section 2-1044 of the Miami-Dade County Code related to CSBG and the CAA Board. Specifically, the regulations stipulate that a third of the CAA Board must be democratically elected members from the designated target areas. To be in compliance with this regulation, the existing policy on CAC membership must be revised to indicate that only democratically elected members of the CACs may serve on the CAA Board.

In addition to the policies discussed above, any previously approved policies by the BCC, not amended through this Policy Paper, will continue to guide the FY 2011 Action Plan Process, including, but not limited to the following:

- CDBG and HOME funded activities must meet a US HUD national objective.
- The funding of CDBG awards are forgivable loans, except for municipalities and County departments.
- The County's CDBG balance cannot exceed 1.5 times of the annual allocation. In keeping with efforts to maintain the 1.5 spending ratio, the County will continue to allocate funds to projects that have properly leveraged other funding, increasing the likelihood that they can be completed in a timely manner and will achieve a national objective.
- HOME program funds must be committed in two years and spent within five years. Starting January 1, 2011, US HUD is requiring all HOME activities over a year old without any expenditure to be cancelled.



Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners  
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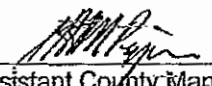
- Bonus points will be awarded in the annual RFA process to activities that create jobs and/or that support green development or to housing projects that incorporate Energy Star or other efficient appliances.
- Only applications for activities that score in the top 45 percent of their funding category in the annual RFA are eligible for funding.

The County requires all sub-grantees to adhere to federal and local program compliance requirements. In the event that a sub-grantee cannot meet the terms and conditions (such as the ones mentioned above) of its contract or agreement, DHCD may recommend that the contract be terminated and the funds either be allocated to another entity to carry out the same activity or allocated to a different priority.

The intent of the proposed policies described above is to streamline the FY 2011 RFA process and ensure the County enters into viable contracts. In addition, the proposed policies will ensure that high priority needs will finally be addressed in these last two years of the five year Consolidated Plan.

The FY 2011 Action Plan, which will be presented to the BCC once the RFA process is complete, is due to US HUD on November 15, 2010. The County will notify US HUD that the FY 2011 Action Plan will be submitted by March 2011. Regardless of the date of submission, US HUD will require that the County adhere to the 1.5 ratio spending requirements.

Attachment

  
Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**DATE:** November 4, 2010

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(K)(1)(A)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved

  
Mayor

Agenda Item No. 8(K)(1)(A)  
11-4-10

Veto \_\_\_\_\_

Override \_\_\_\_\_

RESOLUTION NO. R-1083-10

RESOLUTION APPROVING THE POLICIES GOVERNING THE PLANNING PROCESS FOR AMENDMENTS TO THE FY 2008-2012 CONSOLIDATED PLAN THROUGH THE PREPARATION OF THE FY 2011 ACTION PLAN; APPROVING THE USE OF A REQUEST FOR APPLICATIONS PROCESS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), STATE HOUSING INITIATIVES PARTNERSHIP (SHIP), DOCUMENTARY SURTAX PROGRAM (SURTAX) AND THE EMERGENCY SHELTER GRANT (ESG) TO SOLICIT AGENCIES TO APPLY FOR FUNDING TO ADDRESS NEEDS ALREADY IDENTIFIED IN THE PLAN OR TO MEET NEEDS RESULTING FROM THE CITIZEN PARTICIPATION PROCESS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the policies governing amendments to the FY 2008-2012 Consolidated Plan including the FY 2011 Action Plan Planning Process for the Community Development Block Grant, HOME Investment Partnerships, State Housing Initiatives Partnership, Documentary Surtax, and Emergency Shelter Grant programs; and approves the use of a Request for Application process to include the CDBG, HOME, SHIP, Surtax and ESG Programs to solicit agencies to apply for funding to address needs to be identified in the Plan or to meet additional needs resulting from the Citizen Participation Process in substantially the form attached hereto and made a part hereof.

The foregoing resolution was offered by Commissioner Barbara J. Jordan ,  
who moved its adoption. The motion was seconded by Commissioner Dennis c. Moss  
and upon being put to a vote, the vote was as follows:

	Dennis C. Moss, Chairman	aye	
	Jose "Pepe" Diaz, Vice-Chairman	aye	
Bruno A. Barreiro	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Barbara J. Jordan	aye	Joe A. Martinez	aye
Dorrian D. Rolle	absent	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day  
of November, 2010. This resolution shall become effective ten (10) days after the date of its  
adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an  
override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

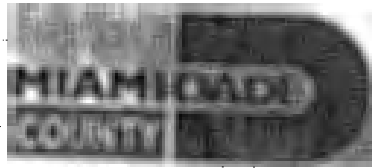
HARVEY RUVIN, CLERK

DIANE COLLINS

Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

Brenda Kuhns Neuman



# **Miami-Dade County**

## **FY 2011 Consolidated Planning Process Policies**

**Department of Housing and Community Development  
Formerly the Office of Community and Economic Development**

August 16, 2010

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# FY 2011 CONSOLIDATED PLANNING PROCESS POLICIES

## EXECUTIVE SUMMARY

It is recommended that the Board of County Commissioners (BCC) adopt the FY 2011 Consolidated Planning Process Policies (Policy Paper) with the policy changes described below. The changes are being proposed in response to input from the community and recommendations from the U.S. Department of Housing and Urban Development (US HUD). These policies will govern the implementation of Miami-Dade County's FY 2008 through FY 2012 Consolidated Plan through the development of the FY 2011 Consolidated Request for Applications (RFA) process and the FY 2011 Action Plan. The intent of the policy changes is to ensure that all federal funds are allocated in a timely manner and that the goals and objectives identified in the FY 2008 through FY 2012 Consolidated Plan for Miami-Dade County's Neighborhood Revitalization Strategy Areas (NRSAs) are addressed.

The Policy Paper includes the funding criteria for the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs. It also includes information on two non-federal programs: the Documentary Surtax (Surtax) and State Housing Initiatives Partnership (SHIP) programs. However, no Surtax funds will be included in the FY 2011. Surtax funds collected throughout the year will be reserved for a Mid-Year RFA process if sufficient funds are available. In addition, the State of Florida (State) did not allocate SHIP funds for 2011; therefore any carryover SHIP funds will be used to continue second mortgage assistance and is available for homeownership counseling.

US HUD requires the County to submit a Consolidated Plan every five years, with the most recent Plan submitted in November 2007. An annual Action Plan is also required in order to guide that respective year's implementation on the Consolidated Plan. The recommended FY 2011 Policy Paper serves as a blueprint to facilitate the submission of the FY 2011 Action Plan to US HUD, which must be filed by November 15.

Staff continues to consult with other County departments, municipalities, community development corporations (CDCs), community-based organizations (CBOs) and neighborhood-based citizen participation groups as part of its continuing effort to meet the goals of the FY 2008 through FY2012 Consolidated Plan. Active participation of all stakeholders is critical for the successful implementation of the Action Plan while ensuring that federal requirements are met.

The outcome of these consultations has yielded new policy recommendations and changes to existing policies for the FY 2011 Consolidated Planning Process. These changes are being proposed based on feedback from the community and the latest federal Community Planning and Development (CPD) guidelines that strongly encourage: 1) the use of a local performance measurement system, 2) the development of new management strategies, and 3) the implementation of management by objectives.

This year, the changes recommended in the FY 2011 Policy Paper are designed to better address the high priority needs identified in the FY 2008 through FY 2012 Consolidated Plan. During a planning meeting on February 3, 2010 with the various chairs of the County's eight Neighborhood Revitalization Strategy Areas (NRSAs), the CAC chairs expressed frustration with the lack of progress in their neighborhoods. At the meeting, staff was reminded that a very comprehensive

process had been established by the County to elicit their input; however, since the Consolidated Plan was approved by the BCC in 2007, very few, if any, of these needs had been funded through the annual RFA process. The changes delineated below are designed to address the high priority needs, which will result in an increase in the quality of services, as well an effective use of the funding awarded to the high poverty areas identified in the Consolidated Plan.

The following new policies are proposed for 2011:

**1. Implement a new funding methodology for allocating CDBG funds.**

Based on the policies described above, it is recommended that the following funding methodology be used in allocating the annual CDBG entitlement award:

- a. Pursuant to federal regulations, no more than 20 percent of the CDBG annual entitlement will be used for program administration.
- b. Forty percent of the total CDBG funding award will be set aside for County departments to carry out programmatic activities, which is inclusive of the 15 percent public service set aside. This is a change from the recommendation to allocate 50 percent in the original FY 2011 Policy Paper. The practice of calculating the 40 percent for County Departments based on the total CDBG allocation will be maintained.
- c. A minimum of 20 percent of CDBG funding will be set aside to address the NRSA High Priority Needs/Neighborhood Initiatives, 10 percent will be set aside for Municipalities/Public Facilities/ Capital Improvements, and 10 percent will be set aside for economic development activities. In the aggregate, no more than 40 percent of CDBG funds will be allocated between these three categories. Amounts allocated to County departments from the NRSA High Priority Needs/Neighborhood Initiatives category will be in addition to the County department cap of 40 percent.
- d. All allocations must be made prior to the commencement of the federal 30-day comment period. No funds will be placed in reserve accounts.

The following table shows how the estimated FY 2011 CDBG entitlement award of \$17.36 million will be allocated if the above funding methodology is implemented.

**Allocation of the Estimated FY 2011 CDBG Entitlement**

Category	FY 2011 Estimated Funding	FY 2011 Percentage
Administration	\$3,472,000	20%
County Departments	6,944,000	40%
*Municipalities/Public Facilities/Capital Improvements	1,736,000	10%
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<b>Total</b>	<b>\$17,360,000</b>	<b>100%</b>

\*These amounts may change since Commission District Fund allocations will not be known until applications are received, scored and ranked.

This policy will ensure that funds are allocated to NRSA high priority needs, neighborhood initiatives and that the concerns of US HUD, the CACs and the Commissioners are addressed.

**2. Set aside 10 percent of the FY 2011 Community Development Block Grant (CDBG) funds, for economic development activities.**

As mentioned in the previous section, it is recommended that 10 percent, or an estimated \$1.736 million, of FY 2011 CDBG funds be set aside for economic development activities. Eligible activities to be funded include, but are not limited to, Technical Assistance to Businesses, the Business Incubator Assistance Program, and the Small Business Loan Program. In the event that all eligible economic development activities to be funded under the FY 2011 Action Plan total to less than the amount allocated for this category, the balance will be used for high priority needs in NSRAs as detailed below. Under the original FY 2011 Policy Paper that was presented to the HCD Committee, no specific funding was set aside for an economic development category.

**3. Set aside 20 percent of CDBG funds to address the high priority needs of the NSRAs and increase the participation of CACs in the annual Consolidated RFA process.**

Currently, each CAC representing an NSRA receives \$100,000 annually to fund activities within their respective areas (a total of \$800,000 for the eight NSRAs). The FY 2011 Policy Paper recommends that the \$100,000 set aside for each NSRA be eliminated. Instead, it is recommended that 20 percent of the CDBG funds, or an estimated \$3.472 million, be set aside to address the priority needs in all NSRAs, as identified in the Consolidated Plan. This represents an increase of over \$2.672 million from the \$800,000 currently set aside in FY 2010 for the NSRAs. The increase in funding is recommended based on comments from US HUD, which indicated that the County is not adequately investing funds in the NSRAs commensurate with the approved Consolidated Plan on file with US HUD.

The proposed policy also addresses concerns of the CACs regarding the current funding process. More specifically, the existing RFA process does not yield enough eligible applications that serve the needs of the NSRAs. As a result, some CACs have had to allocate their \$100,000 allocation to countywide or multi-district activities and, in some cases, the funds have been subject to recapture. In addition, the \$100,000 set aside for the NSRAs is not sufficient to carry out the NSRA high priority needs identified in the Consolidated Plan.

Although it is recommended that the \$100,000 set aside for CACs be eliminated, the FY 2011 Policy Paper seeks to increase the participation of CACs in the RFA process. As part of the FY 2011 RFA process, the FY 2011 Policy Paper calls for the CACs to recommend the top three priority needs in their NSRAs to be considered for funding under the NSRA High Priority Needs category. Through this process, the County will ensure that the needs of the NSRAs identified in the Consolidated Plan, as well as the concerns of the CACs, are addressed. In addition, in FY 2011 each CAC will be invited to select a Committee member to represent their CAC in reviewing and scoring the FY 2011 RFA applications. In an effort to keep the CACs better informed regarding the use of federal funds in their communities, each CAC will receive the quarterly reports regarding the performance of the funded organizations within their respective NSRA. These reports will be presented to the respective CAC during their regularly scheduled quarterly meetings. Finally, staff is committed to providing CAC members with training and workshops to help increase their understanding of federal regulations and enhance their capacity to serve their community.

**4. Expand the funding categories for Commission District Allocations.**

Each year \$200,000 in CDBG funds is set aside for each Commission District (for a total of \$2.6 million). Like the CACs, Commissioners have expressed frustration at the limited number of eligible activities to which they can allocate the \$200,000. To address this issue in FY 2011, the allowable categories under which Commission District funds can be allocated are

expanded to eligible activities in the following categories: 1) the NRSA High Priority Needs; 2) Municipalities/Public Facilities/Capital Improvements; and 3) Economic Development. The municipalities referenced in the "Municipalities/Public Facilities/Capital Improvement" item represent the County's "participating municipalities" who do not apply for or receive their own allocation.

**5. The allocation of CDBG funds to Reserves will be discontinued.**

In the past, when CACs or County Commissioners were unable to allocate their annual CDBG set aside to eligible projects, the funds remained in reserve accounts. In a letter from US HUD dated December 21, 2009, the County was reminded that all allocations must adhere to a 30-day public comment period, pursuant to both federal regulations and the County's own Citizen Participation Plan approved by the BCC. As such, it is recommended that all funds in the FY 2011 Action Plan be allocated to a specific and eligible project prior to the commencement of the federally required 30-day public comment period, including those allocations made by Commission Districts. Although Commissioners may still allocate \$200,000 of their Commission District Funds, as mentioned above, any funds not allocated to a specific activity before the commencement of the 30-day public comment period will be recommended for allocation by County staff.

**6. Set aside \$1 million in HOME funds to homeownership rehabilitation/reconstruction**

It is recommended that \$1 million be set aside for homeowner rehabilitation to assist families with rehabilitating the aging housing stock in Miami-Dade County. Eligible applicants will be households whose income does not exceed 80 percent of the annual area median income (AMI). Currently, the County only funds homeownership rehabilitation work for seniors. With the creation of this new program, the County will now be able to address the needs of families regardless of the age of the homeowner.

**7. Increase technical assistance and capacity building to Community Housing Development Organizations (CHDOs)**

In an effort to strengthen CHDOs that have been negatively impacted by the depressed housing market, the County will make an effort to provide additional technical assistance, and capacity building to these organizations and expand the number of certified CHDOs in Miami-Dade County. CHDOs are not-for-profit housing providers that are certified to meet certain HOME program requirements in order to be eligible for HOME CHDO operating support and other funding set aside for CHDOs. Technical assistance and capacity building will be provided through training workshops and project-specific technical support. County staff and outside consultants currently provide these services and staff will seek to identify funding to expand these activities.

**8. New construction projects for homeownership units will not be funded in FY 2011.**

Due to the current condition of the housing market, it is proposed that there be NO funding for the construction of new homeownership units in FY 2011. This includes funding for the CHDO set aside projects. Instead, the County will provide additional technical assistance to assist CHDOs to complete and close out existing homeownership projects.

**9. Develop strategy to assist homeownership projects previously funded by the County that are pending completion.**

It is recommended that, in the spirit of the "finish what we started" policy, priority be given to housing projects that have received a prior allocation of County funds but have been affected by the economic downturn. These allocations will be subject to internal and/or external underwriting, ensuring that the County's funding will provide the last critical piece of additional

funding necessary to complete the housing project. These dollars will only be made available after an internal project financing restructuring analysis demonstrating that "but for" Miami-Dade County funds, the project cannot be completed. Reprogrammed dollars will be used to fund this strategy.

These funds may also be used to assist homeowners who received County second mortgage assistance when they purchased their primary residence, and who have subsequently been negatively affected by the economy. Funds can be used to replace senior debt and homeowner association obligations provided that the homeowner is motivated and the senior lender is willing.

#### **10. Community Advisory Committee Membership**

In the FY 2009 Consolidated Planning Policies, the BCC approved a policy requiring each CAC to have thirteen members, one of which was to be appointed by the District Commissioner where the CAC is located. Since the majority of CACs in Miami-Dade County are subject to CAA's Community Service Block Grant (CSBG) regulations, it is recommended that this policy be revised to facilitate compliance with Florida Administrative Code and Section 2-1044 of the Miami-Dade County Code related to CSBG and the CAA Board. Specifically, the regulations stipulate that a third of the CAA Board must be democratically elected members from the designated target areas. To be in compliance with this regulation, the existing policy on CAC membership must be revised to indicate that only democratically elected members of the CACs may serve on the CAA Board.

In addition to the policies discussed above, any previously approved policies by the BCC, not amended through this Policy Paper, will continue to guide the FY 2011 Action Plan Process, including, but not limited to the following:

- CDBG and HOME funded activities must meet a US HUD national objective.
- The funding of CDBG awards are forgivable loans, except for municipalities and County departments.
- The County's CDBG balance cannot exceed 1.5 times of the annual allocation. In keeping with efforts to maintain the 1.5 spending ratio, the County will continue to allocate funds to projects that have properly leveraged other funding, increasing the likelihood that they can be completed in a timely manner and will achieve a national objective.
- HOME program funds must be committed in two years and spent within five years. Starting January 1, 2011, US HUD is requiring all HOME activities over a year old without any expenditure to be cancelled.
- Bonus points will be awarded in the annual RFA process to activities that create jobs and/or that support green development or to housing projects that incorporate Energy Star or other efficient appliances.
- Only applications for activities that score in the top 45 percent of their funding category in the annual RFA are eligible for funding.

The County requires all sub-grantees to adhere to federal and local program compliance requirements. In the event that a sub-grantee cannot meet the terms and conditions (such as the ones mentioned above) of its contract or agreement, staff may recommend that the contract be terminated and the funds either be allocated to another entity to carry out the same activity or allocated to a different priority.

The intent of the implementation of the proposed policies described above is to streamline the FY 2011 RFA process and ensure the County enters into viable contracts. In addition, the proposed policies will ensure that high priority needs will finally be addressed in these last two years of the five year Consolidated Plan.

## **PART I: PURPOSE AND BACKGROUND**

### **PURPOSE**

FY 2011 Consolidated Planning Process Policies (Policy Paper) contains the proposed policies for implementing the FY 2008 through FY 2012 Consolidated Plan, the FY 2011 Action Plan, and the FY 2011 Consolidated Request for Application (RFA) process. Based on standards established by the U.S. Department of Housing and Urban Development (US HUD), the overall goals of the Consolidated Plan are to:

- Develop viable communities by providing decent housing;
- Provide a suitable living environment by improving the safety and livability of neighborhoods and implementing US HUD's Sustainable Community Initiative;<sup>1</sup> and
- Expand economic opportunities including job creation and retention.

### **BACKGROUND**

US HUD requires the County to submit a Consolidated Plan every five years and an annual Action Plan each calendar year. The current Consolidated Plan covers the five-year period from January 1, 2008, through December 31, 2012. The Consolidated Plan includes a Housing and Homeless needs assessment, a Housing market analysis, a five-year Strategic plan for Neighborhood Revitalization Strategy Areas (NRSAs), an annual Action Plan, US HUD Certifications and Monitoring standards and procedures. This policy paper includes the FY 2011 Action Plan priorities and funding criteria for the following programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Shelter Grant (ESG)
- Documentary Surtax Activity (SURTAX)
- State Housing Initiatives Partnership Program (SHIP)

To meet the intent and spirit of federal requirements, staff will continue to consult with relevant County departments, municipalities, community development corporations (CDCs), community-based organizations (CBOs) and neighborhood-based citizen participation groups as part of the County's efforts to fulfill its mission. Active participation of all stakeholders facilitates successful implementation of the Action Plan.

### **FEDERAL FUNDING PROGRAMS**

#### **CDBG**

The County's CDBG Program allocates block grant funds from US HUD to private non-profit community based development organizations, community development corporations, community-based organizations, for-profit businesses, municipalities and County departments for activities that benefit low- and moderate-income areas or low- and moderate-income persons. Low- and moderate-income areas are defined as areas in which at least 51 percent of residents earn below

<sup>1</sup> U.S. HUD and U.S. Department of Transportation Sustainable Communities Initiative.  
<http://www.hud.gov/news/release.cfm?content=pr09-023.cfm>



eighty (80) percent of the County's median income. For reference, below is a table reflecting Area Median Income (AMI) in Miami-Dade County by family size.

Miami-Dade County: U.S. HUD 2010 50%, 80% and 120% of AMI Income Thresholds by Household Size								
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
30% of AMI	14,800	16,900	19,000	21,100	22,800	24,500	26,200	27,900
50% of AMI	24,650	28,150	31,650	35,150	38,000	40,800	43,600	46,400
80% of AMI	39,400	45,000	50,650	56,250	60,750	65,250	69,750	74,250

### HOME

The HOME Program allocates housing funds in the form of a permanent mortgage for construction in either first or second position to assist very low- and low-income families in renting or purchasing affordable housing units. The HOME Program is designed to:

- Expand the supply of decent and affordable housing, particularly rental housing, for low- and very low-income Americans.
- Strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing.
- Provide both financial and technical assistance to participating jurisdictions (entitlement areas) including the development of model programs of affordable housing for very low- and low-income families.
- Expand and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

### ESG

The County allocates ESG funds to operate the Beckham Hall facility, a temporary shelter for homeless individuals. The County may enter into a longer contract term in order to maintain continuation of services contingent on funding and renewal of the facilities lease with the City of Miami. This funding will be part of the FY 2011 RFA or another competitive process, as appropriate. The ESG program is intended to:

- Reduce hardships on homeless persons through the provision of emergency shelter.
- Provide or arrange for the provisions of essential support services to homeless persons in the shelter, including food, clothing, personal care items, medical care. The program also provides alcohol and drug abuse and mental health treatment, counseling and assistance in obtaining government benefits, employment assistance and permanent housing.

### Federal Expenditure Limits and Funding Requirements

The following shows the expenditure limits and funding requirements for the federal funding programs:

Requirement	CDBG	HOME	ESG
Administrative Cap	20%	10%	None
Public Service	15%	None	None
Match	None	25%	100%
Leveraging	Demonstrate leveraging of non-federal funds	Demonstrate leveraging of non-federal funds	Demonstrate leveraging of non-federal funds
CHDO Set-Aside	None	15%*	None

\*15 percent of HOME funds must be used for the HOME CHDO Set-Aside. This does not include the HOME funding from prior years.



## NON-FEDERAL FUNDING PROGRAMS

### SHIP

The legislative intent of the SHIP Program is "...to allow local government the greatest degree of flexibility in meeting its communities housing needs". As required, Miami-Dade County has adopted both an ordinance (Ordinance 95-70) and a resolution (R-517-95) that describe a housing program for utilizing SHIP funds. The legislation sets forth the following minimum program requirements for the use of SHIP funds. Funds must be used to implement the approved Local Housing Assistance Plan (LHAP). The program must benefit eligible persons occupying eligible housing. Generally, SHIP funds may be used:

- For locally designated strategies that create or preserve affordable housing.
- To supplement other housing programs.
- To provide local match to obtain Federal housing grants or programs (such as HOME).
- Funds may be used for both homeownership and rental housing activities. However, at least 65 percent must be used for homeownership activities.
- A minimum of 75 percent of the annual grant must be used for construction, rehabilitation, or emergency repair.

In 2009, the County created a Foreclosure Prevention Program funded with SHIP dollars. For FY 2010, SHIP funding had to be used exclusively for the Florida Homebuyer Opportunity Program. The State Legislature did not allocate any SHIP funding for FY 2011. As such, the SHIP dollars under the 2011 Policy Paper are limited to carryover and recaptured funding. Any allocation will be consistent with the Local Housing Assistance Plan.

### DOCUMENTARY SURTAX PROGRAM (SURTAX)

The Documentary Surtax Program is a discretionary surtax on recorded commercial property sales. The funds generated from this revenue source can be used for housing programs. Specifically, the provisions of Florida Statute (F.S.) 125.0167 require that a minimum of 50 percent of the funds benefit low-income families (those with incomes at or below 80 percent of the AMI). Furthermore, no less than 35 percent of Surtax dollars can be used to provide homeownership assistance and no less than 35 percent can be used for construction, rehabilitation, and purchase of rental housing units. The remaining amount may be allocated to provide for homeownership assistance or rental housing units, at the discretion of the County.<sup>2</sup> For the Surtax program, a "low-income family" is defined as a family whose income does not exceed 80 percent of the AMI, and a "moderate-income family" is a family whose income is in excess of 80 percent but less than 140 percent of the AMI.

## STRATEGIC PLANNING

The FY 2008 through FY 2012 Consolidated Plan has been developed in concert with the County's Strategic Plan. The strategic area mission statements, goals and performance measures are in the following areas: Housing and Economic Development; Health and Human Services; Neighborhood and Unincorporated Area Municipal Services; Public Safety; Recreation and Culture; Transportation; and Enabling Strategies.

<sup>2</sup> Surtax funds were reauthorized in 2009, pursuant to Florida Statute (F.S.) 125.0167.

## **CITIZEN PARTICIPATION**

In December 15, 2009, the Board of County Commissioners (BCC) approved the revised Citizen Participation Plan, Guidelines for the Miami-Dade County Department of Housing and Community Development, and the Miami-Dade Community Action Agency (CP Plan) through Resolution R-1428-09 (Attachment A). The CP Plan was updated and modified to comply with US HUD's Consolidated Planning requirements.

The County's citizen participation process for the Consolidated Plan and the annual Action Plan is year round and requires two public hearings before the BCC's Housing and Community Development (HCD) Committee. The purpose of the first public hearing is to consider the Policy Paper. As explained previously, this document guides the RFA process and establishes the basic policies for funding eligible activities. The purpose of the second public hearing is to consider the annual Action Plan and its funding recommendations. Prior to each public hearing, the public is given a 30-day comment period to review the proposed documents. Below is the expected public hearing schedule for the FY 2011 Action Plan process:

- **First Public Hearing:** September 15, 2010 (To Consider the FY 2011 Policy Paper)
- **Second Public Hearing:** January, 2011 (To Consider the FY 2011 Action Plan)  
Please check the County Calendar and the County website, [miamidade.gov/ced](http://miamidade.gov/ced), for the specific dates.

In addition to the two public hearings, the Citizen-Participation Plan calls for quarterly community meetings with the Community Advisory Committees (CACs). The CACs are the entities that represent each of the eight NRSAs identified in the Consolidated Plan. These meetings allow residents to provide feedback on the implementation of the Consolidated Plan, as well as annual funding priorities and the RFA process. Agencies with currently funded activities are required to provide periodic updates of activities to the CACs. These presentations are designed to provide citizens with an opportunity to receive information on proposed and ongoing projects. Through this citizen participation process, staff relies upon County residents to:

- **Identify** both neighborhood and community needs;
- **Prioritize** those needs; and
- **Recommend** activities that address priority needs based upon consultation with stakeholders.

## **PART II: FY 2011 AND PRIOR YEAR POLICIES**

### **FY 2011 PLAN NEEDS AND OBJECTIVES**

The strategic plan section of the current FY 2008 through FY 2012 Consolidated Plan contains numerous policy objectives. The FY 2011 Action Plan focuses on policy objectives including, but not limited to, the following:

- Provide very low- and moderate-income households access to decent and affordable housing;
- Expand economic opportunities to create and retain jobs through business development;
- Provide adequate Public Services; and
- Promote access to Public Facilities/Capital Improvements (primarily senior services, for the disabled, youth, substance abuse services, employment training, and child care).
- Ensure the timely expenditures of HOME and CDBG dollars to ensure that services are provided to the neighborhoods;

In fulfilling these objectives, it is recommended that the County utilize a RFA process for the CDBG, HOME and ESG programs. The RFA will serve to identify agencies that have the capacity to address the inventory of unmet needs identified during the FY 2008 through FY 2012 Plan update. Priority will be given to activities that address the high priority needs for the NRSAs, as identified by the CACs for each NRSA in the following categories:

- Economic Development;
- Housing; and
- Public Facilities/Capital Improvements.

### **FY 2011 PLAN PRIORITIES AND FUNDING CRITERIA**

The following will serve as funding priorities for FY 2011:

- Neighborhood Revitalization Strategy Areas (NRSAs);
- Low- to moderate-income and extremely low-income households and neighborhoods;
- Affordable housing; and
- Economic development.

### **EXISTING AND PROPOSED FY 2011 PLANNING PROCESS POLICIES**

The following is a list of all the Planning Process Policies approved by the BCC to date, organized by category. The list includes the proposed policies for FY 2011. The additions in text are illustrated in underline and deletions are represented with a ~~strikethrough~~.

## **GENERAL POLICIES**

### **Allocation Deadline**

- All allocations must adhere to a 30-day public comment period, pursuant to both federal regulations and the County's own Citizen Participation Plan approved by the BCC. As such, all funds in the annual Action Plan must be allocated to a specific and eligible project prior to the commencement of the federally required 30-day public comment period, including those allocations made by Commission Districts. Any funds not allocated to a specific activity before the commencement of the 30-day public comment period will be recommended for allocation by County staff.
- All CDBG funds not appropriated at the time of adoption of the Action Plan must be appropriated within 90 days of approval of the Action Plan, to ensure timely allocation and expenditure of funds.<sup>3</sup>

### **CDBG**

#### **Allocation Requirements for CDBG**

- Ensure that all CDBG funds are allocated to projects that are adequately leveraged to ensure that they are completed in a timely manner. Except for allocations to County Departments All CDBG funds, including Community Advisory Committee (CAC) allocations and Commission District Fund (CDF) allocations, can only be allocated to Economic Development, Housing, Historic Preservation, or Public Facility activities that have applied through the competitive RFA process, have received a score in the top 45 percent of the applications for the funding category and have received points in providing proof of leverage. Projects cannot be funded for greater (sum-total of all allocations) than the original amount requested from the agency. This minimum score will not apply to County department allocations.<sup>4</sup>

#### **CDBG Loans**

- All CDBG funds, except those awarded to County Departments and municipalities, will be awarded in the form of a loan that is forgivable if the national objective is met. If a national objective is met, meaning that funds were used to accomplish the goal stipulated in the Request for Application (RFA) and minimum performance benchmarks as specified in the award contract are met, then the loan will be forgiven. The repayment terms in the event that the national objective and minimum performance benchmarks are not met will be specified in the award contract and a promissory note.<sup>5</sup>

#### **Failure to Perform or Repay CDBG Loans**

- Future funds will not be provided to an agency that has failed to meet the national objective, has failed to meet required performance benchmarks, or fails to repay any CDBG loans according to the terms agreed to in the award contract. If a government agency or non-governmental organization (NGO) fails to achieve the national objective within the contract period or any extension provided by the County for the purpose of achieving the objective, the agency or NGO will not be eligible to receive current or future CDBG dollars for the same activity.<sup>6</sup>

<sup>3</sup> FY 2007 Planning Process Policies.

<sup>4</sup> FY 2010 Planning Process Policies

<sup>5</sup> FY 2010 Planning Process Policies

<sup>6</sup> FY 2010 Planning Process Policies

### Funding Methodology for CDBG

- The County will follow the funding methodology described below in allocating the CDBG entitlement award.<sup>7</sup>

- Pursuant to federal regulations, no more than 20 percent of the CDBG annual entitlement will be used for program administration.
- Forty percent of the total CDBG funding award will be set aside for County departments to carry out programmatic activities, which is inclusive of the 15 percent public service set aside. The practice of calculating the 40 percent for County Departments based on the total CDBG allocation will be maintained.
- A minimum of 20 percent of CDBG funding will be set aside to address the NRSA High Priority Needs, 10 percent will be set aside for Municipalities/Public Facilities/ Capital Improvements, and 10 percent will be set aside for Economic Development. In the aggregate, no more than 40 percent of CDBG funds will be allocated between these three categories. Amounts allocated to the NRSA High Priority Needs/Neighborhood Initiatives will not be subject to the County department cap of 40 percent.

The NRSA High Priority Needs were identified and approved by the BCC with the adoption of the FY 2008 through FY 2012 Consolidated Plan. Each year, the CACs will be asked to recommend the top three priority needs to be considered for funding through the annual RFA.

The Municipalities referenced in the "Municipalities/Public Facilities/Capital Improvement" item represent the County's "participating-municipalities" discussed in the Geographic Areas of Special Emphasis of this document.

- All allocations must be made prior to the commencement of the federal 30-day comment period. No funds will be placed in reserve accounts.

Based on the funding methodology described above, the CDBG entitlement award will be allocated as indicated on the table below:

**Estimated FY 2011 CDBG Entitlement**

Category	FY 2011 Estimated Funding	FY 2011 Percentage
Administration	\$3,472,000	20%
County Departments	6,944,000	40%
Municipalities/Public Facilities/Capital Improvements	1,736,000	10%
Economic Development	1,736,000	10%
NRSA High Priority Needs	3,472,000	20%
<b>Total</b>	<b>\$17,360,000</b>	<b>100%</b>

### Finish What We Started and Ongoing Projects

<sup>7</sup> Proposed FY 2011 Planning Process Policies.

- Due to the County's need to meet US HUD's national objectives, priority will be given to completing ongoing projects approved by the BCC, provided there is project viability and financial feasibility. These activities are limited to public facilities and housing projects, including mortgage assistance programs for housing projects *currently utilizing federal funds* awarded by the County.<sup>8</sup>

#### **Funding Priorities**

- For housing, community and economic development activities, emphasis will be placed on funding:
  - Mixed-income single and multi-family affordable housing projects and the dispersal of these projects throughout the County to avoid an over-concentration of such projects in particular geographic areas;
  - Mixed-use projects that support both housing and economic development;
  - Ongoing projects with previous funding approval by the BCC to encourage the "finish what we started" mandate, providing there is project viability and financial feasibility. These activities are limited to public facilities and housing projects.
  - Formulating partnerships among the private and non-profit sectors in the development, construction and operation of affordable housing;
  - Supporting housing proposals using nine percent (9%) and four percent (4%) Federal Low Income Housing Tax Credits meeting Subsidy Layering Review threshold requirements to enhance competitive positions in the State or County competition for credits; and competitive costs per client or units.
  - For FY 2011, only 4 percent tax credit housing projects can apply. Proposals using 9 percent credits must apply through the Mid-Year cycle tentatively scheduled for Spring 2011.

#### **HOME Loans**

- HOME funds will be viewed as loans, not grants. All HOME funds, except for Tenant Based Rental Assistance (TBRA) and CHDO Operating funds will be treated as loans, requiring property or another form of collateral to be used as security for repayment for the duration of the affordability period. Loan repayment may be in the form of a purchase price buy-down in accordance with an appropriate Restrictive Covenant and Shared Equity Provision. Forgiveness of the loan will be considered on a case-by-case basis, only for projects serving very-low income residents, homeless persons and families.

#### **Pre-Consultation Meeting**

- New Housing, Public facilities and Economic Development applicants are required to have a technical assistance pre-consultation meeting with their respective DHCD teams. As a mandatory prerequisite, no housing, public facilities or economic development applications will be accepted without a pre-consultation meeting. Attendance at a pre-consultation meeting does not guarantee funding.

#### **Presumption of Funding**

- The concept of "zero-based" budgeting will be implemented in the review of requests for funding. Thus, there is no presumption of funding for any agency that is currently receiving funding. However, County Departments and agencies currently implementing

<sup>8</sup> FY 2007 Planning Process Policies.

projects may be recommended for subsequent funding for on-going projects started in a prior year.<sup>9</sup>

#### COMMUNITY ADVISORY COMMITTEES

- The Community Advisory Committees (CACs) for the NRSAs shall have thirteen (13) members. Twelve (12) are to be elected by the community and one (1) appointed by the Commissioner of the district. The new committee structure should be implemented during the 2010 CAC election.<sup>10</sup>
- Consistent with Section 2-1044 of the Miami-Dade County Code, only democratically elected members of the CACs may serve on the Community Action Agency (CAA) Board.<sup>11</sup>

#### COMMUNITY AFFORDABLE HOUSING STRATEGIES ALLIANCE (CAHSA) TASK FORCE

- The Community Affordable Housing Strategies Alliance (CAHSA) Task Force was created in 2006 is tasked with issuing a report in to address housing issues, including affordable and workforce homeownership and rental housing, public housing, maintenance of affordability issues, property taxes, insurance, and land use. All housing activities that meet the criteria set forth by the national objectives of HUD's resources--(i.e. CDBG, HOME, Housing Opportunities for Persons With Aids, HOPWA) are to be addressed utilizing the CAHSA recommendations, as a guideline for implementation.<sup>12</sup>

#### COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

- CHDOs are non-profit housing providers that are certified to meet certain HOME Program requirements in order to be eligible for HOME CHDO operating support and other funding set aside for CHDOs. Technical assistance and capacity building will be provided through training workshops and project-specific technical support. County staff and outside consultants currently provide these services and staff will seek to identify funding to expand these activities.<sup>13</sup>

#### COMMUNITY ACTION AGENCY (CAA) FUNDING

- The annual CDBG set aside of \$100,000 for each CAC will be eliminated. Instead, 20 percent of the annual CDBG entitlement will be set aside for the NRSA High Priority Needs. As part of the annual RFA process, the CACs will be able recommend the top

<sup>9</sup> FY 2010 Planning Process Policies

<sup>10</sup> FY 2009 Planning Process Policies.

<sup>11</sup> Proposed FY 2011 Planning Process Policies.

<sup>12</sup> FY 2007 Planning Process Policies.

<sup>13</sup> Proposed FY 2011 Planning Process Policies.

three priority needs in their NRSAs to be considered for the NRSA High Priority Needs funding;<sup>14</sup>

- The \$200,000 set aside for the Commission District Fund (CDF) may be allocated to eligible activities in the following funding categories;<sup>15</sup>
  - 1) NRSA High Priority Needs
  - 2) Municipalities/Public Facilities/Capital Improvements
  - 3) Economic Development.
- All allocations must be made prior to the commencement of the federal 30-day comment period. No funds will be placed in reserve accounts.<sup>16</sup>
- ~~\$3.4 million in CDBG funds are to be set aside annually for the following:~~
  - ~~■ \$2.6 million for the Commission District Fund (\$200,000 for each of the thirteen Commission Districts)~~
  - ~~■ \$800,000 for the Community Advisory Committees representing the Neighborhood Revitalization Strategy Areas (\$100,000 for each NRSA).~~
- The County Manager may substitute CDBG funds with HOME, HODAG and Rental Rehabilitation funding sources when necessary to address high priority housing needs.<sup>17</sup>
- ~~CAC and CDF allocations shall have a minimum award of \$50,000 per entity. It is highly encouraged that CAC and the CDF funds be allocated toward "shovel ready" public facility projects.~~

#### **CONSTRUCTION PROJECTS, PUBLIC FACILITIES AND HOUSING**

##### **Expenditure Timelines**

- Timelines of expenditures will be factored in the evaluation of proposals. As such, it is anticipated that:
  - Each project to be funded should have a schedule for the use of projected funds tied to key project milestones, so that performance can be measured against expectations and problems identified at an early stage.
  - An alternative plan to handle unexpended funds is to recapture dollars from projects that are no longer feasible and reallocation for the completion of ongoing projects.
  - Priority will be given to completing ongoing projects approved by the BCC. The capacity of all agencies will be enhanced with technical assistance from County staff.

<sup>14</sup> Proposed FY 2011 Planning Process Policies.

<sup>15</sup> Proposed FY 2011 Planning Process Policies.

<sup>16</sup> Proposed FY 2011 Planning Process Policies.

<sup>17</sup> Approved on June 22, 2004, through Resolution R-805-04. Amended on June 2006, through R-670-06



#### **Land Acquisition**

- Agencies requesting funds for land acquisition must submit a realistic and attainable development plan for all properties to be acquired with County funds.
- For housing projects, acquisition is subtracted from the total land development cost when calculating the eligible developer's fee.

#### **Loan Closings**

- Agencies funded under Housing and Public Facilities activities, except for infrastructure, must initiate loan closings within one year of the execution of their contract. A funded agency must provide proof that they have initiated a loan closing within the required one-year time period and within that time span has secured the balance of the funding from non-County, private funding sources. If these conditions are not met, the Mayor or his designee shall have the authority to recommend to the BCC a recapture and reallocation of these funds to other eligible activities.

#### **Mortgage Requirement**

- For major Public facilities and housing projects, the County will require that the CDBG and or HOME funds awarded be in the form of a loan, which must be secured by a mortgage on all real property acquired or improved in whole or in part with CDBG/HOME funds. Contractors shall execute any mortgage required by the County and pay any costs associated with recording and perfecting of said mortgage. However, the contractor will not be required to make any payments on the mortgage until the property is sold or fails to be used to meet a CDBG national objective.

#### **Multi-Year Funding Commitments**

- Sub-recipients funded for public facilities or construction of housing may be given multi-year funding commitments and/or contracts, provided they meet all US HUD guidelines and County contractual requirements. SHIP and Surtax projects will not be considered for multi-year funding.

#### **Partnerships and Joint Ventures**

- For-profit and non-profit entities applying for the same housing or public facilities. Projects must apply as single entities such as joint ventures. Partnerships and or Joint Ventures must submit their partnership agreements. This includes sources and uses budget, operating pro-formas, capital budget, and scope of services for each project. County Departments will be exempt from this requirement.

#### **Pre-Development and Overhead Costs**

- To facilitate payment of pre-development and overhead costs, developers will be allowed the use, at a pro-rated percentage, their developers' fee. The County shall pay the agency as maximum compensation or fee for the developer services required pursuant to the scope of work. The percentage of compensation shall be predetermined based on each applicant's scope of work. Each phase of development will have a corresponding percentage of the fee assigned. These are project related soft costs that are necessary and reasonable. This measure shall assist provide agencies (including non-profit entities and CHDOs) to have access to cash in the initial stage of the project to finance pre-development.

#### **Site Control**

- Site control is mandatory for housing and public facilities projects. No substantial change of the initial BCC-approved projects such as site change or transfer of funds to other projects will be allowed. In such event(s), the application will be nullified for the current fiscal cycle. A change of entity for the same site, same use and same funding amount may be approved.

#### **Recapture of CDBG Funds**

- The County will move to recapture funds from projects that are slow moving. Because funds in the RFA are meant to provide gap financing, a construction project must have other sources of funds in order for construction to commence. If construction or development progress does not commence within the first year of award, the County must recapture these funds and award to other projects that can expend them so as not to negatively impact services to the community. If the same project does obtain full financing, the agency may re-apply through the RFA process and the project may be awarded bonus points if the recapture occurred as a result of cancelled/reduced financing, or if municipal public facility projects had various funding sources and construction could commence without CDBG funds. Municipalities will only be required to submit an abbreviated application.<sup>18</sup>

#### **Risk Assessment Protocol**

- Funding criteria for housing and public facility projects will be based on a risk assessment protocol comprising underwriting risk, fund leveraging analysis, review of program and project results, developer's ability to perform, staff and organization's capacity, affordability, feasibility, project contribution to public goals, past compliance and performance, and quality of reporting and documentation when applicable.

#### **Technical Assistance**

- The County will provide increased project management and technical assistance through County staff for activities funded through CDBG and HOME. The cost of such assistance will be charged to the activities budget. All housing and public facility project budgets will be charged costs associated with Environmental and Historic Preservation Reviews, if applicable.

### **COUNTY DEPARTMENTS**

- Pursuant to federal regulations, no more than 20 percent of the CDBG annual entitlement will be used for program administration, with the remainder available for projects and programs.<sup>19</sup>
- Miami-Dade County requires that 40 percent of CDBG funding be set aside for County departments to carry out programmatic activities. The 40 percent for County Departments shall be calculated based on the total CDBG allocation.<sup>20</sup>

<sup>18</sup> FY 2010 Planning Process Policies

<sup>19</sup> Proposed FY 2011 Planning Process Policies.

<sup>20</sup> Proposed FY 2011 Planning Process Policies.

- The County Department allocations include public service activities, as well as housing historic preservation, economic development and public facility improvements. Amounts allocated to the NRSA High Priority Needs will not be subject to the 40 percent cap for County departments.<sup>21</sup>
- County departments shall be reimbursed for work performed based on pre-established performance measures.<sup>22</sup>

## **ECONOMIC DEVELOPMENT**

### **Business Incubators – Standard Procedures**

- The County requires that incubators provide a minimum level of support to its businesses in an effort to ensure their success after they graduate from an the incubator. Support such as assisting businesses with developing and implementing a strategic plan, assisting with the development of business plans and applying for loans or grants, in addition to providing financial support for membership in trade associations, are required prerequisites for an incubator to receive CDBG funds.<sup>23</sup>
- Incubators receiving CDBG funding will be required to meet performance benchmarks set forth as a condition of funding award, with established penalties for failure to meet performance benchmarks, as may be considered reasonable by the County. Penalties may include cancellation of award or ineligibility to receive future funding. Similar performance benchmarks and penalties for failure to meet performance measures will also be applied to non-governmental organizations providing CDBG funded business consulting services.<sup>24</sup>

### **Economic Development CDBG Allocation Goal**

- As a best effort goal, at least twenty ten (20 10) percent of the CDBG funding allocation will be allocated for economic development activities.

### **Economic Development Objectives and Accomplishments**

- Economic development is defined as all endeavors aimed at sustaining or increasing the level of business activity and creating/retaining jobs. CDBG programmatic responses to these needs must have at least one of the following outcomes and should accomplish the following:
  - Assist the economy at all levels and be tied to affordable housing initiatives, strategies and programs.
  - Create economic opportunities aimed at promoting final self-sufficiency and a greater share in the economic prosperity for the County's low- and moderate-income residents and distressed communities that promote financial self-sufficiency and a greater share in the economic prosperity of the area.

<sup>21</sup> Proposed FY 2011 Planning Process Policies.

<sup>22</sup> FY 2007 Planning Process Policies

<sup>23</sup> FY 2010 Planning Process Policies

<sup>24</sup> FY 2010 Planning Process Policies

- Address the interrelated needs of Miami-Dade County's distressed communities through coordinated-programmatic responses across a range of disciplines including workforce development, small business assistance, public facilities and community economic development.
- Foster a local entrepreneurial environment that promotes capacity of small businesses and community economic development organizations.
- Promote access to private capital (equity and debt-financing) through effective public-private partnerships and leveraging of public resources.
- Encourage mixed-use projects that are needed in Miami-Dade County's distressed neighborhoods that are transit-friendly and fulfill both commercial and housing needs.

#### **Job Creation**

- All economic development activities funded through the Action Plan must create and or retain jobs. In order for a for-profit business to meet the contractual job creation/retention requirement, full-time permanent jobs must be created or retained due to improvements to the business property, micro enterprise or a direct loan to the for-profit business. A not-for-profit organization may count full time, permanent jobs created or retained through the execution of a job placement agreement with a for-profit business that agrees to hire the employee. The employee must be low-to-moderate income earner. The agreement must remain on file with the grantee, and the hiring business must agree to keep or create a specific number of jobs, and identify such the job by type, and whether the job will be full or part-time.<sup>25</sup>

#### **Green Jobs**

- Bonus points will be awarded to economic development projects that create and retain green jobs. In an effort to further support the manufacturing and distribution of environmentally safe products, the County's evaluation of proposals for CDBG funds will award bonus points to those employment generating activities that result in significant gains in energy efficiency or use of alternative energy sources recognized as leading to net reductions in carbon emissions. Such activities include weatherization; manufacturing, sales distribution, marketing, installation and repair of solar energy systems of high efficiency appliances; construction and/or design of energy efficient structures; design, manufacture and servicing of electric, hybrid or biodiesel vehicles; and recycling of discarded materials.<sup>26</sup>

#### **ENVIRONMENTAL REVIEW**

- All costs associated with the United States Department of Housing and Urban Development (US HUD) environmental reviews, conducted by the County, will be charged to each construction project funded through the Request for Application (RFA).<sup>27</sup>

<sup>25</sup> FY 2009 Planning Process Policies

<sup>26</sup> FY 2010 Planning Process Policies

<sup>27</sup> FY 2007 Planning Process Policies.

## GEOGRAPHIC AREA OF SPECIAL EMPHASIS

### **Neighborhood Revitalization Strategy Areas (NRSAs)**

- There are eight US HUD approved NRSAs in Miami-Dade County:
  - Opa-locka
  - West Little River
  - Model City
  - Melrose
  - South Miami
  - Perrine
  - Goulds
  - Leisure City/Naranja.
- The NRSAs represent the communities that the County has targeted for revitalization. To be designated as an NRSA, the area must have: 1) distinct boundaries; 2) at least 70 percent of the households must be low-to-moderate income; 3) the area must be primarily residential; 4) consultation with residents, businesses and non-profits must be demonstrated; and 5) an economic empowerment strategy and performance measurements for the area must be developed.
- The following is a list of US HUD incentives that apply in the NRSAs:
  - Job creation/retention activities undertaken pursuant to the NRSA strategy may be qualified as meeting area benefit requirements, thus eliminating the need to track the income of persons;
  - Aggregation of housing units for the purposes of applying the low and moderate-income national objective criteria may be used;
  - Aggregate public benefit standard for economic development activities carried out under the NRSA strategy may be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements.
- The County must give priority to funding those activities located in, or serving, US HUD approved Neighborhood Revitalization Strategy Areas.<sup>28</sup>
- The County awards additional RFA points to activities benefiting NRSAs.

### **Eligible Block Groups (EBGs)**

- EBGs are census block groups where at least 51 percent of the households have incomes of 80 percent of the County's area median income or below and there is a high concentration of poverty and unemployment. The boundaries of CDBG eligible block groups are determined by the results of the 2000 Census.
- EBGs not formerly designated as Community Development NRSAs are grouped regionally by Commission District and are included in the District's Strategic Plan.
- Non-housing projects are recommended for census tracts and EBGs in unincorporated Miami-Dade County and participating jurisdictions where at least 51 percent of the households are low to moderate-income. In municipalities that do not have their own

<sup>28</sup> FY 2007 Planning Process Policies.

CDBG entitlement program, proposed activities funded by the County must address the priority needs of populations identified in the Miami-Dade County Consolidated Plan.

- Neighborhood Initiatives refer to capital improvement needs in the County's Eligible Block Groups.<sup>29</sup>

#### **Entitlement Jurisdictions**

##### **Entitlement Jurisdictions and Small Cities Program**

- Within geographic Miami-Dade County, six municipalities are designated with as having their own federal entitlements:
  - Miami Gardens
  - Miami
  - Hialeah
  - Miami Beach
  - North Miami
  - Homestead

Entitlement jurisdictions receive federal funds directly from the US Department of Housing and Urban Development (US HUD). In addition, one municipality (Florida City) participates in the **State's Small Cities Program** for federal Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds.

#### **Metropolitan Significance**

- Miami-Dade County may utilize Federal funds, as appropriate, to fund high priority needs within entitlement jurisdictions if the activities demonstrate Metropolitan Significance and are consistent with the high priority needs identified in that jurisdiction's Consolidated Plan. To be considered an activity of Metropolitan Significance and be eligible for CDBG funding, the proposed activity must pass an eligibility test that demonstrates that the activity has a countywide benefit in which the majority of its past and present beneficiaries are from unincorporated Miami-Dade County and its participating jurisdictions. HOME projects in entitlement jurisdictions require a 25 percent local match.

#### **Participating Municipalities**

- Miami-Dade County's CDBG entitlement funds are utilized to meet the needs of the Unincorporated Municipal Service Area (UMSA) and those municipalities without their own entitlement jurisdiction. Often referred to as the "participating municipalities," these cities have decided to participate in the County's CDBG program instead of separating from the County and applying directly to the U.S. Department of Housing and Urban Development (US HUD) for their own entitlement. They include the following cities:
  - Sweetwater
  - North Miami Beach
  - South Miami
  - Opa-locka
  - Hialeah Gardens
  - Village of El Portal

<sup>29</sup> Proposed FY 2011 Planning Process Policies.

#### **Affordable Housing Contracts**

- The following language must be included in all affordable housing contracts:

Upon sale of an assisted property within the affordability period, the homeowner will pay to Miami-Dade County the principal amount of the Loan, together with a share of the appreciation in the value of the property. Such share shall be determined by applying (I) the percentage that represents the ratio of the original principal amount of the Loan to the original unsubsidized sales price (OSP) (i.e. the gross purchase price) in the connection with the purchase of the property (The "Principal to Original Sales Price Ratio") to (II) the amount, if any, by which the new purchase price (NPP) sales price upon transfer of the Property exceeds such original sales price as reflected in the following formula.

$$\begin{aligned} \text{Subsidized amount} / \text{OSP} &= \text{Equity Percentage (EP)} \\ \text{EP} * (\text{NPP} - \text{OSP}) &= \text{Equity Appreciation Share} \end{aligned}$$

If the Loan to the seller of the property is not evidenced by funds, but a benefit conferred by the Lender (Miami-Dade County) or other public agency on the seller of the property, and the homeowner is not in default under the Note or the Subordinate Security Instrument, the share of appreciation due the Lender herein shall be reduced by sum of (a) the amount of any cash down payment for the purchase of the Property, (b) the homeowner's reasonable and customary costs of sale of the Property (including any broker's commission, and (c) the value of any documented, permanent improvements to the Property that are in compliance with any applicable requirements established by the Lender.

#### **Displacement**

- All projects involving acquisition of existing buildings must demonstrate that there will be no displaced individuals as a result of the acquisition. If the displacement of individuals is necessary, a relocation plan must be submitted with the application.

#### **Funding For Sale Homeownership Projects**

- In the spirit of the "finish what we started" policy, priority be given to housing projects that have received a prior allocation of County funds but have been affected by the economic downturn. These allocations will be subject to internal and/or external underwriting, ensuring that the County's funding will provide the last critical piece of additional funding necessary to complete the housing project. These dollars will only be made available after an internal project financing restructuring analysis demonstrating that "but for" Miami-Dade County funds, the project cannot be completed. Reprogrammed dollars will be used to fund this strategy.

These funds may also be used to assist homeowners who received County second mortgage assistance when they purchased their primary residence, but after some time, have been negatively affected by the economy. Funds can be used to replace senior debt and homeowner association obligations provided that the homeowner is motivated and the senior lender is willing.<sup>30</sup>

<sup>30</sup> Proposed FY 2011 Planning Process Policies.

### **Foreclosure Prevention and Intervention**

- Encourage homeownership through the funding of second mortgages, and providing the necessary resources to ensure that families are able to keep their homes during stressful challenging economic times.<sup>31</sup>
- Miami-Dade County will address foreclosures through:<sup>32</sup>
  - Establishment of forbearance accounts;
  - One-time fresh start agreements that suspend payments from troubled borrowers in order to help improve their financial condition;
  - Counseling services; and
  - Foreclosure Intervention Prevention program. This program is limited to homeowners who currently have mortgages with Miami-Dade County. The program funds may be utilized to contract with Homebuyer Assistance Counseling agencies to include foreclosure intervention prevention.

### **Homeownership**

- Promote homeownership opportunities by providing assistance to homebuyers and by maintaining the supply of affordable units available for purchase. Due to the condition of the housing market, the County will not fund new construction projects for homeownership, except prior funded HOME CHDO projects.<sup>33</sup>

For FY 2011, the County proposes NO funding for the construction of new homeownership units. This includes funding for the CHDO set aside projects. Instead, the County will provide additional technical assistance to assist CHDOs to complete and close out existing homeownership projects.<sup>34</sup>

- ~~Surtax and SHIP funds should be equitably distributed between rental developments (50 percent) and homeownership mortgage and rehabilitation assistance (50 percent).~~<sup>35</sup> Funding priority should be given to homeownership second mortgages and to developments funded by the County.<sup>36</sup>

### **Homeowner Rehabilitation**

- Continue to assist existing homeowners to maintain their properties by providing financial assistance to the rehabilitation of substandard units.<sup>37</sup>
- Annually \$1 million in HOME funds will be set aside for homeowner rehabilitation/reconstruction to assist families with rehabilitating the aging housing stock in Miami-Dade County. Eligible applicants will be households whose annual AMI does not exceed 80 percent.<sup>38</sup>

### **Housing for Homeless and Special Needs Persons**

- Provide support facilities and services, as well as increase the supply of units for non-homeless persons who are not homeless but who have with special needs.

<sup>31</sup> FY 2009 Planning Process Policies.

<sup>32</sup> FY 2009 Planning Process Policies.

<sup>33</sup> FY 2008-2012 Consolidated Plan. Revised through the FY 2009 and FY 2010 Planning Process Policies.

<sup>34</sup> Proposed FY 2011 Planning Process Policies.

<sup>35</sup> The policy to evenly split Surtax and SHIP funds between homeownership and rental development was suspended on March 17, 2009 as per Resolution No. R-289-09. This policy is temporary until additional affordable housing funding becomes available.

<sup>36</sup> FY 2009 Planning Process Policies.

<sup>37</sup> FY 2008-2012 Consolidated Plan.

<sup>38</sup> Proposed FY 2011 Planning Process Policies.



- Continue to improve the living conditions of residents of public housing by physically upgrading existing units.<sup>39</sup>
- \$1 million of HOME funds will be set aside for Homeless initiatives.<sup>40</sup>
- \$1 million of HOME funds will be set aside for Elderly Housing Rehabilitation

#### **Lead-Based Paint Hazards**

- Reduce lead-based paint hazards.<sup>41</sup>

#### **Preservation of Affordable Housing**

- The County will not provide support for projects that would result in the loss or conversion of affordable housing units without the replacement of the same number of units in or around the area. For HOME units, affordable housing is defined as households with incomes at or below 80 percent of area median income (AMI), adjusted for family size. The Documentary Surtax Program requires that a minimum of 50 percent of funds allocated to each successful developer must benefit low-income families (those with income at 80 percent or less of AMI for Miami-Dade County).<sup>42</sup>

#### **Resale/Recapture Option**

- In the event of a transfer by homeowners of affordable housing units (through sale within the affordability period), the County, shall be entitled to recapture an amount equal to the percentage subsidized, from the proceeds of the sale of the home. These funds will be utilized for provision of new affordable housing.
- In addition to recapture, the County has a resale option, which ensures that the HOME assisted unit remains affordable over the entire affordability period. If a unit is designated affordable and it is sold during the affordability period, the sale must be to a low-income family meeting the HOME program definition.
- The County has opted to use the Resale option instead of the recapture option.

#### **Rental Housing**

- Provide assistance to rental households by increasing both the supply of affordable housing and the availability of rental assistance and support services, especially for those with incomes at or below 30 percent of the median income group.<sup>43</sup>
- Focus on delivering affordable rental housing instead of converting existing rental units to condominiums.<sup>44</sup>

#### **Retainage**

- In accordance with industry and County standards, the County will retain ten percent of the development award until a project reaches 75 percent completion, at which point the

<sup>39</sup> FY 2008-2012 Consolidated Plan.

<sup>40</sup> FY 2010 Planning Process Policies.

<sup>41</sup> FY 2008-2012 Consolidated Plan.

<sup>42</sup> FY 2009 Planning Process Policies.

<sup>43</sup> FY 2008-2012 Consolidated Plan.

<sup>44</sup> FY 2009 Planning Process Policies.

retainage will be reduced to five-percent. The five percent retainage and any remaining retainage will be released after satisfactory final-certification of completion or occupancy, final release of liens, and as-built drawings are received by the County. This will allow more flexible cash flow for the project.<sup>45</sup>

#### **Leveraging and Gap Financing**

- Proposals will be evaluated for leverage and must indicate adequate financial resources to complete the project. Any financial gaps or contingencies must be noted prior to project commencement. Documentation of other funding sources through letters of commitment will be required for all projects.
- The County will not consider funding for any activity that has not secured a minimum of \$25,000 in outside funding sources to support its operations. The implementing agency for the activity must submit with its Request for Application (RFA) documents that confirm that the outside funding has been secured.
- CDBG, HOME and HOME/CHDO funds are to be used as gap financing and not as the sole funding source for a project or program. Applicants must provide written documentation, with the application, of the availability and status of all other current sources of funding (towards the project or its administration).

- Strong emphasis will be placed on projects, CBO capacity building programs, and activities that directly address priority needs of populations that contain the highest incidences of poverty identified in the FY 2008-2012 Consolidated Plan.

- The County requires all sub-grantees to adhere to all federal and local program compliance requirements. The County, on a regular basis, will monitor each sub-grantee through progress reports and site visits. If a sub-grantee cannot meet the terms and conditions of its contract or agreement, the County may recommend that the contract be terminated and the funds either be used by another entity to carry out the same activity, or address a different priority.

- Only County departments will be funded with public service funds, subject to the fifteen (15) percent U.S. HUD mandated cap.

<sup>45</sup> FY 2009 Planning Process Policies.

## SUSTAINABLE COMMUNITIES AND SMART GROWTH

### Green Development

- In the Consolidated Request for Application (RFA) evaluation process, the County will:
  - Reward Green Development with bonus points.<sup>46</sup>
  - Award points to projects that promote infill development and Transit Oriented Developments (TOD) in conjunction with the Community Affordable Housing Strategies Alliance (CAHSA) Housing Strategic Plan.<sup>47</sup>
  - Encourage building of ENERGY STAR Qualified New Homes. ENERGY STAR homes must meet guidelines for energy efficiency set by the US Environmental Protection Agency.<sup>48</sup>
  - Encourage water efficiency and methods recommended through the US Environmental Protection Agency (EPA) WaterSense program.

<sup>46</sup> FY 2009 Planning Process Policies.

<sup>47</sup> FY 2009 Planning Process Policies.

<sup>48</sup> FY 2009 Planning Process Policies.

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## PART III: FUNDING AND PROJECTED ALLOCATIONS

### ACTION PLAN FUNDING ALLOCATIONS

The following table lists the FY 2010 funding sources and types that were included in the FY 2010 Action Plan. Projected allocations for 2011 for each program are also provided. (These projected numbers are estimates based on current allocations and are subject to change.)

#### FY 2010-2011 TOTAL ESTIMATED FUNDING ALLOCATION BY FUNDING SOURCE\*

Funding Source	Type	FY 2010 Actual Funding	Estimated FY 2011 Funding
<b>Community Development Block Grant (CDBG)</b>	<b>Federal</b>	<b>\$19,779,850</b>	<b>\$17,360,000</b>
CDBG Allocation	Federal	19,579,850	17,060,000
CDBG Program Income	Federal	200,000	300,000
<b>Emergency Shelter Grant (ESG)</b>	<b>Federal</b>	<b>788,826</b>	<b>750,000</b>
<b>Home Investment Partnerships (HOME)</b>	<b>Federal</b>	<b>10,529,971</b>	<b>6,679,000</b>
HOME Allocation	Federal	7,029,971	6,479,000
HOME Program Income	Federal	500,000	200,000
HOME Prior Year Program Income**	Federal	3,000,000	0
<b>State Housing Initiative Partnership (SHIP)</b>	<b>State</b>	<b>500,000</b>	<b>TBD</b>
<b>Documentary Surtax Program (Surtax)</b>	<b>County</b>	<b>0</b>	<b>0</b>
<b>CDBG-Recovery (CDBG-R)***</b>	<b>Federal</b>	<b>1,000,000</b>	<b>0</b>
<b>TOTAL ALL SOURCES</b>		<b>\$32,598,647</b>	<b>\$24,789,000</b>

\*FY 2010 Includes prior years program income of \$3 million

\*\* Stimulus Funds not available for FY 2011 RFA\*\*

\*\*\* Please note that the funding amounts reported reflect the actual funds awarded by US HUD as of March 31, 2010. These figures differ from the amounts in the FY 2010 Action Plan, as those amounts were based on prior year funding estimates.

DHCD reserves the right to substitute all or part of any set aside project funding, as appropriate for the funded activity. In order to receive HOME funds from US HUD a local funding match is required. Although this match is expected to be covered through the utilization of the SHIP funds, any housing project located in an entitlement area must demonstrate a match from the entitlement where the project is located.

HODAG program income and prior year HOME program income funds may also be available for allocation in the FY 2011 RFA.

### FY 2011 CDBG ESTIMATED FUNDING ALLOCATION

Category	FY 2011 Estimated Funding	FY 2011 Percentage
Administration	\$3,472,000	20%
County Departments	6,944,000	40%
*Municipalities/Public Facilities/Capital Improvements	1,736,000	10%
*Economic Development	1,736,000	10%
*NRSA High Priority Needs	3,472,000	20%
<b>Total</b>	<b>\$17,360,000</b>	<b>100%</b>

\*These percentages may change since CDF allocations will not be known until applications are received, scored and ranked.

Funding Category	FY 2011 Estimated Funding	FY 2011 Percentage
Program Administration	\$3,472,000	20%
Economic Development	1,882,000*	11%*
Public Facilities and Improvements	4,904,000	28%
Public Service	2,604,000	15%
Historic Preservation	125,000	1%
Housing	901,000	5%
NRSA High Priority Needs/Neighborhood Initiatives	3,472,000	20%
<b>TOTAL</b>	<b>17,360,000</b>	<b>100.00%</b>

\*The figure shown on the table includes the \$1.736 million (10%) set aside for Economic Development for the RFA and the \$146,000 set aside for Economic Development under County Departments.

### FY 2011 HOME ESTIMATED FUNDING ALLOCATION

Category	FY 2011 Estimated Funding	FY 2011 Percentage
Program Administration	667,900	10.0%
CHDOs Operating Support	333,950	5.0%
CHDO Set-Aside	1,001,850	15.0%
Rental Housing	1,175,300	17.5%
New Construction Homeownership - CHDO	-	0.0%
Elderly Homeowner Rehabilitation	1,000,000	15%
Homeowner Rehabilitation	1,000,000	15%
Homeless Housing	1,000,000	15%
Tenant Based Rental Assistance (TBRA)	500,000	7.5%
<b>TOTAL</b>	<b>\$6,679,000</b>	<b>100%</b>

## PART IV: TIMELINE FOR FY 2011 CONSOLIDATED

### PLANNING ACTIVITIES

<b>March, 2010</b>
<ul style="list-style-type: none"> <li>DHCD meets with the NRSA Community Advisory Committees (CACs) regarding performance of currently funded neighborhood activities and priority needs for FY 2011.</li> <li>Distribute appropriate sections of RFA and attachments to DHCD, and Homeless Trust for updating and revisions</li> </ul>
<b>April, May, June, July, August 2010</b>
<ul style="list-style-type: none"> <li>Consultation with South Florida Community Development Coalition</li> <li>Meeting with RFA Work Group</li> <li>DHCD meets with County Departments regarding performance of currently funded neighborhood activities and priority needs for FY 2011</li> <li>Monitoring of Action Plan activities begins and continues throughout the year</li> <li>Meeting with RFA County partners working groups.</li> </ul>
<b>September 2010</b>
<ul style="list-style-type: none"> <li>Consult with participating municipalities to update neighborhood priorities and needs</li> <li>Consult with Office of Americans With Disability Act (ADA) Coordination and Commission on Disabilities.</li> <li>Housing and Community Development Committee public hearing to approve FY 2011 Policies.</li> </ul>
<b>October, November, December 2010</b>
<ul style="list-style-type: none"> <li>FY 2011 RFA available.</li> <li>RFA technical assistance workshop for agencies, groups and individuals.</li> <li>Consultations with Applicants by DHCD staff.</li> <li>DHCD and the Office of Strategic Business Management discuss funding recommendations.</li> </ul>
<b>January, February 2011</b>
<ul style="list-style-type: none"> <li>Staff recommendations published and 30-day comment period begins.</li> <li>First draft of Action Plan, along with accompanying recommendations, is forwarded to the Office of Strategic Business Management for review, upon approval by County Mayor's Office.</li> <li>Funding recommendations are completed and forwarded to County Manager for approval and transmittal to Board for second public hearing.</li> <li>BCC approves funding recommendations following a 30-day Public Comment period for affected citizens to review the proposed Action Plan.</li> </ul>
<b>March 2011</b>
<ul style="list-style-type: none"> <li>FY 2011 Action Plan submitted to U.S. HUD</li> <li>FY 2011 Action Plan is presented to citizens at public meetings.</li> <li>FY 2011 contracts development completed.</li> </ul>

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## Glossary

**Action Plan:** The United States Department of Housing and Urban Development (US HUD) requires that Miami-Dade County submit an annual Action Plan for each of the calendar years in the County's five-year Consolidated Plan. The annual Action Plan describes the Federal and Non-Federal resources expected to be available to address the priority needs and goals identified in the Consolidated Plan, the activities to be undertaken, and the geographic areas to be assisted.

**Business Incubators:** Business incubators are programs designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services offered both in the incubator and through its network of contacts.

**Community Advisory Committee (CAC):** The CACs represent Miami-Dade County's Neighborhood Revitalization Strategy Areas (NRSAs). CAC members serve in an advisory capacity and provide recommendations to the Miami-Dade County Board of County Commissioners (BCC) on the development and implementation of neighborhood plans and projects.

**Community Development Block Grant (CDBG):** A Federal formula grant entitlement program administered by U.S. Department of Housing and Urban Development (US HUD). The CDBG program is intended to help develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

**Community Housing Development Organization (CHDO):** A federally defined type of non-profit housing provider that is certified to meet certain HOME Program requirements in order to be eligible for HOME CHDO funding. A minimum of 15 percent of all Federal HOME funds must be set-aside for CHDOs. The primary difference between CHDO and other non-profits is the level of low-income resident participation on the Board of Directors.

**Community Development Corporation (CDC):** Community based organizations that are committed to enhancing community well-being and facilitating revitalization through economic development, housing and other services.

**Citizen Participation (CP) Plan:** A plan that describes and documents the efforts that will be undertaken to provide for and encourage citizens to participate in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, and the performance report.

**Consolidated Plan** – Miami-Dade County is required to submit a Consolidated Plan to US HUD in accordance with the Consolidated Submissions for Community Planning and Development programs (24 CFR 91). The County's five-year Consolidated Plan describes the community development, economic development and housing needs of low-and-moderate-income residents, outlines strategies to meet those needs and identifies all Federal and Non-federal resources available to implement the strategies.

**Consolidated Planning Process Policies (Policy Paper):** This document contains the policies for implementing the FY 2008-2012 Consolidated Plan.

**Green Jobs:** Employment generating activities that result in significant gains in energy efficiency or use of alternative energy sources recognized as leading to net reductions in carbon emissions. Such activities include weatherization; manufacturing, sales distribution, marketing, installation and repair of solar energy systems of high efficiency appliances; construction and/or design of energy efficient structures; design, manufacture and servicing of electric, hybrid or biodiesel vehicles; and recycling of discarded materials.

**Eligible Block Groups (EBGs):** Census block groups where at least 51 percent of the households have incomes at or below 80 percent of the County's area median income and where there is a high concentration of poverty and unemployment. The boundaries of CDBG eligible block groups are based on the results of the most recent U.S. Census. A census block group (BG) is the smallest geographical unit for which the U.S. Census Bureau publishes sample data.

**Environment Review:** 24 CFR Part 58: Environmental Review Procedures for Entities receiving CDBG and HOME funds. U.S. HUD Environmental Responsibilities is used by local governments to determine program compliance with the National Environmental Policy Act (NEPA) and other related statutes.

**Emergency Shelter Grant (ESG):** A Federal grant program designed to provide adequate shelter and essential social services to homeless individuals and to help prevent homelessness.

**Florida Homebuyer Opportunity Program (FL HOP):** FL HOP was created in 2009 and is administered through the State Housing Initiatives Partnership (SHIP) program. The program provides financial assistance to first time homebuyers eligible to receive the federal first time homebuyer tax credit established through the American Recovery and Reinvestment Act of 2009. Eligible FL HOP applicants can receive up to \$8,000 in purchase assistance, which is expected to be repaid by the applicant upon receipt of the federal tax refund.

**Funding GAP -** Financing that is required, but for which no provision has been made. The difference in total funding needed for a proposal and the amount of funding already made available.

**HOME Investment Partnerships Program (HOME):** A Federal formula grant program intended to expand the supply of decent, affordable housing for low and very low-income families by through the provision of affordable housing.

**Job Creation:** Jobs created as a result of Federal funds provided to a CDBG eligible activity benefiting low and moderate income persons.

**Leverage:** The use of funds to complete a transaction. The use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment. The amount of debt used to finance firm's assets.

**Metropolitan Significance:** Miami-Dade County may utilize Federal funds, as appropriate, to fund high priority needs within municipalities if the activities demonstrate Metropolitan Significance. To be considered an activity of Metropolitan Significance, the proposed activity must have a countywide benefit in which the majority of its past and present beneficiaries are from unincorporated Miami-Dade County and its participating jurisdictions.

**Neighborhood Revitalization Strategic Area (NRSA):** Designated areas which have been targeted for revitalization and which are eligible for federal funding under the U.S. HUD

Community Development Block Grant program. There are eight NRSAs in Miami-Dade County: 1) Opa-locka; 2) Model City; 3) West Little River; 4) Melrose; 5) South Miami; 6) Perrine 7) Leisure City/Naranja; and 8) Goulds. Areas designated as NRSAs must have contiguous boundaries, must be primarily residential, and must have a population with at least 70 percent of the persons considered low-and-moderate income.

**Recapture/Reallocation (otherwise known as a Plan Amendment):** The process of recapturing CDBG, HOME and/or other funding sources from non-viable activities and reallocating that funding to activities/projects that can meet the national objective. This process is conducted through an amendment to the annual Action Plan (Plan Amendment) and is a necessary step in ensuring timeliness in expenditure of various funding sources.

**Retainage:** In a construction contract, retainage is the withholding of a portion of each payment earned by a contractor or subcontractor until the construction project is complete (usually 10 percent is withheld from each payment request).

**Request for Applications (RFA):** Each year, the Department of Housing and Community Development conducts a consolidated RFA for CDBG, HOME, and ESG. Through this process, private non-profit community based organizations (CBOs), community development corporations (CDCs), private-for-profit developers and public agencies are able apply for funds to address the affordable housing, public facilities and infrastructure improvements, and economic development needs addressed in the Consolidated Plan.

**State Housing Initiatives Program (SHIP):** This State of Florida funding program is intended to help develop and maintain affordable housing and requires the implementation of a Local Housing Assistance Plan.

**Documentary Surtax Program (Surtax):** A discretionary surtax on recorded commercial property sales. The funds are used for a wide-range of housing programs, including the financing of construction, rehabilitation, or purchase of housing for low-income and moderate-income families.

**Sustainability:** The ability to maintain a viable community while also preserving and protecting vital natural resources. The intent is to achieve a balance between economic prosperity, social well-being and environmental health.

**Tenant Based Rental Assistance (TBRA):** This is a HOME program which assists low- and very low-income families in obtaining decent, safe, and sanitary housing in private accommodations by providing a rental subsidy which covers a portion of their rental expenses.

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## **ATTACHMENTS**

### **ATTACHMENT A**

#### **CITIZEN PARTICIPATION PLAN**

**(The Citizen Participation Plan is attached)  
Adopted by the Board of County Commissioners  
Resolution #R-1428-09 on December 15, 2009**

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**ATTACHMENT B**

**BOARD APPROVED ORDINANCES AND RESOLUTIONS**

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## BOARD APPROVED ORDINANCES AND RESOLUTIONS ORDINANCES

### ORDINANCES

- **Ordinance 82-16** - Further restricts CDBG program allocations:
  - At minimum, 75 percent of all beneficiaries must be low- or moderate-income households;
  - Emphasis must be placed on job creation for economic development activities; and
  - Emphasis must be placed on neighborhoods and citizen participation.
- **Ordinance 16A-2** -- States that the Consolidated Planning Process must include protection; enhancement and perpetuation of properties of historical, cultural, archeological, aesthetic and architectural merit is in the interests of health, prosperity and welfare of the people of Miami-Dade County.
- **Ordinance 97-33** - Creates the Task Force on Urban Economic Revitalization, and provides for a review of DHCD recommendations for CDBG economic development category funding and CBO funding relating to economic development for the purpose of ensuring that DHCD's staff recommendations are in accordance with priorities established by the Plan. When the Board considers funding for economic development in Targeted Urban Areas, the Board will accept the recommendations of the Task Force unless the recommendations are disapproved by a two-thirds vote of the entire membership of the Board. DHCD must report to the Board the dollar amount being spent in Targeted Urban Areas.

### RESOLUTIONS

- **Resolution 404-92** - All CDBG program income from economic development loans is to be placed into the Revolving Loan Fund until \$15 million is reached in the loan pool.
- **Resolution 406-92** - The County will develop a plan for CDCs engaged in rental housing construction to establish escrow accounts to be used to renovate rental housing projects.

- **Resolution 408-92** – The County will emphasize minority business participation in CDBG and Surtax projects.
- **Resolution 409-92** – The County is to provide a cost estimate for each CDBG funded Public facilities or historic preservation projects.
- **Resolution 1185-98** – The County requires compliance with U.S. HUD Section 3 requirements and directs all County departments to monitor compliance. It also requires all applicable County contracts and solicitations to contain language-requiring compliance with *Section 3*. *Section 3* ensures that employment and other economic opportunities generated by certain U.S. HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those receiving government assistance for housing and to business concerns providing economic opportunities to low- and very low-income persons.
- **Resolution 543-05** – The County Manager is to submit an annual performance report relating to Community Development Block Grant (CDBG) funding to the Board of County Commissioners.

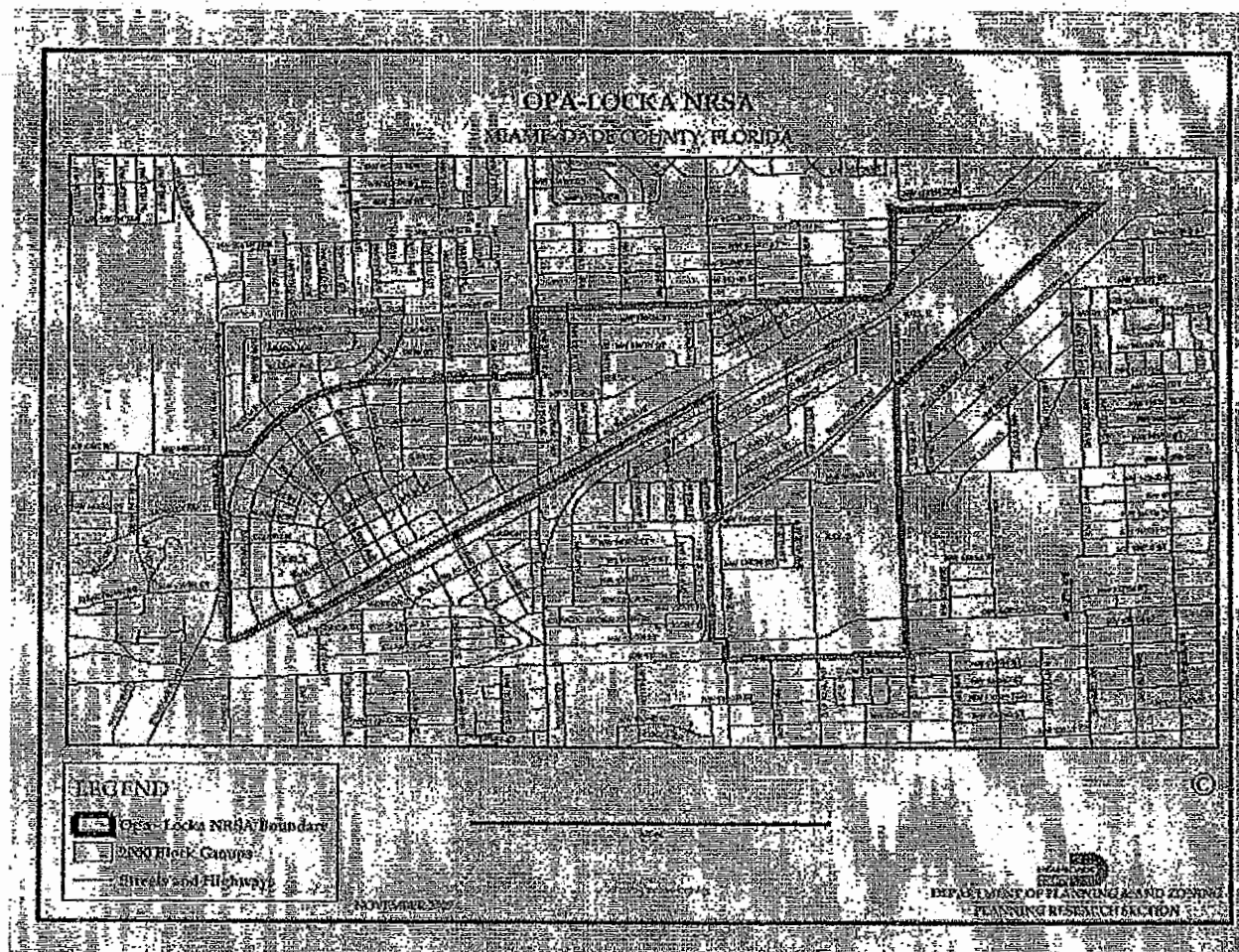
Procedures have been put in place to fulfill the requirements of the ordinances, and resolutions listed above. It is recommended that the Board of County Commissioners continue these policies ~~accommodating potential conflicts with Federal policies as required.~~

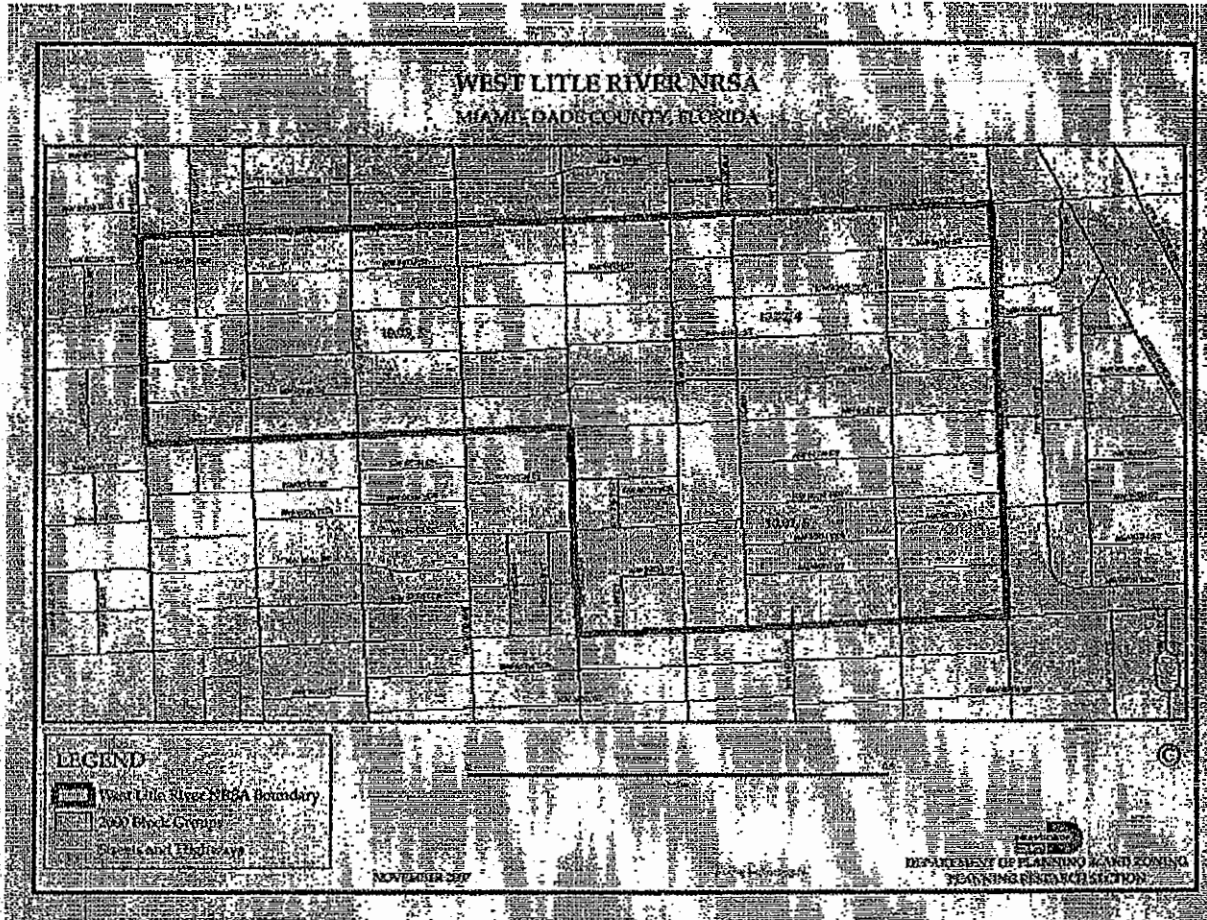
## ATTACHMENT C

### NEIGHBORHOOD REVITALIZATION STRATEGY AREAS LIST AND MAPS

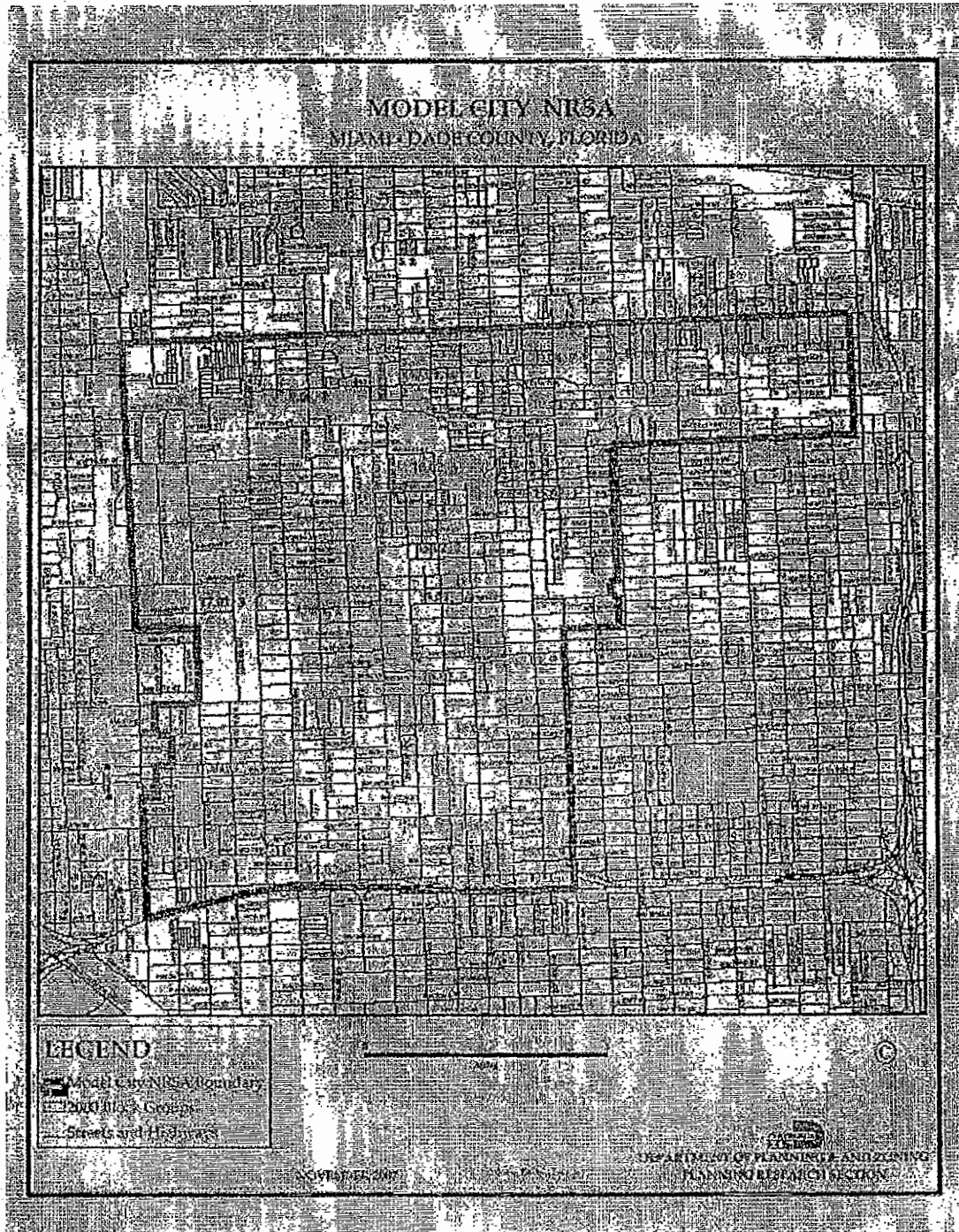
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West Little River	Commission District 2
Model City	Commission Districts 2 & 3
Melrose	Commission District 2
South Miami	Commission District 7
Perrine	Commission District 9
Goulds	Commission District 9
Leisure City/Naranja	Commission Districts 8 & 9

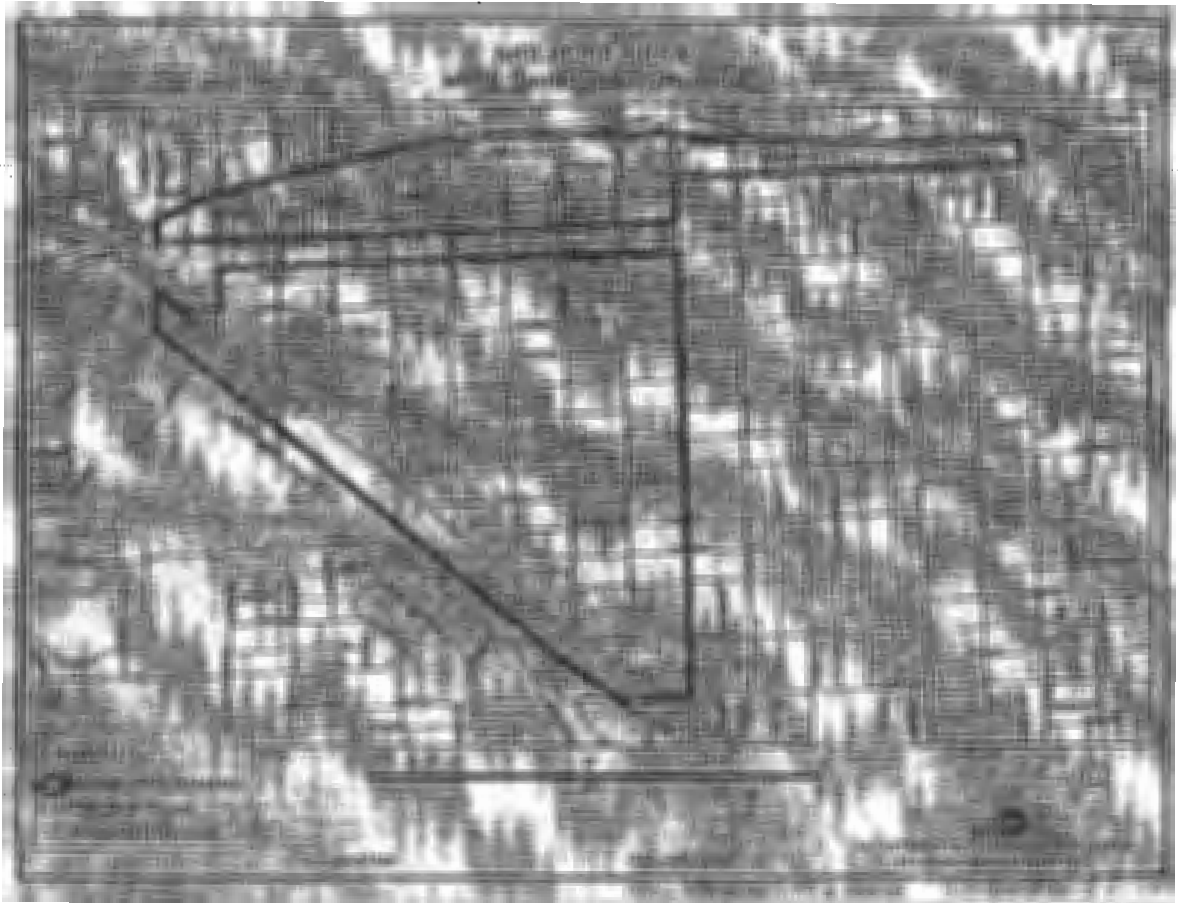
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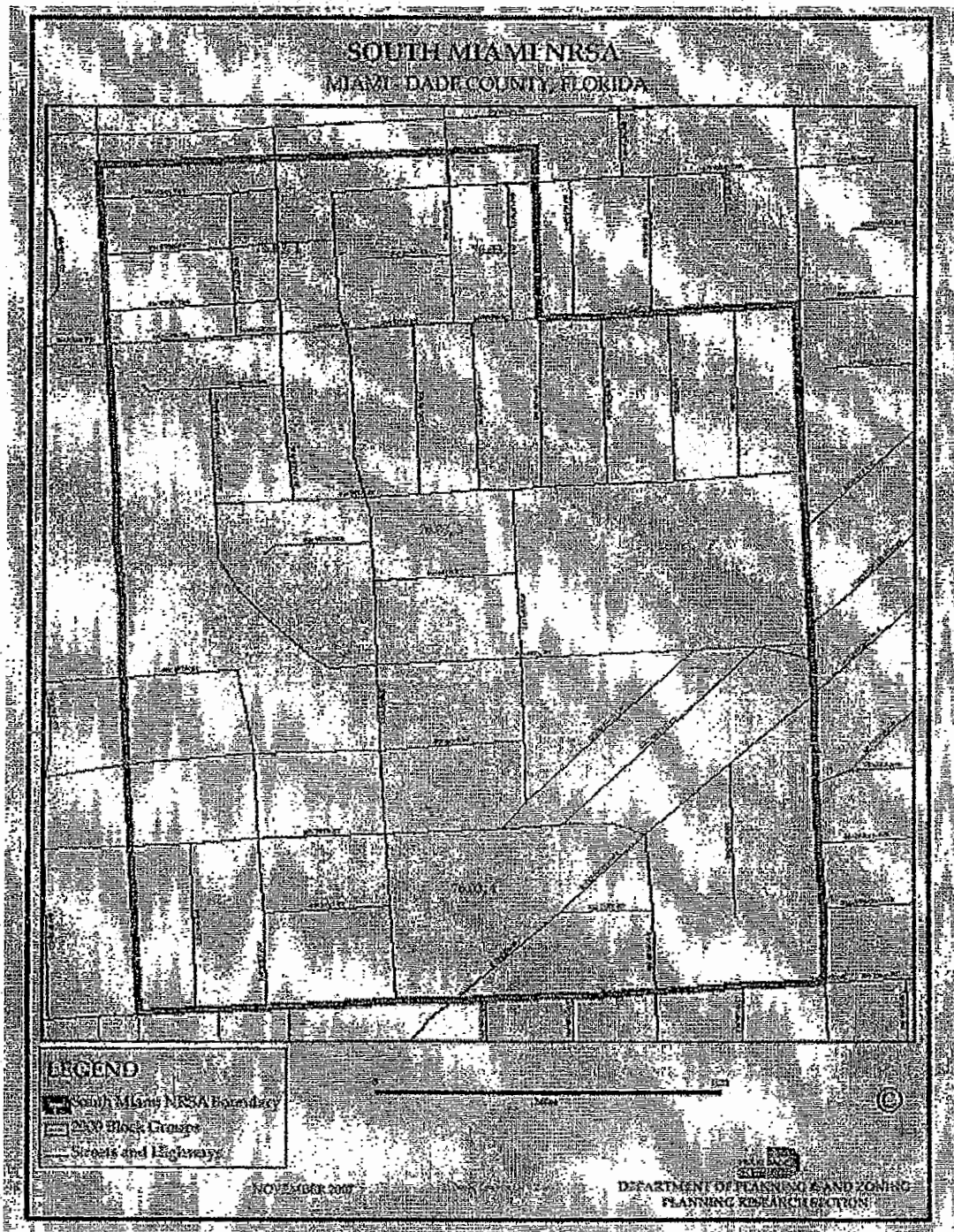




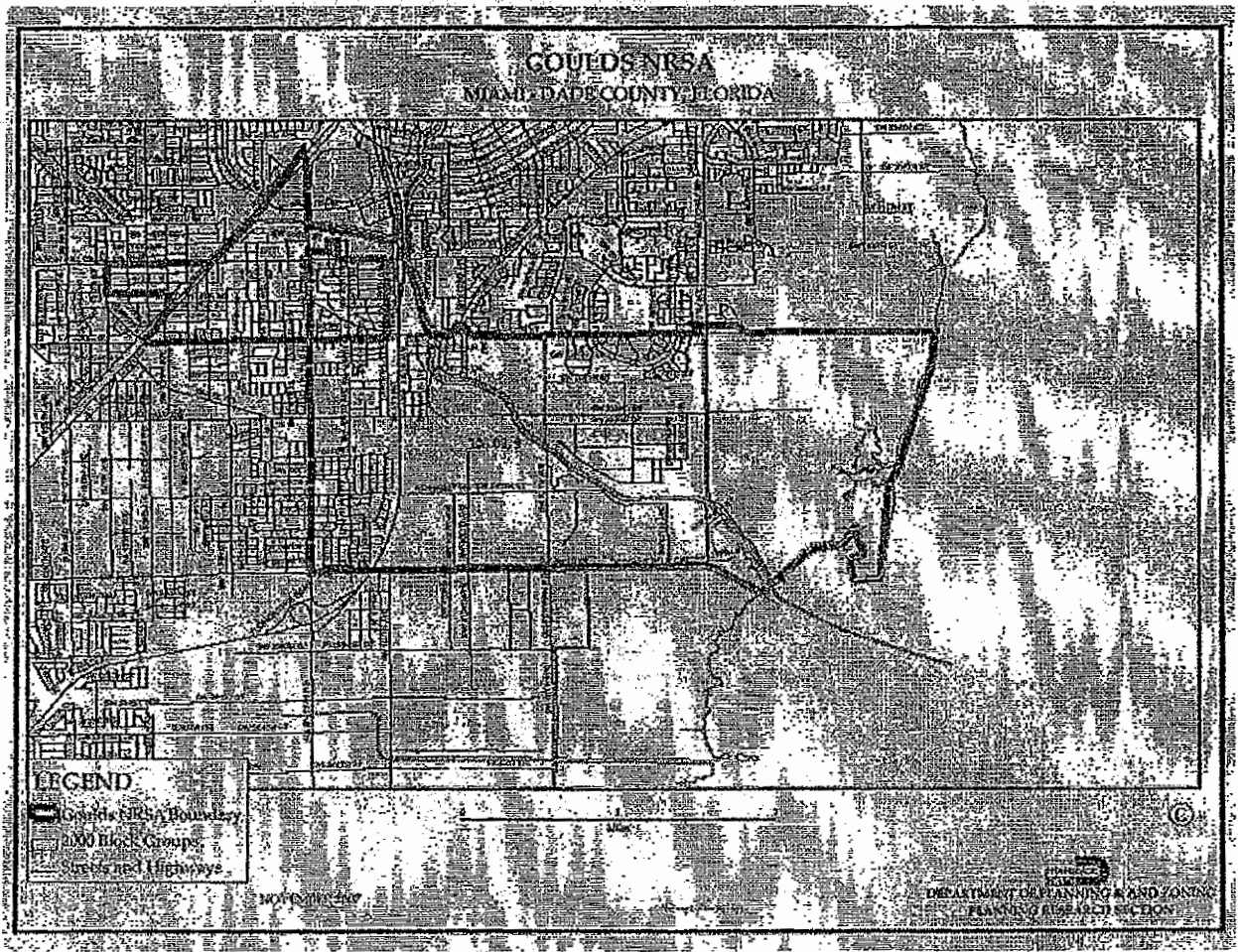




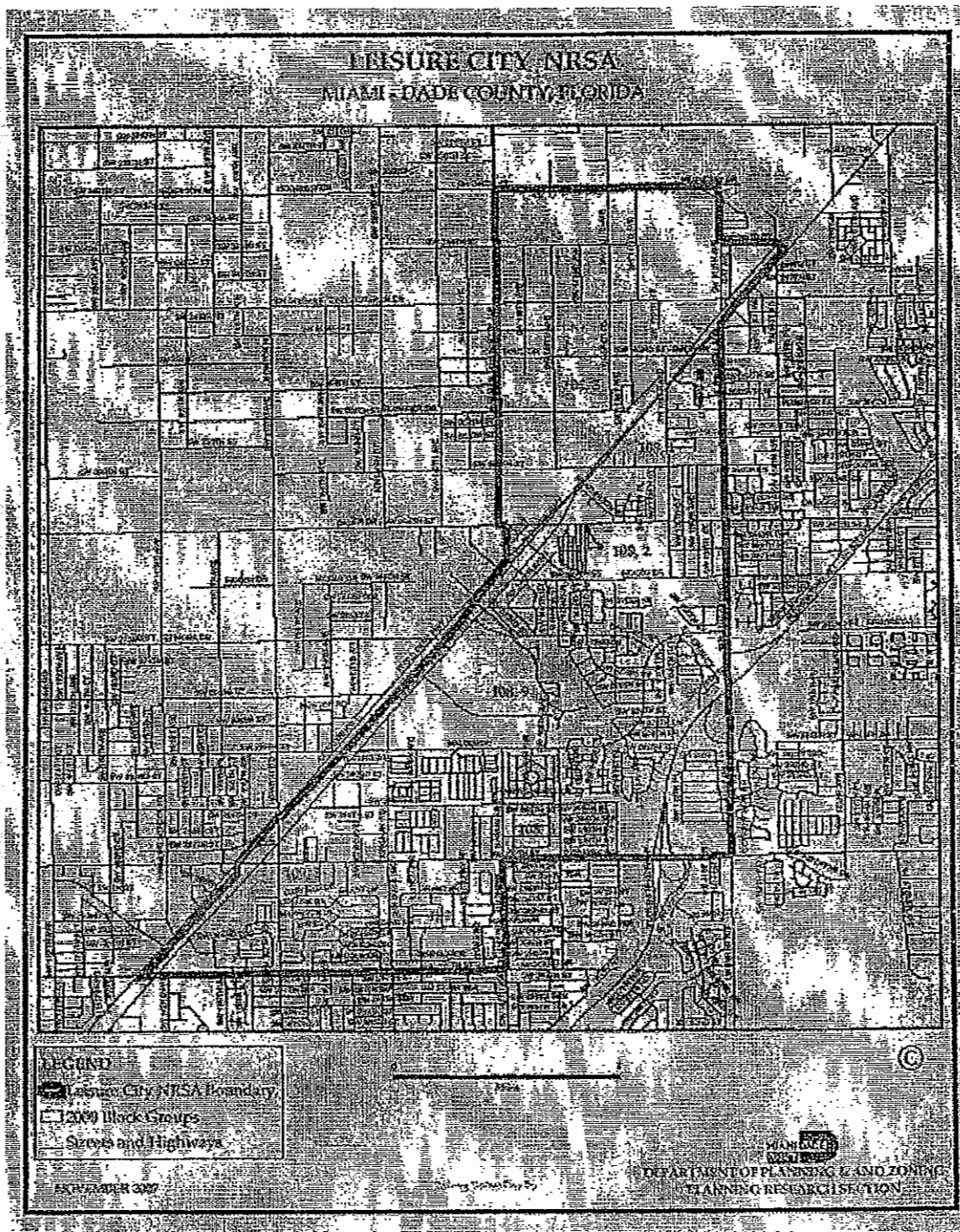












**MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR**



**Legislative Notes**

**Agenda Item:** 8(K)1(A)  
**File Number:** 102109  
**Committee(s) of Reference:** Board of County Commissioners  
**Date of Analysis:** September 13, 2010  
**Type of Item:** Resolution to Adopt the FY2011 Consolidated Planning Process Policies Document

**Summary**

This resolution adopts the FY2011 Consolidated Planning Process Policies (CPPP) which outline the utilization of federally funded grants for Miami-Dade County (MDC).

**Background and Relevant Legislation**

The United States Department of Housing and Urban Development (HUD) requires MDC to submit a Consolidated Plan every five years. The last plan was submitted in 2007. The CPPP contains policies for implementing the FY2008-12 Consolidated Plan. An annual Action Plan is also required by HUD that follows the Consolidated Plan year by year. The CPPP document serves as a guideline when submitting the FY2011 Action Plan due to HUD on November 15, 2010. The CPPP also includes guidelines for how MDC will allocate federal CDBG, HOME and Emergency Shelter Grant (ESG) funds.

Legislative history of previously approved CPPP's include the following:

- FY2009 R-839-08
- FY2008 R-803-07
- FY2007 R-670-06

The FY2011 CPPP recommends amendments that address concerns expressed by the Chairs of the Neighborhood Revitalization Strategy Areas (NRSA) and the Community Advisory Committee (CAC).

The CAC's represent Miami-Dade County's NRSA's. CAC members serve in an advisory capacity and provide recommendations to the Miami-Dade Board of County Commissioners (BCC) on the development and implementation of neighborhood plans and projects.

NRSA's are designated areas which have been targeted for revitalization and which are eligible for federal funding under the HUD Community block Grant Program (CDBG). There are eight NRSA's in MDC which include the following:

- Opa-locka;
- Model City;
- West Little River;
- Melrose;
- South Miami;
- Perrine;
- Leisure City/Naranja; and
- Goulds

Areas designated as NRSA's must have contiguous boundaries, be primarily residential, and have a population with at least 70 percent of the persons considered low-and-moderate income. The CPPP addresses the needs of the communities in NRSA's.

At the June 9, 2010 Housing & Community Development (HCDC) meeting, several citizens voiced their concerns regarding the Proposed FY2011 CPPP to include the following:

- CDBG Home funds not recommended for rehabilitation projects;
- No reference to technical assistance and capacity building;
- Leveraging requirement should not be required for elderly housing;
- \$25,000 leveraging fee for CBO's as a security for funding activity is burdensome;
- 84% of the recommended funds going directly to County Departments and Administration is disproportionate in comparison to what the community receives;
- Economic Development is being grouped as a line item for receipt of funds with other entities (municipalities, public facilities and capital improvement) thereby further decreasing the amount CBO's receive;
- Double standards between the CBO applicants and Housing Applicants for the cure process that allows only housing applicants the ability to cure their applications of errors;
- Promissory note process does not allow the CBO's to work at 100% capacity when the access of funds to the applicant comes five (5) months later thereby making it very difficult to pay back loans; and
- Funds issued as loans to CBO's causes hardship for repayment.

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Additionally, at the June 9, 2010 HCDC meeting, Committee members voiced their concerns and directed responses to their concerns to County staff to include the following:

HCDC Committee Members Concerns	County Staff Responses
Lack of technical assistance included in CPPP	Staff has provided as much technical assistance as their current limited resources can expend and noted that over the years technical assistance funds have been drastically cut.
Why are loans used as the mechanism to provide funding rather than grants?	The use of loans rather than grants was an approved County policy to ensure that the grantees of these loans would meet the national objective requirements. Once the objectives were met on the loan the grantee would not be obligated to pay, however if the objectives were not met they would be obligated to pay rather than the County.
Percentage of funding allocations is disproportionately higher for County Departments and Administration rather than to the community.	The difference of allocation from last year to County Departments and Staff is an increase of \$1.7 million and those funds were used to provide for Public Works which created 91 jobs. The creation of 91 jobs is more than double the ratio for the national objective requirement for investment and job creation.
What was the application process for the eight (8) NRSA's?	One general request for applications was issued Countywide for all areas. All applications were accepted. No applications were received from several NRSA's.
Why CAC's were being eliminated from CSBG process?	CSBG funding received by CAA prohibits appointments by elected officials.
Direct County staff to obtain a written opinion from the Department of Community Affairs (DCA) as to the changes that occurred thereby requiring members to be democratically elected rather than appointed by elected officials.	County staff will request the information to DCA to provide to HCDC committee members.
Would like to see increased participation to allow NRSA to receive funds with assistance and for the funds to go back (NRSA pool fund) if the national objectives are not met.	The NRSA were required to participate in the creation of the NRSA priorities list to better address the needs that have not consistently been met for the last several years. The proposed process does not preclude applications from being received Countywide.

This FY2011 CPPP substitute item addresses the questions and concerns raised at the HCDC Committee on June 7, 2010 to include, but not limited to, the following:

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- County Department set-aside for CDBG funds reverts back to forty (40) percent rather than fifty (50) percent;
- Dedicate 10% of CDBG funding for economic development activities rather than sharing fourteen (14) percent;
- NRSA High Priority Needs/Neighborhood Initiatives funding allocation increase to twenty (20) percent and decrease the CDBG set-aside for Municipalities/Capital Improvements to ten (10) percent rather than sixteen percent for all three categories;
- Increase CAC participation in the RFA process (submit top three priorities needs for NRSA's, invitation to review and scoring of RFA applications, provide CAC's quarterly reports regarding funded organizations, provide CAC's training and workshops);
- Modify CAC membership policy to facilitate compliance with State and County regulatory requirements rather than eliminating the FY2009 policy altogether; and
- Eliminate language regarding policy to utilize or recapture unallocated funds for innovative projects since Miami-Dade County has policies that give priority to sustainable and transit-oriented developments.

#### Comments

Does the CPPP take into account the restructuring of the Miami-Dade County Housing Community Development Department (HCD)?

County staff has expressed concern with the limited resources of the HCD, however, this policy paper increases the HCD's commitment to providing technical assistance, training, workshops and quarterly reports for all funded organizations throughout the entire RFA process. How will HCD or County staff provide all the assistance promised in the CPPP?

Prepared By: Mia B. Marin