191.2 SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT

:1 OBJECTIVE: Address local housing and community development needs through the provision of assistance in the form of housing and community development activities to benefit low- and moderate-income residents.


:3 DIRECTION: Housing Division Manager under the supervision of the Housing Director.

:4 METHOD OF OPERATION:

A. The city may assign all or a part of its CDBG funds to specific programs/activities that fulfill its housing and community development goals and objectives. If there are remaining funds, the city shall distribute those funds through a Request for Proposals (“RFP”) process. Staff develops and advertises a Request for Proposals soliciting project proposals consistent with applicable federal regulations for the specific activities that are outlined in the CDBG program description. The City may contract with outside loan underwriters and/or other financial consultants to help devise the RFP, application forms, or other appropriate documents, and to review proposals or relevant portions thereof regarding the feasibility, creditworthiness, and economic viability of proposed projects. Projects submitted in response to a CDBG RFP may be funded through the SHIP or HOME program if the projects meet eligibility criteria and are recommended for funding by the SHIP/HOME Selection Committee. In special instances where a project clearly meets the city’s housing and community development goals and objectives, but time constraints make the issuance of an RFP infeasible, project may be approved directly by City Council. Any interested person may suggest projects to be funded from the annual CDBG allocation. However, no person who is an employee, agent, consultant, officer, or elected or appointed official of the City, nor any City Board member whose Board makes recommendations or gives advice with respect to CDBG projects, may obtain a financial interest or benefit from a CDBG assisted activity (other than to share in the general public benefit from such CDBG activities as capital improvement projects), or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties. Notwithstanding the foregoing, a City employee, agent, consultant, officer, elected or appointed official, or City Board member, who otherwise meets the financial and other requirements of the City's Owner Occupied Housing Assistance Programs, may receive the benefits of said program under the same terms and conditions as the public at large.

In January of each year, the Housing Department will recommend to City Council the method for distributing CDBG funds for the next fiscal year.
B. CDBG funds shall be awarded as grants or payback or deferred (forgivable) loans to eligible projects. Grants shall be awarded and not expected to be repaid. Loans shall be awarded with security, typically a lien, and may be subject to foreclosure in the event that the recipient does not fulfill the conditions of the assistance. The City may waive documentation such as appraisals, surveys, applicable title policies, etc. as a part of the closing, and will be forgiven at the end of a predetermined period of time if the residency requirements of the loan have been met. Payback loans may be awarded with below market interest rates based on the needs and financial feasibility of the project or with no interest and payment of principal after a predetermined period of affordability. Proposed projects are reviewed for funding eligibility pursuant to applicable federal regulations.

C. No project shall receive funding if the owner of such project shall, at the time of application or at the time of award, be in default on any obligation such owner may have with the City or any other governmental agency. For the purposes of this policy an owner shall include, but not necessarily be limited to, all partners of any partnership with an ownership interest in the project and any stockholder who owns ten percent (10%) or more of the outstanding stock of any corporation with an ownership interest in the project.

D. A committee comprised of citizens, known as the CDBG Review Committee, shall review all eligible project proposals with staff input and make funding recommendations. CDBG Review Committee members are appointed by the City Commissioners (1 member per district) and one representative will be appointed by the Orlando Housing Authority. The Committee’s funding recommendations are forwarded to the City Council for final action.

E. City Council shall review the recommendations, which would include the amount of funding for each project and the terms of the award.

F. Approved projects are incorporated into City’s Annual Action Plan, which is submitted to the U. S. Department of Housing and Urban Development on an annual basis.

:5 FORMS:
Proposed Project Outline

:6 COMMITTEE RESPONSIBILITIES:
As indicated above.

:7 REFERENCE:

EFFECTIVE DATE:
This procedure effective July 19, 2004.