



November 16, 2012

TO: FY 2013 Community Development Program Advisory Committee Members

FROM: Michael A. Hiler, Deputy Chief, Office of Community Development

SUBJECT: *Michael A. Hiler*
FY 2013 Community Development Program Advisory Committee Meeting Minutes

On October 3, 2012, from 9:30 a.m. to 4:00 p.m., the FY 2013 Community Development Program Advisory Committee met at the Creekside Conference Center in Gahanna. The following is a summary of the major topics discussed during the meeting.

Introduction

- Mary Oakley, Office of Community Development (OCD), Economic and Appalachian Development Supervisor, called the meeting to order at 9:30 a.m.
- Introductions were made, the agenda and structure of the Advisory Committee meeting was reviewed.
- The Advisory Committee was informed that the Ohio Department of Development has officially become the Ohio Development Services Agency (ODSA). No substantial changes to the day-to-day operations of OCD's programs are expected. The Advisory Committee was informed of ODSA's new website and advised to contact OCD staff with questions or if there were any difficulties in locating information.

Program Update

- Ms. Oakley provided an overview of the FY 2011 Formula Allocation Program. In FY 2011, \$21.4 million in Formula Allocation Program funds were provided to 123 communities. Six communities elected to holdover funding for use in conjunction with the FY 2012 program. One community elected to remain an acquired city and combine funding with the county's allocation. The majority of funds were awarded for public facilities projects, including water and sewer, flood and drainage, sidewalks, streets, parks and recreation, fire protection, clearance activities, and public rehabilitation. Funds were also awarded for housing and public service activities. More than 7.8 million persons are expected to benefit from the funded activities.
- Ms. Oakley also provided a status report on the FY 2012 Formula Allocation Program. The majority of the submitted applications have been reviewed and grant agreements are forthcoming.
- David Pasquariello, OCD Community Development Analyst, provided an overview of the FY 2011 Neighborhood Revitalization Program. Twenty-one applications were received in FY 2011. A total of \$10 million was awarded to the ten top-ranking proposals. The funded projects are expected to leverage \$3.9 million in public and private investment. There are 16,757 persons,

68.1 percent of which are low- and moderate-income (LMI), are expected to benefit from the proposed improvements.

- Mr. Pasquariello also provided a status report on the FY 2012 Neighborhood Revitalization Program. Nineteen applications were received in FY 2012. A total of \$2.1 million was awarded to the top-ranking proposals. Formula Allocation Program and Neighborhood Revitalization Program funds will be awarded as a single grant agreement for successful applications.

Planning Update

- Ms. Oakley provided an overview of the FY 2013 Consolidated Planning Process. Beginning in April 2012, OCD organized and tasked eight Planning Work Groups with reviewing the current and designing new CDBG-funded programs. At the conclusion of the Planning Work Group process, each group was required to submit written proposals, based upon three different budgetary scenarios. OCD reviewed and consolidated the proposals identifying both common and unique themes. Common themes for the work groups included the following items:
 - Retention of the current programs;
 - Increased emphasis on collaboration and flexibility;
 - Insurance that core values of the state CDBG program are defined and universal throughout available programs; combination and streamlining of programs;
 - Retention of a formula-type allocation program, with a minimum amount instituted and funding not be guaranteed;
 - Reduction in the number of eligible applicants;
 - Reduction in duplication of housing activities across programs;
 - Simplification of the planning requirements;
 - An increased emphasis on administrative capacity and leverage;
 - When appropriate, loans and other financing mechanisms should be used to maintain and prolong program funding; and
 - Revision of the current Fair Housing implementation.
- Ms. Oakley indicated these common themes were considered in conjunction with ODSA's strategic goals and used to develop a proposal for the FY 2013 Ohio Consolidated Plan. The framework for this proposal was approved by Director Schmenk in September 2012.

FY 2013 Consolidated Plan Proposal

- Ms. Oakley presented the proposed framework for the FY 2013 Community Development Program. These changes will result in an increased focus on administrative capacity, targeting, and impact. The Formula Allocation Program will be replaced with a Community Development Allocation Program, and two competitive set-asides addressing Downtown Revitalization and Critical Infrastructure projects will be created to complement the existing competitive Neighborhood Revitalization program. The FY 2013 proposed funding breakdown allocates 50 percent of the state's total CDBG award to the Community Development program; this will be split equally between the Community Development Allocation program and the competitive set-asides. To allow sufficient time for OCD to review all of the submitted programmatic applications, the proposed FY 2013 application deadline was advanced to June 6, 2013.

FY 2013 Allocation Program Proposal

- Ms. Oakley presented the Community Development Allocation Program proposal and identified the key aspects of the program. Under the revised proposal, fewer communities (79 counties and 25 direct cities) will receive allocations and a \$75,000 grant floor will be installed to ensure communities have adequate funds to undertake projects of significant impact. The maximum amount allowable for administration and fair housing combined will be 20 percent. Communities are not required to use CDBG funds to conduct a Fair Housing program, but they must indicate how Fair Housing activities will be undertaken per funding requirements. Housing activities will be

limited to Home Repair to eliminate duplication, and all OCD funds will be required to follow the guidelines outlined in Policy Notice OHCP 09-03. The number of eligible projects will be based upon a community's allocation, but communities may be issued a waiver to undertake an additional Public Service activity. Funds are not guaranteed and will be forfeited in the event an ineligible project is submitted or deficiencies with the submitted application cannot be rectified within the set application review period. OCD will no longer grant amendments for new activities and extensions will only be given if communities can demonstrate attainment of set program milestones. Committee members expressed concern with limiting the number of projects allowed. A suggestion was made to increase the number of projects for each allocation range. Committee members also expressed concern with the reduction in the number of eligible applicants, indicating collaboration between jurisdictions can be difficult. Committee members also expressed concern with how the forfeiture process will be enforced. Michael Hiler, Deputy Chief of the Office of Community Development, indicated forfeiture decisions will be carefully reviewed and vetted by OCD to ensure they are not made arbitrarily.

FY 2013 Community Development Set-Aside Programs

- Ms. Oakley introduced the framework for the FY 2013 Community Development competitive set-aside programs, which include the Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure programs. Neighborhood Revitalization projects are designed to improve the quality of life, livability and functionality of distressed areas and neighborhoods to carry out a comprehensive strategy of revitalization. Downtown Revitalization projects are designed to improve Central Business Districts, aid in the elimination of slums or blight, create and retain permanent, private-sector job opportunities for LMI households. Critical Infrastructure projects are designed to assist applicant communities with high priority infrastructure improvements, including roads, bridges, and storm drainage projects. Applicants will be allowed to apply for up to two competitive set-asides per year, but will only be allowed to apply for the same set-aside every two years. OCD will review and score each competitive application against those submitted for the same set-aside; funding decisions will then be made base upon a comprehensive comparison of all applications submitted to the set-aside programs. To discuss each program's specifics, committee members were split into program-specific groups.

FY 2013 Neighborhood Revitalization Program Proposal

- Mr. Pasquariello reviewed the proposed changes to the Neighborhood Revitalization Grant (NRG) Program for the FY 2013 funding year. These proposed changes include a reduction in the minimum eligibility threshold from 60 percent to 51 percent to mirror the CDBG National Objective requirement. The administration ceiling will be reduced to a maximum of 15 percent or \$30,000. The expenditure ratio for previous grants was increased to 75 percent. OCD will no longer require communities to submit a Community Assessment Strategy update with their NRG applications; communities will be required to complete a Neighborhood Facility Inventory to catalog the existing condition of the public facilities in the target area and the degree to which the NRG program will improve the identified conditions.
- Mr. Pasquariello indicated that the NRG program-specific discussion group agreed with the majority of the proposal. The work group proposed changing the NRG program's distress calculation and simplifying the citizen participation process. The group also expressed a desire to allow communities to apply for the same set-aside program in successive years, as opposed to every two years. The members also expressed concern with the difficulty associated with competitively reviewing applications across the three set-aside programs.

FY 2013 Downtown Revitalization Program Proposal

- Ms. Oakley reviewed the proposed changes to the Downtown Revitalization Grant (DRG) Program for the FY 2013 funding year. For the reinstated and redesigned program, OCD proposes to eliminate the required threshold application. The administration ceiling will be

reduced to a maximum of 15 percent or \$30,000. A minimum leverage threshold will be installed and contributions above the minimum will be competitively scored. Private commitments (building and business owners) are required with the application to reduce the chances of amendments and extensions. The expenditure ratio for previous grants was increased to 75 percent. The planning process and business outreach process will be streamlined; communities will be required to complete a Downtown Inventory to catalog the existing conditions in the target area and the degree to which the DRG program will improve the identified conditions. Finally, the scoring and program thresholds were revised to mirror the Neighborhood Revitalization Program.

- Ms. Oakley indicated that the DRG program-specific discussion group agreed with many aspects of the proposal. The group expressed a desire to increase the amount available for administration. The group also expressed concern with the requirement that participants are identified and committed prior to application submission. Members also expressed concern with the difficulty associated with competitively reviewing applications across the three set-aside programs.

FY 2013 Critical Infrastructure Program Proposal

- Michael Norton-Smith, Community Development Analyst, introduced the proposal for the FY 2013 Critical Infrastructure Grant (CIG) Program. This program was designed to supplant the reduction in Allocation Program funds while enticing communities to undertake high-impact projects. Applicants are able to apply for projects qualified under the LMI area-wide and slum and blight CDBG National Objectives. The administration ceiling will be set at 15 percent or \$30,000 to mirror the other competitive set-asides. A minimum leverage threshold of 10 percent will be required; additional leverage will be competitively scored. The expenditure ratio for previous grants was increased to 75 percent. Communities will be required to complete an Infrastructure Inventory to catalog the existing conditions and the degree to which the CIG program will improve the identified deficiencies.
- Mr. Norton-Smith indicated that the DRG program-specific discussion group agreed with many aspects of the proposal. The group expressed concern with evaluating impact across infrastructure categories. The group also indicated the proposal for a set deadline will make utilizing some leverage funding sources difficult, and expressed a desire to make the CIG program open-cycle. The members also expressed concern with the difficulty associated with competitively reviewing applications across the three set-aside programs. A number of participants mentioned that a number of other funding sources were available for critical infrastructure projects and requested the program be designed to avoid overlapping other programs.

Consolidated Planning Process Next Steps

- Ms. Oakley outlined the remaining steps in the FY 2013 Consolidated Planning Process. OCD must finalize its Draft Consolidated Plan for approval by ODSA Director by December 2012. The Consolidated Plan Advisory Committee meeting will be held in February 2013 to solicit initial feedback on the draft plan. Following the Advisory Committee, the Draft Consolidated Plan will be published in March 2013 and OCD will hold public meeting and collect public comments. Following the public comment period, the Consolidated Plan will be submitted to HUD for review.

Trainings

- OCD will hold a Community Development Conference at the Salt Fork Lodge and Conference Center November 7-9, 2012.

Comments

- There were no additional comments from the attendees.

The FY 2013 Community Development Program Advisory Committee Meeting adjourned at 4:00 p.m.

**Ohio Development Services Agency
Office of Community Development**

**FY 2013
Community Development Program
Advisory Committee Meeting**

**Creekside Conference and Event Center
Gahanna, Ohio
October 3, 2012**

Attendance List

<u>Name</u>	<u>Organization</u>
Tim Allen	ODSA/OCD
Joyce Barrett	Heritage Ohio
Stacy Clapper	City of Zanesville
John Cleek	CDC of Ohio
Doug Crabill	City of Urbana
Glen Crippen	HAP Community Action
Mary Crockett	Xenia CD Department
Greg DeLong	City of Marysville
Weston Dodds	LUC RPC
Phyllis Dunlap	CT Consultants
Anthony Forte	HUD
Terri Fetherolf	Vinton County
Beth Fetzer-Rice	The Salvation Army
Julie Green	Trumbull County Planning Department
Dianne Guenther	Poggemeyer Design Group
Dale Hartle	ORDC
Mike Hiler	ODSA/OCD
Michelle Hyer	Buckeye Hills Hocking Valley Regional Development District
Ben Kenny	WSOS CAC Inc.
Matt LaMantia	ODSA/OCD
Michael Kinninger	ODSA/OCD
Timothy Leasure	ODSA/OCD
Michael Norton-Smith	ODSA/OCD
Mary R. Oakley	ODSA/OCD
David J. Pasquariello	ODSA/OCD
Ron Puthoff	Community Development Services, Inc.
Nikki Reese	Miami County Department of Development
Scott Reynolds	Tuscarawas County OCED
Amy Schocken	CDC of Ohio
Phil Snider	OCCD – State Programs Committee
Justin Starlin	City of Wooster
Danielle Steinhauser	Poggemeyer Design Group
Laura Swanson	OHC
Ian Thomas	ODSA/OCD
Niki Warncke	MVPO
George Zokle	CT Consultants