

## Board of County Commissioners Agenda Request

**Date of Meeting:** June 16, 2009

**Date Submitted:** June 3, 2009

**To:** Honorable Chairman and Members of the Board

**From:** Johnny Williams, County Administrator  
Farnita L. Saunders, Community Development Director

**Subject:** Request from the City of Chattahoochee for State Housing Initiatives Partnership (SHIP) Funds to Leverage with Community Development Block Grant (CDBG) Funds - \$100,000

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### **Statement of Issue:**

This agenda item seeks the Gadsden County Board of County Commissioners (BOCC) consideration of a request from the City of Chattahoochee for \$100,000 in SHIP funds as leverage (match) to submit with its grant application for Community Development Block Grant funds. The total requested amount of \$100,000 represents \$50,000 to be used in rehabilitation services in Fiscal Year 2010 and \$50,000 in Fiscal Year 2011.

### **Background:**

County staff is in receipt of a written request dated April 21, 2009 from the City of Chattahoochee requesting SHIP funds to match its application for Community Development Block Grant Funds to be submitted to the Florida Department of Community Affairs.

### **Analysis:**

The following four categories of CDBG grant funding are available to local governments: Housing, Neighborhood Revitalization, Commercial Revitalization and Economic Development. Local governments may only have one Housing, Neighborhood Revitalization or Commercial Revitalization grant open at one time with established deadlines for submission each year.

In 2005, the Community Development Department submitted an application for \$750,000 to the Department of Community Affairs on behalf of the Gadsden County BOCC under the Small Cities CDBG Program. The purpose of the funding was to rehabilitate and/or replace seventeen (17) units throughout the County. The County successfully completed

this program and closed out the grant in 2008 completing a total of twenty-one (21) homes rather than the anticipated seventeen (17) housing units.

Due to the scoring criteria for Housing Grants, the county's ability to successfully obtain a housing grant has been reduced by its Community Wide Needs Score. This scoring mechanism allows communities not having ever received a grant an opportunity to successfully obtain funding, while other communities having received grants within the past five years will have less of an opportunity to compete. Therefore, the County may have to consider other grant categories rather than the housing category. However, other towns and cities within the County may also submit a separate application for funding. Chattahoochee has determined the need to submit an application for housing rehabilitation within the City of Chattahoochee.

Should the BOCC approve staff to allocate funding to the City of Chattahoochee to leverage with its housing grant application, there is no guarantee that funds can be targeted to this area and is highly contingent upon the County receiving state funding. However, staff will work diligently to assist qualified families in the City of Chattahoochee as funds are allocated on a first come first serve basis from residents throughout the entire County. The County has assisted families in this targeted area and will continue to do so. The County will maintain all administrative oversight and fiscal responsibility of SHIP funds, but simply allocate or commit to utilizing funding in the amount of \$50,000 in rehabilitation services for two years to owner occupied resident homes in the City of Chattahoochee.

**Fiscal Impact:**

Due to funding constraints at the state level and major reductions in the State's Housing Trust Fund, the SHIP program will not receive funding during the 2010 Fiscal Year. However, according to the Florida Housing Finance Corporation, it is anticipated that approximately \$24 million in stimulus funding is slated to replace the SHIP funding for the 2010 Fiscal Year. Because of this major reduction, counties will only receive the minimum allocation of \$350,000. This means that Gadsden County's allocation of \$350,000 will have to serve all County residents on a first come first serve basis.

If the County allocates \$50,000 to the City of Chattahoochee, \$300,000 will remain to serve other areas for FY 2010 on a first come first serve basis. Additionally, funds for the 2011 Fiscal Year are unknown to the State at this time. Therefore, the ability to provide the City of Chattahoochee a commitment beyond the 2010 Fiscal Year will remain an uncertainty to the County until further notification of funding is provided. Therefore, if the County commits to this allocation of funds, the Fiscal Year 2010 funding may be available upon verification of stimulus funding from the state and the County may utilize this revenue source to assist the City of Chattahoochee. However, there may be a need to provide additional funding from an alternate revenue source if the SHIP program is not funded in Fiscal Year 2011.

**Options:**

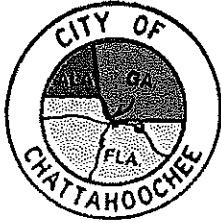
- Option 1: Approve the County to utilize \$50,000 in SHIP rehabilitation funds within the City limits of Chattahoochee, Florida for its CDBG housing rehabilitation application in Fiscal Years 2010 and 2011, totaling \$100,000.
- Option 2: Do not approve the County to utilize \$100,000 in SHIP funds within the City limits of Chattahoochee, Florida for its CDBG housing rehabilitation application in Fiscal Years 2010 and 2011.
- Option 3: Provide other direction.

**Recommendations:**

- Option 1: Approve the County to utilize \$50,000 in SHIP funds within the City limits of Chattahoochee, Florida for its CDBG housing rehabilitation application in Fiscal Years 2010 and 2011, totaling \$100,000. However, the County must be aware of the uncertainty of SHIP funding in Fiscal Year 2011 and may have to commit other County funding for this purpose if there is no other source of revenue.

**Attachment:**

Letter from the City of Chattahoochee



# CITY of CHATTAHOOCHEE

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April 21, 2009

Chairman Eugene Lamb  
Gadsden County BOCC  
PO Box 1799  
Quincy, Florida 32324

Dear Chairman Lamb:

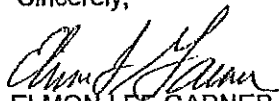
The City of Chattahoochee will be submitting a CDBG grant application for housing rehabilitation activities for the 2009 grant cycle. In order for the City to submit a competitive grant application we will be required to identify other funding sources (local match) that can be combined with the CDBG funds. We understand that SHIP funds can be used as local match for CDBG projects. We would be most appreciative if you could bring the issue of coordinating **County SHIP funds with City of Chattahoochee CDBG funds** to the Board of County Commissioners for discussion. We are requesting \$100,000 in SHIP funds to be used within the City of Chattahoochee for housing rehabilitation activities during the 2010 and 2011 fiscal years. The funds could be allocated over two fiscal years (\$50,000 per year).

The City submitted a CDBG housing application in 2008 that was not successful because we did not have enough local match to bring our application score up into the fundable range. With a second try planned for 2009, we are hoping to arrange enough local match for a successful application.

We understand that applications for SHIP assistance are made to the County on an individual basis. If the requested reservation of SHIP funds is made, the City would help coordinate the SHIP applications from residents within the City. The County would retain all administrative controls over the SHIP funds.

Thank you for your consideration of this request for SHIP funding. If the SHIP funds are reserved for use within the City, we would need a letter to this effect from the County Commission.

Sincerely,

  
ELMON LEE GARNER  
CITY MANAGER