



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: GID-1516-51**

**File ID:** GID-1516-51

**Type:** Public Hearing

**Status:** Non-Consent Items

**Version:** 1

**Reference:** Item 21

**In Control:** City Council

**Department:** Planning and  
Community  
Development  
Department

**Cost:**

**File Created:** 11/24/2015

**File Name:** CDBG Public Hearing

**Final Action:**

**Title:** PUBLIC HEARING REGARDING AMENDMENTS AS SPECIFIED IN THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ACTION PLANS FOR FY07-08, FY08-09; FY10-11; FY11-12; FY12-13; FY13-14; AND FY14-15 TO BE SUBMITTED TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DESIGNATING THE USE OF \$225,395 OF CDBG FUNDS TO BE USED BY FOOD AND SHELTER, INC., FOR CONSTRUCTION OF AN OFFICE/SOUP KITCHEN/DAY SHELTER BUILDING.

**Notes:** ACTION NEEDED: Motion to conduct a public hearing.

ACTION TAKEN: \_\_\_\_\_

ACTION NEEDED: Motion to close the public hearing.

ACTION TAKEN: \_\_\_\_\_

ACTION NEEDED: Motion to approve or reject Amendments as specified in the CDBG Action Plans for FY07-08, FY08-09; FY10-11; FY11-12; FY12-13; FY13-14; and FY14-15 designating the use of \$225,395 of CDBG funds to be used by Food and Shelter, Inc., for construction of an office/soup kitchen/day shelter building to be submitted to the United States Department of Housing and Urban Development; and, if approved, direct submission of all necessary paperwork to the Oklahoma Department of Commerce, and authorize the Mayor to sign any supplemental documentation.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 12/08/2015

**Agenda Number:** 21

**Attachments:** Report to Policy Committee, Letter and Budget from FSFF

**Project Manager:** Lisa Krieg, Grants Planner

**Entered by:** lisa.krieg@normanok.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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## Text of Legislative File GID-1516-51

Body

**BACKGROUND:** The City of Norman has been an Entitlement Participating Jurisdiction for the Community Development Block Grant (CDBG) Program since 1974 and the HOME Investment Partnerships Program since 1990. Annually the City of Norman receives a formula allocation from the U.S. Department of Housing and Urban Development (HUD) for both of these programs. A very important component of these programs is the requirement of a Citizen Participation Plan. The City of Norman Citizen Participation Plan is a document that guides opportunities for how the public can be involved in the development of the programs funded by the CDBG and HOME Programs. Currently, with staff assistance, a fifteen member Policy Committee meets to recommend priorities for the use of CDBG and HOME Investment Partnerships funding. The Policy Committee meets several times throughout the year to program the funds for the following program year for use according to the eligible expenses allowed by the CDBG program. After the Policy Committee has determined the activities and projects to be programmed for the upcoming year, staff prepares the Annual Action Plan for City Council Approval and subsequent HUD approval to allow for a July 1 start date. The development of the Annual Action Plan is guided by the strategies that are included within the Five Year Consolidated Plan, again a document that is developed by staff and the Policy Committee, approved by both the Norman City Council and HUD.

In 1995, effective with the FY96-97 Action Plan, HUD amended the regulations which expanded the eligibility requirements for the funding of Public Service Activities. Prior to 1996 a Public Service activity was required to be physically located within a low-moderate income neighborhood. The amendment allowed the Public Service activity to serve low and moderate income clients regardless of the physical location of the activity. With this change the CDBG Policy Committee voted to provide the maximum allowable amount of 15% of the CDBG grant to be programmed for eligible public service activities. The 15% of funding for Public Service activities remained intact until the FY13-14 Action Plan.

During the development of the FY13-14 Action Plan a decision was made by the CDBG Policy Committee to begin phasing out the 15% allocated to Public Service funding (with the exception of the funding provided to CART for bus passes) by reducing the amount available in the FY13-14 Action Plan to \$75,000 in comparison to the \$110,820 budgeted in the FY12-13 Action Plan and no funding would be proposed for the FY14-15 Action Plan. By phasing in this reduction it allowed the non-profit agencies that utilized this funding to have adequate time to adjust for this change. This funding shift allowed the CDBG and HOME programs to focus on the provision of housing activities, specifically the development of additional affordable housing. The CDBG funding that was previously utilized for Public Service Funding would be used for the Housing Rehabilitation Program and the HOME funding previously used for the Housing Rehabilitation Program would now be designated for the development of affordable housing.

During this same time frame the issue of homelessness began to receive not only local but increased national attention. At HUD's request, the City of Norman developed and adopted the ECHO:2015 Plan to End Chronic Homelessness in 2005 (R-0405-16). This Ten-Year Plan was launched and is monitored by the Mayor's ECHO 2015 Oversight Committee. Opening Doors, the Federal Strategic Plan to Prevent and End Homelessness was presented to Congress in 2010. This strategy is the Nation's first comprehensive Federal strategy to prevent and end homelessness. HUD is one of the nineteen federal agencies that are instrumental in the implementation of the plan. The ECHO:2015 Oversight Committee and the Norman/Cleveland County Continuum of Care (CoC) have embraced and are implementing the objectives and strategies that are outlined in the Opening Doors Plan as well as the 2015 update to the plan. The City of Norman is the designated lead entity/collaborative applicant for the CoC and is charged with the coordination of agencies in their efforts to prevent and end homelessness. In 2013, the CoC participated in the very successful 100,000 Campaign, being named as a "Fully Committed Community" for the efforts. As a result of these efforts, the CoC applied and was selected along with the City of Oklahoma City and Tulsa as participants in the ZERO:2016 Campaign.

As HUD concentrated their focus on the ending of homelessness, our community also began collaboration

towards these efforts. While there are multiple entities in Cleveland County that provide services towards the prevention of homelessness, in the past these services operated independently. In the spring of 2014, twelve non-profit agencies, government entities, and faith based organizations joined together to form One Vision One Voice (OVOV). The initial members of OVOV determined that only by working together and collaboratively to address the complex issues of homelessness could progress be made. These successful efforts demonstrate the commitment to the prevention and elimination of homelessness within our community.

The City of Norman CDBG Program contributed and continues to contribute to these efforts not by the provision of direct services but by providing support staff to assist with coordination. With the FY 14-15 Action Plan a position was created to assist in the coordination of the homeless service activities. This part-time position was funded by the CDBG program and was increased to a full time position with the FY 15-16 Action Plan. In addition CDBG funds were also programmed to assist homeless service agencies with the provision of Housing First Case Management. This programming and funding was approved by the Policy Committee and they directly correspond with the efforts by HUD towards addressing homelessness.

According to the HUD regulations each Action Plan is a stand-alone document although designated projects may be included within multiple years. Although projects may span more than one year in the Action Plan, the funding associated with each Action Plan must be segregated by plan year both on the City of Norman General Ledger as well as with all reporting that is done on the project to HUD. As projects are completed, any remaining funds are reprogrammed for use either in existing projects or by the designation of a new project. Again the funds must remain designated by the plan year. HUD regulations require that an Action Plan must be amended if an approved project is cancelled or if a new project is added to an Action Plan. Currently there are funds requiring reprogramming in seven Action Plan years as detailed:

FY07-08 - B-07-MC-40-0002- \$46,907 - Amendment One  
FY08-09 - B-08-MC-40-0002- \$56,672 - Amendment One  
FY10-11 - B-10-MC-40-0002- \$9,928 - Amendment One  
FY11-12 - B-11-MC-40-0002- \$5,083 - Amendment One  
FY12-13 - B-12-MC-40-0002 - \$42,199 - Amendment One  
FY13-14 - B-13-MC-40-0002 - \$41,585 - Amendment One  
FY14-15 - B-14-MC-40-0002 - \$23,020 - Amendment Two

**TOTAL AMOUNT - \$ 225,394**

These funds are the result of programmed projects being completed with these remaining balances. These amendments are not requesting the cancellation of any approved projects but the addition of a single project that these funds will be applied towards. Each of these Plans was approved by the Norman City Council, and with the exception of the FY14-15 Action Plan, has not been previously amended. The FY14-15 Action Plan included the programming of \$50,000 for Food and Shelter, Inc. to assist in the acquisition of land for their new facility (at the time of programming, the actual site had not be designated). Amendment Two for the FY14-15 Action Plan included the designation of the specific location for the acquisition of property as well as increasing the proposed funding from \$50,000 to \$75,000. Amendment No. One to the FY14-15 Action Plan was approved by the Policy Committee on January 14, 2015 and the Norman City Council on February 24, 2015 before being approved by HUD in March. On August 25, 2015 the Norman City Council approved Contract K-1516-4 with Food and Shelter, Inc. in the amount of \$75,000 for the acquisition of property. Food and Shelter, Inc. completed the acquisition of the property on September 25, 2015 from the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS).

As the programmed projects began to be completed with final costs below the budgeted amounts, the opportunity for reprogramming the remaining funds was considered. The decision was made by staff to delay official reprogramming until all projects were completed to allow for consideration of the total sum. Currently all the improvements have been completed or are underway with the appropriate funds for completion budgeted. A balance of \$225,394 is available for reprogramming.

Use of the CDBG funds for this purpose is allowed under section 570.201(c) - Public Facilities and Improvements, which specifically designates facilities to serve homeless populations as an eligible expense.

**DISCUSSION:** On October 6, 2015, City Manager Steve Lewis received a letter from Food and Shelter, Inc. requesting financial assistance in the construction of their new facility. This request was requested to be presented to the CDBG Policy Committee at the earliest opportunity for consideration. A Special Meeting of the CDBG Policy Committee was held on November 4, 2015 to consider the request. This request was determined to be appropriate for possible funding from the CDBG Program because of the priorities that the Policy Committee had set in the current Consolidated Plan that included an emphasis in development of affordable housing and the focus on ending homelessness within Cleveland County. Both of these priorities, especially the focus on ending homelessness in Cleveland County closely align with the priorities that have been set by HUD.

Attachment A is the packet of information that the CDBG Policy Committee received prior to the meeting that included the letter from Food and Shelter, supporting information from Staff, and the minutes from the meeting. There were ten of the fifteen members in attendance and the Policy Committee, after lengthy discussion, voted to deny the request for assistance. Attached are the minutes from the November 4, 2015 meeting. The Policy Committee commended April Heiple, Executive Director of Food and Shelter, Inc. on the service that Food and Shelter provides to the community. They stated that this proposed project is needed and that the community supports the project since over 2.7 million dollars in community contributions has been raised in a relatively short time. Although the Policy Committee agreed that this project aligned with the priorities that had been set for the CDBG program, there were multiple concerns that were raised at the meeting but generally fell into two issues.

Issue One that was raised by the Policy Committee was they felt that there was a lack of financial information provided to them from Food and Shelter, Inc. to support the funds that were being requested. An additional letter dated November 17, 2015 (Attachment B) was submitted by Food and Shelter, Inc. to the Office of the City Manager to include additional details.

Issue Two that was raised by the Policy Committee was the request being presented for reprogramming of these funds without the ability to explore other potential uses for the funds by other non-profit agencies or by neighborhood projects. The Policy Committee meeting agenda was limited to the request for assistance from Food and Shelter, Inc. Any discussion of potential uses of funds would require an additional meeting with an appropriate agenda item.

The CDBG Policy Committee is an advisory committee and all funding recommendations/amendments pertaining to the Action Plans are required to be made by the Norman City Council before being submitted to HUD for approval. Before committing HUD funds to any proposed project an environmental review is required to be completed. The proposed use of these funds requires staff to perform an Environmental Assessment. It is estimated that completion of the Environmental Assessment will take approximately eight weeks. After evaluation of the information obtained by the Environmental Assessment, if it is determined that there is "A Finding of No Significant Impact" a Request for Release of Funds will be forwarded to HUD. Once the Request for Release of funds has been granted by HUD, a contract will be prepared between Food and Shelter, Inc. and the City of Norman and forwarded to the City Council for consideration.

**RECOMMENDATION:** Approval of Amendments to the Action Plans for the Community Development Block Grant Program is recommended as proposed for assistance in the construction of a Public Facility by Food and Shelter, Inc.

B-07-MC-40-0002	\$	46,907	Amendment One to add Construction of Public Facility Project
B-08-MC-40-0002	\$	56,672	Amendment One to add Construction of Public Facility Project
B-10-MC-40-0002	\$	9,928	Amendment One to add Construction of Public Facility Project
B-11-MC-40-0002	\$	5,083	Amendment One to add Construction of Public Facility Project
B-12-MC-40-0002	\$	42,199	Amendment One to add Construction of Public Facility Project
B-13-MC-40-0002	\$	41,585	Amendment One to add Construction of Public Facility Project
B-14-MC-40-0002	\$	23,020	Amendment Two to add Construction of Public Facility Project