

Appendix E

CDBG Details

DRAFT- MARCH 2003

CDBG DETAILS

Collier County receives money each year from the U.S. Department of Housing and Urban Development (HUD) through its Community Development Block Grant (CDBG) program. These funds are earmarked for programs benefiting low-to-moderate income persons, improving the safety and livability of neighborhoods, preventing or eliminating slum or blight, and preserving affordable housing. Last year Collier County's CDBG appropriation for 2001-2002 was \$2,087,000.

Eligible entities, such as non-profits organizations, for-profit developers under certain conditions, and public agencies including municipalities and county departments, can propose projects and apply for funding. The proposed projects must meet one of the three national CDBG program objectives, which are:

- Benefit low and moderate-income persons or households;
- Aid in the prevention or elimination of slum or blight; or
- Meet a recent community need having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare.

In addition, the proposed project must be included in the list of "program-eligible activities." Two of those activities are relevant to Naples Park:

- Building public facilities and improvements, such as streets, sidewalks, sewers, water systems, community and senior citizen centers, and recreational facilities.
- Enforcing local building codes to reverse housing deterioration and other signs of blight.

In Collier County, the CDBG program is administered by the Financial Administration and Housing Department. The county obtained its status as an "entitlement" county as of August 2000, which means that

after years of having to compete with other small local governments for CDBG funds under the Small Cities Program, Collier County can now receive CDBG funding directly from HUD.

Generally, the County's CDBG program addresses conditions in the unincorporated area, but cities within Collier County may apply as sub-recipients under the County program. At this time, under such agreements, the cities of Naples and Marco Island each may receive up to \$250,000 of funding for the first three program years.

Collier County decides which projects to fund and whether to emphasize human-service needs or infrastructure projects. Table 1 below depicts the allocation of funds to projects in the 2001-2002 program year. About 64% of the County's CDBG funds were allocated to infrastructure projects. As depicted in Table 2, \$2,250,000 of previous community development funds received by Collier County under the Small Cities Program were allocated to infrastructure projects. These figures illustrate the County's historical willingness to use CDBG dollars for infrastructure projects, which is encouraging for the likelihood of financial support from the CDBG program for capital projects in Naples Park.

**TABLE 1
Collier County
Community Development Block Grant
Program Details of the 2001-2002 Program Year**

Sub-Recipient	Allocation	Project Description
City of Naples	\$250,000	for construction of a new community center
City of Marco Island	\$250,000	for storm water drainage project (Tallwood Street)
Habitat For Humanity	\$600,000	for infrastructure (entry road, paving, water, sewer) to support a 10-unit affordable housing project
Immokalee	\$48,000	for streetlights to make the neighborhood safer
Collier Housing Alternatives	\$47,000	for rehabilitating housing units for disabled/very-low-income individuals.
Bus Service	\$156,500	for transportation for low income workers to employment center (Immokalee to Marco Island)
Immokalee Village	\$213,000	for infrastructure to support single-family homesites for low-income families
St. Matthew's House	\$224,160	for infrastructure to support affordable housing project for special needs clients (Wolfe Apartments)

**TABLE 2
Small Cities Program
Grant Awards to Collier County in Previous Years**

Sub-Recipient	Allocation	Project Description
Immokalee Manufacturing Incubator Facility	\$750,000 Neighborhood Revitalization Grant	to fund expansion of an existing business for purposes of business retention and new job creation
Shellabarger Park (Immokalee)	\$750,000 Neighborhood Revitalization Grant	to construct new water lines, sanitary sewer lines and a new asphalt road in the neighborhood
White Lake Industrial Park	\$750,000 Economic Development Grant	to construct water lines, sanitary sewer lines, a new concrete road for an industrial area
INFRASTRUCTURE PROJECTS: \$2,250,000		

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While the dollars available through the CDBG program are limited and the competition is great, the Naples Park community appears to meet the criteria for financial eligibility and the CDBG program should be considered as a potential funding resource.

In order to qualify for CDBG funds, a neighborhood must demonstrate that it is predominantly "low to moderate income." Moderate income is defined by HUD as income equal to or less than the Section 8 (program) limit and greater than the Section 8 very-low-income limit established by HUD. This translates to approximately 80% of the median income for the designated area (usually a Metropolitan Statistical Area or SMA), adjusted for household size. A four-person household is used for standardization in making comparisons from one locality to the next. According to the most recent data published by HUD (2/27/03), the median income per household for the Naples SMA is \$61,400. This figure is based on year 2000 Census data estimates, recently updated using a combination of additional data sources. The same HUD report indicates that to qualify as moderate income, a four-person household would have to have income of \$55,850 or less.

The most recently published data on income and poverty is the *Census 2000 Summary File 3 (SF3) Sample Data*. In it, Naples Park (an area coterminous with the location studied in this report) is identified as a "Census Designated Place" (CDP), and is shown to have a median household income of \$41,820. "Median" is the mid-point, with half the households in the Naples Park CDP having household income below \$41,820 and half of them having income above that figure. The "pre-dominance" referred to in the requirement for HUD eligibility is translated as "51% or more." This data suggests that at least half of the number of households in the Naples Park CDP are "moderate income." Recognizing the large difference between \$41,820 and the \$55,850 figure that is the upper limit of "moderate", it is not difficult to extrapolate and reasonably come to the conclusion that at least one percent

more of the Naples Park CDP households would fall under that \$55,850 income figure.

There is additional data that provides a more precise, though still not exact, picture of the median income per household in the Naples Park CDP. The Naples Park CDP is comprised of three Block Groups within Census Tract 101.04: Block Group 6, Block Group 7 and Block Group 8. An examination of *Detailed Table P52. HOUSEHOLD INCOME IN 1999 (17)* derived from the *Census 2000 Summary File 3 (SF3) Sample Data*, reveals that:

- in Block Group 6, out of 1,117 total households, 629 (or 56%) have incomes of \$49,999 or less, and

- In Block Group 7, out of 862 households, 528 (or 61%) have incomes of \$49,999 or less, and

- In Block Group 8, out of 1,026 households, 663 (or 65%) have incomes of \$49,999 or less.

- Averaging the figures from all three Block Groups, out of an aggregate 3,005 households, 1,820 or (60.56%) have incomes of \$49,999 or less.

Census 2000 Summary File 3 (SF3) Sample Data also provides median household income data for 1999 by Block Group. The conclusions are as follows:

- Block Group 6 C \$43,814

- Block Group 7 C \$44,239

- Block Group 8 C \$41,354

The Census Bureau has verified that this information is the most detailed and complete data that is currently available. HUD does not plan to publish the same data at any level more specific than the Block Group level.

Many projects proposed in this plan are "program-eligible" and are similar to other projects funded by the CDBG program. Classic CDBG activities, as indicated by Title 24 of the *Code of Federal Regulations*, Part 570, include building infrastructure where it is lacking, creating community facilities such as parks or recreational green space, and assistance to qualified individuals for the improvement of residential properties. If properly presented, applications to fund some of these projects, especially the drainage, roadway improvements, sidewalks, and street lights, may be successful. This is particularly likely if the County Commission has indicated its support for these projects through adoption of the Naples Park Community Plan.

The Collier County Financial Administration and Housing Department will review the Naples Park data and will determine the community's financial eligibility and of the eligibility of the specific activities for which funding is sought. The financial eligibility should be formally determined as soon as possible.

Several other special CDBG requirements will need to be met. Proposed projects must be subjected to an environmental review and the CDBG program's consolidated plan may need to be amended to include the specific projects if they have not been referenced before. Specific procurement requirements must be met and federal cost principles must be adhered to in estimating costs and carrying out projects. Because of planning and administrative cost limitations, such costs related to each specific project may need to be paid for from other sources. These are all matters to be discussed at length with the CDBG program manager early in the process of identifying funding sources and scheduling the projects.

The CDBG program year runs July 1 to June 30. The application period is usually September to early December. Although specific dates for each activity in the cycle will be set by the department each year, the application process follows this general format in Table 3.

TABLE 3
Collier County CDBG Application Process Timetable

SEPTEMBER	Department issues a press release announcing the upcoming application cycle, publishes advertisements of the first public hearing, and sends a notice of application availability to various non-profits and community groups.
OCTOBER	First public hearings and application workshops are held.
DECEMBER	Applications are due. Shortly after the application receipt deadline, staff reviews applications to determine eligibility. Application packets are then passed to the Citizens Advisory Task Force for its review. The Task Force meets shortly after that to discuss projects, develops a list of possible projects, and sets initial priorities.
JANUARY	Citizens Advisory Task Force sends its recommendations to staff.
FEBRUARY	Staff develops the draft action plan containing the projects recommended for funding and the funding level.
MARCH	Draft action plan is advertised and public comment is solicited.
APRIL	Public comments are collected and incorporated into the action plan, which is then considered by the Board of County Commissioners and approved.
MAY	Action plan is forwarded to HUD. Awards are made to sub-recipients.
JULY 1	New program year begins.