



November 6, 2013

TO: FY 2014 Residential Public Infrastructure Grant Program Advisory Committee Members

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

SUBJECT: FY 2014 Residential Public Infrastructure Grant Program Advisory Committee Meeting Minutes

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On October 1, 2013, from 1:30 p.m. to 3:30 p.m., the FY 2014 Residential Public Infrastructure Grant Program Advisory Committee met at the Creekside Conference and Events Center in Gahanna, Ohio. The following is a summary of the major topics discussed at the meeting.

### Introduction

- Timothy Leasure, Office of Community Development, Community Development Analyst, called the meeting to order at 1:30 p.m.
- Introductions were made. Community Development Section staffing levels and staff responsibilities were discussed. The change in the office's physical location, now the 26th floor of the Riffe Center, was noted.

### Program Update

- There were 24 grants totaling \$12,185,500 awarded under the FY 2012 grant program. These grants are expected to leverage \$56,713,027 in other public funding.
- Thirteen projects have been approved under the FY 2013 Residential Public Infrastructure Grant program totaling approximately \$5.7 million. Approximately \$2.1 million in FY 2013 funding has not been committed. Additional funding may become available in April 2014 if all of the Economic Development program funds have not been committed.

### Application Documents

- The current application was included in the material provided to the committee members. The committee members were informed that the Office of Community Development is in the process of changing the Residential Public Infrastructure Grant program application to an Internet-based application.

### Summary of the Ohio Public Works Commission and U.S. Department of Agriculture Rural Development Infrastructure Programs

- Linda Bailiff, Ohio Public Works Commission (OPWC) Assistant Director, explained the process the commission uses to select water and sanitary sewer projects. There are 19 districts around the state. The projects for consideration are selected at the local level and submitted to the districts for approval. The methodology used to rate projects is set by statute. Items considered in reviewing projects include repair/replacement, health and safety, age and condition, effort and affordability and other funding. OPWC uses the American Community Survey (ACS) median household income numbers to determine affordability.

- Bailiff, on behalf of Dave Douglas of the Office of Rural Development, U.S. Department of Agriculture, provided a summary of the U.S. Department of Agriculture Rural Development program. The Rural Development program is open to nonprofits, water and sewer districts, counties and municipalities with populations less than 10,000. It provides loans and grants, loans being primary and based on ability to repay. Grant amounts are based, in part, upon other grant funding secured by the applicant. Grant funding is limited. Loan terms can be for as long as 40 years, or the useful life of the improvement, whichever is less.

### **Residential Public Infrastructure Grant Program Discussion**

#### 2010 Census, American Community Survey, Low and Moderate Income, and Median Household Income

- The Office of Community Development expects the results of the 2010 U.S. Census will be available for the FY 2014 program year. The 2000 low- and moderate-income (LMI) and the 1999 median household income (MHI) numbers will not be accepted once the 2010 numbers are available.
- Under the Residential Public Infrastructure Grant Program, the median household income is used along with the water and/or sewer user fees to determine the level of participation of the people who would benefit from the grant. The greater the participation and percentage of median household income used for water and/or sewer fees, the higher the project scores in the program's rating criteria. Many of the median household income figures provided by the American Community Survey have a large margin of error, which brings into question the accuracy of the numbers. The margin of error seems especially large for small communities. Suggestions on measuring local participation included setting thresholds for user fees based on the low- and moderate-income percentage of the area and adjusting the scale currently used that rates the percentage of median household income used for water and/or sewer fees.

#### Open versus Closed Application Cycles

- The committee preferred having an open funding cycle because it makes it easier to assemble funding packages for projects. If the Office of Community Development chooses to rank projects against one another as opposed to the current first-come, first-served method, multiple funding cycles would be preferable to a single cycle. Committee members thought communities should be permitted to enhance applications rejected during one cycle in order to improve chances of funding in subsequent funding cycles. Scoring of projects could also be changed to be more selective.
- The state of West Virginia has a review board that funding agencies use to coordinate funding decisions. Communities must invest a great deal of time and money in order to receive a recommendation for funding by the numerous state funding agencies.

#### Elimination of Health Hazards

- It has been a program requirement that the identified health hazard must be eliminated once the project is completed. This requirement does not work when the hazard identified is the elimination of numerous combined sewer overflows (CSO) and separation of combined storm and sanitary sewers. The cost of separation for an entire community could be in the tens of millions of dollars and financially impossible to address as one project. A recommendation was made to allow a phased approach as long as each phase addresses a specific problem or problems. Limiting the number of grants to a specific community over a set period of time would address the Office of Community Development's need to provide assistance to as many different communities as possible.

#### Regionalization

- The Office of Community Development will continue to encourage regionalization. The committee also thought shared services, such as billing and operations, should be encouraged.

### New versus Replacement

- The committee did not want to set a preference of one type over the other.

### Cost Effectiveness

- The committee was concerned that too much emphasis on the number of beneficiaries per CDBG dollar invested would hurt the very small communities that need grant funds the most because of their limit capacity to carry debt.
- A suggestion was made that the Office of Community Development should expand the type of projects considered to include clustered privately owned septic systems under public management. This type of project could be a cost effective alternative to a public sewer system.

### **Fair Housing Requirements**

- Committee members were notified that fair housing requirements will be applied to all Residential Public Infrastructure Grant recipients. Costs associated with the provision of fair housing services were discussed. The committee determined that these services would be best provided on a countywide basis.

### **Long-Term Planning Document**

- A prioritization of needs, physical and social, will be required of Community Development Program grantees for the FY 2015 program. A project submitted for funding under the Residential Public Infrastructure Grant program should be included in the long-term plan of the county or direct grantee cities.

### **Training**

- The Office of Community Development Housing Conference will be held November 20–22, 2013 at the Sawmill Creek Resort in Huron, Ohio.

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

**FY 2014**

**Residential Public Infrastructure Grant Program  
Advisory Committee Meeting  
Creekside Conference and Event Center  
October 1, 2013**

**ATTENDANCE LIST**

**NAME**

**ORGANIZATION**

Linda Bailiff	Ohio Public Works Commission
David Douglas	Office of Rural Development, U.S. Department of Agriculture
Joyce Gray	Ohio Rural Community Assistance Program
Linda Hall	Poggemeyer Design Group, Inc.
Dale Hartle	Ohio Regional Development Corporation
Michelle Hyer	Buckeye Hills-Hockey Valley
Timothy Leasure	Ohio Development Services Agency, Office of Community Development
Dennis Miller	Maumee Valley Planning
Ron Puthoff	Community Development Services, Inc.
John Rauch	Ohio Rural Community Assistance Program
Jeannette Wierzbicki	Ohio Mid-Eastern Government Association
A.C. Wiethe	Belomar Regional Council