PY 2017 Ohio Consolidated Plan Community Development Program and Residential Public Infrastructure Program Advisory Committee Meeting Minutes

Date: October 20, 2016, 9:30 a.m. to 4:00 p.m.

Location: Creekside Conference and Event Center, 700 Creekside Plaza, Gahanna, OH 43230

Advisory Committee Members in Attendance:

Mary Church	John Cleek
Phyllis Dunlap	Terri Fetherolf
Julie Green	Ethan Harris
Michelle Hyer	Holly Mattei
Angie McConnell	Johnathan Millea
Nikki Reese	Karen Sprague
Danielle Steinhauser	Niki Warncke
Shannon Wells	A.C. Wiethe

Other People in Attendance:
Mary Crockett
Dennis Miller
Joseph McCabe
Lisa McGovern

Ohio Development Services Agency (ODSA) Employees:
Jessie Powers
Ben Kepple
Mary R. Oakley
Timothy Leasure
David J. Pasquariello
Jordan Lewis
Elizabeth Baxter
Jared Jodrey
Deauna Gibbs
Ian Thomas

Introduction

- Elizabeth Baxter, Community Development Representative, called the meeting to order at 9:30 a.m.
- Mary Oakley, Economic and Appalachian Development Section Manager, updated Economic and Appalachian Development Section staffing assignments since there have been recent program representative departures and additions.
- Ms. Oakley noted the office revised the meeting format this year to include the Residential Public Infrastructure Program (RPIG) within this discussion. She said that there has been a lot of overlap in both meeting content and attendees in recent years, and many of the discussion topics, proposed changes, and long-term planning initiatives impact both programs. Ms. Oakley remarked that the office will re-evaluate the format for next year.

PY 2015 Annual Performance Report

- D.J. Pasquariello, Community Development Representative, informed participants that the PY 2015 Annual Performance Report was recently completed and available on the Ohio Development Services Agency's website.

- Mr. Pasquariello then provided an overview of the PY 2015 Community Development Program. In PY 2015, $10.8 million in Community Development funds was awarded to 104 eligible communities. A majority of the funds (77.6%) were utilized for public facility projects. The group did a brief review of competitive set aside dollars and presented maps illustrating the number of competitive set aside grants that were submitted and funded in the past two years.

PY 2016 Program Update

- Mr. Pasquariello reviewed the PY 2016 application status. Competitive set-aside review was completed in August. $11.6 million was recommended for 37 competitive set-aside projects in 35 communities. Funds will be disbursed between 21 Critical Infrastructure projects, seven (7) Downtown Revitalization projects, and nine (9) Neighborhood Revitalization projects. Office of Community Development (OCD) was able to award funds to a few additional communities due to RPIG carryover dollars; however, these additional funds will most likely not be available in PY 2017.

- Mr. Pasquariello provided an overview of common issues noted during application review. Although application quality improved slightly from PY 2015 to PY 2016, OCD still noted deficiencies in application attachments, program design, identified service areas and beneficiaries, citizen and community engagement, and planning.

Community Development Information Strategy (CDIS) and American Community Survey (ACS)

- Jessie Powers, Community Development Representative, summarized the Community Development Information Strategy (CDIS) requirements. She reviewed the history behind the requirement for the CDIS and stated the tool was meant to not only encourage discussion for the CDBG program, but also to assist with long-range planning. Ms. Powers mentioned it is a tool that is flexible and can be tailored for each community's needs, and solicited feedback on the process.

- Members of the committee stated social media needs to be recognized as a form of outreach. Committee members also indicated it was helpful to include a CDIS meeting with an already scheduled meeting to increase involvement.

- Ms. Powers said OCD staff would like to attend some CDIS meetings this year to provide assistance and understand how local governments are using the tool.

- Members advised that some projects were removed between PY 2015 – PY 2016 because other funding sources were identified or priorities changed. Some communities elected to hold a CDIS meeting in a non-required year to get input and update priorities.

- Committee members also commented the CDIS helps with the planning process, and prioritizing and presenting projects to elected officials. Most communities held the CDIS meeting after first public hearing. For communities already doing outreach, CDIS formalized the process, but didn't alter the impact or end result.

Residential Public Infrastructure Grant (RPIG)

- Tim Leasure, Community Development Representative, explained the RPIG Program and eligibility requirements. He presented proposed changes, including raising the minimum consideration for Critical Infrastructure to $600,000 total project cost/$300,000 CDBG request from $200,000 total project cost/$100,000 CDBG request. Projects under the $600,000/$300,000 threshold will now be considered for Critical Infrastructure funding without RPIG eligibility evaluation. Larger projects will still be required to meet the RPIG threshold identified in the state's Annual Action Plan. Mr. Leasure reminded participants that the program includes household connections and administration cost in the one to one leverage calculation.

- Committee members stated the RPIG grant celling should be raised from $500,000 to $700,000 or $750,000 because of the high cost burden on each beneficiary household. A member also mentioned that more RPIG projects are being identified during the CDIS process, and demand for funds is expected to increase. Several committee members suggested there should be an increase in the administration allowance since projects are large and require coordination between many funding sources and contractors.

- A few members of the committee expressed concerns with OCEAN intake and application set-up process timeliness. A member asked if the intake forms and user role set up could be streamlined into the application submission. Committee members also discussed why grant funds are reduced after submission.

- Committee members asked if the RPIG program was worth keeping and discussed the possibility combining the Critical Infrastructure and RPIG funds. The committee determined RPIG funding is necessary to reduce loan costs to make projects more affordable to LMI communities.

- The committee recommended using a staggered scale when awarding funds. The committee proposed awarding more funds to areas that have higher user fees and larger project costs since USDA will not provide assistance if user fees are too high.

PY 2016 Targets of Opportunity Program

- Ms. Oakley advised since the Targets of Opportunity program does not have its own session meeting a brief overview is being included in the CD and ED/RLF sessions. Ms. Oakley reviewed the previous year's program and eligibility for funding.

- Ms. Oakley said PY 2016 was the first year for application submission in OCEAN. She reminded the committee there are three different application types: Economic Development (job creation national objective), Downtown (historic building rehab), and Community Development Other (everything else). The OCEAN fields and attachments are setup to mirror those program types. OCD has already received three PY 2016 applications in OCEAN, two of which are in the Agency's approval process, and have a fourth application started. OCD also has a number of letters of interest in various stages.

- Ms. Oakley noted the same pre-application process is still being used for PY 2016. Communities wishing to apply must first submit a letter of interest that includes a brief project description, draft sources and uses budget including amount of CDBG requested, and the national objective. She provided details on the process of application review and restated the funding is not guaranteed and funds are awarded on a rolling basis.

PY 2016 Community Development Program (CDP)

- Ms. Baxter opened the conversation for the PY 2016 CDP by asking if Allocation funding should receive favor in scoring for the Competitive Set Asides (CSA). The committee did not think it was necessary since leverage origination is not a concern and the Allocation commitment does not help communities prioritize projects. Committee members also requested allowing waivers to exceed the $10,000/10% cap on planning activities. OCD will review the amount of funds requested as a percentage of the state's expenditure cap and will consider requests to exceed as long as the state does not exceed its expenditure cap.

- Ms. Baxter asked if the current application training format was helpful. She inquired if the grantees would prefer the training in a webinar or if they were happy with the in person sessions. Committee members said they would like a mix of live training for specific questions and web-based training for reference. The members also requested examples of project structuring and case study examples during the training.

- Ms. Baxter asked if the committee liked the increase in the maximum grant award for the Neighborhood Revitalization program (NRG) from $300,000 to $500,000. She asked if the increase gave the communities the ability to structure more comprehensive projects. Member unanimously agreed the increase was beneficial. The committee discussed how to measure the quality of life and impact of an NRG. A member mentioned that community residents selecting the projects and community participation is more important than subjective measures of health, safety and general welfare.

- Ms. Baxter proposed the Downtown Revitalization program as a façade-only program. She noted the change would help simplify project administration for the grantees. Grantees have submitted large numbers of extension and amendment requests due to the over committing infrastructure and other leverage projects since the PY 2013 redesign. The committee agreed that a façade-only program could help reduce the extension requests. OCD staff responded they could allow for small amounts of Allocation or program income to be used on infrastructure activities; however, the infrastructure must be ready to proceed and not include matching funds that would delay completion.

  The committee offered information that contractors are scarred by prevailing wage requirements on small projects and are less likely to submit bids. Members expressed concerns about the planning it takes to initiate the program within the community. Members suggested OCD consider marketing or pre-application preparation as a scoring factor. Ms. Baxter asked if they should require cost estimates or commitment letters within the application in an effort to ensure communities meet their outcomes. The committee argued that would be too time consuming and will not help the program's effectiveness. The committed suggested staff look at past performance during the application stage in a similar way to the CHIP application process. OCD advised it would be difficult to do this as there were not as many repeat applicants, but there could potentially be an evaluation in administrative capacity based on the percentage of outcomes met. Committee members noted that it is important to make the target area large enough to be impactful even with private owner drop-out.

- Ms. Baxter asked how distress should be considered within the program. Some committee members felt the LMI percentage should not be considered in the Downtown program since buildings are being repaired. OCD staff reminded the committee since the program is funded with CDBG dollars the LMI percentage will always be a factor.

- Ms. Baxter inquired how communities evaluate projects for the Critical Infrastructure program. Committee members responded they looked at the impact to the service area if the project was not completed quickly or at all. Ms. Baxter proposed the program as an open cycle program beginning in PY 2017 and asked for feedback. The members indicated they would like the open cycle program however, there would need to be clear program standards because they felt many of the requests would come in at once. Ms. Baxter stated OCD intends to develop clear minimum eligibility and project evaluation standards.

Long Term Visioning

- Jordan Lewis, Community Development Representative, presented the committee with CDBG data trends. The information included the decrease in CDBG funds received by the state since 1995, the increase in construction costs, and the reduction in the amount of work performed per cost of a $100,000 project. He mentioned with the current structure of the program grantees do not seem to be able to fund as many impactful projects as they once were.

- Ms. Baxter presented ideas to the group on a new approach to provide funding for more comprehensive projects including a 50/50 split between the Allocation program and Competitive Set-Asides, as compared to the current 60/40 split, as well as funding the Allocation on a two-year cycle. OCD staff acknowledged the transition from an annual to biennial program would be a budgeting challenge. Ms. Baxter commented the goal is not to have any community with a major time gap without access to community development funding. Ms. Oakley said OCD would consider such items as a community's RLF balance, number of open CSA projects, and past performance in determining which communities would receive Allocation funds in year one and which communities would receive year two funding. She reminded the committee the new two-year program would correspond to an open-cycle Critical Infrastructure Program, and there would be other grant funding opportunities such as the RPIG, Target of Opportunity, and Economic Development programs.

- The majority of the committee was in agreement with the changes and felt these were appropriate and necessary changes. One committee member stated it was beneficial to receive funding every other year, allowing the community to complete bigger and more impactful projects. A committee member commented that not all communities are in favor of reallocating additional funds for competitive programs and that larger communities are impacted more by reductions in Allocation funding. The committee agreed to allow OCD to move forward with exploring biennial Allocation and open-cycle Critical Infrastructure programs.

OCEAN

- Ms. Oakley reviewed the changes to the OCEAN application for PY 2016 and added that the idea is to only make required programmatic changes in OCEAN. Any additional changes to application scoring will be reflected in the attachments. OCD is still working to improve the application process for communities linking Allocation and Competitive Set-Aside projects. OCD also proposes to increase available outcome options for a number of eligible activity names.

Wrap-Up

- Ms. Oakley informed the committee of the new technical assistance website. All program information, data, and forms will now be located on the site. Grantees can either access the site through OCEAN or a link on the Ohio Development Services Agency website.

- Ms. Baxter reminded the Advisory Committee about the registration deadline for the upcoming Community Development Conference at the Sawmill Creek Resort, in Huron Ohio.

- Participants were also advised to contact their community development representative to schedule unfunded meetings for the PY 2016 applications from October to January. They were also encouraged to reach out to their representative when structuring projects for PY 2017.

- The meeting was adjourned at 4:00 p.m.