

Meeting Date
7/22/2014



AGENDA	
Section	New Business
Item No.	V.B.1

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	APPROVAL, RE: WEST CANAVERAL GROVES WATERLINE PROJECT
DEPT/OFFICE:	HOUSING AND HUMAN SERVICES DEPARTMENT

Requested Action:

It is requested that the Board of County Commissioners (BOCC) authorize the County Manager to approve required actions and execute the necessary documents for submittal to the US Department of Housing and Urban Development (HUD) for a twenty (20) year amortized Section 108 Loan to complete the West Canaveral Groves Waterline Project.

Summary Explanation & Background:

On March 18, 2014 the Board of County Commissioners in regular session authorized staff to leave the West Canaveral Groves Waterline application open locally; and continue to look for funding opportunities for the Project. At that time, the future of Community Development Block Grant (CDBG) funding was uncertain due to the lack of a federal budget and warnings that major cuts to the program were being explored by federal legislators.

Currently, due to the passing of a federal budget and the damping of rhetoric regarding the future of CDBG, it appears that the submittal of a Section 108 application for a twenty (20) year amortized loan for the West Canaveral Groves Waterline Project will place minimal risk on Brevard County's General Fund. Although additional security is required, the source of re-payments by HUD would be pledged CDBG funds (Brevard's annual allocation). Interest rates vary on Section 108 Loans depending on the time of financing; however, they are affordable and always lower than the average market rates. Since its beginning, over 1,800 commitments have been made by the Section 108 Loan Program totaling \$8.5 billion dollars and \$2.4 billion in outstanding loans.

An evaluation by staff of various options using CDBG funds shows that a Section 108 funding option with a 20 year amortization would result in an annual payment of approximately \$137,000. This is based on the current engineering estimate for the project of \$1,648,051 (\$98,978 for Engineering Fees; \$5,000 for Permitting; \$1,394,250 for Construction and \$149,823 for Project Delivery). This option allows for the completion of other existing CDBG projects and allows for the use of future CDBG allocations for community development needs in other areas of the County.

HUD has indicated that the project continues to be an eligible activity as defined in Chapter 24, Section 570.703(f) of the Code of Federal Regulations and Brevard County is eligible to apply for a total of five (5) times its annual grant amount. The main waterline installation meets the HUD National Objective "Low to Moderate Area". Additionally, Brevard's HUD representative has informed staff that HUD is currently

(continued on next page)

Clerk to the Board instruction: None

Exhibits Attached: (1) September 18, 2013, Deputy Clerk's Memorandum (2) HUD Emails

Contract /Agreement (If attached):		Reviewed by	No	No	<input type="checkbox"/>	PR <input type="checkbox"/>
County Manager		Assistant County Manager			Department Director / Extension	
Stockton Whitten		Venetta Valdengo			Ian Golden - 52007	



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

July 23, 2014

MEMORANDUM

TO: Ian Golden, Housing and Human Services Director

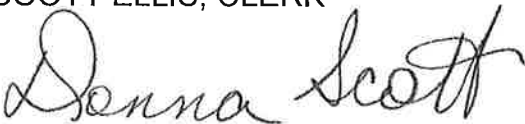
RE: Item V.B.1., Approval of West Canaveral Groves Waterline Project

The Board of County Commissioners, in regular session on July 22, 2014, authorized the County Manager to approve the required action and execute the necessary documents for submittal to the United States Department of Housing and Urban Development (HUD) for a twenty (20) year amortized Section 108 Loan to complete the West Canaveral Groves Waterline Project.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

for 
Tammy Etheridge, Deputy Clerk

/ds

cc: County Manager
Finance
Budget

encouraging communities to apply for Section 108 Loans and is making commitments with "interim" financing that allows projects to begin at any time during the year as opposed to holding projects until the start of a particular quarter in the fiscal year. The process can move quite expeditiously following the submission of a complete/approvable application.

The Section 108 Loan Program continues to be one of the most potent and important public investment tools that HUD offers to states and local governments. It allows states and local governments to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Approval of this item will enable Brevard County to bring to completion a longstanding problem in the West Canaveral Groves Community as well as continue to address other community development needs in other low income areas throughout Brevard County.

Once the terms (interest rate, etc.) and conditions (repayment guarantees, etc.) are finalized the item will be brought back for final approval by the BOCC.

Fiscal Impact:

FY 13/14- Brevard County General Funds will be used as a loan guarantee/payer of last resort.

FY 14/15 – Brevard County General Funds will be used as a loan guarantee/payer of last resort.

Contact: Ian Golden, Director (633-2007)



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001

Fax: (321) 264-6972

March 24, 2014

MEMORANDUM

TO: Ian Golden, Housing and Human Services Director Attn: Chenita Joiner

RE: Item V.B.2., Board Approval of West Canaveral Groves Waterline Project

This is to correct memorandum dated March 20, 2014. The Board of County Commissioners, in regular session on March 18, 2014, authorized staff to leave the West Canaveral Groves Waterline Project application open **locally**; and to continue to look for funding opportunities for the Project **that do no place risk on the General Fund as payer of last resort.**

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge

Tammy Etheridge, Deputy Clerk

/ds

cc: Assistant County Manager Valdengo

Joiner, Chenita M

From: White, Kathryn S [Kathryn.S.White@hud.gov]
Sent: Tuesday, July 01, 2014 1:17 PM
To: Joiner, Chenita M
Cc: Golden, Ian J; Davis, Juanita D
Subject: RE: Eligible Section 108 Activity

Chenita,

You are correct, the installation of a waterline installation on publicly owned property would be an eligible "installation of public and other site improvements" in accordance with 24 CFR 570.703(f). Please note that the lines installed on private property to connect the main line to the units would be considered rehabilitation as found at 24 CFR 570.703(h). Of course in addition to being eligible, all activities must also meet one of the three National Objectives. Let me know if you have additional questions.

Kathy White
Senior Community Planning and
Development Representative
U.S. HUD
400 West Bay Street
Jacksonville, FL 32202
Telephone: 904-208-6079
Email: kathryn.s.white@hud.gov

From: Joiner, Chenita M [<mailto:Chenita.Joiner@brevardcounty.us>]
Sent: Tuesday, July 01, 2014 12:47 PM
To: White, Kathryn S
Cc: Golden, Ian J; Davis, Juanita D
Subject: Eligible Section 108 Activity

Kathy,

I've been asked to confirm that based on the following excerpt from the CFR that the waterline installation project that we previously spoke of (West Canaveral Groves) is an eligible Section 108 activity:

24 CFR Subpart M – Loan Guarantees, Section 570.703 entitled Eligible Activities, (f) which states, Site preparation, including construction, reconstruction, installation of public and other site improvements, utilities or facilities (other than buildings), or remediation of properties (remediation can include project-specific environmental assessment costs not otherwise eligible under FS 570.205) with known or contamination, which is

Chenita Joiner, Community Development and Resource Manager
Brevard County Housing and Human Services Department
2725 Judge Fran Jamieson Way, Viera, Florida 32940
(321) 633-2007