



MEMORANDUM
FROM
OFFICE OF THE COUNTY MANAGER

DATE: September 5, 2023

TO: Marty Lawing, City Manager
City of Fort Myers

FROM: Strategic Resources & Govt. Affairs

RE: City of Fort Myers Comments on the Lee County CDBG-DR Action Plan

Lee County has received and reviewed comments submitted by the City of Fort Myers in response to the draft Public Action Plan for Community Development Block Grant Disaster Recovery (CDBG-DR) funds. We appreciate your thorough review of the draft Action Plan and offer the following responses.

Comment 1: The City of Fort Myers is grateful for Lee County's allocation of \$175,000,000 for individual housing rehabilitation and renovation as a result of Hurricane Ian. Knowing that the allocated amount in no way encompasses the total need for Lee County or City residents, we urge for any additional funding that is not expended through the development process to be funneled back into the individual rehabilitation and renovation program. These dollars have opportunity to make significant impact on the affected residents of Fort Myers, who remain the City's highest priority.

County Response: The County will evaluate community need and program performance throughout the life of the grant. As needs change, funds will be reallocated to the most impactful programs through substantial amendments to the Action Plan.

Comment 2: We also urge the County to outline a clear path for reimbursement in the finalized Action Plan or an imminent amendment. Reimbursement is only briefly mentioned as a possibility on page 224 of the Draft Action Plan. Due to the severity of the storm many have been forced to begin or complete repairs or implement temporary measure to ensure their home are habitable, regardless of financial situation. This impacts 20.967% of FEMA IA applicants who experienced major damage. The City of Fort Myers considers implementation of an accessible and immediate reimbursement program a necessity. We urge Lee County to incorporate and advertise reimbursement

with equal weight and fervor as the elevation, rehabilitation, and renovation programs.

County Response: The details related to reimbursement of construction expenses for eligible homeowners will be included in program policies which are still under development. The policies will adhere to HUD requirements outlined in the CDBG-DR Consolidated Notices, Section III.F.5. (88 FR 32046).

Comment 3: Due to the essential nature of this mitigation, there are critical projects that our City has begun in absence of available funding. For infrastructure projects that meet eligible CDBG-DR criteria, the City requests a reimbursement opportunity to be made available within the infrastructure Notice of Funding Availability (NOFA). This opportunity would not only remediate damages and loss of service, but through the continued need to ensure our City is a constant innovator of resilience efforts. This protects the City's goal to remain a safe, vibrant, and livable city. It is also noted that infrastructure minimum project cost threshold is set at \$5,000,000 minimum per project. Given the varying amounts that comprise critical infrastructure, the City recommends the threshold for infrastructure be lowered significantly, to encompass all opportunities to impact our community.

County Response: Due to the cross-cutting requirements associated with CDBG-DR funds, the County is not electing to include reimbursement as an option for subrecipients. The County acknowledges that the City may submit applications for critical infrastructure projects that do not meet the minimum funding requirements outlined in the draft Public Action Plan and will modify the proposed plan to allow exceptions for high priority projects of critical public importance.

County staff recommends maintaining the minimum project size at \$5 million absent a special exception for the following reasons:

1. The costs for administering infrastructure projects under CDBG-DR can be significantly higher than similar, locally funded initiatives given additional regulatory, monitoring and compliance requirements. Administrative expenditures as a percentage of total costs for smaller projects can render them uneconomic as compared to larger projects;
2. Lee County will provide and administer matching funds for CDBG-DR eligible Tier 1 HMGP awards regardless of project size; and
3. Critical Public Infrastructure project awards are intended to fund projects of significant scope and impact that do not have alternative funding sources currently available.

Comment 4: It is also essential to note that 51.99% of the City's population is considered LMI, which requires acute attention for equitable and accessible planning for the residents who have been identified as a vulnerable population. In compliance with HUD and federal mandates, environmental considerations are already incorporated into the City's resilience and mitigation planning efforts to address the disproportionate impact of legacy housing environmental hazards to marginalized, historically underserved, and overburdened residents. In accordance with these guidelines, broadband should be considered critical infrastructure for LMI. We urge the County to

remain committed to these essential tenets and classify as the infrastructure allocation is expended.

County Response: Broadband is considered an eligibility activity type within the critical infrastructure program. Additionally, any new housing development undertaken with CDBG-DR funds must incorporate broadband availability into design and construction.

Comment 5: Recognizing that 10.2% of the CDBG-DR allocation is assigned to Hazard Mitigation Grant Program (HMGP) as matching funds from the mitigation set aside, the City requests that any excess mitigation dollars not expended as a HMGP match become available for application through competitive Notice of Funding Availability (NOFA). Given the \$144,000,000 mitigation set aside maintains different parameters than the rest of the CDBG-DR allocation, the request process should remain separate. These funds are crucial to the protection of our community. In the finalization of this document or an imminently submitted amendment, the City requests a clear outline for the expenditure of these funds.

County Response: The County will reallocate funds not expended through HMGP match to the most impactful programs through substantial amendments to the Action Plan. It is anticipated that the mitigation set aside will be expended through HMGP and Critical Infrastructure programs. The County anticipates that there will be additional NOFA processes as funds are reallocated throughout the grant's performance period.

Comment 6: Additionally, the Draft Action Plan states that input was derived from the Lee County Recovery Task Force Town Halls, hosted at multiple locations county wide (pg.157). The Task Force hosted two meetings within city limits: one at Fort Myers City Hall, the other hosted at Dunbar High School on June 24th. Upon review the feedback captured at Dunbar High School is not captured nor outlined in draft plan. The City wanted to bring this oversight to the attention of both Lee County and HUD and urge the inclusion of this input before the Action Plan is finalized.

County Response: The input gathered from all Lee County Recovery Task Force Town Hall meetings, including those hosted within the City of Fort Myers, was aggregated and provided to the County for summary within the Action Plan. Additionally, data gathered from all Town Halls was considered during the initial formulation of the draft Action Plan. The specific meeting summaries included in the Action Plan relate only to those hosted by County staff throughout the consultation and public comment phases for draft Action Plan development.

Comment 7: Finally, the City notes the omission of economic development funding from the Draft Action Plan as a significant loss for our community. With the loss of tourism and revenue caused by Ian, the influx of economic development funds would be an incredible opportunity to support this area of our community. This is recognized in Page 22 of the Draft Action Plan which states that 40% of the County's hotel/motel unit inventory was affected by Ian-yet there is no economic recovery funding provided. These units become critical short-term housing during a disaster. Funding to assist these commercial sources and other critical services like broadband, may be addressed through the infrastructure category of CDBG-DR funding; however, its emphasis should be made in the economic development funding. Additionally, influx into this sector allows for the continued financial resilience of our communities. Understanding that

businesses (including, but not limited to: arts and culture institutions, golf courses, hotels, and golf courses) are vital for the restoration of our community, we must ensure they are included and recognized in this endeavor. The City of Fort Myers holds great respect and responsibility for the essential community business partners of our community that continue to establish this community as a beacon for tourism, job development, and fiscal resiliency.

County Response: The County will continue to evaluate information related to the unmet needs of the business community and collaborate with the City of Fort Myers and other stakeholders to assess the feasibility of CDBG-DR programs to support economic revitalization. Consequently, an economic revitalization program could potentially be incorporated into the Action Plan through a substantial amendment. To memorialize this ongoing effort, the Action Plan's narrative will be modified to reflect this continuing evaluation.

Thank you again for taking time to provide feedback on the Draft CDBG-DR Action Plan. We remain committed to collaborating with the City of Fort Myers throughout the life of this program to ensure an efficient implementation that provides meaningful outcomes for our residents.