



MEMORANDUM
FROM
OFFICE OF THE COUNTY MANAGER

DATE: September 5, 2023

To: Mike Ilczyszyn, Interim City Manager
City of Cape Coral

FROM: Strategic Resources & Govt. Affairs

RE: City of Cape Coral Comments on the Lee County CDBG-DR Action Plan

Lee County has received and reviewed comments submitted by the City of Cape Coral 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: Funding allocation: The minimum project amount for infrastructure projects is \$5 million (p. 215). There are many worthy infrastructure projects under this amount, and a lower minimum will enable many additional projects to be completed. Recommend a \$1 million project minimum.

County Response: 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 2: Funding allocation: Tier 2 Hazard Mitigation Grant Program (HMGP) is limited to only critical infrastructure projects (p. 217). Recommend including language that Tier 2 HMGP funding for all project types be made available depending on fund availability.

County Response: As noted in the comment, match funding for Tier 2 HMGP projects may be submitted through the Critical infrastructure NOFA process. If funding is available and LMI requirements have been satisfied (or modified by HUD), the Action Plan could be amended in the future to set aside Tier 2 HMGP matching funds.

Comment 3: Funding allocation: Plan for Tier 3 HMGP projects is not addressed (p. 217). Recommend including language that Tier 3 HMGP funding may be made available depending on fund availability.

County Response: See response to Comment 2. Match funding for Tier 3 HMGP projects may be submitted through the Critical infrastructure NOFA process. All HMGP projects must meet CDBG-DR eligibility.

Comment 4: Funding allocation: Will administration funds be shared amongst sub-applicants (p.199)? Recommend administration funds be shared proportionately with sub-recipients.

County Response: Almost all project related costs incurred by subrecipients should be eligible as Activity Delivery Costs under CDBG-DR rules. Please see HUD's recently released Community Planning and Development notice 23-06, which provides clarification regarding these eligible costs.

The County does not anticipate distributing administrative funds to subrecipients due to:

1. The availability of Activity Delivery Cost recoupment as noted above;
2. The high cost of administering CDBG-DR funds over the program's six-year horizon, including providing project delivery support to relieve subrecipients of related staff burdens and costs;
3. Future program unknowns; and
4. The County's obligation to account for any failed projects (which are not eligible activities).

A future exception could be any case where a subrecipient undertakes program administration duties as opposed to primarily incurring project delivery expenses.

Comment 5: Application scoring: "Applicants who do not meet one or more of the above threshold requirements will have a maximum of five calendar days to cure any

deficiency. Any applications with noncured deficiencies will not be considered for scoring.” (p.212) Recommend a minimum time to correct applications of five business days.

County Response: The Public Action Plan will allow five (5) business days to cure deficiencies.

Comment 6: Application scoring: Criteria for scoring is worded ambiguously and allows for the Committee to change the parameters of the scoring thresholds. Recommend a scoring rubric be developed and promulgated to all stakeholders in advance.

County Response: Scoring rubrics and thresholds for NOFA processes have not yet been developed. The criteria outlined in the Public Action Plan are general in nature to allow flexibility when drafting the final scoring rubrics. All scoring information will be published with each NOFA.

Comment 7: Representation on the evaluation committees: What is the makeup of the Lee County staff assigned to score the projects? Recommend that the scope of this initial review be limited to the applicability of the proposed projects to CDBG-DR.

County Response: The initial review of applications will include all threshold and scoring criteria as outlined in the Public Action Plan and future program documents. This initial review will be completed by County staff and its program vendors. The County staff assigned for this initial review have not yet been determined.

Comment 8: Representation on the evaluation committees: What is the makeup of the Evaluation Committee? Recommend that subject matter experts from the City of Cape Coral be able to participate in the evaluation committees.

County Response: The makeup of the evaluation committee(s) has(have) not yet been determined but will be specified prior to the launch of any NOFA process. County staff will work with the Board of County Commissioners to design the evaluation process in detail over coming weeks and will consider all input received from municipal partners.

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 Cape Coral throughout the life of this program to ensure an efficient implementation that provides meaningful outcomes for our residents.