



Legislation Text

File #: 18-355, Version: 2

TO: Mayor and Members of City Council

THRU: Douglas J. Hewett, City Manager, ICMA-CM

FROM: Jay Reinstein, Assistant City Manager
Cindy Blot, Economic and Community Development Director
Kimberly Toon, Purchasing Manager

DATE: August 6, 2018

RE:
Consulting Contract with Horne LLP for Implementation of Community Development Block Grant - Disaster Recovery and Hazard Mitigation Grant Program

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal IV: Desirable Place to Live, Work and Recreate

Executive Summary:

The City of Fayetteville has been awarded \$15,325,000 in Community Development Block Grant - Disaster Recovery ("CDBG-DR") funding and \$4,554,593 in FEMA Hazard Mitigation ("HMGP") funding to assist with recovery from damages sustained in the community from Hurricane Matthew on October 8, 2016. The CDBG-DR grant was appropriated by City Council on December 11, 2017, and the HMGP grant was appropriated on May 29, 2018.

City staff does not have the current capacity to undertake project management and program administration responsibilities for the almost \$20 million in recovery activities. As such, a request for proposals was issued to select a contractor to provide those services. Staff is recommending that Council authorize the City Manager to execute a contract with Horne LLP not to exceed \$1.2 million for these services without the expressed written consent of the parties to the agreement.

Background:
CDBG-DR:

The State of North Carolina was awarded \$198 million dollars of CDBG-DR funds from the Department of Housing and Urban Development as a result of damage caused by Hurricane

Matthew. Cumberland County is to receive \$34,945,328 as a sub-recipient of these funds over a three year period. The State will release two-thirds of the funding to Cumberland County for a two-year period in the amount of \$23,260,000, with the remaining \$11,685,328 to be released in the third year. Of that funding, the City will receive \$15,325,000 as a sub-recipient of the County for the first two years and \$8,042,500 in the third year to carry out the various programs.

This Housing Recovery Program provides assistance to low and moderate income homeowners and businesses who experienced major to severe damage to their homes and businesses and have remaining unmet needs, after subtracting benefits from FEMA, SBA and private insurance. This program includes reconstruction activities, acquisition and construction of new homes and insurance subsidies to eligible low and moderate income families. Affordable housing is the State's number one priority associated with the CDBG-DR program.

City staff worked with Cumberland County to develop a proposal to carry out a variety of housing and recovery programs, City Council approved submission of the grant application to the State on August 28, 2017. The proposal included a Homeowner Recovery Program, Small Rental Repair Program, Multi-family Rental Housing, and a Community Recovery Program that will include a Day Center and a Homeless Shelter. Businesses will have to apply directly to the North Carolina Department of Commerce for available funding.

Over 300 applications have been accepted to date at our intake center during the process.

The City will carry out the following CDBG-DR activities:

Activity #1. Housing Recovery: The CITY will undertake housing activities to include single family homeownership rehabilitation, single family homeownership reconstruction; mobile home repair; housing repair reimbursement; small rental repair; and provide affordable single family ownership in the Oakridge Estates Community in Fayetteville.

Activity #2. Multi-Family Rental Housing: The CITY and the COUNTY will jointly choose a consultant to guide the parties in selecting an experienced individual that demonstrates the capacity and ability to carry out the activities in accordance with HUD's guidelines and contractual obligations.

Activity #3. Economic Development (Small Business Recovery): The NC Department of Commerce will oversee this activity.

Activity #4. Community Recovery: The CITY jointly with the COUNTY will collaborate as a part of the homelessness initiative in the development of a day facility to provide supportive services and shelter to homeless individuals and families.

The larger projects such as the affordable housing developments and the homeless shelter/day will come back to City Council for further consideration.

HMGP:

The City of Fayetteville received three HMGP awards for acquisition, reconstruction and elevation of single family residences in the amount of \$4,554,593. While the award originally identified 32 eligible properties, the funding is now to be allocated for 28 homes as some homeowners chose not to move forward or the homes no longer met eligibility requirements. The qualified homeowners were mailed letters regarding the selection of their property under the program. Funding for this program will be

available effective August 2018.

An additional \$63 million of CDBG-DR funding is to be awarded to North Carolina for grants for acquisition, elevation or reconstruction similar to HMGP. It is anticipated that Fayetteville and/or Cumberland County will receive approximately \$6.1 million of this funding in coming months. Residents must be low to moderate income to be considered for this funding.

REQUEST FOR PROPOSAL PROCESS:

An RFP for Professional Project Management Services for Disaster Recover Programs was issued on September 1, 2017. Only two proposals (Horne LLC and Threadcraft Engineering, Inc.) met the requirements and were evaluated and ranked, with Horne LLC finishing first. Unfortunately, the State of NC made changes to the project scope requiring another RFP to be reissued on April 20, 2018, with the same two companies providing proposals. Threadcraft Engineering, Inc. once again finished second to Horne LLC as a result of the evaluation.

Horne LLP, founded in 1962, employs over 500 and has a strong history in recovery efforts that have served state, county and municipal entities from across the country. Horne has supported compliance management on over \$24 billion in federal awards in eight states. Their primary role will be focused on project management, mitigation and program administration on CDBG-DR and HMGP projects.

Issues/Analysis:

CDBG-DR:

The City of Fayetteville is currently a sub-sub recipient to Cumberland County for all CDBG-DR related projects. Cumberland County must reimburse the City, per the Memorandum of Agreement, prior to being reimbursed by the State of NC. All CDBG-DR projects have experienced considerable delays due to the State of NC environmental review backlog. This backlog will delay the flow of dollars and resources to our residents.

HMGP: The City of Fayetteville is a direct sub-recipient to the State and will be reimbursed directly by the State and not Cumberland County. The projects for the 28 qualified residences have been delayed due to several process changes initiated by NCEM. The projects will kick-off 30 days after the consultant has been hired. Additional dollars may be allocated by the General Assembly in the coming weeks.

Budget Impact:

There is no impact to the General Fund as the contracted consulting services are eligible expenditures under both the CDBG-DR and HMGP programs.

Options:

Authorize the City Manager to execute a contract with Horne LLP for project management, mitigation

and program administration for CDBG-DR and HMGP projects.

Do not authorize the City Manager to execute a contract with Horne LLP and provide direction to staff.

Recommended Action:

Authorize the City Manager to execute a contract with Horne LLP for project management, mitigation and program administration for CDBG-DR and HMGP projects to execute a contract with Horne LLP not to exceed \$1.2 million for these services without the expressed written consent of the parties to the agreement.

Attachments:

Horne LLP Contract