

CDBG PROGRAM OVERVIEW

March 29, 2016

CDBG HISTORY



- Authorized under Title I of the Housing and Community Development Act of 1974
- The program provides annual grants on a formula basis to local governments and states.



CDBG PRIMARY OBJECTIVE

- Development of viable urban communities, principally for low/mod persons, through:
 - Decent housing
 - Suitable living environment
 - Expanded economic opportunity





CDBG PRIMARY OBJECTIVE

- Low/Mod Income is defined:
 - Extremely Low = 30% of area median
 - Low = 50% of area median
 - Moderate = 80% of area median

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income Explanation	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Salt Lake County	\$72,200	Very Low (50%) Income Limits (\$) Explanation	25,300	28,900	32,500	36,100	39,000	41,900	44,800	47,700
		Extremely Low Income Limits (\$)* Explanation	15,200	17,350	20,090	24,250	28,410	32,570	36,730	40,890
		Low (80%) Income Limits (\$) Explanation	40,450	46,200	52,000	57,750	62,400	67,000	71,650	76,250

Eligible Activities****

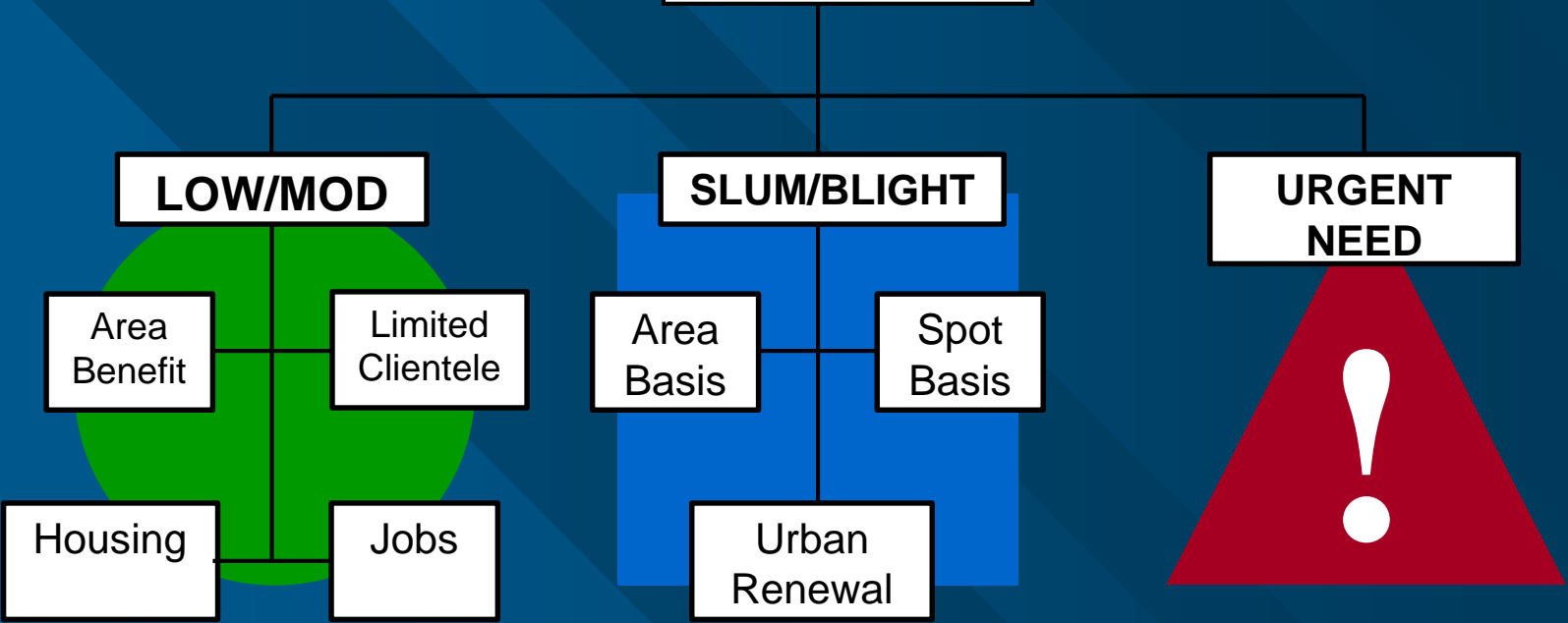
- Housing & other real property activities
- Economic development
- Public facilities
- Public services
- Community Based Development Organizations (CBDO) activities
- Planning and administration
- Others

Ineligible Activities

- Buildings for conduct of government & general government expenses
- Political activities
- New housing construction* (some exceptions)
- Income payments
- Purchase of equipment
- Operating and maintenance expenses
 - *Some exceptions for Economic Development and CBDO activities, interim assistance

****** Activities also have to meet a National Objective to be qualified**

NATIONAL OBJECTIVES



LOW/MOD

Area Benefit

- Activities that benefit all residents of area w/ 51% LMI
- Area must be primarily residential
- Must determine service area of activity
- Typical activities: **water/sewer, parks, community centers**

Limited Clientele

- Activities that benefit specific populations:
 - Presumed clientele
 - 51% of participants are LMI persons
 - Participation limited to LMI persons only
 - Nature and location indicate low/mod benefit
- Some activities may qualify
 - Removal of architectural barriers (some activities);or
 - Microenterprise activities with LMI owners; or
 - Certain types of job training efforts.
- Typical activities: **job training, senior services, facilities for special needs**

Housing

- Housing occupied by LMI households
 - One unit structures occupied by LMI
 - One unit of duplex occupied by LMI
 - 51% of 3+ units LMI occupied by LMI
- Typical activities: **homeowner unit rehab, rental acquisition and rehab, homebuyer assistance**

Jobs

- Activities must ***create or retain*** permanent jobs **AND**
- 51% of the jobs created/retained must be ***available to or held by*** LMI persons
- Typical activities: **business loans, commercial rehabilitation, infrastructure to a business**

SLUM/BLIGHT

Area Basis

- Area must meet definition of slum/blighted area under state/local law AND
- Meet either A) or B) below:
 - A) At least 25% of properties throughout the area experience 1 or more of the following conditions:
 - Physical deterioration of buildings or improvements
 - Abandonment of properties;
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial/industrial buildings;
 - Significant declines in property values or abnormally low property values relative to other areas in community; or
 - Known or suspected environmental contamination.
 - B) The public improvements in the area are in a general state of deterioration
- Typical activities: **code enforcement, infrastructure, commercial rehabilitation**

Spot Basis

- Activities that address specific conditions of blight, physical decay or environmental contamination not in slum/blight area
- Activities limited: **acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, or building rehab**
 - Acquisition & relocation must be precursor to another eligible activity that addresses slum/blighted conditions
 - Rehab limited to elimination of conditions detrimental to public health & safety

Urban Renewal

- Related to extinct HUD Urban Renewal Program
- Activities in Urban Renewal or Neighborhood Development Program action areas
- Activities necessary to complete an existing Urban Renewal Plan
- Not applicable to the state program
- Typical activities: **infrastructure, econ dev**



**URGENT
NEED**

- To meet the urgent need test:
 - Existing conditions pose serious & immediate threat to health/welfare of community
 - Existing conditions are recent or recently became urgent
 - Generally 18 months
 - Recipient cannot finance on its own
 - Other funding sources not available
- Typical activities:
infrastructure, interim assistance, rehab of community facilities

LOW/MOD BENEFIT REQUIREMENT

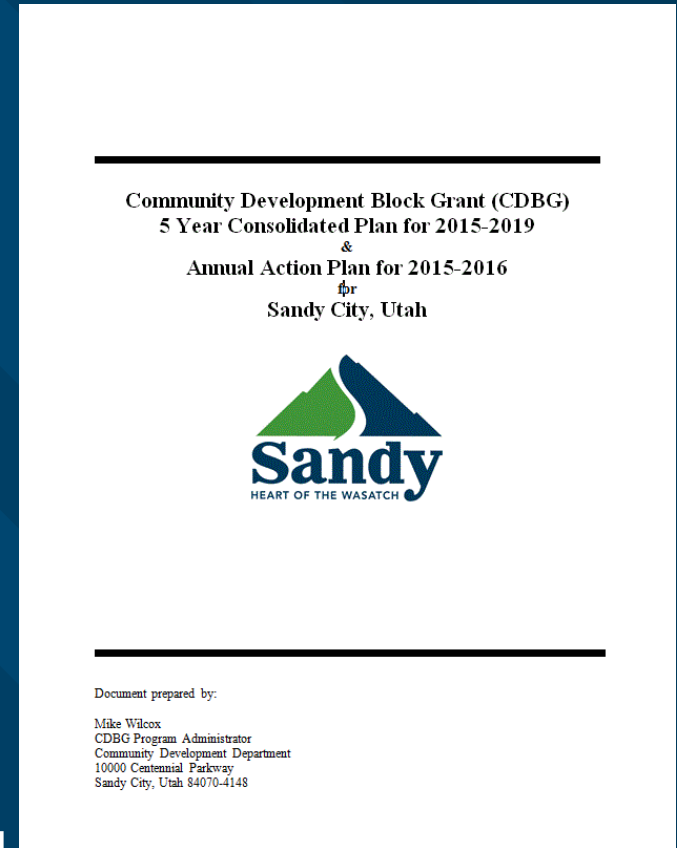
- Ties to primary objective of CDBG Program
- Requires that 70% of all CDBG expenditures benefit low/mod persons (i.e., meet LMI national objective)
 - Cumulative expenditures, not budgeted
 - Planning/admin not included
- Reported annually in CAPER

OTHER FEDERAL REGULATIONS

- Myriad of other Federal regulations may apply to CDBG-funded activities
- List includes regulations about:
 - Fair housing and equal opportunity
 - Handicapped accessibility
 - Financial management
 - Environmental review
 - Lead paint hazard reduction
 - Relocation/acquisition and one-for-one replacement
 - Davis Bacon labor standards and related acts
 - Excluded parties (debarred/suspended)
 - Others, as applicable

THE CONSOLIDATED PLAN

- Helps determine activities and organizations to fund
- Components:
 - Lead agency description
 - Housing and homeless needs assessment
 - Housing market analysis
 - Strategic 5 year plan
 - One-year action plan
- Citizen participation required
- Con Plan reviewed and approved by HUD
 - Submitted to field office at least 45 days prior to start of program year
- Amendments allowed
- Annual performance reporting measured against Con Plan goals and activities



THE CONSOLIDATED PLAN

Main areas of focus:

- Homeless Services and Support
- Special Populations Services
- Affordable Housing
- Community Development

Goals for the 2015-2019 Consolidated Plan:

- Maintain Homeless Shelters and Provide Outreach
- Support Transitional and Permanent Housing Solutions for the Homeless
- Improve and Provide Adequate Senior Facilities
- Correct Accessibility Deficiencies
- Provide Home Rehabilitation Assistance
- Increase Access to Affordable Housing
- Provide Critical Repairs for Safe and Healthy Homes
- Support Essential Public Services and Programs

Community Development Block Grant (CDBG)
5 Year Consolidated Plan for 2015-2019
&
Annual Action Plan for 2015-2016
for
Sandy City, Utah



Document prepared by:

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CDBG - Going Forward

Guiding Principles to Make Funding Decisions

- Must Meet CDBG Criteria
 - Must be eligible and meet a national objective
 - Can't increase funding for Public Services (maxed at 15% of Grant Amount)
- Seek Best ROI (Return on Investment)
 - Get “bang for buck” with limited funds
- Leverage Funds
 - Do something bigger than the grant amount itself by combining other sources of funds
 - HUD is **strongly** encouraging this practice
- Focus on Outcomes not Inputs
 - Accomplish our goals
 - Make a meaningful impact

CDBG Advisory Committee Recommended Budget

April 12, 2016

Committee Members

- Donald Gerdy (Chair)
- Wade Greenwood (Vice-Chair)
- Macleans GeoJaJa (Secretary)
- Allan Setterberg
- Jeff Smith
- Erick Allen
- Julie Barrus
- Mike Tester
- Steve Smith (Council Rep)
- Scott Cowdell (Council Rep)

CDBG - Allocation Methodology

The following have been identified as Committee specific objectives:

- Be proactive in the selection of qualifying agencies and the allocation process,
- All appropriation funding should:
 - Have supportable reasoning
 - Use consistent and objective methodologies as aids to decision making
 - Should meet low and moderate income needs, as defined by HUD
 - Should be able to be completed within HUD's 18-month maturity rule
 - Emphasize agencies meeting Sandy City CDBG objectives. They are:
 - Those providing housing/shelter
 - Those providing food
 - Those who serve the largest number of people
 - Those emphasizing health and safety
 - Those who focus on the Sandy City area
- When prudent the City should take advantage of any agency providing matching funds.

CDBG - Allocation Methodology

Challenges

- How should the limited funds be divided up amongst those requesting the money?
- Should some receive a full funding of their request while others go completely without?
- Should those serving a specific popular need receive more than those serving less popular needs?
- Should all of the agencies applying for funds get an equal portion of their requests no matter the needs they serve?

Other Issues

- Cost to Administer for City and Applicant
- Minimum Funding - \$2,000 per Request
- Focus on Outcomes vs Inputs

FY 2016-2017 CDBG Budget Summary

Available Funding for FY
2015-2016

– \$365,545

Total Requests for FY
2015-2016

– \$853,369

Difference

-\$487,824

Max Available for Public
Services

– \$54,831.75*

Total Public Services
Requests

– \$126,500

-\$71,668.25

Max Available for Hard
Costs (Phys. Impr., Housing, etc)

– \$263,875**

Total Hard Costs
Requests

– \$680,030

-\$416,155

*Represents 15% Cap

**Remainder after Admin, & Public
Services

Bottom line:

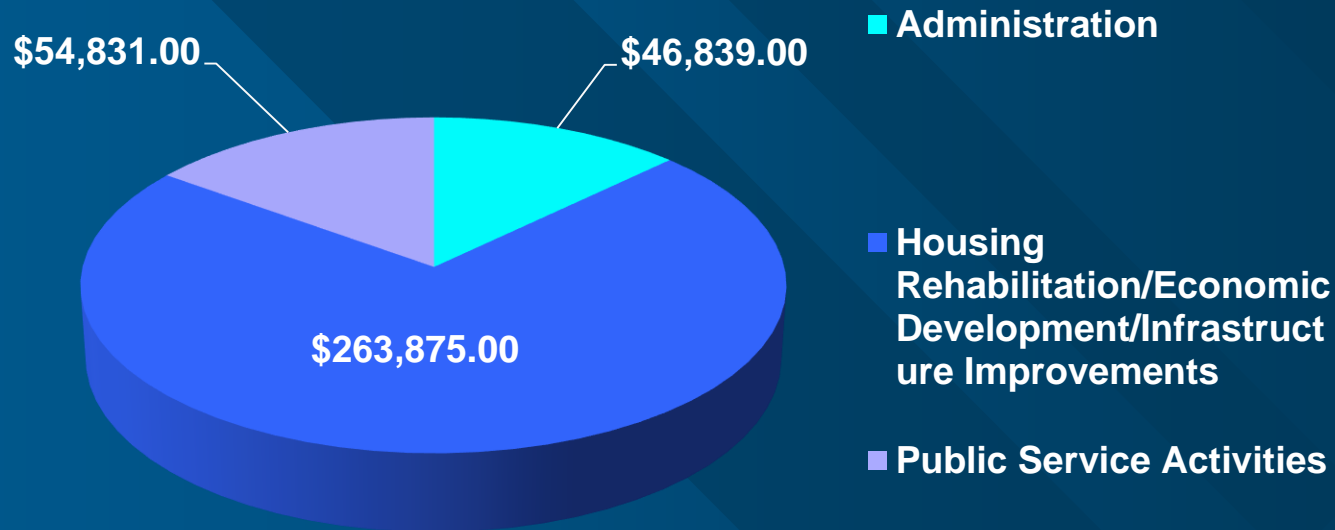
We can't fund everyone or make everyone happy

City Council



FY 2016-2017 CDBG Budget Breakdown

- Program Administration: \$46,839
- Hard Costs (Housing, etc): \$263,875
- Public Services: \$54,831
- **TOTAL:** **\$367,074**



CDBG - Allocation Methodology - Public Services

- Public Services - Counseling, Food banks, Women shelters, Counseling services, Day care services, Legal assistance, Medical services, etc.
- Evaluation Criteria:
 - *Life Threatening:*
 - Might recipients of this service feel their lives are in danger?
 - *Food & Shelter:*
 - This service can be either long or short-term aid.
 - *Funding Analysis:*
 - Are CDBG funds a major source of the applicants funding?
 - What is the CDBG's request percentage to this applicant's total funding?
 - What is the agency's history of using CDBG funds?
 - *Regional Service:*
 - Does this applicant serve a Sandy City need that is not being met by another agency within Sandy City Boundaries?
- Weighted Ranking:

– Life Threatening	40%
– Food & Shelter	20%
– Funding Analysis	20%
– Regional Service	<u>20%</u>
Total	100%

CDBG Budget Breakdown - Public Services

- Rank Order for FY 2016-2017

Recommended Funding

1	South Valley Services	\$8,831.00
2	Road Home	\$9,000.00
3	YWCA	\$4,000.00
4	Road Home	\$7,000.00
5	Family Support Center	\$4,000.00
6	Legal Aid Society of Salt Lake	\$7,000.00
7	Catholic Community Services of Utah	\$7,000.00
8	SL CAP	\$6,000.00
9	Big Brothers Big Sisters of Utah	\$2,000.00
10	Sandy Counseling Centers (VISIONS)	\$0.00
11	People Helping People	\$0.00
12	Valley Behavioral Health	\$0.00
13	Eye Care 4 Kids	\$0.00

CDBG - Allocation Methodology - Hard Costs

- Hard Costs
 - Physical Improvements, Housing Rehabilitation, etc.
- Committee sorts request into categories or priorities:
 - High Priority
 - Housing Rehabilitation
 - Home Repairs
 - Create New or Maintain Affordable Housing
 - Mid Priority
 - Community Infrastructure
 - Low Priority
 - Facility Upgrades
- Committee then ranks them on the following questions:
 - How are the requested funds critical to the applicant's mission?
 - Is the amount requested appropriate to the listed use?
 - To what degree does this applicant/use further the Committee's goals?

CDBG Budget Breakdown - Hard Costs

- Rank Order for FY 2016-2017

	Recommended Funding
1 ASSIST	\$50,000.00
2 SL CAP	\$10,000.00
3 Sandy City Public Works	\$203,875.00
4 Road Home	\$0.00
5 Odyssey House	\$0.00
6 Project Reality	\$0.00
NeighborWorks (Withdrawn)	\$0.00

FY 2016-2017 CDBG Recommended Budget

Overall Budget

Funding Sources	Funding Request	Requested Grand Total	Recommended Funding	Recommended Grand Total
2015-2016 CDBG Entitlement	\$365,545.00			
Total Available Funds		\$365,545.00		
Administration	(20% CAP of Grant Amount)			
Subtotal		\$46,839.00		\$46,839.00

Housing Rehabilitation/Economic Development/Infrastructure Improvements

Odyssey House - Facility Improvements - HVAC Update	\$5,030.00		\$0.00	
Road Home - Facility Improvements - Transitional Housing Maintenance	\$5,000.00		\$0.00	
Project Reality - Facility Improvements - Video Surveillance System	\$18,000.00		\$0.00	
ASSIST - Housing - Emergency Home Repair & Accessibility Design Assistance	\$50,000.00		\$50,000.00	
NeighborWorks - Housing - Rebuild, Rehab, & Revitalize	\$236,000.00	(withdrawn)	\$0.00	
SL CAP - Housing - Weatherization	\$10,000.00		\$10,000.00	
Sandy City Public Works - Road Construction - 8680 South - Phase 3	\$356,000.00		\$203,875.00	
Subtotal		\$680,030.00		\$263,875.00

Public Service Activities

(15% CAP of Grant Amount)

Sandy Counseling Centers (VISIONS) - Community Treatment Programs	\$10,000.00		\$0.00	
Big Brothers Big Sisters of Utah - Community-Based Youth Mentoring Program	\$3,000.00		\$2,000.00	
Family Support Center - Crisis Nursery and Counseling	\$5,000.00		\$4,000.00	
YWCA - Domestic Abuse Shelter and Services - Women In Jeopardy Program	\$5,000.00		\$4,000.00	
South Valley Services - Domestic Violence Victim and Advocacy Services	\$12,000.00		\$8,831.00	
Legal Aid Society of Salt Lake - Domestic Violence Victim Assistance Program	\$10,000.00		\$7,000.00	
People Helping People - Employment Program for Single Women	\$5,000.00		\$0.00	
Road Home - Homeless Shelter Operations	\$12,000.00		\$9,000.00	
Catholic Community Services of Utah - Homeless Services	\$10,000.00		\$7,000.00	
Eye Care 4 Kids - Purchase of Eyewear for Youth - Catch the Vision	\$15,000.00		\$0.00	
SL CAP - South County Food Pantry	\$6,000.00		\$6,000.00	
Valley Behavioral Health - Student Based Mental Health Services	\$25,000.00		\$0.00	
Road Home - Transitional Housing Operations	\$8,500.00		\$7,000.00	
Subtotal		\$126,500.00		\$54,831.00

GRAND TOTAL

\$853,369.00

\$365,545.00

Notes:

Public Services is limited to 15% of the new portion of grant, or

\$54,831.75

Administration is limited to 20% of the new portion of grant, or

\$73,109.00



City Council

