

# CDBG PROGRAM OVERVIEW

April 11, 2017

# CDBG HISTORY

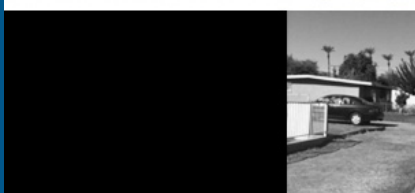


- Authorized under Title I of the Housing and Community Development Act of 1974
- The program provides annual grants on a formula basis to local governments and states.



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

## Eligible Activities\*\*\*\*

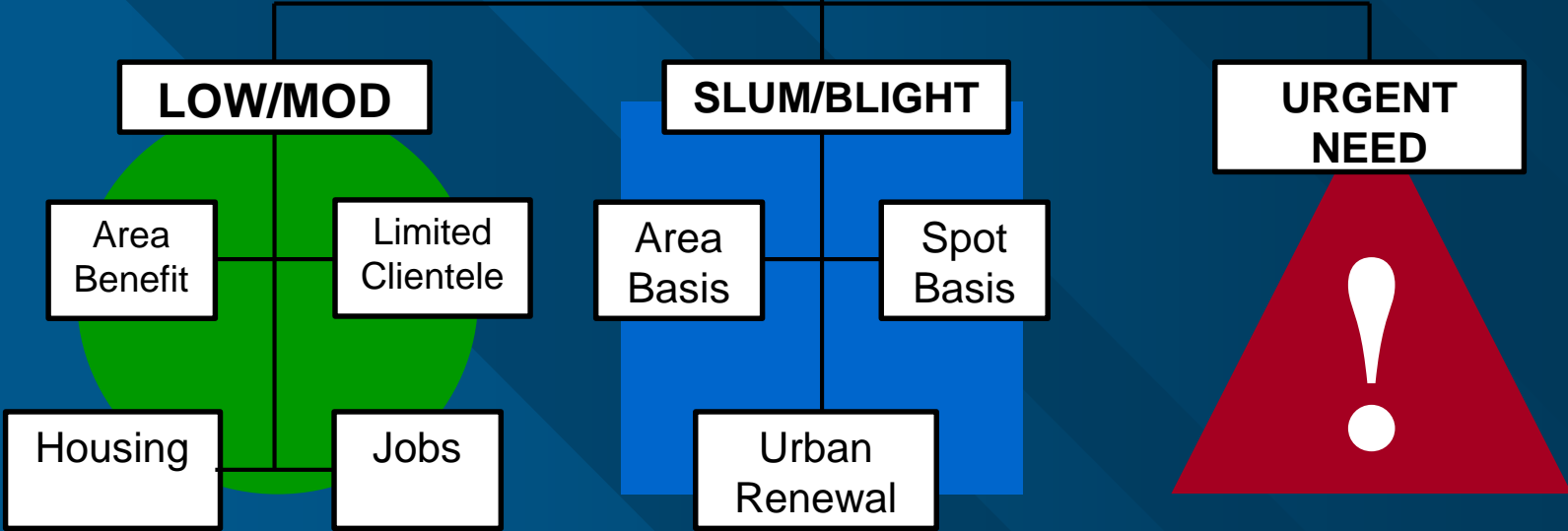
- Housing & other real property activities
- Economic development
- Public facilities
- Public services
- Community Based Development Organizations (CBDO) activities
- Planning and administration
- Others

## 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

# 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 - Going Forward

- Current 17-18 Budget Allocations
  - Not Yet Announced
  - Proposed Budget Uses Best Staff Estimates
  - It's possible the program won't be funded this year at all, but unlikely
  - Likely to continue operation under current Approved FY17 Federal Budget (Oct 1, 2017 – Sept 30, 2018)

## Will there be a CDBG Program in the Future?

- President Trump's Budget Cuts
  - Eliminates CDBG Program Entirely
  - Eliminates HOME Program Entirely
  - Other Program Cuts
  - Overall 14% Cut to HUD Budget (over \$6 Billion)

CDBG Advisory  
Committee  
Recommended  
Budget

April 11, 2017



# Committee Members

- Donald Gerdy (Chair)
- Wade Greenwood (Vice-Chair)
- Julie Barrus (Secretary)
- Macleans GeoJaJa
- 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 - \$5,000 per Request
- Focus on Outcomes vs Inputs

# FY 2017-2018 CDBG Budget Summary

Available Funding for FY  
2017-2018

– \$350,000\*  
+ \$16,023.49  
(reallocated funds)  
\$366,023.49

Max Available for Public  
Services

– \$52,500\*\*

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

– \$266,684.49\*\*\*

Total Requests for FY  
2017-2018

– \$554,039

Total Public Services  
Requests

– \$81,500

Total Hard Costs  
Requests

– \$425,700

Difference

-\$188,015.51

-\$29,000

-\$159,015.51

\*Estimated Allocation

\*\*Represents 15% Cap

\*\*\*Remainder after Admin, & Public  
Services + reallocated funds

Bottom line:

We can't fund everyone or make  
everyone happy

City Council

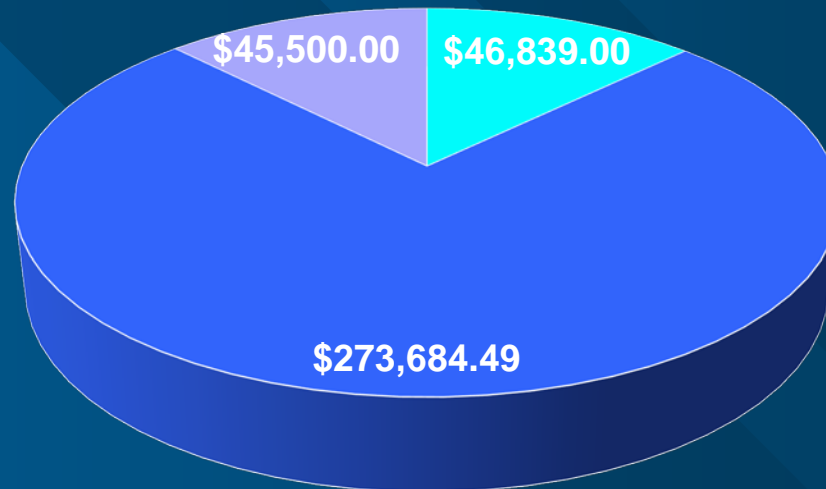


# FY 2017-2018 CDBG Budget Breakdown

- Program Administration: \$46,839
- Hard Costs (Housing, etc): \$273,684.49
- Public Services: \$45,500

**TOTAL:**

**\$366,023.49**



■ Administration

■ Physical Improvements

■ Public Services

*City Council*



# CDBG - Evaluation Tools - ZoomGrants

- Customized Application Process
  - Pre-Application screening
  - Application Questions
  - Program Budget
  - Document Attachments
  - Post-Funding Reporting
- Simplified Review Process
  - Custom scoring criteria
  - Voting recommendations
  - Allocation recommendations
  - Private notes
  - Committee discussion
- Powerful Administration Tools
  - Workflow dashboards
  - Application comparison features
  - Weighted scoring comparisons
  - Custom email notification templates
  - Invoice & payment tracking
  - Post-funding reporting

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ZOOMGRANTS

# CDBG - Evaluation Scoring Criteria

## Evaluation Scoring Criteria

100 Points Total

### Program and Needs

50 Pts (+ bonus)

- How well the project is described and form completed? 5 pts
- Increases Level of Service? 15 pts
- How the described program meets City Goals in Con Plan? 30 pts
  - Public Services
    - High Priority (x3)
      - Maintain Homeless Shelters and Provide Outreach
    - Medium Priority (x2)
      - Support Transitional and Permanent Housing Solutions for the Homeless
    - Low Priority (x1)
      - Support Essential Public Services and Programs
  - Physical Improvements
    - High Priority (x3)
      - Provide Home Rehabilitation Assistance
      - Increase Access to Affordable Housing
      - Provide Critical Repairs for Safe and Healthy Homes
    - Medium Priority (x2)
      - Correct Accessibility Deficiencies
    - Low Priority (x1)
      - Improve and Provide Adequate Senior Facilities
      - Building Improvements for Essential Public Services
- Cooperative Grant? (bonus points) 10 pts

# CDBG - Evaluation Scoring Criteria

## Evaluation Scoring Criteria (continued)

### Outcomes

20 pts

- Description of Historical Outcomes (past success) (14)
- Description of Projected Outcomes (15, 16)

10 pts

10 pts

### Budget (see Budget Tab, 17, 18)

10 pts (+ bonus)

- Demonstrated Need of Funding
- Leveraged CDBG funds? (bonus points)

10 pts

10 pts

### Organization and Capacity

20 pts

- Description of Agency (2-4, Board of Directors)
- Meets program requirements
- Marketing and Outreach Strategy
- Accounting System

5 pts

5 pts

5 pts

5 pts

**Total 100 pts Possible**

**(+ 20 pts in BONUS)**



# CDBG Budget Breakdown - Physical Improvements

- Rank Order & Proposed Funding for FY 2017-2018

Physical Improvements	Score	Rank	Funding
Sandy City Public Works - Road Construction - 8680 South - Phase 3	n/a	1	\$200,000.00
ASSIST - Housing - Emergency Home Repair & Accessibility Design Assistance	101.85	2	\$55,184.49
The INN Between - Hospice for the Homeless	88.50	3	\$7,000.00
Odyssey House - Facility Improvements - HVAC Update	84.88	4	\$6,500.00
Road Home - Facility Improvements - Transitional Housing Maintenance	82.25	5	\$5,000.00
NeighborWorks - Housing Rehab	78.50	6	-
SL CAP - Housing - Weatherization	78.25	7	-
Project Reality - New Building	52.00	8	-

# CDBG Budget Breakdown - Public Services

- Rank Order & Proposed Funding for FY 2017-2018

## Public Services

## Score Rank Funding

South Valley Services - Domestic Violence Victim and Advocacy Services	96.58	1	\$10,000.00
Road Home - Homeless Shelter Operations	94	2	\$9,000.00
SL CAP - South County Food Pantry	88.75	3	\$6,000.00
Family Support Center - Crisis Nursery and Counseling	84.88	4	\$5,000.00
YWCA - Domestic Abuse Shelter and Services - Women in Jeopardy Program	84	5	\$5,000.00
Road Home - Transitional Housing Operations	83.75	6	\$5,500.00
Community Health Centers - Dental and Medical Services	80.63	7	\$5,000.00
Big Brothers Big Sisters of Utah - Community-Based Youth Mentoring Program	74	8	-
SL CAP - Case Management and Housing	73.25	9	-
Legal Aid Society of Salt Lake - Domestic Violence Victim Assistance Program	72.13	10	-
People Helping People - Employment Program for Single Women	60	11	-

# FY 2017-2018 CDBG Recommended Budget

# Overall Budget

Funding Sources		Funding Request	Requested Grand Total	Committee Recommended Funding	Recommended Grand Total
2017-2018 CDBG Entitlement		\$350,000.00			
Unprogramed Funds (completed or terminated) projects		\$16,023.49			
<b>Total Available Funds</b>			<b>\$366,023.49</b>		
<b>Administration</b>			<b>(20% CAP of Grant Amount)</b>		
Planning & Capacity Non-Salary	Administration	\$7,022.00		\$7,022.00	
Planning & Capacity Building	Administration	\$6,752.00		\$6,752.00	
Administration	Administration	\$33,065.00		\$33,065.00	
<b>Subtotal</b>			<b>\$46,839.00</b>		<b>\$46,839.00</b>
<b>Housing Rehabilitation/Economic Development/Infrastructure Improvements</b>					
Odyssey House - Facility Improvements - HVAC Update	Facility Improve	\$6,500.00		\$6,500.00	
Road Home - Facility Improvements - Transitional Housing Maintenance	Facility Improve	\$5,000.00		\$5,000.00	
Project Reality - New Building	Facility Improve	\$109,200.00			
The INN Between - Hospice for the Homeless	Facility Improve	\$10,000.00		\$7,000.00	
ASSIST - Housing - Emergency Home Repair & Accessibility Design Assistance	Housing - Emerge	\$75,000.00		\$55,184.49	
NeighborWorks - Housing Rehab	Housing - Rebuild,	\$10,000.00			
SL CAP - Housing - Weatherization	Housing - Weather	\$10,000.00			
Sandy City Public Works - Road Construction - 8680 South - Phase 3	Infrastructure	\$200,000.00		\$200,000.00	
<b>Subtotal</b>			<b>\$425,700.00</b>		<b>\$273,684.49</b>
<b>Public Service Activities</b>					
			<b>(15% CAP of Grant Amount)</b>		
Big Brothers Big Sisters of Utah - Community-Based Youth Mentoring Program	Public Service	\$5,000.00			
Community Health Centers - Dental and Medical Services	Public Service	\$10,000.00		\$5,000.00	
Family Support Center - Crisis Nursery and Counseling	Public Service	\$5,000.00		\$5,000.00	
Legal Aid Society of Salt Lake - Domestic Violence Victim Assistance Program	Public Service	\$10,000.00			
People Helping People - Employment Program for Single Women	Public Service	\$5,000.00			
SL CAP - Case Management and Housing	Public Service	\$5,000.00			
SL CAP - South County Food Pantry	Public Service	\$6,000.00		\$6,000.00	
South Valley Services - Domestic Violence Victim and Advocacy Services	Public Service	\$10,000.00		\$10,000.00	
Road Home - Homeless Shelter Operations	Public Service	\$12,000.00		\$9,000.00	
Road Home - Transitional Housing Operations	Public Service	\$8,500.00		\$5,500.00	
YWCA - Domestic Abuse Shelter and Services - Women in Jeopardy Program	Public Service	\$5,000.00		\$5,000.00	
<b>Subtotal</b>			<b>\$81,500.00</b>		<b>\$45,500.00</b>
<b>GRAND TOTAL</b>			<b>\$554,039.00</b>		<b>\$366,023.49</b>
<b>Notes:</b>					
<b>Public Services</b> is limited to 15% of the new portion of grant, or		\$52,500.00			
<b>Administration</b> is limited to 20% of the new portion of grant, or		\$70,000.00			

