

CDBG PROGRAM OVERVIEW

April 11, 2017

CDBG HISTORY

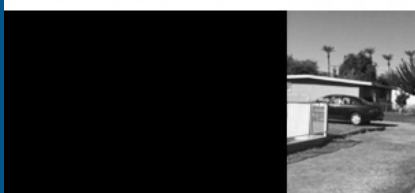


- Authorized under Title I of the Housing and Community Development Act of 1974
- The program provides annual grants on a formula basis to local governments and states.



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 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****

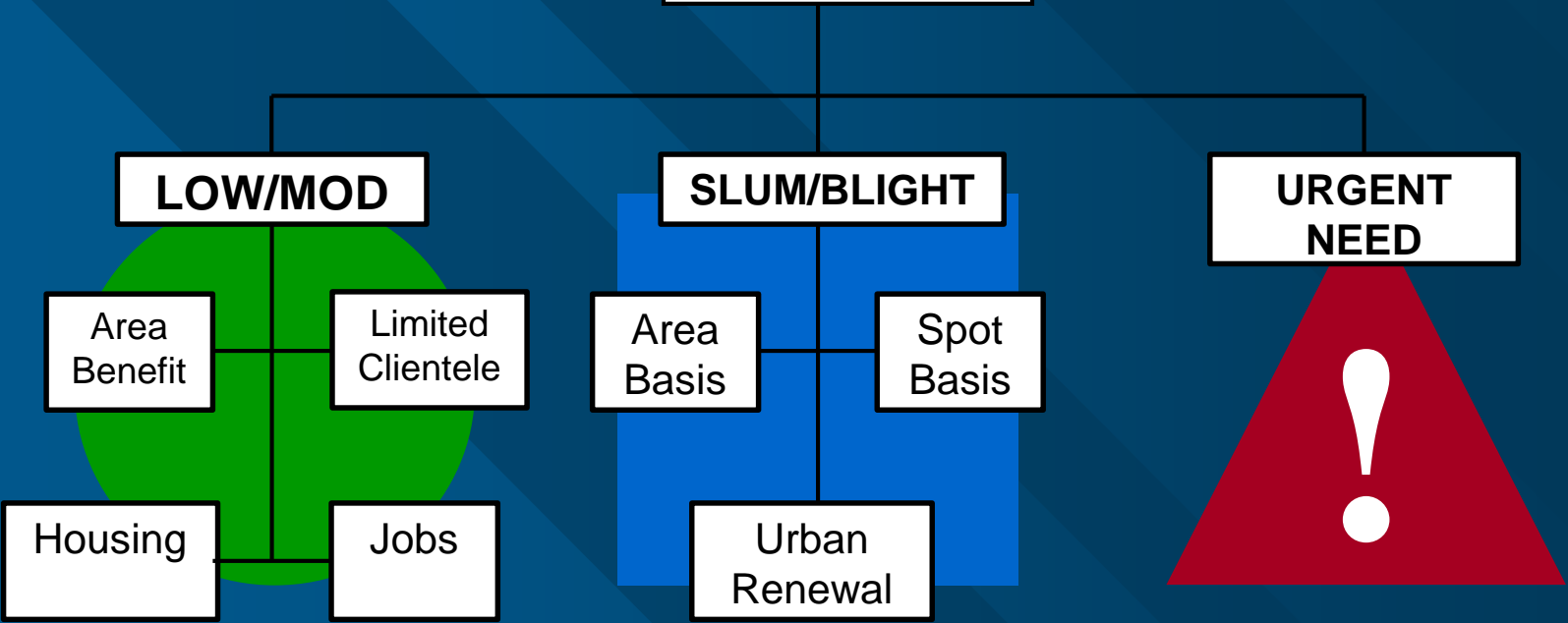
- Housing & other real property activities
- Economic development
- Public facilities
- Public services
- Community Based Development Organizations (CBDO) activities
- Planning and administration
- Others

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

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
Revised
Recommended
Budget

July 18, 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

– \$382,364*
+ \$16,023.49
(reallocated funds)
\$398,387.49

Max Available for Public
Services

– \$57,354.60*

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

– \$351,548.49**

Total Requests for FY
2017-2018

– \$554,039

Total Public Services
Requests

– \$81,500

Total Hard Costs
Requests

– \$425,700

Difference

-\$155,651.51

-\$24,145.40

-\$74,151.51

*Represents 15% Cap

**Remainder after Administration
+ reallocated funds

Bottom line:

We can't fund everyone or make
everyone happy

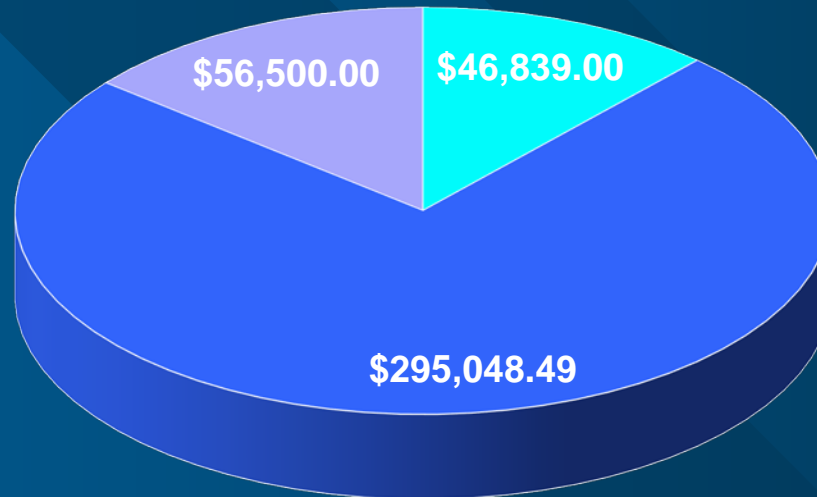
City Council



FY 2017-2018 CDBG Budget Breakdown

- Program Administration: \$46,839
- Hard Costs (Housing, etc): \$295,048.49
- Public Services: \$56,500

TOTAL: \$398,387.49



■ 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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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*	n/a*	\$200,000.00*
ASSIST - Housing - Emergency Home Repair & Accessibility Design Assistance	101.85	1	\$66,548.49
The INN Between - Hospice for the Homeless	88.50	2	\$7,000.00
Odyssey House - Facility Improvements - HVAC Update	84.88	3	\$6,500.00
Road Home - Facility Improvements - Transitional Housing Maintenance	82.25	4	\$5,000.00
NeighborWorks - Housing Rehab	78.50	5	\$10,000.00
SL CAP - Housing - Weatherization	78.25	6	-
Project Reality - New Building	52.00	7	-

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	\$12,000.00
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	\$8,500.00
Community Health Centers - Dental and Medical Services	80.63	7	\$10,000.00
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		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		
Total Available Funds		\$366,023.49		
Administration	(20% CAP of Grant Amount)			
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	
Subtotal		\$46,839.00		\$46,839.00
Housing Rehabilitation/Economic Development/Infrastructure Improvements				
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	
Subtotal		\$425,700.00		\$273,684.49
Public Service Activities				
(15% CAP of Grant Amount)				
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	
Subtotal		\$81,500.00		\$45,500.00
GRAND TOTAL		\$554,039.00		\$366,023.49
Notes:				
Public Services is limited to 15% of the new portion of grant, or		\$52,500.00		
Administration is limited to 20% of the new portion of grant, or		\$70,000.00		



HOME Program Update

2017-18 FY HOME Allocations

Consortium - Salt Lake County	UT	Consortia	\$1,362,461	100%
Sandy City	UT	Metro City	\$108,997	8%
South Jordan	UT	Metro City	\$44,961	3%
Taylorsville	UT	Metro City	\$103,547	8%
West Jordan	UT	Metro City	\$134,884	10%
West Valley	UT	Metro City	\$284,754	21%
Salt Lake County	UT	CDBG Urban County	\$683,955	50%