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Community Development Block Grant

IACC Conference - Wenatchee

October 2014

Community Development Block Grant

- Annual “block” of funds from HUD
- Began in 1974 by combining 7 grant programs
- Federal CDBG budget:
 - 70% for city/county urban (entitlement) programs
 - 30% for state rural (non-entitlement) programs
- Entitlement status based on population
- HUD directly awards Indian CDBG funds
- WA State CDBG administered by the state Dept. of Commerce


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Local CDBG & State CDBG Programs



<p>Non-Entitlement Counties</p> <p>These counties and the cities/towns in these counties except the 11 listed to the far right, are served by the state CDBG program.</p>	<p>Entitlement Counties</p> <p>These 7 counties and the cities/towns in these counties are not served by the state CDBG program except Bonney Lake in Pierce County.</p>	<p>Entitlement cities not served by the state CDBG program, but in non-entitlement counties:</p> <ul style="list-style-type: none"> • Anacortes • Bellingham • Longview • Mount Vernon • Richland, Pasco, Kennewick • Wenatchee, East Wenatchee • Walla Walla • Yakima
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How to find info on CDBG programs

Federal CDBG program and general info:

- HUD CDBG website at www.hud.gov
 - Annual formula allocations across the US
 - Federal, state, city & county contact info

Local CDBG programs:

- City or county website; usually in local community development or planning depts

WA State CDBG program:

- www.commerce.wa.gov/cdbg


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CDBG Eligible Activities

1. **Public facilities (including sewer, water, streets/sidewalks, community facilities)**
 - Design, construction, acquisition
2. **Economic development - direct job creation**
 - Business assistance, infrastructure, training
3. **Affordable housing**
 - Rehabilitation, side services, acquisition and infrastructure in support of new housing


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CDBG Eligible Activities (cont.)

4. **Planning**
5. **Public Services**

Ineligible Activities

- Government admin buildings
- Operations and maintenance
- New housing construction




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CDBG National Objectives

- Benefit low- and moderate-income persons
Is the primary program objective
 - 70% of program's activities must benefit LMI
- Prevent or eliminate slum/blight
- Meet urgent need/immediate threat to public health & safety

LMI = up to 80% of area median income

- Ex. \$44,950 four person family in Grant Co.



Low- and Moderate-Income (LMI)

LMI Area Benefit

= All persons in city/town boundaries or service area benefit by activity

Then at least 51% of persons must be LMI, based on:

- HUD's **new 2014** LMI Census/ACS Data, *or*
- Income Survey meeting CDBG standards

LMI data and guidance available on CDBG website



Low- and Moderate-Income (LMI)

LMI Direct Benefit

Activity targets LMI persons

- Income qualified services, housing or jobs
- HUD Special Group

abused children, battered spouses, elderly persons, homeless, illiterate persons, migrant farmworkers, persons living with AIDS, severely disabled adults



Grant Process

Each CDBG entitlement city/county and CDBG state program is unique.



Each will:

- Conduct required citizen participation
- Determine community priorities
- Design and implement application process
- Submit a 5-yr and annual Action Plans and performance reports to HUD



Washington State CDBG Program

Program Year = July - June

- 2014 - \$11 million (HUD) + \$9 million RLF
- 2015 - \$11 million (est)

Sub-funds:

• General Purpose Grants	\$ 9 million
• Planning-Only Grants	\$ 400,000
• Imminent Threat Grants	\$ 100,000
• Housing Enhancement Grants	\$ 200,000
• Public Services Grants	\$ 1.5 million
• Economic Opportunity Grants	\$ 9 million



Washington St CDBG Funding Cycles

JAN 2014	FEB 2014	MAR 2014	APRIL 2014	MAY 2014	JUNE 2014	JULY 2014	AUG 2014	SEPT 2014	OCT 2014	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APRIL 2015
<p>2014 General Purpose Grants April 21st: Application available June 19th: Applications due Sept: Awards announced</p>															
<p>Planning-Only Grants Sept 15th: Application available Oct 1st: Applications accepted & awarded until 4/30/15, while funds last</p>															
<p>Housing Enhancement Grants July 1st: Applications accepted with Housing Trust Fund application</p>															
<p>Imminent Threat Grants July 1st: Applications accepted until 6/30/15, for emergency situations while funds last</p>															
<p>Economic Opportunity Grants March 17th: Applications accepted until 6/30/15, while funds last</p>															
<p>2014 Public Services Grants February 3rd: Application available April 1st - Applications due July 1st - Awards begin</p>															
<p>2015 Public Services Grants</p>															



WA St CDBG *General Purpose Grants*

Proposed for 2015

Timeline

- March/April 2015 Application workshops
- June 2015 Due date
- September 2015 Awards

Max grant

- \$750,000 - \$1 M Construction or acquisition
- \$500,000 Housing rehabilitation
- \$250,000 Microenterprise assistance

Contact: Sheila Lee-Johnston



WA St CDBG *Planning-Only Grants*

Timeline

NOW - April 2015

Accepting applications while funds last

Max grant

- \$24,000
- \$35,000 (if addresses public health/safety and financial need)

Contact: Phyllis Cole



WA St CDBG *Economic Opportunity Grants*

Timeline

NOW - June 2015

Accepting applications while funds last

Max grant

- \$35,000 / FTE job created
- If no direct jobs, based on financial need and economic impact
- Also subsidized business loans through non-profit financial institution

Contact: Kaaren Roe



Is Federal Grant Money Free?

Federal Requirements

- Environmental Review (SEPA/NEPA)
- Procurement requirements (MWBE, Section 3)
- Davis-Bacon Labor Standards
- Civil Rights compliance (Fair Housing, ADA)
- Acquisition & Relocation (seller/tenant rights)
- Audit (Federal A-133)
- Subrecipient monitoring



Federal Budget Concerns

Funding cuts & delays

2012 - 13.8% less

2013 - 4% less

2014 - 4% less



April 2015 - *hope* to know allocation for state

July 2015 - *hope* to receive 2015 funds



CDBG - Recommended Next Steps

1. Determine project fit with CDBG:
 - Would project benefit LMI persons? (affordable rates, public health, job creation)
 - Is project prioritized by local plans & regulatory agency?
2. Research and apply to funding (loan) partners
3. Estimate need using Rate Affordability Review
4. Visit website for CDBG news and documents
5. Attend CDBG workshop in March/April



Website – www.commerce.wa.gov/cdbg

The screenshot shows the Department of Commerce website for the Community Development Block Grant (CDBG) Program. The page is organized into several sections:

- Fund info:** Located at the top right, this section provides information about the funding source and program details.
- What's New:** Located in the middle right, this section highlights recent updates or news related to the program.
- Resources:** Located at the bottom right, this section lists various documents, forms, and links available to users.

Blue arrows are overlaid on the screenshot, pointing to the 'Fund info', 'What's New', and 'Resources' sections.

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