

AGENDA ITEM # V-A.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM SUMMARY

Community Development Block Grant Funds are distributed by the U.S. Department of Housing and Urban Development to states for allocation. In Utah, involvement from local elected officials is utilized through each of the Associations of Government. The Utah Small Cities staff in the Department of Community and Culture, Division of Housing and Community Development, allocates funds to each of the AOG's based on a formula containing a base amount and then utilizing population data. Base funding in the amount of \$300,000 to each region and the remainder based on population utilizing state formula approved by the CDBG Policy Committee.

Under HUD standards projects have to meet one of the three National Objectives that Congress has determined to be the purpose of this program: **1) Low to Moderate Income Benefit; 2) Aiding in the Prevention of Elimination of Slums or Blight; or 3) Urgent Health and Welfare Compliance.**

The CDBG program provides grants to **cities and towns less than 50,000** in population and **counties of less than 200,000** in population. Only local jurisdictions, i.e., counties, incorporated cities/towns, tribes, or other HUD recognized units of government (AOGs) are considered eligible applicants. Other applicants must apply through their local jurisdiction, the legal applicant, and enter into an inter-local cooperative agreement to receive CDBG funding.

Benefit to at least 51% LMI direct beneficiaries of the proposed project must consist of families whose total family income does not exceed 80% of the county median income for the current program year or at least 51% of the beneficiaries of the project consist of families whose total family income does not exceed 80% of the median income for the entire non-metropolitan area of the state of Utah.

Presumed Low-moderate income (LMI) groups include: 1) Abused Children; 2) Battered Spouses; 3) Elderly Persons; 4) Illiterate Adults; 5) Homeless Persons; 6) Persons living with AIDS; 5) Severely Disabled Adults meeting the Bureau of Census definition; and 7) Migrant Farm Workers.

An example of a typical annual schedule developed by the State CDBG Policy Committee is shown below:

September - Application Workshops Held
December - Application Due Date
February - Project Rating and Ranking
March - Grant Award Notification
April - Grantee Workshops Held
May - Final Application Due Date

AGENDA ITEM # V-A. (Continued)

A system has been developed for rating applications. The rating and ranking criteria are reviewed on an annual basis to determine if changes are necessary. These criteria are adopted by the Steering Committee in August each year. Mailers were provided to all jurisdictions in the region requesting review and input for the FY 2010 program year. Eight criteria are mandated by the State CDBG Policy Committee to be addressed in the Rating and Ranking process. These criteria include: **1) Capacity to Carry Out the Grant; 2) Job Creation; 3) Expansion and/or Improvement of Housing Stock; 4) Affordable Housing Plan; 5) Extent of Poverty; 6) Financial Commitment to Community Development—local match; 7) Project Maturity and 8) Proactive Planning in operation of city/county government.**

Examples of some eligible CDBG project activities are listed below. The majority of projects funded in the Five County region have historically been brick and mortar types of projects. Projects such as senior citizen centers, housing, improvements on ground to assist low/moderate income individuals have been undertaken.

Affordable Housing Projects:

- acquisition of property
- new construction
- rehabilitation
- relocation expenses
- demolition
- site improvements
- development hard costs
- limited first-time home buyers assistance
- multi-family, single family, transitional, special needs housing & homeless shelters

Community Development Projects:

- culinary water improvements
- waste water improvements
- natural gas line accessibility/expansions
- road, street & pedestrian walkways
- fire stations & emergency equipment
- ADA accessibility for public buildings
- flood control systems
- rehabilitation of slums & blighted areas
- historic preservation
- acquisition of property/land
- community & senior centers
- parks, recreation & beautification projects
- public services

Economic Development Projects:

- Revolving Loan Fund (RLF) Program
- Interim/Short term Financing Program
- industrial parks & commercial centers
- stimulate private investments

Planning & Technical Assistance

Note: All project activities must meet a National Objective.