

# Memorandum on Updates to the Capital Asset Self-Inventory Requirements, Consolidated Plan and, CIB Application List

## DEFINITIONS

*Consolidated Plan (Regional Plan)* - Part of the CDBG program requirements. All the city's lists (CIP) within the region combined.

*Community Investment Plan (CIP)* - Part of the CDBG program requirements. A community's list showing which projects they have identified as being needed in the community. Some AOG's refer to this as a Capital Improvement List (CIL). This is typically submitted December 15th of each year.

*CIB Application List* - A list required by CIB containing the potential projects that each community may apply for in that year, consolidated and ranked at the county level. This is required to be submitted by each AOG on April 1st of each year.

*Capital Asset Self-Inventory (CASI)* - Simple documentation of a community's large assets and their condition.

## SUMMARY

This memo is to inform of proposed program changes. The current Capital Asset Self-Inventory tool (CASI) is seen as too complex and disconnected from project prioritization. To address this, Housing and Community Development (HCD) proposes simplifying CASI data collection and linking it to regional project lists. This change will create Regional Consolidated Project Lists (RCPL) for more efficient project coordination and funding applications. Rule changes and terminology adjustments will support this update.

## BACKGROUND

Two programs of the Housing and Community Development Division (HCD) of the Department of Workforce Services, the Community Impact Board (CIB) and the Community Development Block Grant (CDBG), are seeking to implement funding best practices by encouraging sound capital asset management. Part of that effort is ensuring that applicants submit for projects that are consistent with the applicant's documented priorities, and ensuring those priorities are reflected in the Consolidated Plan and CIB Application List.

For CDBG, projects or project types must be a high priority in the investment component of the Consolidated Plan and must help fulfill long term or strategic goals. The goals there are to:

1. Help local jurisdictions assess community development and affordable housing conditions and needs, and to make data-driven, place-based investment decisions
2. Ensure state agencies meet programmatic requirements while coordinating and optimizing finite resources.

The strategy selected to achieve these goals is the creation of a consolidated regional plan. Community Investment Plans are required to be submitted with CDBG funding applications.

For CIB, projects on the CIB Application list should be the top needs of the community. The CASI was created to assist communities with sound asset management practices, ensuring leaders have documentation of their assets, and to help ensure infrastructure repair and replacement needs are considered before community wants.

Both the CDBG Community Investment Plans and the CIB Application lists contain similar information from similar potential applicants, but lack backup documentation for any project's inclusion. Current CASIs were overly burdensome for some applicants and did not appropriately encourage sound capital asset planning. The inventory activities encouraged by the CASI were not connected to the regional lists of projects. Although regional rankings are rarely discussed during board project reviews, the AOG planners take a significant amount of time to compile and regionally prioritize the projects on the list, and each AOG conducts these activities in a different manner.

## **PROPOSAL**

In an effort to best support community projects and optimize limited resources while promoting regional coordination, Housing and Community Development (HCD) is proposing the following changes to the Capital Asset Self-Inventory tool:

- Simplifying data to be collected - to make it simpler to create and track the information and incorporate existing information.
- Incorporation of project prioritization - to focus on directly connecting the CASI to the prioritized list required by CIB and encourage sound capital asset management.

In addition, the revised CASI will facilitate the creation of regionally-coordinated lists directly prioritized by communities. Termed *Regional Consolidated Project Lists (RCPL)*, these lists incorporate the prioritized projects from each entity's CASI document. They will be compiled, but not prioritized, by county and will encourage regional coordination through each association of government. There will be one-year and five-year elements to the RCPL, also pulled from the CASI. The RCPL will replace the existing CIB Application List and Community Investment Plan. The intent is to enable one county-level list which can be used for the purposes of both programs. The benefits of this approach include:

- Consistent inputs and outputs, standardizing the project collection methodology and procedures.
- Retains local control prioritization while encouraging regional coordination
- Encourages sound capital asset management
- Reduces administrative duties for the AOG in collecting and prioritizing the annual lists

- Provides a clear connection between a community's current assets, priorities, and their application to state funding.
- Better enables coordination between state funding programs.

For CDBG, the Association of Governments representatives will be asked to review the regional consolidated plan submitted by their office on behalf of their communities to ensure that each plan includes a brief narrative identifying the process used to determine the priorities contained in the plan, in addition to lists submitted to CIB and/or CDBG.

In order to accomplish this, the following must occur:

- Rule changes:
  - R990-8-5 (A) This list shall be produced as a cooperative venture of all the eligible entities within each county area. **Change to:** This list shall include projects from all eligible entities intending to apply within each county area.
  - R990-8-5 (C) The list shall contain the following items: jurisdiction, summary description, project time frame, anticipated time of submission to the Board, projected overall cost of project, anticipated funding sources, the individual applicant's priority for their own projects, and the county area priority for each project. The county area priority for each project shall be developed as a cooperative venture of all eligible entities within a county area. **Change to:** The list shall contain the following items: jurisdiction, project title, summary description, project time frame, anticipated time of submission to the Board, projected overall cost of project, anticipated funding sources, and the individual applicant's priority for their own projects.
  - R990-8-5 (I) The regional Association of Governments are the compilers of the capital improvement lists. The AOG cannot simply add additional applications to any given list without the applicant meeting the process requirements outlined in Subsection C. **Change to:** The regional Association of Governments are the compilers of the lists. Projects on the list must be generated from the CASI, or be clearly documented as to the project's origin.
  - Name changes to reflect the decided list name