

## CDBG PROGRAM

**FUNDING:** The Community Development Block Grant (CDBG) was developed out of the Housing and Community Development Act of 1974. CDBG funds can be used for a broad range of activities including, but not limited to: direct benefit housing activities, planning activities, public services, street repair, water and sewer facilities, park improvements, demolition, historic preservation, community facilities, and fire protection facilities.

**NATIONAL OBJECTIVES:** To be eligible for CDBG funding, activities must be designed to meet at least one of the following national objectives:

- Primarily benefit low-to-moderate income persons
- Aid in the prevention or elimination of slum or blight conditions
- Meet an urgent need of the community which poses a serious and immediate threat to health or welfare of the community and other financial resources are not available to meet this need

### FEDERAL REQUIREMENTS INCLUDE:

- **CITIZEN PARTICIPATION**
- **ENVIRONMENTAL REVIEW & RELEASE OF FUNDS**
- **PREVAILING WAGE RATES** (Construction projects \$2,000 and over)
- **UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT**
- **AMERICANS WITH DISABILITIES ACT**
- **EQUAL OPORTUNITY**
- **FAIR HOUSING**

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## HOCKING. ATHENS. PERRY FAIR HOUSING CONSORTIUM

**CONTACT:** Wendy Wycinski 740-767-4500 / 800-686-1093 ([wendy@hapcap.org](mailto:wendy@hapcap.org))

### FAIR HOUSING:

The Fair Housing Act, enforced by the Ohio Civil Rights Commission, provides every person the opportunity to freely reside in any place without regard to race/color, religion, sex, national origin, disability, military status, or familial status. The CDBG program requires that Fair Housing rights are publicized and protected. To accomplish this, grantees must administer a Fair Housing Program in the CDBG project areas. While flyers and brochures are available on a continued basis, the Hocking. Athens. Perry Fair Housing Consortium will facilitate scheduled training sessions in CDBG project areas.

- **REQUIRED COMPONENTS: ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING (AI)** – The Analysis of Impediments to Fair Housing (AI) is a comprehensive planning document that analyzes the county’s fair housing needs and develops strategies and activities to address the fair housing conditions in the county. An annual update of the AI is a required component of the CDBG program.

## CDBG HOUSING PROGRAM

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### COMMUNITY HOUSING IMPROVEMENT PROGRAM (CHIP)

- **GOAL:** The Community Housing Improvement Program is a competitive program that provides funding for a flexible, community-wide approach to the preservation, improvement and provision of affordable housing for low- and moderate-income persons.
- **AVAILABLE FUNDING:** The exact amount of funding that will be available is unknown but is expected to be approximately \$25 million statewide. This includes approximately \$7.5 million in CDBG funds, \$15.6 million in HOME funds and \$1.8 million in Ohio Housing Trust funds. Counties and cities with approved Community Housing Improvement Strategies may apply for funding. The maximum grant available is \$500,000. Communities may apply for up to \$50,000 in funding above the CHIP grant limit for new home construction or rehabilitation in conjunction with a Habitat for Humanity affiliate.
- **ELIGIBLE JURISDICTIONS:** Counties and cities with an approved Community Housing Improvement Strategy (CHIS) and CHIP Policy and Procedures Manual.
- **FUNDING SCHEDULE:** There is one funding round each year. The application deadline is April 1, 2011. Grants will be awarded on September 1, 2011 and run for a period of 24 months.
- **ELIGIBLE ACTIVITIES:** Activities can include home rehabilitation, home repair (limited to \$125k per grant), new construction, down-payment assistance, homebuyer counseling, planning (\$10k limit), etc., but all activities must be consistent with the applicant community's CHIS.
- **REQUIREMENTS:**
  1. At least 80% of the CDBG grant funds and all of the HOME funds must be budgeted for activities benefiting low- or moderate-income persons.
  2. **COMMUNITY HOUSING IMPROVEMENT STRATEGY (CHIS)** – The Community Housing Improvement Strategy (CHIS) is a comprehensive planning document that analyzes the county's needs, develops strategies, and proposes to address housing conditions in the area. An update to the CHIS is required every five years.
  3. Prior to the submission of a CHIP funding application, each applicant must have an approved CHIS.
- **ADDITIONAL INFORMATION**
  1. CHIP grantees that successfully competed for CHIP funds during the last funding cycle are ineligible to receive funds in the following funding cycle.

## CDBG COMMUNITY DEVELOPMENT PROGRAMS

**CONTACT:** *Sandy Johnson, Community Dev. Coordinator 740-767-4500 ([sandy@hapcap.org](mailto:sandy@hapcap.org))*

### WATER & SEWER PROGRAM

- **GOAL:** The Water & Sewer Program is intended to provide a safe and sanitary living environment for Ohio citizens through the provision of safe and reliable drinking water and proper disposal of sanitary waste.
- **AVAILABLE FUNDING:** FY2011 funding has not been announced by FY 2010 funding was approximately \$10.5 million state-wide. Grant awards may not exceed \$600,000. The maximum award for infrastructure improvements is \$500,000. The maximum award for on-site improvements (residential connection assistance) is \$100,000.
- **ELIGIBLE JURISDICTIONS:** Counties, cities, and villages. Counties must apply on behalf of townships and unincorporated areas.
  - Cities and villages are limited to one grant award per program year.
  - Counties are limited to two awards per program year (submitted on behalf of itself or one or more eligible sub-units of local government).
  - Jurisdictions funded under this program in FY2010 are not eligible to apply for FY2011 funds.
  - Counties funded in FY2010 are allowed to apply on behalf of a different sub-unit of government within their jurisdiction.
- **ELIGIBLE ACTIVITIES:** The Water & Sewer Program will only fund projects which provide water and/or sanitary sewer to primarily residential users (minimum 60% of total users). Eligible on-site improvements include service laterals, septic tanks, and well abandonment. Applications where the primary objective is the funding of on-site improvements will not be considered.
- **ELIGIBILITY:** Benefit area must be at least 51% low- to moderate-income.
- **FUNDING SCHEDULE:** Funding applications may be submitted beginning mid-June. All construction activities must be completed by the 24<sup>th</sup> month after award. Cities and villages with one open Water & Sewer Program grant and counties with two open Water & Sewer Program grants are not eligible to apply.
- **REQUIRED COMPONENT:**
  - COMMUNITY ASSESSMENT and STRATEGY (CAS). The service area of the project must be included in the County's CAS and the proposed project must address at least one of the needs identified in the CAS.
- **COMPETITIVE PROGRAM:**
  - This funding is competitive and projects must be ready to be constructed before funding will be considered. OEPA Permit to Install (PTI) or Plan Approval must be issued prior to grant award. Applicant must be able to demonstrate capacity by operation of an existing water or sewer facility. Communities with EPA mandates are given priority.
  - Each CDBG dollar must leverage at least \$1 dollar of other public or private funds in the approved project costs. Communities must be able to demonstrate ability to raise funds locally through user fees.

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### FORMULA ALLOCATION GRANTS (Non-Entitlement Areas)

- **GOAL:** To provide communities with a flexible housing and community development resource that can be used to address locally identified needs that are eligible CDBG activities and qualify under the national objectives of Low- and Moderate-Income (LIM) or Elimination of Slum and Blight.
- **AVAILABLE FUNDING:** FY2011 is currently unknown however FY2010 funding was \$228,000. This includes \$36,000 for the Acquired City of Nelsonville, and \$45,600 for administration and the Fair Housing program, leaving \$153,600 to fund other activities.
- **FORMULA ALLOCATION PRINCIPLES:**
  - The County received its allocation of funding based on the number of low-and moderate-income persons residing in the county according to the 2000 census.
  - Cities with an LMI population of at least 25 percent and a funding allocation of \$30,000 but less than \$50,000 are defined as “Acquired Cities.”
  - “Direct Cities” are cities with an LMI population of at least 25 percent and a funding allocation of \$50,000 or more.
  - The County is required to expend the Acquired City allocation on CDBG eligible activities within the Acquired City (less allowable administration and implementation costs). Acquired Cities have the prerogative to select their own CDBG eligible projects.
  - Direct Cities are awarded and administer their own grants.
  - Funding for cities that do not meet the acquired or direct city criteria will be awarded to the county of jurisdiction. All communities within the county may petition the county for project funding considerations.
- **ELIGIBLE ACTIVITIES:** The Formula Allocation Program can fund a wide variety of CDBG eligible activities: street improvements (not Chip & Seal or gravel based), sidewalks, curbs and gutters, ADA curb-cuts, neighborhood facilities, community centers, fire protection facilities and equipment, smaller scale water and/or sewer facility improvement projects, guardrails, equipment, acquisition, demolition, construction, reconstruction, ADA accessibility, flood and drainage improvements, parks & playgrounds,
- **INELIGIBLE ACTIVITIES:** Costs of operating or maintaining public facilities; buildings that are used for the general conduction of government business are not eligible except for removal of architectural barriers.
- **NUMBER OF PROJECTS:** Counties may fund a maximum of six projects. Acquired Cities may fund a maximum of three projects.
- **PROGRAM BENEFIT:** Each activity must meet the LMI or Slum and Blight national objective and the program’s overall benefit to persons from low- and moderate-income households must be at least 51%. The benefit area must be 51% according to the 2000 census or through a recent income survey.

**FORMULA ALLOCATION GRANTS (Non-Entitlement Areas), CONTINUED**

- **APPLICATION TIMING:** Application due date is to be determined. The 2010 deadline was June 25, 2010. The grant award is scheduled for September 1, 2011 and runs for 18 months. All work must be completed December 31, 2012. (Neighborhood Revitalization Program Grant recipients are allowed up to 24 months to complete their Formula activities as well.)
  - **REQUIRED COMPONENT:**
    - COMMUNITY ASSESSMENT AND STRATEGY (CAS) - The Community Assessment and Strategy (CAS) is a comprehensive planning document that analyzes the needs of a variety of communities throughout the county. The CAS focuses on demographics and needs of potential investment areas for the county's future uses of CDBG funding. This document is updated every five years. The county must spend 50% of its Formula Program allocation on projects the CAS.
  - **INTEGRATED EFFORT:** Formula Program grantees are encouraged to integrate a portion of their Formula Allocation Program funds into any FY2011 CDBG competitive programs for which they wish to apply and successfully compete.
    - Water & Sewer Program – Must reprogram the Formula Allocation to other CDBG eligible activities if the Water & Sewer Grant application is not approved by December 31, 2011.
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- **GUIDELINES FOR LOCAL REQUESTS FOR FORMULA FUNDING:**
    - Read over the entire application.
    - Please call the HAP Community Action Community Development staff with any questions before starting the application process.
    - Fill out the application completely.
    - All uncommitted funding must be in place by June 25, 2011
    - All projects must be completed by December 31, 2012
    - Income surveys will only be required if the project is funded.
  - **APPROXIMATE APPLICATION TIMELINE:**
    - **April 15** – Applications due to Hocking. Athens. Perry Community Action
    - **Late-April** – Project Presentations to the County Commissioners
    - **Early May** – Project selections
    - **Early May** – Income Survey meeting (if required)
    - **Late-May** – Income Surveys due (if required)
    - **Early June** – Public Hearing #2 / Finalize project selection
    - **Early June** – Preparation of grant application
    - **June 15<sup>th</sup>** – Grant application to the state
  - **IF YOUR REQUEST IS FUNDED DO NOT START WORK!**
    - All grant administration and procurement activities are the responsibility of the grantee (County).
      - Environmental Review and Release of Funds
      - Federal Procurement Requirements
      - Labor Compliance

## CDBG COMMUNITY DEVELOPMENT PROGRAMS

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### NEIGHBORHOOD REVITALIZATION PROGRAM (Formula Set-Aside Program)

- **GOAL:** This is a source of competitive funding available for distressed communities. It is intended to target the investment of public and private resources to improve the quality of life, livability, and functionality of distressed areas and neighborhoods.
- **AVAILABLE FUNDING AND FUNDING SCHEDULE:** The current year allocation is unknown, however the 2010 allocation was \$3 million dollars statewide with the maximum grant award per community totaling \$300,000. The grant application is due with the Formula Program application. The grant period for these funds is 24 months.
- **ELIGIBILITY:** Eligible areas must be at least 60% LMI. Only Counties and Direct Cities are eligible to apply. Other jurisdictions may apply under the county. Only one application can be submitted each year and only areas identified in the CAS are eligible to receive funding. Grantees that received funding in the previous year are ineligible to apply the following year.
- **ELIGIBLE ACTIVITIES:** Eligible activities include public facilities improvements such as construction, reconstruction, and rehabilitation of infrastructure in targeted areas of distress that do not fit within the criteria of other CDBG competitive programs.
- **INELIGIBLE ACTIVITIES:** Downtown revitalization activities, public service or direct benefit activities, housing activities, economic development activities, large-scale single purpose water and sewer projects that extend beyond the investment area, and planning activities.
- **NUMBER OF INVESTMENT AREAS:** Neighborhood Revitalization applicants can only address one Investment Area per application submission, except counties may address up to two Investment Areas if at least one is located in an Acquired City.
- **REQUIREMENTS:**
  - To be competitive, the community should provide a 50% match in funding or through eligible projects completed through other funding sources.
  - **COMMUNITY ASSESSMENT AND STRATEGY (CAS)** – The targeted geographic area to be assisted must be consistent with the needs and strategies that are identified in the applicant’s CAS.
  - Applicants must have expended 60% of any previously awarded Neighborhood Revitalization funds.
  - **COMPETITIVE PROGRAM RATING CRITERIA:**
    1. Number and variety of activities
    2. Level of distress
    3. Leveraged funds
    4. Program Impact
    5. Citizen Participation

## CDBG COMMUNITY DEVELOPMENT PROGRAMS

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### **MICROENTERPRISE BUSINESS DEVELOPMENT PROGRAM (Formula Set-Aside Program)**

- **GOAL:** The goal of this program is to increase and support self-employment and empowerment of low- and moderate-income individuals by fostering microenterprises. Microenterprises are defined as for-profit entities with five or fewer employees, one of whom owns the business.
- **AVAILABLE FUNDING AND FUNDING SCHEDULE:** The current year allocation is unknown. However, the state allocated a total of \$250,000 toward this program in 2010 with a maximum grant award of \$60,000. The grant application is due with the Formula Program application. The grant period for these funds is 18 months.
- **ELIGIBILITY:** Only Counties and Direct Cities are eligible to apply.
- **ELIGIBLE ACTIVITIES:** Eligible activities include providing financial assistance through direct or shared loans to private, for-profit entities or individuals to support self-employment and job creation/retention. Training and/or technical assistance to for-profit entities is also eligible as are working capital loans. The microenterprise assisted must create or retain jobs, 51% or more of which will benefit LMI persons. The microenterprise assistance is provided to an LMI income person who owns or is developing a microenterprise.
- **COMPETITIVE PROGRAM RATING CRITERIA:**
  - Local capacity/Track Record (30 points): administrative capacity of the community and non-profit organization, past CDBG performance, staff experience, previous microenterprise experience and existing grantee must have expended at least 40% of any open Microenterprise grant at the time of application deadline;
  - Program design (50 points): marketing strategy, extent program design includes client screening, training program, loan servicing, appropriateness of CDBG funds and project time frame; program development costs cannot exceed \$25,000 unless documentation available that loan funds are from other sources; and
  - Program effectiveness (20 points): program outcomes, leverage of other public and private funds, and extent proposal generates an income stream.

## CDBG SUPPORTIVE RESOURCES

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### NEW HORIZONS FAIR HOUSING ASSISTANCE PROGRAM

- **GOAL:** The primary purpose of the New Horizons Fair Housing Assistance Program is to provide funds to units of local government, or consortia of units of local government, to affirmatively further fair housing in addition to activities undertaken as a required part of the Formula Allocation Program and the Community Housing Improvements Program. Affirmative fair housing strategies are to be based on locally assessed needs and commitments, as well as to further the State's fair housing goal.
- **FUNDS AVAILABLE:** Approximately \$80,000
- **GRANT CEILING:** Up to \$15,000 for one jurisdiction and up to an additional \$5,000 for each additional eligible jurisdiction in a consortium, for a maximum award of \$30,000.
- **ELIGIBLE APPLICANTS:** Direct Formula Allocation Program cities and counties.
- **ELIGIBLE ACTIVITIES:** Implementing analysis of impediments to fair housing strategies; activities to affirmatively further fair housing, actions relating to housing and community development to remedy or mitigate conditions limiting fair housing choice. Activities must be above and beyond the State minimum requirements.
- **APPLICATION AND PROGRAM PERIOD:** 2011 application deadline has not been announced but 2010 applications were accepted June 11, 2010 through May 31, 2011 with grants awarded approximately six weeks after submission. Grantees have until the end of the 12<sup>th</sup> month to complete all activities. Approximately one third of the available funds will be awarded in each four-month cycle.
- **COMPETITIVE PROGRAM:**
  - Threshold Review: Must meet all grant application requirements
  - Program Design and Impact
  - Administrative Capacity/Past Performance
  - Cost Effectiveness
  - Leverage and Coordination