

The ABCs of Community Development Block Grants

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Introduction

- ◆ Just what the heck are Community Development Block Grants?
- ◆ The Housing and Community Development Act of 1974. Signed into law by President Gerald Ford August 22, 1974
- ◆ How are funding levels determined?



The Housing and Community Development Act of 1974

- ◆ As part of his “New Federalism” initiative, President Richard Nixon pushed for the consolidation of some seven different “categorical” community development programs:

- Model Cities
- Urban Renewal
- Parks and Recreation
- Public Facilities Loans

- Open Space
- Water and Sewer
- Neighborhood Loans



Cooperation Agreement

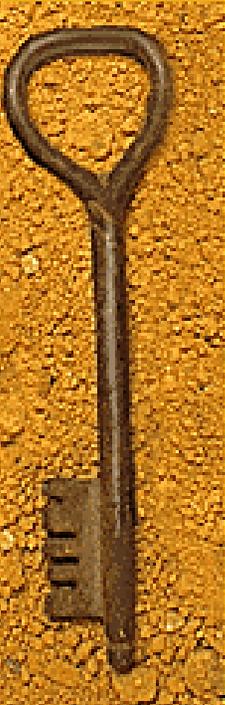
- ◆ Allows Town and Villages to apply as one entity in order to meet the statutory 50,000 minimum population threshold for a Metropolitan City.
- ◆ Current 3 Year Agreement covers FFYs 2014, 2015, 2016
- ◆ Town administers program, prepares Consolidated Plan, Annual Budgets, Consolidated Annual Performance Evaluation Report (CAPER), Monitors Compliance With Regulations (Prevailing Wage Rates, Lead Based Paint, Environmental Reviews, etc.)



Formula “A”

As adopted in 1974

- ◆ Extent of Poverty - weighted at 50%
- ◆ Population - weighted at 25%
- ◆ Age of Housing Stock - weighted at 25%
- ◆ Formula “A” is used mostly by Western and Southern communities.
- ◆ As of 1990 57% of entitlement communities used Formula “A”.



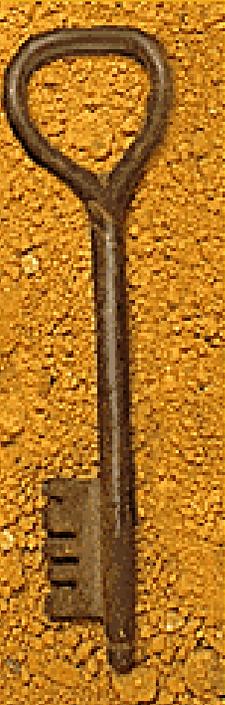
Age of Housing

- ◆ The number of existing year round housing units constructed in 1939 or earlier, based on data compiled by the US Bureau of the Census referable to the same point or period in time available from the latest decennial census.



Extent of Growth Lag

- ◆ The number of persons who would have been residents of the Town, in excess of the current population if the Town had a population growth rate between 1960 and the date of the most recent US Bureau of the Census referable to the same point or period in time equal to the population growth rate for such period of all metropolitan areas.



Extent of Poverty

- ◆ The number of persons whose incomes are below the poverty level based on data compiled and published by the US Bureau of the Census available from the latest census referable to the same point or period in time and the latest reports from the Office of Management and Budget



Formula “B”

Adopted in 1977

- ◆ Extent of poverty weighted at 30%
- ◆ Age of housing weighted at 50 %
- ◆ Extent of growth lag weighted at 20%
- ◆ Formula “B” is used mostly by Northeastern and Midwestern communities.
- ◆ As of 1990 43% of entitlement communities use formula “B”.
- ◆ Communities receive funding based upon whichever formula yields the greater amount.



National Objectives

- ◆ Activities directly benefiting persons of low to moderate income
- ◆ Activities which aid in the elimination of slums and blight
- ◆ Activities designed to meet community development needs having a particular urgency



Direct Benefit Requirements

- ◆ As of 1990, not less than 70% of funds received shall be used for activities that benefit persons of low to moderate income.
- ◆ As of the 2013 Consolidated Annual Performance & Evaluation Report (CAPER) the Town spent 96.14% of funding on direct benefit activities.
- ◆ The Town has consistently spent in excess of 90% of funding for these activities.



Eligible Activities

- ◆ Acquisition
- ◆ Disposition
- ◆ Public facilities and improvements (streets, sidewalks, bridges, water, sewer, drainage, parking ramps, and parks)
- ◆ Clearance activities
- ◆ Public Services (subject to 15% cap)
- ◆ Interim Assistance (I.e. Neighborhood Cleanup Day)



Public Services

- ◆ Job Training/Employment Counseling
- ◆ Senior Citizen Services
- ◆ Crime Prevention Counseling
- ◆ Childcare Services
- ◆ Public Safety Services
- ◆ Health Care Services
- ◆ Education Programs
- ◆ Drug/Alcohol Abuse Counseling
- ◆ Fair Housing Counseling
- ◆ Energy Conservation Counseling/Testing



Public Services (*continued*)

- ◆ Welfare (Excluding Income Payments)
- ◆ Recreational Services
- ◆ Public services must be either a new service or a quantifiable increase in the level of existing service above that which has been provided by or on behalf of the unit of general local government in the preceding twelve calendar months.



Eligible Activities (*continued*)

- ◆ Payment of non-federal share
- ◆ Urban renewal completion
- ◆ Relocation
- ◆ Loss of rental income
- ◆ Removal of architectural barriers
- ◆ Privately owned utilities
- ◆ Capacity Building/Technical Assistance



Eligible Activities (*continued*)

- ◆ Construction of housing*
- ◆ Homeownership assistance
- ◆ Rehabilitation and Preservation
- ◆ Economic Development
- ◆ Planning, urban design, policy planning, capacity building (not including designs or construction drawings)
- ◆ Program administration (subject to 20% cap)

* - Subject to sunset provisions



Ineligible Activities

- ◆ The general rule is that any activity that isn't included is excluded. Specific examples are:
- ◆ Buildings or portions thereof used for the general conduct of government.
- ◆ General government expenses.
- ◆ Political activities.





Ineligible Activities (*continued*)

- ◆ Unless otherwise authorized in 570.203 or 570.204:
- ◆ Purchase of equipment.
- ◆ Furnishings and personal property.
- ◆ Operating and maintenance costs.
- ◆ New housing construction.
- ◆ Income payments. (I.e. regular payments for food, clothing, rent, utilities, etc.)



Consolidated Plan

- ◆ What is the Consolidated Plan
- ◆ Citizen Participation
- ◆ The role of the Citizens Advisory Council For Community Development



The Consolidated Plan

- ◆ The Consolidated Plan is a five-year planning document that identifies community development needs and outlines strategies to meet those needs.
- ◆ The Consolidated Plan also serves as the application mechanism and budgetary document for the CDBG program.



Citizens Advisory Council For Community Development (CAC)

- ◆ The Town Board created the CAC which serves as the official citizen participation mechanism with regard to federal funding.
- ◆ The CAC consists of 7 members appointed by the Town Board. (2 from Endicott, 2 from Johnson City, 3 from part-town area)



Citizens Advisory Council For Community Development Members

- ◆ Vacant (Town Of Union)
- ◆ Larry Harris (Town Of Union)
- ◆ David Sine, Chairman (Town Of Union)
- ◆ John Walker, (Johnson City)
- ◆ Donald Slota (Johnson City)
- ◆ LaVon Hausamann (Endicott)
- ◆ Bonnie Cornick (Endicott)



Eligibility Determination Process

- 1) Determine if activity is eligible
- 2) Determine if activity is ineligible (I.e. public facilities are eligible, buildings for the general conduct of government are not)
- 3) Determine if activity meets a national objective
- 4) 70% low/mod expenditure test
- 5) Does activity comply with OMB circulars A-87, A-122, A21
- 6) Complete environmental review if necessary



Current Income Guidelines

Family Size

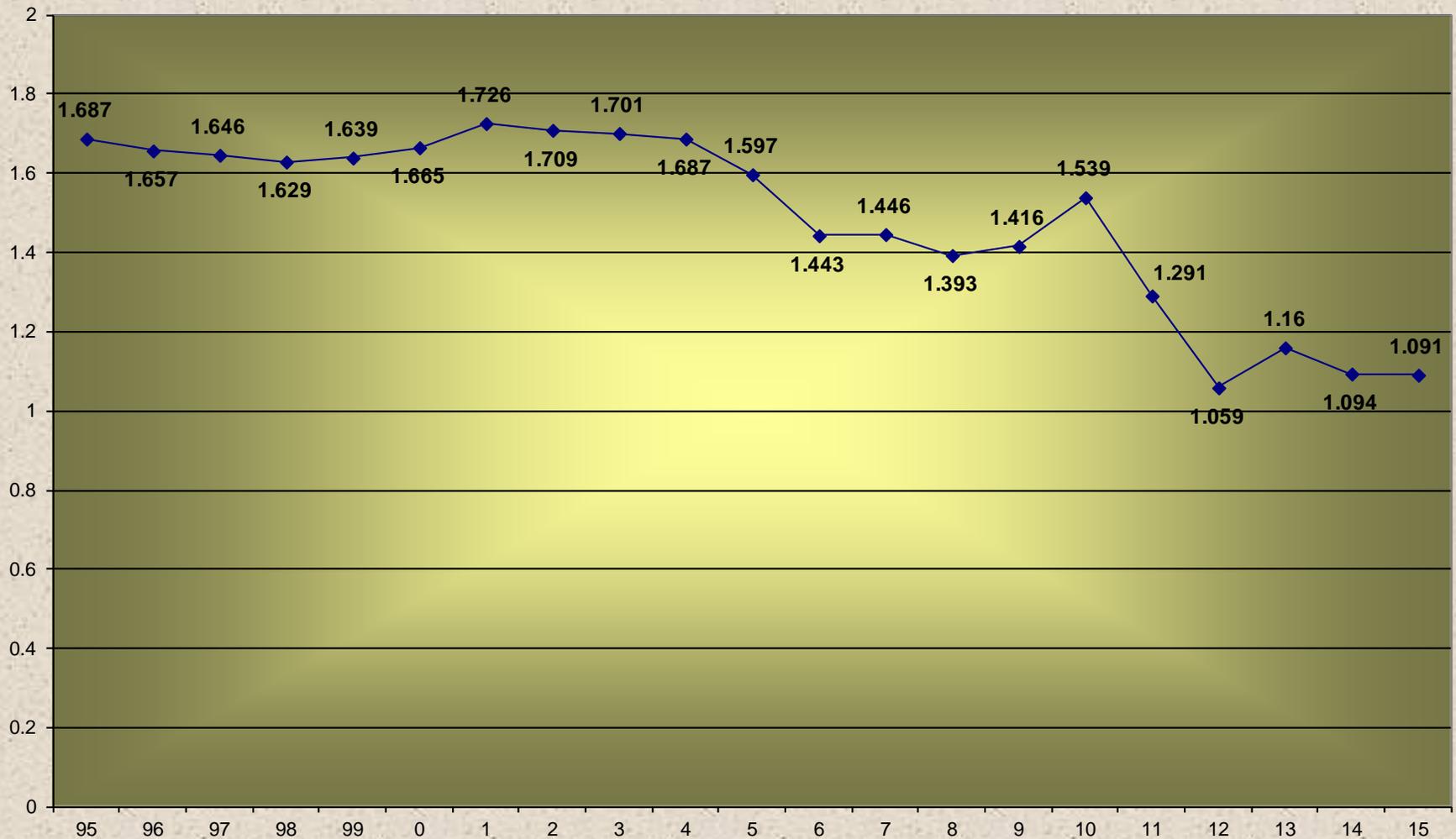
Income Limit

1	\$36,600
2	\$41,800
3	\$47,050
4	\$52,250
5	\$56,450
6	\$60,650
7	\$64,800
8 or more	\$69,000

Effective 3/6/2015 Based on 80% Of County Median

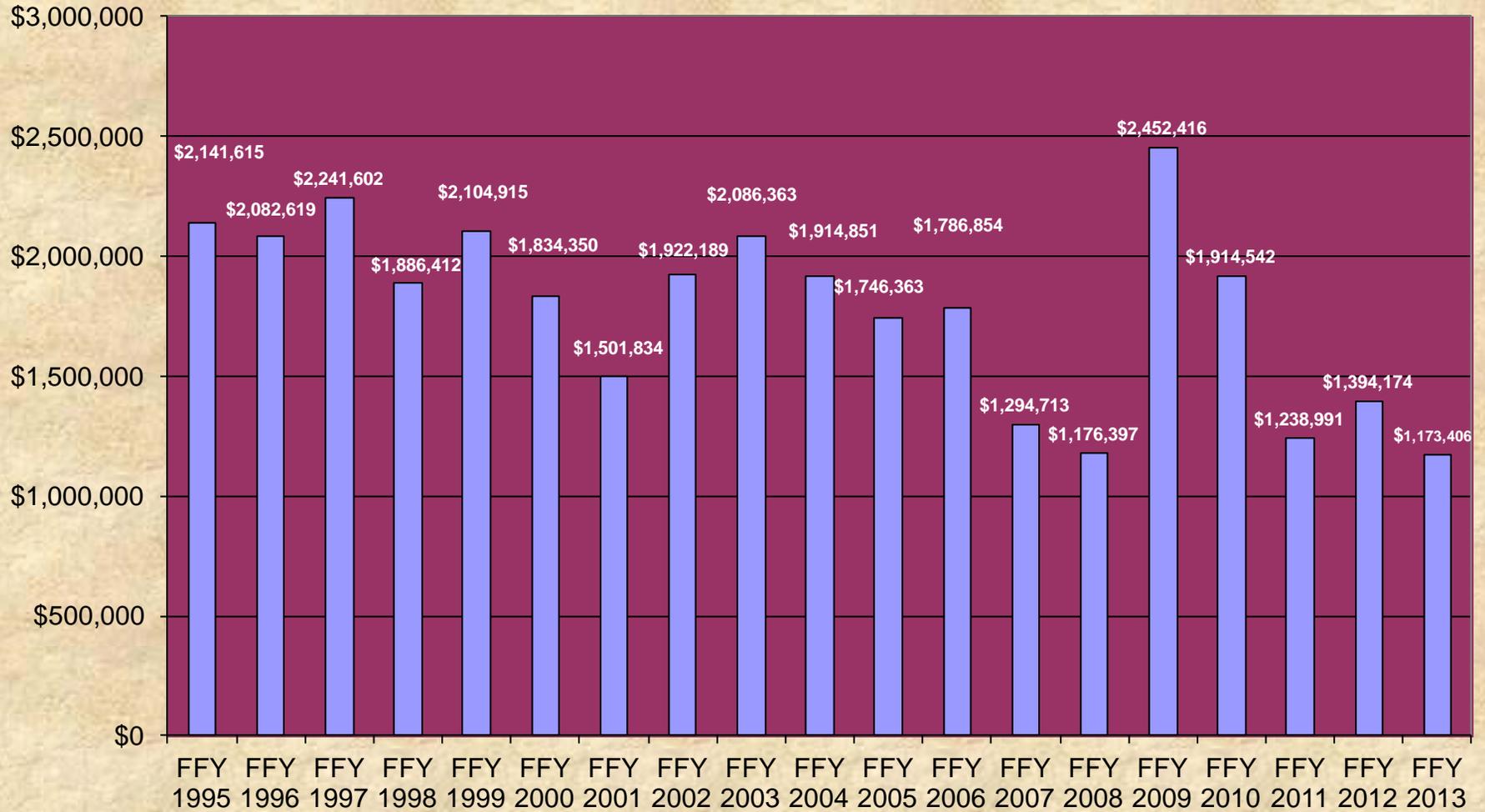


Town Of Union, New York CDBG Budget Awards FFY 1995-2015 (In \$Millions)





Town of Union, New York CDBG Spending FFY 1995-2013



Town Of Union CDBG Federal Fiscal Year 2013 Expenditures By Broad Activity Type (Including Program Income)

