

Programs Briefing

Community Development Block Grant (CDBG)
Home Investment Partnerships Program (HOME)



...putting the pieces together to deliver greater resources to the community

*Meeting the needs at home,
In the family, and throughout the Community.*

Community Development Block Grant

C

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B

G



... putting the pieces together!



Introduction

- **Community Development Block Grant (CDBG)**
 - Principle Federal Program since 1974
 - Funding to States, Cities and Counties
 - Neighborhood approach to improving physical, social and economic conditions within communities



Overview

- U.S. Dept. of Housing & Urban Development (HUD) formula grant programs
 - Funding amount based on U.S. Census data
 - population, income, unemployment, and poverty
 - Distributed Annually
 - Fiscal Year – October – September
 - Funding by Population
 - Cities of 50,000 or more
 - City of Killeen receives funding by virtue of population



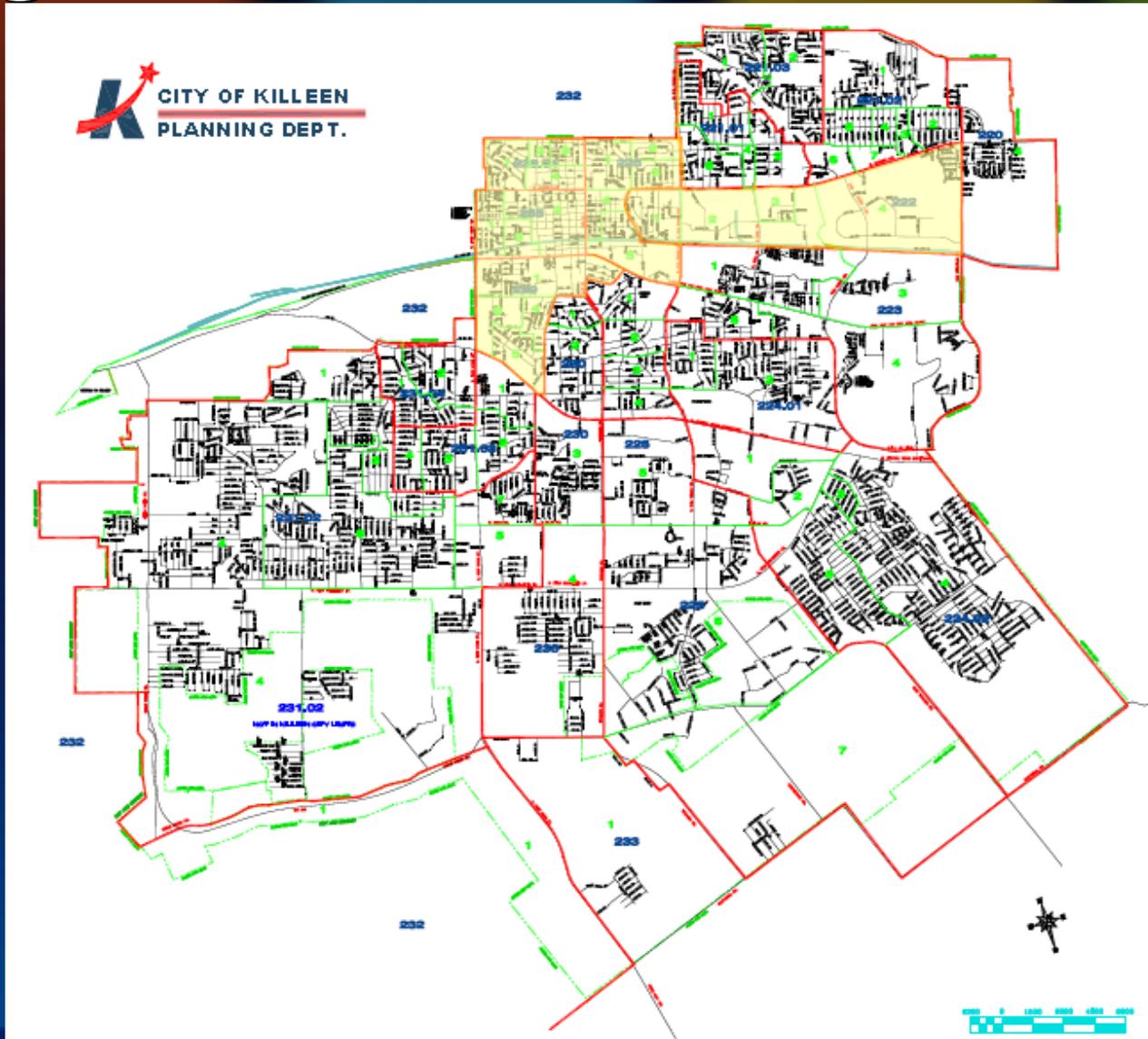
Program Priority

- **CDBG Program Activities must meet 1 of 3 National Objectives**
 - **Benefit low and moderate income persons**
 - **Aid in prevention/elimination of slum or blight**
 - **Meet community development needs having a particular urgency**
 - **Acts of God**



Target Areas

2010 American Community Survey-US Census Bureau



Eligible Activities

- Public Services

- Funding under this category is limited to 15% of the total annual grant from HUD
- Limited to Non-Profit or Community based organizations
- The service must either be new or an increase in the level of existing service



Examples of Public Service Activities

- Child care
- Health care
- Job training
- Recreation programs
- Services for senior citizens
- Services for homeless persons
 - Education programs
 - Public safety services
 - Fair housing activities
- Drug abuse counseling and treatment
- Energy conservation, counseling and testing



Eligible Activities

- Public Facilities and Improvements
 - Acquisition
 - Including long term leases for periods of 15 years or more
 - Construction, Reconstruction, Rehabilitation
 - Including removal of architectural barriers to accessibility
 - Installation of public improvements or facilities



Examples - Public Facilities & Improvements

- Shelters for homeless
- Water/sewer facilities
- Flood/drainage improvements
- Fire protection facilities/equipment
- Community, senior, and health centers
- Parking, streets, curbs, gutters, sidewalks
 - Parks and playgrounds



Eligible Activities

- Clearance & Demolition

- Demolition of buildings

- Removal of demolition products

- Rubble/Debris

- Physical removal of environmental contaminants

- Including treatment to render harmless

- Movement of structures to other sites



Eligible Activities

- Code Enforcement

- Payment of salaries and overhead costs directly related to the enforcement of local codes

- Interim Assistance

- Area must exhibit signs of physical deterioration
- Immediate action is needed-undertake as soon as practicable



Eligible Activities

- Rehabilitation

- The cost of rehabilitation of a property

- Residential

- Commercial/Industrial

- Other

- Nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities



Examples – Rehabilitation Costs

- Expenses required for the rehabilitation of existing property
- Forms of financing/refinancing
- Property acquisition
- Security devices
- Insurance
- Water/Sewer connections
- Architectural Barrier removal
- Landscaping, sidewalks, driveways
- Historic preservation



Eligible Activities

- Special Economic Development
 - Commercial/Industrial improvements
 - Carried out by grantee or nonprofit sub-recipient
 - Construction of a business incubator providing inexpensive space and assistance to new firms, helping them become viable business



Examples - Special Economic Development

- Assistance to neighborhood businesses such as grocery stores and Laundromats serving a predominately low- to moderate income neighborhood.
- Training for 30 new employees, 20 of whom are low income, hired by a manufacturer adding new machinery
- Financial assistance to a business to demolish a decayed structure it owns in order to assist the business in constructing a new building on the site.



Eligible Activities

- Loss of Rental Income

- CDBG funds may be used to pay housing owners for loss of rental income incurred in hold, for temporary periods

- Housing units to be used for the relocation of persons displaced by CDBG assisted activities

- Relocation

- Payments and assistance where required by regulation-to displaced persons

- Available to Individuals, Families, Businesses, Non-profit organizations, Farms



Eligible Activities

- Program Administration costs
 - Funding under this category- limited to 20% of the total annual grant from HUD
 - Used to pay reasonable program administration costs and carrying charges related to the planning and executing of community development activities



Annual Allocation

- Available funding for Fiscal Year 2014-2015
 - Proposed allocation \$???

Meeting Community Development Needs

Over 38 years

More than \$42 million dollars



Home Investment Partnerships Program



*Meeting the Community's needs in
affordable housing strategies*



Objective

- **The flexibility of the HOME Program empowers people and communities to design and implement housing strategies tailored to meet the housing priorities and housing needs within a community.**



Introduction

- Created under Title II of the National Affordable Housing Act
 - Home Investment Partnerships Act
 - HOME Program
 - Since 1990
 - City since 1995



Introduction

- **Home Investment Partnerships (HOME) Program**
 - **Largest Federal block grant**
 - **Exclusively to create affordable housing**
 - **Targets low-income households**
 - **Funding to States, Cities, and Consortia**
 - **Federal Investment in non-profits**
 - **Fosters partnerships at local level**
 - **Housing groups having a 501c3 status**
 - **History serving the community**
 - **Primary purpose of providing affordable housing**



Overview

- **HUD formula grant program**
 - **Funding calculation data considered**
 - **Inadequacy of affordable housing supply**
 - **Number of families in rental housing**
 - **Incidence of poverty**
 - **Fiscal distress**
 - **Distributed Annually**
 - **Fiscal Year – October-September**



Eligible Activities

- Must meet an Eligible Category
 - Homeowner purchase, rehabilitation, financing
 - Build or rehabilitate housing for rent or ownership
 - Demolition, site acquisition or improvement developing non-luxury housing
 - Tenant based rental assistance
 - Evidenced in Consolidated Plan
 - Justified under local market conditions
 - Low interest loans



Activity Requirements

- **Affordability Period**
 - Length of time unit must remain affordable to low-income persons
 - Based on amount of HOME funds used
 - Minimum of 5 years for any activity
 - Not required for TBRA
 - Matching funds from the community
 - 25¢ for every dollar drawn
 - Cash, In-kind, Donation of services/materials



Annual Allocation

- **Required Set Aside**
 - **CHDO** set aside – Non Profit or Community based housing development organizations
 - **Minimum 15% of annual grant**
- **Other Owners, Developers, Sponsors**
 - **Remaining funds in grant total**
 - **For profit or non-profit developers**
- **Administration – maximum 10% allowed for program administration**
- **Over 7.3 million dollars since 1995**
- **Anticipated funding for FY 2014-2015**
 - **Proposed \$????**



FY 2014-2015

ANNUAL APPLICATION PROCESS



Process – Application to Award

- **Neighborhood Planning Meetings**
 - 2 meetings
 - Receive Citizen input on community need
- **Request for Proposals (RFP) dates**
 - Approx. 30 day window
- **Review of proposals/applications**
 - Staff 2-3 weeks following final submission date
 - CDAC – review 1-3 weeks



Process – Application to Award

- **CDAC Workshops/Presentations**
 - 1 to 3 meetings – usually in May
 - **Applicant/Agency presentation to CDAC**
 - **Decisions on funding recommendations**



Process – Application to Award

- **Public Hearings, Recommendations, Approval**
 - 2 Public Hearings in Public comment on CDAC Recommendations
 - CDAC Recommendations present to City Council
 - Council Approval of projects and Annual Action Plan



Technical Assistance Workshops

- **FY 2014-2015 Application Workshops**
 - March 6 and 18, 2014
 - Community Development Training Room
 - 802 N. 2nd Street, Building E
- **Applications available Feb. 27, 2014**
 - City web page
- **Applications due APRIL 4, 2014**
 - 5:00 pm - FRIDAY

