

Community Development Block Grant Fund Allocation Plan 2020-2022

I. INTRODUCTION

The primary objective of the Community Development Block Grant Program is the development of viable communities by creating suitable living environments, maintaining and creating decent housing and creating and maintaining job opportunities for low and moderate income persons.

Communities which are eligible for Community Development Block Grant (CDBG) funds, otherwise known as "entitlement cities," must develop an Allocation Plan stating community goals and objectives on how CDBG funds should be used and spent.

The Fund Allocation Plan has been prepared by the CDBG Committee to provide a basis for funding decision for Program Years 2020, 2021 and 2022.

The purpose of the Committee is to:

1. Develop an Allocation Plan
2. Reexamine the process for allocating CDBG funds
3. Become actively involved in the awarding of CDBG applications by conducting interviews of all potential applicants and making recommendations to the Finance Committee and City Plan Commission on which projects should be funded.

The Fund Allocation Plan establishes program categories, funding percentages and the basis for allocating dollar amounts.

II. FUNDING CATEGORIES

There are three (3) local funding categories: Public Service, Housing, Neighborhood Improvement/Economic Development and Planning/Management. Proposals must fall within one (1) of the three (3) mentioned categories and will be evaluated on that basis. Projects will compete for the funds allocated to the respective category. The types of projects that will be considered under each category are as follows:

PUBLIC SERVICE

- Project/Program Delivery Costs
- Equipment to Support Program Services

HOUSING, NEIGHBORHOOD IMPROVEMENT / ECONOMIC DEVELOPMENT

- Housing Rehabilitation
- Code Enforcement Programs
- New Housing Construction
- Historic Preservation
- Neighborhood Projects
- Public Improvements
- Facility Improvements
- Revolving Loan Fund
- Revolving Business Loan programs
- Job Creation for Low/Moderate Income Benefit
- Commercial Revitalization

PLANNING / MANAGEMENT

- CDBG Implementation
- Comprehensive Planning
- Studies and Long Range Planning

The programs listed above must meet one of the following National Objectives:

- benefit low and moderate income persons,
- address slums or blight,
- meet a particular urgent community development need.

The programs must also comply with all Department of Housing and Urban Development guidelines and regulations stipulated in 24 CFR Part 570 of the Housing and Community Development Act of 1987.

III. EVALUATION CRITERIA

The following criteria will be used to evaluate proposals. Proposals should address the criteria in order to be considered for funding.

PUBLIC SERVICE PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Public Service Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as a Public Service Project, the proposal must demonstrate that:

- 51% of the persons directly benefiting are from low-to-moderate income households, or
- 51% of the persons residing in the area being served are low-to-moderate income

Project Type

To be considered for funding as a Public Service Project, the proposal must demonstrate that:

- the project is a new project, or
- the project is a quantifiable increase in a service already being provided

Leveraging

To be considered for funding as a Public Service Project, the proposal must demonstrate

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Measurable Outcomes

Proposals shall list the measurable qualitative outcome that will result from the use of funds.

HOUSING PROJECTS

Proposals must be either a Single Family Project or a Multi-Family Project.

Single Family Project

To be considered for funding as a Single Family Project, the proposal must be one of the following:

- acquisition/rehabilitation
- demolition
- new construction

Multi-Family Project

To be considered for funding as a Multi-Family Project, the proposal must be one of the following:

- acquisition/rehabilitation of two or more unit dwellings
- must be structures that were built as multi-family dwellings
- construction of two or more adjoining units, but not more than 8 units

Proposals must also address the following:

Plan Consistency

To be considered for funding as a Housing Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as a Housing Project, the proposal must benefit:

- 100% low-to-moderate income households for single family projects
- 51% low-to-moderate income households for multi-family projects

Leveraging

To be considered for funding as a Housing Project, the proposal must demonstrate:

- leveraging of funds (private, bank, HOME, HRCI, etc.)
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Location

To be considered for funding as a Housing Project, the proposal must be located within the City's low-to moderate income census tracts.

PUBLIC IMPROVEMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Public Improvement Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as a Public Improvement Project, the proposal must benefit:

- 51% low-to-moderate income households, or
- eliminate slums or blight

Leveraging

To be considered for funding as a Public Improvement Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Location

To be considered for funding as a Public Improvement Project, the proposal must be located within the City's low-to moderate income census tracts.

FACILITY PROJECTS

Funds received (over \$1,000) for the improvement or construction of facilities shall be secured by a property title lien until the property is sold or leased to a for-profit entity or a non-CDBG eligible not-for-profit entity.

Proposals must address the following:

Plan Consistency

To be considered for funding as a Facility Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as a Facility Project:

- the Agency must serve 51% low-to-moderate income persons, or
- the Project must eliminate slums or blight

Leveraging

To be considered for funding as a Facility Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as a Facility Project, the proposal must demonstrate the following:

- the Project will enhance the services provided by the applicant
- effect or relationship of the project to programming
- the Project is necessary to address conditions detrimental to public health and safety

Location

Emphasis will be placed on proposals that address activities within the City's low-to moderate income census tracts.

ECONOMIC DEVELOPMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as an Economic Development Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as an Economic Development Project, the proposal must benefit:

- 51% low-to-moderate income persons through job creation or retention activities, or
- eliminate slums or blight

Leveraging

To be considered for funding as an Economic Development Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as an Economic Development Project, the proposal must demonstrate the following:

- the Project will enhance the area in which the Project is located
- the Project is necessary to address conditions detrimental to public health and safety

Measurable Outcomes

Proposals shall list the measurable qualitative outcomes that will result from the use of funds.

PLANNING / MANAGEMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Planning/Management Project, the proposal must be contained in the Consolidated Plan.

Benefit

To be considered for funding as a Planning/Management Project, the proposal must demonstrate the impact the project will have on the community.

Leveraging

To be considered for funding as a Planning/Management Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as a Planning/Management Project, the proposal must demonstrate the following:

- the Project will enhance the area in which the Project is located
- the Project will enhance or relate to the Agency's long term programming

IV. FUNDING ALLOCATION FOR 2020-2022

The categorical percentages established for the CDBG Program for 2020-2022 are listed below:

<u>Program Category</u>	<u>Percentage of Total Program</u>
Public Service	15%
Planning/Management	20%
Housing, Neighborhood Improvement/Economic Development	65% *

*** Section 108 Loan Repayment**

2020 - \$110,000
 2021 - \$360,000
 2022 - \$360,000

If there is a reduction in CDBG funds received for 2020, 2021 or 2021, reductions will be made across the board. If there is an increase of \$25,000 or less in CDBG funds received for 2020, 2021 or 2022, funds will be distributed proportionally to those that were allocated funding, except for those that were fully funded, up to the requested amount. If the increase is more than \$25,000, funds will be allocated to a Street Resurfacing Fund.

V. Priority

Priority will be given to proposals that address the following:

- Decent Affordable Housing
- Create Suitable Living Environments for Low-to Moderate Income Persons
- Create Economic Opportunity

VI. REPROGRAMMING OF FUNDS

All funds available for reprogramming during the 2020, 2021 and 2022 program years are designated to be reprogrammed by the CDBG Committee as determined by the CDBG Committee.

VII. TIMELINESS

All projects funded must be initiated within 12 months of receipt of funds. Agencies requesting extensions shall demonstrate an urgent or critical reason for the extension. Extensions shall not exceed six months.

VIII. FUNDING REQUESTS

Requests for funding will be allowed once per year during the acceptance of applications. The CDBG Committee will not entertain any special requests, whether they are an emergency or not, at any other time throughout the year. Multi-year funding requests may be considered.

IX. INELIGIBLE ACTIVITIES

- Government buildings, except to remove architectural barriers
- General government expenses, except administration of CDBG program/comprehensive planning
- Political activities
- Income payments
- Motor vehicles

X. LIENS

Liens will be placed on real property that is improved with the use of CDBG funds. Such liens shall remain until the property is sold by the agency receiving the CDBG funds.