

OFFICE OF FISCAL ANALYSIS
COMMUNITY DEVELOPMENT BLOCK GRANT/SMALL CITIES
FFY 11 (SFY 12) ALLOCATION PLAN

Lead State Agency: Department of Economic and Community Development (DECD)
Committee Hearing Date: June 7, 2011

Program Objective: The primary objective of this program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

Types of CDBG Funds: The federal government awards Community Development Block Grant funds

- (1) directly to large cities on an entitlement basis, and
- (2) indirectly to small cities through state administered CDBG programs.

Direct entitlement grants to Connecticut's largest communities are listed on the last page of this handout.

Small cities are instead eligible to apply for funding through Connecticut's Department of Economic and Community Development.

Funding: The allocation plan was developed using a preliminary estimate of the FFY 11 Small Cities CDBG award to Connecticut. An accounting based upon this assumed funding level (\$12,283,301) is provided in tables on the next page. The estimate was developed before final FFY 11 awards were announced on May 27, 2011. Connecticut's final award is \$12,319,018, which represents a decrease of 16.2% from the amount awarded in FFY 10 (\$14,692,943).

Administrative Allowance & Technical Assistance: The State may use \$100,000 plus up to 2 percent of its CDBG allocation for costs it incurs in carrying out its CDBG administrative responsibilities, provided each CDBG dollar over the \$100,000 is matched with a dollar from the State's own resources. The State may use up to 1 percent of its grant to provide technical assistance to local governments and nonprofit organizations, either directly or through contractors, to assist them in carrying out community development activities.

Program Operation: The allocation plan contains no proposed policy changes as compared to the SFY 11 adopted plan.

COMMUNITY DEVELOPMENT BLOCK GRANT/SMALL CITIES

ALLOCATION PLAN DETAIL

	SFY 10 Actual Funds Committed (\$)	SFY 11 Estimated (\$)	SFY 12 Proposed (\$)	Percent Change (12 vs. 11)	Dollar Change (12 vs. 11)
SOURCES OF FUNDS					
Small Cities Community Development Block Grant	13,532,318	14,692,943	12,283,301	-16.40%	(2,409,642)
Plus Prior Year Carry Forward [1]	<u>1,138,733</u>	<u>15,082</u>	<u>415,238</u>	2,653.20%	<u>400,156</u>
= Total Available	14,671,051	14,708,025	12,698,539	-13.66%	(2,009,486)
LESS:					
Committed Funds for Projects [2]	14,150,000	13,752,000	12,230,040	-11.07%	(1,521,960)
Administrative Expenses	<u>505,969</u>	<u>540,787</u>	<u>468,499</u>	-13.37%	<u>(72,288)</u>
=Uncommitted Balance to be Carried Forward into Next Year	15,082	415,238	-	-100.00%	(415,238)

[1] Includes funding returned to DECD from grantees.

[2] See tables starting on page 17 of allocation plan for details regarding SFY 10 and SFY 11 projects.

PROGRAM ADMINISTRATION

	SFY 10 Actual (\$)	SFY 11 Estimated (\$)	SFY 12 Proposed (\$)	Percent Change (12 vs. 11)	Dollar Change (12 vs. 11)
EXPENSES					
Personnel Cost	440,690	439,105	461,060	5.00%	21,955
Fringe Benefits	270,464	267,850	281,242	5.00%	13,392
Other Expenses	<u>27,962</u>	<u>50,180</u>	<u>52,689</u>	5.00%	<u>2,509</u>
Total Expenses	739,116	757,135	794,991	5.00%	37,856
AVAILABLE FUNDS					
CDBG Administrative Allocation [1]	370,646	393,858	345,666	-12.24%	(48,192)
Prior Year Carry Forward/CDBG Administration Allowance	514,833	552,332	629,842	14.03%	77,510
State General Fund	270,646	293,858	245,666	-16.40%	(48,192)
Technical Assistance [2]	<u>135,323</u>	<u>146,929</u>	<u>122,833</u>	-16.40%	<u>(24,096)</u>
Total Available Funds	1,291,448	1,386,977	1,344,007	-3.10%	(42,970)
Carry Forward [3]	552,332	629,842	549,016	-12.83%	(80,826)

[1] \$100,000 + 2% of award in SFY 12.

[2] 1% of award in SFY 12.

[3] These funds may only be carried forward for administrative expenses.

DIRECT FEDERAL AWARDS TO CONNECTICUT CITIES

Funding is provided under the Community Development Block Grant/Entitlement Program to cities in Metropolitan Statistical Areas (MSAs) that are designated as central cities. Other cities having populations over 50,000 in MSAs and qualified urban counties having populations of at least 200,000 are eligible to receive CDBG entitlement grants according to formula.

Selected communities in Connecticut will receive a total of \$25,536,173 in FFY 11 direct funding, or \$4,997,606 (16.4%) less than the FFY 2010 amount. Eligible cities and their respective allocations are:

CDBG ENTITLEMENT GRANTS

	FFY 2008	FFY 2009	FFY 2010	FFY 2011
Bridgeport	\$ 3,252,959	\$ 3,321,881	\$ 3,606,679	\$ 3,009,212
Bristol	601,472	622,784	682,478	574,937
Danbury	619,682	627,150	678,244	566,310
East Hartford	635,687	652,292	713,341	599,142
Fairfield	532,839	552,477	608,668	510,951
Greenwich	924,997	948,007	1,032,209	862,196
Hamden	521,563	540,258	590,888	496,380
Hartford	3,786,824	3,838,303	4,163,974	3,483,007
Manchester	652,236	666,533	721,222	608,025
Meriden	899,877	922,250	1,005,552	845,026
Middletown	407,345	416,642	454,428	380,276
Milford	520,965	530,473	575,015	479,494
New Britain	1,860,498	1,889,507	2,051,518	1,716,656
New Haven	3,646,793	3,700,416	4,012,840	3,361,908
New London	882,750	894,497	969,083	806,766
Norwalk	935,102	970,080	1,064,849	889,537
Norwich	990,974	1,005,009	1,091,004	910,512
Stamford	1,120,066	1,164,337	1,263,819	1,045,824
Stratford	672,544	694,412	759,328	637,030
Waterbury	2,241,978	2,282,284	2,481,638	2,079,265
West Hartford	1,083,452	1,106,058	1,202,058	1,003,854
West Haven	716,514	733,980	804,944	669,865
TOTAL	\$27,507,117	\$28,079,630	\$30,533,779	\$25,536,173

Please Note: The amounts shown on this page are determined by the U.S. Department of Housing and Urban Development according to an established formula. These figures are presented for informational purposes only, as they cannot be modified by the committees at today's meeting.