

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

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OFFICE OF FISCAL ANALYSIS

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Introduction

The Small Cities Community Development Block Grant (CDBG) is administered by the United States Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable communities by providing support for decent housing and a suitable living environment, principally for persons of low- and moderate-income.

At the state level, the Department of Housing (DOH) will administer the funds provided through the Small Cities CDBG Program.

Federal Allocation Process

The Housing and Community Development Act of 1974 (HCD Act), as amended in 1981, allows each State the opportunity to administer CDBG funds for non-entitlement areas. Non-entitlement areas include those units of general local government which do not receive CDBG funds directly from HUD as part of the entitlement program (Entitlement Cities and Urban Counties). Funds are allocated to states based on a formula, which takes into account population, poverty, incidence of overcrowded housing, age of housing, and growth lag factors. Connecticut's federal fiscal year (FFY) 16 allocation is estimated at \$12,162,864. FFY 14 - FFY 16 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 14 (Estimated)	FFY 15 (Estimated)	FFY 16 (Proposed)
Federal Allocation	11,958,150	11,990,905	12,162,864
Uncommitted from Previous Year	109,897	-	-
Recaptured Funds ¹	841,853	463,348	200,000
Reprogrammed Technical Assistance Funds from Previous Year	400,000	-	-
Subtotal Available	13,309,900	12,454,253	12,362,864
Administrative Expenses ²	(458,745)	(459,727)	(464,895)
Total Available for Projects³	12,851,155	11,994,526	11,897,969
Committed Funds	12,851,155	11,994,526	-
Uncommitted Program Balance Available for Carry Forward	-	-	11,897,969

¹Recaptured Funds refers to funding that was returned to DOH from grantees and is available for reprogramming.

²States are required to match administrative costs in excess of \$100,000. The FY 16 DOH budget includes Personal Services funding of \$243,257 to support Small Cities. See Appendix B for further details.

³The list of FFY 14 and FFY 15 program awards by town are provided in Appendix C and Appendix D.

State Allocation Process

DOH will administer the program through a competitive application process for most activities.¹ Eligible activities include: housing, public services, public facilities, economic development, and planning. Additional allocation requirements include:

1. Funds must be expended in any municipality except Connecticut's 22 entitlement cities, which are those which receive CDBG funds directly from HUD (see Appendix A);
2. At least 70% of funds must be used for activities that benefit low-and moderate-income persons, over one, two, or three consecutive program years;
3. Funds must support at least one of the following three major program categories: 1) Benefit low and moderate-income families, 2) Prevent or eliminate slums or blight, and 3) Meet other urgent community development needs;
4. Grant funds can support administrative costs up to \$100,000, plus 50% of costs in excess of \$100,000, up to 3% of the annual grant (inclusive of the 1% for Technical Assistance);
5. Planning and administration expenditures cannot exceed 20% of the Small Cities CDBG grant.

The deadline for applications requesting FFY 16 funding was April 11, 2016. DOH received approximately 29 applications requesting \$17 million.

¹Urgent Need and Section 108 activities will be accepted on a "first come first serve" basis.

Appendix A: CDBG Entitlement Communities

CDBG Entitlement Communities, as listed below, are not eligible for state administered Small Cities CDBG funds.

Bridgeport	Milford (Town)
Bristol	New Britain
Danbury	New Haven
East Hartford	New London
Fairfield	Norwalk
Greenwich	Norwich
Hamden (Town)	Stamford
Hartford	Stratford
Manchester	Waterbury
Meriden	West Hartford
Middletown	West Haven

Appendix B: Administrative Funding

Available Funding	FFY 14 (Actual)	FFY 15 (Estimated)	FFY 16 (Proposed)
Carry Forward from Previous Year ¹	966,277	634,343	857,759
Admin Allocation ²	339,163	339,818	343,257
Technical Assistance Allocation ³	119,582	119,909	121,628
General Fund Match	239,163	239,818	243,257
Subtotal Available	1,664,185	1,333,888	1,565,901
Expenditures			
Personnel & Fringe ⁴	603,263	440,140	587,872
Other Expenses	26,580	35,990	37,790
Subtotal Expenditures	629,843	476,130	625,662
Balance (Carry Forward to Following Year)	1,034,342	857,758	940,239

¹ According to DOH, the majority of the Carry Forward balance has accumulated as a result of unexpended technical assistance funding.

² The amount of funds used to pay administrative costs in excess of \$100,000 shall not exceed 2% of the aggregate of the annual grant, or \$243,257 (for a maximum FFY 16 admin allocation of \$343,257).

³ States may use up to 1% of the allocation to provide technical assistance to local governments and nonprofit organizations, for community development activities.

⁴ FFY 16 proposal assumes 4.2 positions.

Appendix C: FFY 14 Committed Funds

Town	Project Description	Amount \$
Bethlehem	Town Wide Housing Rehabilitation	400,000
Branford	Parkside Village Senior Housing	448,500
Coventry	Housing Rehabilitation (Columbia)	500,000
Derby	Housing Rehabilitation	400,000
East Haddam	Oak Terrace Senior Housing Rehabilitation	791,210
Franklin	Housing Rehabilitation	400,000
Griswold	McCluggage Manor Senior Housing Rehabilitation	800,000
Groton	Pequot Village Rehabilitation	800,000
Hampton	Hampton Regional Housing Rehabilitation	400,000
Killingly	Housing Rehabilitation	400,000
Newington	Cedar Village Senior Housing Rehabilitation	800,000
North Stonington	Housing Rehabilitation	400,000
Oxford	Housing Rehabilitation	400,000
Preston	Lincoln Park Elderly Housing Rehabilitation	800,000
Salem	Housing Rehabilitation	400,000
Seymour	Housing Rehabilitation	400,000
Sprague	Street and Sidewalk: First, Second, Third Avenues	500,000
Stafford	Housing Rehabilitation	400,000
Suffield	Suffield Housing Authority	800,000
Thomaston	Grove Manor Senior Housing Rehabilitation	611,445
Thompson	Gladys Green/Pineview Court Rehabilitation	800,000
Torrington	Housing Rehabilitation	400,000
Windham	Windham Housing Rehabilitation	400,000
Windsor	Housing Rehabilitation	400,000
TOTAL		12,851,155

Appendix D: FFY 15 Committed Funds

Town	Project Description	Amount \$
Ansonia	Housing Rehabilitation	400,000
Bethel	Reynolds Ridge Senior Housing Rehabilitation	800,000
East Haddam	Oak Grove Senior Housing Rehabilitation	800,000
Essex	Essex Court Senior Housing Rehabilitation	635,000
Hampton	Hampton Regional Housing Rehabilitation	450,000
Jewett City	Ashland Manor Senior Housing Rehabilitation	800,000
Killingly	Housing Rehabilitation	400,000
Lebanon	Housing Rehabilitation	400,000
Ledyard	Housing Rehabilitation	400,000
Lisbon	Housing Rehabilitation	400,000
Litchfield	Bantam Falls Senior Housing Renovations	800,000
Montville	Housing Rehabilitation	400,000
Plainville	Housing Rehabilitation	400,000
Simsbury	Dr. Owen L Murphy Apartments and Virginia Connelly Senior Housing Rehabilitation	775,580
Southbury	Housing Rehabilitation	400,000
Southington	Housing Rehabilitation	400,000
Stonington	Edythe K. Richmond Senior Housing Rehabilitation	800,000
Thompson	Gladys Green/Pineview Court Rehabilitation	800,000
Torrington	Housing Rehabilitation	400,000
Wethersfield	James Devlin Senior Housing Rehabilitation	633,946
Wolcott	Housing Rehabilitation	300,000
Woodstock	Housing Rehabilitation	400,000
	TOTAL	11,994,526