

**Analysis and Summary of Small Cities  
Community Development Block Grant (CDBG) Program  
FFY 22 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) administers 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) 22 allocation is estimated at \$13,935,925, which is 63.7% higher than the FFY 21 allocation but aligned with the funding level in prior years. After considering reprogrammed funds and administrative expenses, the proposed FFY 22 total funding available for projects is \$15.1 million. FFY 20 - FFY 22 allocations are identified in the table below:

**Table 1: Allocation of Funds**

Available Funding	FFY 20 (Actual)	FFY 21 (Estimated)	FFY 22 (Proposed)	% Change 22 v. 21
Federal Allocation	13,854,179	8,511,446	13,935,925	63.7%
Uncommitted from Previous Year	366,494	-	-	0.0%
Reprogrammed Funds- Program Income	-	2,516,214	2,290,092	-9.0%
Reprogrammed Funds- Administrative	-	-	-	0.0%
Reprogrammed Funds- Technical Assistance <sup>1</sup>	-	-	-	0.0%
<b>Subtotal Available</b>	<b>14,220,673</b>	<b>11,027,660</b>	<b>16,226,017</b>	<b>47.1%</b>
Administrative Authorization <sup>2</sup>	(884,745)	(1,038,940)	(1,126,273)	8.4%
<b>Total Available for Projects<sup>3</sup></b>	<b>13,335,928</b>	<b>9,988,720</b>	<b>15,099,744</b>	<b>51.2%</b>
Committed Funds	13,335,927	9,988,720		

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

<sup>2</sup> States are required to match administrative costs in excess of \$100,000. The FY 23 DOH budget includes Personal Services funding of \$278,718 to support Small Cities. See Appendix B for further details.

<sup>3</sup> FFY 20 figures do not include \$10.8 million in CDBG COVID-19 funding received by the state; however, this funding is reflected in the program awards by town, totaling \$25.1 million under Appendix C.

## State Allocation Process

DOH administers the program through a competitive application process for most activities. Generally, 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:
  - a. Benefit low and moderate-income families,
  - b. Prevent or eliminate slums or blight, and
  - c. Meet other urgent community development needs.Connecticut's project allocation is fully dedicated to benefiting low and moderate- income families;
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.<sup>1</sup>

This year DOH will continue to prioritize the State-Sponsored Housing Portfolio (SSHP) and may include housing authorities outside of SSHP or Public Infrastructure projects that support affordable housing. Applications for Homeowner Rehab, Public Facilities or Public Services will not be considered.

The deadline for applications requesting FFY 22 funding was May 20, 2022. DOH received 14 applications requesting total funding of \$18.8 million (see Appendix E).

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<sup>1</sup>Grantee administration costs are restricted up to 8% of any grant award or \$33,000, whichever is lower.

## 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 20 (Actual)	FFY 21 (Estimated)	FFY 22 (Proposed)
Carry Forward from Previous Year	1,404,311	1,312,275	798,907
Admin Allocation <sup>1</sup>	377,084	270,229	378,718
Technical Assistance Allocation <sup>2</sup>	138,541	85,114	139,359
General Fund Match	277,084	170,229	278,718
<b>Subtotal Available</b>	<b>2,197,020</b>	<b>1,837,847</b>	<b>1,595,702</b>
<b>Expenditures</b>			
Personnel & Fringe <sup>3</sup>	847,248	913,940	995,023
Other Expenses	37,497	125,000	131,250
<b>Subtotal Expenditures</b>	<b>884,745</b>	<b>1,038,940</b>	<b>1,126,273</b>
<b>Balance (Carry Forward to Following Year)</b>	<b>1,312,275</b>	<b>798,907</b>	<b>469,429</b>

<sup>1</sup>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 \$278,718 (for a maximum FFY 22 admin allocation of \$378,718).

<sup>2</sup>States may use up to 1% of the allocation to provide technical assistance to local governments and nonprofit organizations, for community development activities.

<sup>3</sup>Funding is based on 5.25 positions.

### Appendix C: FFY 20 Contracted Activity Funds

Town/Grantee	Project Description	Amount \$
Ansonia	Housing Rehabilitation Program	400,000
Barkhamsted	Acquisition and Predevelopment	598,750
Cheshire	Public Housing Modernization- Beachport Apartments	1,500,000
Coventry	Public Housing Modernization- Orchard Hill Estates	1,500,000
East Hampton	Public Housing Modernization- Chatham Acres & Bellwood Court	1,500,000
Enfield	Public Service	218,748
Groton	Public Service	150,000
Guilford	Public Service	350,000
Jewett City	Public Facility Improvement- Waste water Treatment Plant Flood Waste Control	1,000,000
Kent	Public Housing Modernization- South Commons Capitol Improvement	800,000
Ledyard	Public Housing Modernization- King's Corner Manor	1,500,000
Mansfield	Public Facility Improvement	900,000
Mansfield	Public Service	500,000
Naugatuck	Public Facility Improvement- Cherry Street Area Flood & Drainage Control	1,000,000
Norfolk	Acquisition and Public Facilities	1,297,193
Pacific House Inc.	Acquisition	5,000,000
Plymouth	Public Housing Modernization	2,300,000
Portland	Public Service	306,800
Putnam	Housing Rehabilitation Program	400,000
Stonington	Public Service	700,000
Torrington	Public Service	170,000
Trumbull	Public Service	200,000
Westport	Public Service	799,000
Westport	Public Service	500,000
Windham	Public Housing Modernization- Nathan Hale Terrace Phase III	1,500,000
	<b>TOTAL</b>	<b>25,090,491</b>

### Appendix D: FFY 21 Committed Funds

<b>Town/Grantee</b>	<b>Project Description</b>	<b>Amount \$</b>
Ansonia	Public Housing Modernization- James J. O'Donnell Elderly Housing Complex	1,500,000
Diaper Bank of Connecticut	Public Service	500,000
Essex	Public Housing Modernization- Essex Court	1,500,000
North Haven	Public Housing Modernization- Temple Pines	1,500,000
Shelton	Public Housing Modernization	1,500,000
Wallingford	Public Housing Modernization- Ulbrich Heights	1,500,000
Westbrook	Public Housing Modernization- Worthington Manor	1,500,000
	<b>TOTAL</b>	<b>9,500,000</b>

### Appendix E: FFY 22 Requested Funds

<b>Town/Grantee</b>	<b>Project Description</b>	<b>Amount \$</b>
Windsor	Housing Rehabilitation- Windsor Housing Rehab Program	400,000
Windham	Public Housing Modernization- Renovations at Terry Court	2,000,000
Washington	Infrastructure- Dodge Farms	885,900
Vernon	Public Housing Modernization- Grove Court/Extension	1,500,000
Suffield	Public Housing Modernization- Broder Place, Laurel Court, Maple Court	1,619,600
Seymour	Public Housing Modernization- Seymour Housing Modernization	2,000,000
Naugatuck	Public Housing Modernization- Oak Terrance Senior Housing	2,000,000
Litchfield	Public Housing Modernization- Litchfield Housing Authority	1,000,000
Groton	Public Housing Modernization- Grasso Gardens	2,000,000
Griswold	Public Housing Modernization- Griswold Housing Authority	2,000,000
Goshen	Public Housing Modernization- Goshen Village	500,000
Farmington	Public Housing Modernization- Imagineers Housing	400,000
Canaan	Infrastructure- River Road Homes	1,000,000
Enfield	Public Housing Modernization- Enfield Manor Redevelopment	1,500,000
	<b>TOTAL</b>	<b>18,805,500</b>