

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 23 Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

August 10, 2023

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building
Hartford, CT 06106 • (860) 240-0200
E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

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. 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.

FFY 23 Overview

Connecticut's federal fiscal year (FFY) 23 allocation is estimated at \$13,912,108 which is 0.2% lower than the FFY 22 allocation. After considering carryforward and reprogrammed funds as well as off-setting administrative expenses, the proposed FFY 23 total funding available for projects is \$22.4 million. While this is 28.5% lower than last year, FFY 22 available funding was inflated by a \$16.7 million balance of uncommitted funds carried forward from FFY 21 to FFY 22. This larger carryforward is primarily attributable to delays in getting the CDBG-CV (COVID) funds committed due to requirements associated with eligible activities. All COVID related funding is now committed.

FFY 21 - FFY 23 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 21 (Actual)	FFY 22 (Estimated)	FFY 23 (Proposed)	% Change 23 v. 22
Federal Allocation	8,511,446	13,935,925	13,912,108	-0.2%
Uncommitted from Previous Year	9,194,308	16,732,759	7,251,346	-56.7%
Reprogrammed- Program Income	2,516,214	1,788,117	2,290,092	28.1%
Reprogrammed- Administrative	-	-	-	0.0%
Reprogrammed- Technical Assistance ¹	-	-	-	0.0%
Subtotal Available	20,221,968	32,456,801	23,453,546	-27.7%
Administrative Authorization ²	(1,010,188)	(1,162,175)	(1,069,205)	-8.0%
Total Available for Projects	19,211,780	31,294,626	22,384,340	-28.5%
Committed Funds ³	2,479,021	24,043,280		

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

² States are required to match administrative costs in excess of \$100,000. The FY 24 DOH budget includes Personal Services funding of \$278,242 to support Small Cities. See Appendix B for further details.

³ Committed Funds reflect funds that are committed to projects and are out of the funding pool permanently.

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.¹

Significant Changes

There are no significant changes from last year's allocation plan. 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 23 funding was June 23, 2023. DOH received 8 applications requesting total funding of \$11.8 million, which represents approximately 53% of the \$22.4 million available for projects (see Appendix C).

¹ 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. Entitlement Cities and Urban Counties receive CDBG funds directly from HUD.

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 21 (Actual)	FFY 22 (Estimated)	FFY 23 (Proposed)
Carry Forward from Previous Year	1,312,275	827,659	462,279
Admin Allocation ¹	270,229	378,718	378,242
Technical Assistance Allocation ²	85,114	139,359	139,121
General Fund Match	170,229	278,718	278,242
Subtotal Available	1,837,847	1,624,454	1,257,884
Expenditures			
Personnel & Fringe ³	900,935	1,027,175	927,455
Other Expenses	109,254	135,000	141,750
Subtotal Expenditures	1,010,189	1,162,175	1,069,205
Balance (Carry Forward to Following Year)	827,659	462,279	188,678

¹The 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 \$278,242 (for a maximum FFY 23 admin allocation of \$378,242).

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

³Funding is based on 5.25 positions.

Appendix C: FFY 23 Requested Funds

Town	Project Description	Amount \$
Enfield	Infrastructure ISO Affordable Housing – Enfield Manor	1,000,000
Guilford	Infrastructure ISO Affordable Housing – Saw Mill Road	1,000,000
Morris	Infrastructure ISO Affordable Housing – East Street Housing	800,000
Rocky Hill	Public Housing Modernization – 36 Willow Road	2,000,000
Scotland	Public Facilities & Improvements – Town Hall	1,000,000
Wethersfield	Public Housing Modernization – Harvey Fuller Senior Housing	2,000,000
Windham	Public Housing Modernization – Father Honan Terrace	2,000,000
Windsor	Public Housing Modernization – Shad Run Terrace	2,000,000
	TOTAL	11,800,000

Appendix D: FFY 22 Project Awards

Town/Grantee	Project Description	Amount \$
Bristol*	Public Service- St. Vincent De Paul Shelter Air Conditioning Installation (covid)	448,780
Estuary Council of Seniors, Inc*	Public Facilities- HVAC Project (covid)	500,000
Griswold	Public Housing Modernization- McCluggage Manor	2,000,000
Litchfield	Public Housing Modernization- Bantam Falls	1,000,000
Naugatuck	Public Housing Modernization- Oak Terrace Heat Pump Replacement	2,000,000
New London*	Public Facilities- New London Homeless Hospitality Center (covid)	825,500
Seymour	Public Housing Modernization- Castle Heights	2,000,000
Suffield	Public Housing Modernization- Broder Place, Laurel Court, Maple Court	1,619,000
Vernon*	Public Facilities- KidSafe CT Retaining Wall Reconstruction (covid)	150,000
Vernon	Public Housing Modernization- Grove Court/Extension Renovations	2,000,000
Windham	Public Housing Modernization- Renovations at Terry Court	2,000,000
Windham*	Public Facilities- 459 Valley/No Freeze Hospitality Center, Inc (covid)	500,000
Windham*	Public Facilities and Acquisition- No Freeze Hospitality Center, Inc (covid)	6,500,000
Woodstock	Housing Rehabilitation	2,500,000
	TOTAL	24,043,280

*Project is currently underway.

Appendix E: FFY 20-21 Projects Awarded and Underway

Town/Grantee	Project Description	Amount \$
Community Health Resources	Community Health Resources- Mobile Homeless Diversion Program	316,200
Diaper Bank of Connecticut	Basic Health Needs Across the Lifespan	500,000
Enfield	Enfield Food Shelter Support Program	218,748
Groton	Groton Full-on Approach to COVID-19	150,000
Guilford	Greater New Haven CAN Shelter Diversion	806,395
Mansfield	Mansfield Resident Assistance Program	500,000
Pacific House Inc.	Pacific House West- A Housing Decompression Center	5,000,000
Plymouth	Gosinski Park ADA Renovation (covid)	2,300,000
Portland	Portland Shelter Diversion Program	751,225
Portland	Portland Senior Center Renovations	725,000
Stonington	Shelter Diversion of Eastern CT	1,050,000
Torrington	Homeless Diversion Program with Supportive Housing Works	170,000
Trumbull	Trumbull Local Meals Projects	200,000
Westport	Fairfield Shelter Diversion Program	1,199,000
Westport	Westport Homeless & Food Insecurity Improvements (Homes with Hope)	1,200,000
	TOTAL	15,086,568