

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 24 Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

August 1, 2024

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 24 Overview

Connecticut's federal fiscal year (FFY) 24 allocation is estimated at \$13,880,022 which is 0.2% lower than the FFY 23 allocation. After considering carryforward and reprogrammed funds as well as off-setting administrative expenses, the proposed FFY 24 total funding available for projects is \$23.8 million. While this is 23.2% lower than last year, FFY 23 available funding was inflated by a \$17.6 million balance of uncommitted funds carried forward from FFY 22 to FFY 23.

FFY 22 – FFY 24 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 22 (Actual)	FFY 23 (Estimated)	FFY 24 (Proposed)	% Change 24 v. 23
Federal Allocation	13,935,925	13,912,108	13,880,022	-0.2%
Uncommitted from Previous Year	16,732,759	17,594,920	9,465,055	-46.2%
Reprogrammed- Program Income	1,788,117	-	1,259,144	100.0%
Reprogrammed- Administrative	-	-	-	0.0%
Reprogrammed- Technical Assistance ¹	-	-	-	0.0%
Subtotal Available	32,456,801	31,507,028	24,604,221	-21.9%
Administrative Authorization ²	(1,081,893)	(548,973)	(830,383)	51.3%
Total Available for Projects³	31,374,908	30,958,055	23,773,837	-23.2%
Committed Funds	13,779,988	21,493,000		

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 \$277,600 to support Small Cities. See Appendix B for further details.

³ FFY 23 available funding reflects \$17.6 million in carryforward funding from FFY 22, inflating the total available when compared to FFY 24.

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 24 funding was May 31, 2024. DOH received project requests from 16 towns, listed in 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 22 (Actual)	FFY 23 (Estimated)	FFY 24 (Proposed)
Carry Forward from Previous Year	827,659	542,561	510,951
Admin Allocation ¹	378,718	378,242	377,600
Technical Assistance Allocation ²	139,359	139,121	138,800
General Fund Match	278,718	-	277,600
Subtotal Available	1,624,454	1,059,924	1,304,951
Expenditures			
Personnel & Fringe	985,910	763,882	763,882
Other Expenses	95,983	63,334	66,500
Transfer to General Funds ³		(278,242)	
Subtotal Expenditures	1,081,893	548,974	830,382
Balance (Carry Forward to Following Year)	542,561	510,950	474,569

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 \$277,600 (for a maximum FFY 24 admin allocation of \$377,600).

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

³The FFY 23 General Fund match for CDBG admin is reflected by reducing the charge to the block grant. Typically, DOH transfers General Funds to the block grant to support such costs.

Appendix C: FFY 24 Project Requests

Town/Grantee	Project Description
Ashford	Improvements at Pompey Hollow
Canton	21 Down Avenue
Colebrook	Drinking Water Salt Mitigation / Septic Repair Support
East Windsor	Park Hill
Groton	Mystic River Homes
Mansfield	Mansfield Housing Authority Improvements
Old Lyme	Improving Housing Options for Old Lyme
Salisbury	Dresser Woods
Sharon	Community Center Affordable Housing
South Windsor	Flax Hill
Southington	General Pulaski Terrace
Stonington	Housing Rehabilitation Program
Tolland	Improvements at Old Post Village
Windsor	Housing Rehabilitation Program
Warren	Warren Affordable Housing
Watertown	1091 Buckingham Street

Appendix D: FFY 23 Project Awards

Town/Grantee	Project Description	Amount \$
Jewett City	Improvements for Wastewater Treatment Plant	600,000
Morris	East Street Housing	1,000,000
Rocky Hill	Rehabilitation of 36 Willow Road	2,000,000
Scotland	Town Hall ADA Improvements	1,500,000
Vernon	Grove Court and Grove Court Extension Renovations	1,000,000
Wethersfield	Renovations at Harvey Fuller Senior Housing	2,000,000
Windham	Improvements at Father Honan Terrace	2,000,000
Windsor	Shad Run Terrace Housing Modernization	2,000,000
New Haven	Foxon Boulevard Rehab Non Congregate (covid)	2,800,000
	Total	14,900,000

Appendix E: FFY 20-22 Projects Awarded and Underway

Town/Grantee	FFY	Project Description	Amount \$
Ansonia	2021	James O'Donnell Elderly Housing	1,500,000
Barkhamsted	2020	Mallory Brook Apartments	598,750
East Hampton	2020	Chatham Acres & Bellwood Court	1,500,000
Essex	2021	Essex Court	1,500,000
Griswold	2022	McCluggage Manor	2,000,000
Jewett City	2020	Waste Water Treatment Plant Flood Control	1,000,000
Kent	2020	South Commons Capitol Improvement	800,000
Litchfield	2022	Bantam Falls	1,000,000
Naugatuck	2022	Oak Terrace (heat pump replacement)	2,000,000
New Haven	2022	Foxon Boulevard (covid)	2,800,000
Seymour	2022	Castle Heights	2,000,000
Shelton	2021	Sinsabaugh Heights	1,500,000
Suffield	2022	Maple Court, Laurel Court, Broder Place	2,000,000
Vernon	2022	Grove Court and Grove Court Extension	3,300,000
Wallingford	2021	Ulbrich Heights	1,500,000
Westbrook	2021	Worthington Manor	1,500,000
Windham	2022	Terry Court	2,000,000
		Total	28,498,750