

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 17 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) 17 allocation is estimated at \$12,162,864. FFY 15 - FFY 17 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 15 (Actual \$)	FFY 16 (Estimated \$)	FFY 17 (Proposed \$)
Federal Allocation	11,990,905	12,162,864	12,162,864
Uncommitted from Previous Year	-	-	-
Recaptured Funds	463,348	957,869	23,266
Reprogrammed Technical Assistance Funds from Previous Year	-	-	-
Subtotal Available	12,454,253	13,120,733	12,186,130
Administrative Expenses ¹	(459,727)	(464,895)	(464,886)
Total Available for Projects²	11,994,526	12,655,838	11,721,244
Committed Funds³	11,994,526	12,655,838	1,000,000
Uncommitted Program Balance Available for Carry Forward	-	-	-

¹States are required to match administrative costs in excess of \$100,000. The FY 17 DOH budget includes Personal Services funding of \$243,257 to support Small Cities. See Appendix B for further details.

²The list of FFY 15 and FFY 16 program awards by town are provided in Appendix C and Appendix D.

³FFY 17 committed funds support a new set-aside for concrete testing.

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.

DOH is also proposing a set-aside of \$1 million to collect data related to issues associated with crumbling foundations in eastern Connecticut. Funding will support low and moderate income households in testing concrete in the area.

The deadline for applications requesting FFY 17 funding was April 13, 2017.

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 15 (Actual \$)	FFY 16 (Estimated \$)	FFY 17 (Proposed \$)
Carry Forward from Previous Year ¹	634,343	870,097	1,088,428
Admin Allocation ²	339,818	343,257	343,257
Technical Assistance Allocation ³	119,909	121,628	121,628
General Fund Match	239,818	243,257	243,257
Subtotal Available	1,333,888	1,578,239	1,796,570
Expenditures			
Personnel & Fringe ⁴	446,889	453,821	619,871
Other Expenses	16,903	35,990	37,790
Subtotal Expenditures	463,792	489,811	657,661
Balance (Carry Forward to Following Year)	870,096	1,088,428	1,138,909

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

²The 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 17 admin allocation of \$343,257).

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

⁴FFY 16 funding supports 2 positions while 2.2 positions remain vacant. FFY 17 funding assumes 4.2 positions will be funded.

Appendix C: FFY 15 Contracted Activity 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

Appendix D: FFY 16 Committed Funds

Town	Project Description	Amount \$
Ansonia	Housing Rehabilitation	400,000
Ashford	Food Program	56,847
Cheshire	Housing Rehabilitation	400,000
Colchester	Dublin Village ADA & Capital Improvements	800,000
Durham	Mauro Meadows Housing Complex	700,000
East Granby	Roofing Site and Energy Improvements at Metacmet Village	800,000
East Windsor	ADA Fire Safety & Emergency Imp at Park Hill Elderly Housing	599,000
Ellington	Regional Housing Rehabilitation Loan Program	450,000
Granby	Improvements at Salmon Brook Apartments Senior Housing Complex	800,000
Groton	Pequot Village I and II Elderly Housing Renovations	800,000
Hampton	Regional Housing Rehabilitation	450,000
Killingly	Maple Court Congregate Rehabilitation	800,000
Rocky Hill	Harold J. Murphy Senior Housing Improvements	800,000
Seymour	Housing Rehabilitation	400,000
Shelton	Helen Devaux Housing Complex Public Housing Modernization	800,000
Southbury	Housing Rehabilitation	400,000
Sprague	River Street Reconstruction (First and Second Avenue)	500,000
Trumbull	Stern Village Senior Housing Complex	800,000
Voluntown	Greenwood Manor Public Housing Modernization	700,000
Wallingford	McGuire Court Improvement Project	800,000
Woodbury	Housing Rehabilitation	400,000
	TOTAL	12,655,847