

**Analysis and Summary of Small Cities  
Community Development Block Grant (CDBG) Program  
FFY 18 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) 18 allocation has not yet been published by HUD but is estimated at \$12,105,315. FFY 16 - FFY 18 allocations are identified in the table below:

**Table 1: Allocation of Funds**

<b>Available Funding</b>	<b>FFY 16 \$ (Actual)</b>	<b>FFY 17 \$ (Estimated)</b>	<b>FFY 18 \$ (Proposed)</b>
Federal Allocation	12,162,864	12,105,315	12,105,315
Uncommitted from Previous Year	-	-	\$22,606
Recaptured Funds	957,869	694,569	-
Reprogrammed Technical Assistance (TA) Funds from Previous Year <sup>1</sup>	-	212,672	-
<b>Subtotal Available</b>	<b>13,120,733</b>	<b>13,012,556</b>	<b>12,127,921</b>
Administrative Authorization <sup>2</sup>	(464,886)	(463,159)	(463,159)
<b>Total Available for Projects<sup>3</sup></b>	<b>12,655,847</b>	<b>12,549,397</b>	<b>11,664,762</b>
<b>Committed Funds</b>	<b>12,655,847</b>	<b>12,526,791</b>	<b>1,815,797</b>
Uncommitted Program Balance Available for Carry Forward <sup>4</sup>	-	-	

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

<sup>2</sup>Includes Admin and TA authorization. States are required to match administrative costs in excess of \$100,000. The FY 18 DOH budget includes Personal Services funding of \$242,106 to support Small Cities. See Appendix B for further details.

<sup>3</sup>FFY 16 and FFY 17 program awards by town are provided in Appendix C and Appendix D.

<sup>4</sup>FFY 18 committed funds support a new set-aside for public services activities.

## State Allocation Process

DOH will administer the program through a competitive application process for most activities.<sup>1</sup> 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.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); and
5. Planning and administration expenditures cannot exceed 20% of the Small Cities CDBG grant.

DOH is proposing a 15% set-aside of \$1,815,797 to support public service activities including crisis housing for young adults experiencing homelessness as well as shelter diversion activities. Applications will be accepted on a rolling basis until June 15, 2018.

DOH is also proposing, via an amendment to the allocation plan, that a portion of this set-aside be utilized by municipalities for foundation testing associated with crumbling foundations. Letters of intent to apply for the public service set-aside for crumbling foundation testing will be accepted until June 15, 2018 with applications due by September 17, 2018.

The deadline for applications requesting FFY 18 project funding was April 12, 2018. DOH received 16 applications requesting total funding of \$10,578,210.

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

## Appendix A: CDBG Entitlement Communities

CDBG Entitlement Communities, 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 16 \$ (Actual)	FFY 17 \$ (Estimated)	FFY 18 \$ (Proposed)
Carry Forward from Previous Year <sup>1</sup>	870,097	1,122,116	1,367,487
Admin Allocation <sup>2</sup>	343,257	342,106	342,106
Technical Assistance Allocation <sup>3</sup>	121,628	121,053	121,053
General Fund Match	243,257	242,106	242,106
<b>Subtotal Available</b>	<b>1,578,239</b>	<b>1,827,381</b>	<b>2,072,752</b>
<b>Expenditures</b>			
Personnel & Fringe <sup>4</sup>	391,563	423,904	630,030
Other Expenses	64,560	35,990	37,790
<b>Subtotal Expenditures</b>	<b>456,123</b>	<b>459,894</b>	<b>667,820</b>
<b>Balance (Carry Forward to Following Year)</b>	<b>1,122,116</b>	<b>1,370,487</b>	<b>1,404,932</b>

<sup>1</sup>According to DOH, the majority of the Carry Forward balance has accumulated as a result of unexpended technical assistance funding. Administrative funding balances can only be carried forward to support administrative expenses.

<sup>2</sup>The amount of funds used to pay administrative costs in excess of \$100,000 shall not exceed 2% of the aggregate annual grant, or \$242,106 (for a maximum FFY 18 admin allocation of \$342,106).

<sup>3</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>4</sup>FFY 16 funding supports 2 positions while 2.2 positions remain vacant. FFY 18 funding assumes 4.2 positions will be funded.

### Appendix C: FFY 16 Contracted Activity Funds

<b>Town</b>	<b>Project Description</b>	<b>Amount \$</b>
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 Metacomet Village	800,000
East Windsor	ADA Fire Safety & Emergency Improvements 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
	<b>Total</b>	<b>12,655,847</b>

### Appendix D: FFY 17 Committed Funds

Town	Project Description	Amount \$
Beacon Falls	Housing Rehabilitation	400,000
Brookfield	Housing Rehabilitation	400,000
Coventry	Orchard Hills Estates- Public Housing Modernization	800,000
Durham	Mauro Meadows Renovations and Improvements- Phase 2	700,000
Ellington	Regional Housing Rehabilitation	450,000
Granby	Stony Hill Village ADA, Energy Improvements & Renovation	800,000
Groton	Mystic River Homes- Public Housing Modernization	800,000
Hebron	Stonecroft Village- Public Housing Modernization	700,000
Lebanon	Housing Rehabilitation	400,000
Monroe	Housing Rehabilitation	400,000
Morris	Housing Rehabilitation	400,000
New Fairfield	Housing Rehabilitation	400,000
North Haven	Parkside Manor- Public Housing Modernization	800,000
Pomfret	Seely-Brown Village Capital Improvements	688,000
Simsbury	Virginia Connelly Residence/Dr. Owen J Murphy Rehab	750,000
Southington	Housing Rehabilitation	400,000
Sprague	River Street Reconstruction Phase 2	500,000
Voluntown	Greenwood Manor- Public Housing Modernization	700,000
Wallingford	McGuire Court ADA, Energy Improvement & Renovation	800,000
Westport	Public Housing Modernization	363,791
Wethersfield	James Devlin Senior Housing- Public Housing Modernization	625,000
Coventry	Multi-Jurisdictional Crumbling Foundation Testing Program	250,000
	<b>Total</b>	<b>12,526,791</b>