

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 19 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) 19 allocation has not yet been published by HUD but is estimated at \$13,380,326. FFY 17 - FFY 19 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 17 (Actual)	FFY 18 (Estimated)	FFY 19 (Proposed)
Federal Allocation	12,105,315	13,247,397	13,380,326
Uncommitted from Previous Year	809,959	-	\$326,942
Reprogrammed Funds (program income)	-	-	600,000
Reprogrammed Funded (administrative)	-	-	500,000
Reprogrammed Technical Assistance Funds ¹	212,671	-	-
Subtotal Available	13,127,945	13,247,397	14,807,268
Administrative Authorization ²	(601,154)	(638,566)	(1,169,669)
Total Available for Projects³	12,526,791	12,608,831	13,637,599
Committed Funds	12,526,791	12,281,889	-
Uncommitted Program Balance Available for Carry Forward	-	326,942	

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

²States are required to match administrative costs in excess of \$100,000. The FY 19 DOH budget includes Personal Services funding of \$264,947 to support Small Cities. See Appendix B for further details.

³The list of FFY 17 and FFY 18 program awards by town are provided in Appendix C and Appendix D. A list of requested FFY 19 funding by town is provided in Appendix E.

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 receiving 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); and
5. Planning and administration expenditures cannot exceed 20% of the Small Cities CDBG grant.

DOH is again proposing a 15% set-aside (\$2,007,049) to support public service activities including crisis housing for young adults experiencing homelessness as well as shelter diversion activities and foundation testing associated with crumbling foundations. Public service activity applications were accepted as part of the regular competitive funding round.

This year, DOH will allow communities to apply for (1) one public activity and one other activity type, and (2) one eligible activity type on more than one location. Typically, communities are not allowed to do this due to concerns about local capacity and the equitable distribution of funding.

The deadline for applications requesting FFY 19 project funding was April 12, 2019. DOH received 23 applications requesting total funding of \$23,394,894 (see Appendix E).

¹Urgent 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 17 (Actual)	FFY 18 (Estimated)	FFY 19 (Proposed)
Carry Forward from Previous Year	909,445	1,226,227	1,350,030
Admin Allocation ¹	342,106	364,947	367,607
Technical Assistance Allocation ²	121,053	132,474	133,803
General Fund Match	242,106	264,947	267,607
Subtotal Available	1,614,710	1,988,595	2,119,047
Expenditures			
Personnel & Fringe ³	353,543	490,566	841,869
Other Expenses	34,940	148,000	327,800
Subtotal Expenditures	388,483	638,566	1,169,669
Administrative Funds Transferred to Program Activity	-	-	500,000
Balance (Carry Forward to Following Year)	1,226,227	1,350,029	449,378

¹ 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 \$267,607 (for a maximum FFY 19 admin allocation of \$367,607).

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

³ FFY 18 funding supports 2.1 positions while 1.4 positions remain vacant. FFY 19 funding assumes 4.9 positions will be funded.

Appendix C: FFY 17 Activity Projects

Town	Project Description	Amount \$
Beacon Falls	Housing Rehabilitation	400,000
Brookfield	Housing Rehabilitation	400,000
Coventry	Orchard Hills Estates- Public Housing Modernization	800,000
Coventry	Multi-Jurisdictional Crumbling Foundation Testing Program	250,000
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	Diversion Specialist and Short-Term Crisis Housing for Young Adults	363,791
Wethersfield	James Devlin Senior Housing- Public Housing Modernization	625,000
	Total	12,526,791

Appendix D: FFY 18 Contracted Activity Funds

Municipality	Project Description	\$ Amount
Cheshire	Housing Rehabilitation Program	400,000
Enfield	A Way Home Project	310,213
Farmington	New Horizons Village Modernization	800,000
Guilford	Housing Rehabilitation Program	442,000
Killingly	Rehabilitation of Domestic Violence Shelter	810,000
Madison	Concord Meadows (Madison Interfaith Residential Community)	800,000
Shelton	Sinsabaugh Heights Public Housing Modernization	800,000
South Windsor	Wapping Mews Elderly Housing Public Housing Modernization	800,000
Southington	Zdunzyck Terrace Public Housing Modernization	800,000
Sprague	Housing Rehabilitation Program	400,000
Stafford	Housing Rehabilitation Program	442,000
Stonington	Shelter Diversion Program	319,466
Suffield	Maple Court/Laurel Broder Place (Suffield Housing Authority)	800,000
Torrington	Housing Rehabilitation Program	400,000
Trumbull	Stern Village Phase II Energy Improvements	800,000
Vernon	Regional Crumbling Foundations Testing Program	480,000
Voluntown	Greenwood Manor Public Housing Renovations Phase II	700,000
Westport	Diversion Specialist and Short-Term Crisis Housing for Young Adults	400,000
Wethersfield	Harvey Fuller Senior Housing and Highview Terrace Apartments	778,210
Windham	Nathan Hale Terrace Heating Replacement	800,000
	Total	12,281,889

Appendix E: FFY 19 Applications Received

Municipality	Project Description	\$ Amount
Chester	Cherry Hill Apartments	800,000
Coventry	Orchard Hills	1,500,000
Derby	CiCia Manor	1,500,000
East Hampton	Bellwood Court	1,231,121
East Windsor	Park Hill	1,338,021
Enfield	Green Valley Drive/Laurel Park	330,000
Farmington	NHV	900,000
Groton	Mystic River Homes	1,500,000
Guilford	Shelter Diversion for GNH CAN	350,000
Hebron	Stone Craft Manor	700,000
Killingly	Birchwood Terrace Phase 1	1,000,000
Madison	Concord Meadows	1,324,798
Mansfield	Housing Rehabilitation - Mansfield	400,000
Naugatuck	Housing Rehabilitation - Naugatuck	400,000
New Milford	Housing Rehabilitation - New Milford	500,000
Plainville	Plainville HA ADA Upgrades	1,500,000
Putnam	Housing Rehabilitation - Putnam	400,000
Southington	Zdunzyck Terrace	800,000
Torrington	Torrington Towers	1,500,000
Trumbull	Henry Stern Center	1,072,234
Wallingford	John Savage Common	1,348,720
Wethersfield	Harvey Fuller Senior Housing	1,500,000
Windham	Nathan Hale Terrace	1,500,000
	Total	23,394,894