

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 21 Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

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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) 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. 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) 21 allocation is estimated at \$8,511,446, which is 38.6% lower than the prior year. FFY 19 - FFY 21 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 19 (Actual)	FFY 20 (Estimated)	FFY 21 (Proposed)	% Change 21 v. 20
Federal Allocation	13,380,326	13,851,472	8,511,446	-38.6%
Uncommitted from Previous Year	326,942	23,624	1,815,346	7584.3%
Reprogrammed Funds- Program Income	-	2,290,092	100,000	-95.6%
Reprogrammed Funds- Administrative	500,000	-	-	-
Reprogrammed Funds- Technical Assistance ¹	-	-	-	-
Subtotal Available	14,207,268	16,165,188	10,426,792	-35.5%
Administrative Authorization ²	(1,169,669)	(1,013,915)	(1,069,310)	5.5%
Total Available for Projects	13,037,599	15,151,273	9,357,482	-38.2%
Committed Funds	13,013,975	13,335,927		
Uncommitted Program Balance Available for Carry Forward	23,624	1,815,346		

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 22 DOH budget includes Personal Services funding of \$170,229 to support Small Cities. See Appendix B for further details.

³ The list of FFY 19 and FFY 20 program awards by town are provided in Appendix C and Appendix D.

State Allocation Process

DOH administers the program through a competitive application process for most activities.¹ 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.²

This year DOH will prioritize the State-Sponsored Housing Portfolio (SSHP), focusing on projects that make the properties sustainable for long-term use as quality, affordable rental housing. Applications for Homeowner Rehab or Public Facilities/Infrastructure will not be considered. Support for Public Service activities will be considered under separate CDBG-COVID funding.³

The deadline for applications requesting FFY 21 funding was June 18, 2021. DOH received 12 applications requesting total funding of \$13.4 million (see Appendix E).

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

² Grantee administration costs are restricted up to 8% of any grant award or \$33,000, whichever is lower.

³ Municipality-specific allocations for the CARES Act programs can be found at <https://www.hud.gov/sites/dfiles/CPD/documents/fy2020-CARES-allocations-AllGrantees.xlsx>

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 19 (Actual)	FFY 20 (Estimated)	FFY 21 (Proposed)
Carry Forward from Previous Year	1,408,481	1,404,311	1,183,103
Admin Allocation ¹	367,607	377,083	270,229
Technical Assistance Allocation ²	133,803	138,541	85,114
General Fund Match	267,607	277,083	170,229
Subtotal Available	2,177,498	2,197,018	1,708,675
Expenditures			
Personnel & Fringe ³	644,458	878,815	927,455
Other Expenses	128,729	135,100	141,855
Subtotal Expenditures	773,187	1,013,915	1,069,310
Balance (Carry Forward to Following Year)	1,404,311	1,183,103	639,365

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 \$170,229 (for a maximum FFY 21 admin allocation of \$270,229).

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

³ FFY 20 and FFY 21 funding is based on 5.25 positions.

Appendix C: FFY 19 Contracted Activity Funds

Town	Project Description	Amount \$
Chester	Cherry Hill Apartments	800,000
Derby	CiCia Manor	1,000,000
East Windsor	Park Hill	650,000
Enfield	Laurel Park	175,000
Farmington	New Horizons Village	900,000
Groton	Mystic River Homes	1,500,000
Guilford	Shelter Diversion for GNH CAN	350,000
Hebron	Stonecroft Village	700,000
Madison	Concord Meadows	1,479,021
Plainville	Centerview Village and Woodmoor Manor	1,500,000
Roxbury	Roxbury Housing Rehabilitation Project	39,000
Trumbull	Henry Stern Center	1,072,234
Wallingford	John Savage Commons	1,348,720
Windham	Nathan Hale Terrace	1,500,000
	TOTAL	13,013,975

Appendix D: FFY 20 Committed Funds

Town	Project Description	Amount \$
Ansonia	Housing Rehabilitation Program	400,000
Cheshire	Public Housing Modernization- Beachport Apartments	1,500,000
Coventry	Public Housing Modernization- Orchard Hill Estates	1,500,000
East Hampton	Public Housing Modernization- Chatham Acres & Bellwood Court	1,500,000
Jewett City	Public Facility Improvement- Waste water Treatment Plant Flood Waste Control	1,000,000
Kent	Public Housing Modernization- South Commons Capitol Improvement	800,000
Ledyard	Public Housing Modernization- King's Corner Manor	1,500,000
Mansfield	Public Facility Improvement- Fire Protection Equipment	735,927
Naugatuck	Public Facility Improvement- Cherry Street Area Flood & Drainage Control	1,000,000
Plymouth	Public Housing Modernization- Gosinski Park ADA Renovation	1,500,000
Putnam	Housing Rehabilitation Program	400,000
Windham	Public Housing Modernization- Nathan Hale Terrace Phase III	1,500,000
	TOTAL	13,335,927

Appendix E: FFY 21 Requested Funds

Town	Project Description	Amount \$
Ansonia	Public Housing Modernization- James J. O'Donnell Elderly Housing Complex	1,500,000
Berlin	Infrastructure in support of affordable housing- Knights of Columbus Housing Project	1,000,000
Canaan	Infrastructure- River Road Homes	725,800
Enfield	Public Housing Modernization- Enfield Manor	1,500,000
Essex	Public Housing Modernization- Essex Court	1,500,000
Goshen	Public Housing Modernization- Goshen Village	400,000
Monroe	Infrastructure: 195-211 Main Street	1,000,000
North Haven	Public Housing Modernization- Temple Pines	1,500,000
Shelton	Public Housing Modernization- Sinsabaugh Heights	410,000
Wallingford	Public Housing Modernization- Ulbrich Heights	1,500,000
Washington	Public Housing Modernization- Dodge Farms	885,900
Westbrook	Public Housing Modernization- Worthington Manor	1,500,000
	TOTAL	13,421,700