

Public Hearing

Agenda Item #	1
Meeting Date	October 15, 2007
Prepared By	Sara Anne Daines HCD Director
Approved By	Barbara B. Matthews City Manager

Discussion Item	Public Hearing - Community Development Block Grant (CDBG) Program
Background	<p>A public hearing will be held on Monday, October 15, 2007 to solicit comments regarding the use of the City's PY34 Community Development Block Grant (CDBG) funds.</p> <p>The Community Development Block Grant (CDBG) program, initiated in 1974, is one of the oldest programs at the U.S. Department of Housing and Urban Development (HUD). CDBG grants are provided on an annual basis to communities such as Takoma Park, working in partnership with Montgomery County, to ensure decent affordable housing for all, to provide services to the most vulnerable, to create jobs and expand business opportunities. The CDBG program provides flexible funding for a variety of projects including but not limited to property acquisition, housing rehabilitation, commercial revitalization, and human service projects. Seventy percent of the program's beneficiaries must be persons or households of low and moderate incomes as defined by HUD.</p> <p>Following the public hearing, the Council will be considering CDBG funding recommendations for PY34. Additional information is included in the materials prepared for the Council's worksession.</p>
Policy	To maximize funding resources available for programming which benefits the community's low and moderate income populations.
Fiscal Impact	The City will receive approximately \$135,000 in funds for PY34. Of this amount, a maximum of 15% can be allocated for community or public service projects with the balance directed to capital improvement projects. Funds would become available in late FY09.
Attachments	<ul style="list-style-type: none"> • Community Development Block Grant (CDBG) Program Overview • Map of CDBG Eligible Census Tracts - Takoma Park
Recommendation	To hold the public hearing and solicit additional comments on the allocation of available CDBG resources.
Special Consideration	Resolution approving proposed CDBG projects and authorizing their submission to Montgomery County is to be considered by the Council on October 22, 2007.

Community Development Block Grant (CDBG) Program Overview

The Community Development Block Grant (CDBG) program, initiated in 1974, is one of the oldest programs at the U.S. Department of Housing and Urban Development (HUD). CDBG grants are provided on an annual basis to communities such as Takoma Park to ensure decent affordable housing for all, provide services to the most vulnerable, create jobs, and expand business opportunities.

CDBG National Objectives

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet. The City must assure that all activities meet one of two national objectives of the program. Each activity must either benefit people with low- and moderate-incomes, and/or aid in the prevention of slums and blight. Activities that do not meet one of these two broad national objectives cannot be undertaken with CDBG funds.

Low and Moderate Income Benefit

Generally, CDBG activities benefit people with low- and moderate-incomes (LMI). For an activity to meet this objective, it must have either income eligibility requirements that limit the activity's benefits to LMI persons, or be located in and serve an area that is predominantly inhabited by LMI residents (a map of these areas is attached). Under the CDBG regulations, programs that serve the elderly or persons with disabilities are usually considered to benefit low- and moderate-income persons.

HUD INCOME LIMITS

Family Size	Low Income	Moderate Income
1	\$31,250	\$40,600
2	\$35,700	\$46,400
3	\$40,200	\$52,200
4	\$44,650	\$58,000
5	\$48,200	\$62,650
6	\$51,800	\$67,300
7	\$55,350	\$71,900
8	\$58,950	\$76,550

To meet this objective, no less than fifty-one percent (51%) of the persons benefitting from an activity must qualify under the low and moderate income limits. Not less than seventy-percent (70%) of the City's overall CDBG activities must serve LMI persons.

Slums and Blight

For an activity to meet the second objective, it must be designed to address and ameliorate the conditions causing the slums and blight. The City determines which areas qualify under removal of slums and blight. It is rare for an application to be funded under this objective.

Eligibility Criteria

CDBG regulations further require that an activity selected for funding must

- Provide a new or an expanded level of an existing public service to populations with special needs, such as supportive services for the homeless, persons with HIV/AIDS, the elderly, abused persons, children-at-risk, persons with mental or physical disabilities, or new immigrant populations; or
- Eliminate conditions detrimental to health, safety, and public welfare; or
- Stimulate economic growth, development, and employment opportunities that will principally benefit LMI persons; or
- Support fair housing through education, counseling, legal assistance, and consumer protection programs.

Ineligible Activities

Certain types of activities are ineligible for CDBG assistance. The following types of activities are generally ineligible for CDBG funding.

- Construction of, or improvements to, general government buildings and schools.
- Routine operation, maintenance, and repair activities for public facilities.
- Assistance to churches or church-affiliated organizations unless a clear separation of purpose, mission, and organizational relationship can be established between the church and the CDBG funded activities.

Policies and Priorities for Public Service Grants

In addition to these requirements, policies based on federal requirements for the program and local needs and funding priorities, govern the expenditure of CDBG funds.

- CDBG funds will not go to one organization for the same project (or a substantially similar project) for more than three (3) years.
- Organizations which receive funds in year one, are not guaranteed funding in years two and three. Future funding is dependent on many factors, including performance.

- Grantees may only lease, not purchase, capital equipment with CDBG funds.

CDBG Funding Level

CDBG funds are allocated by HUD on an annual basis using a formula which considers several objective measures of community needs (for example, the extent of poverty, housing overcrowding, ages of housing, and slowly or declining population growth in relationship to other metropolitan areas). Funding is distributed to states and entitlement communities with smaller communities such as Takoma Park receiving a portion of the funds allocated for the larger entitlement community (in this case, Montgomery County).

The level of CDBG funding the City receives varies from year to year. Not more than fifteen percent (15%) of the funds can be spent on public service activities - projects which generally provide direct benefit to LMI persons. Last year the City received \$167,000. Of this amount, \$25,000 was available for public service projects. The balance was allocated for a variety of capital projects.

<u>Program Year 33 (2008)</u>		Takoma Park Boy's and Girls Club	\$ 12,525
Single Family Improvement Grants	\$ 50,000	CSAFE - Takoma Park	\$ 12,525
Commercial Improvement Grants	\$ 25,000	MC Housing Program	<u>\$ 16,950</u>
Maple Ave Streetscape - Phase II	\$ 38,000	Total	\$ 167,000
Ministries United (MUSST)	\$ 10,700		
Manna Foods, Inc.	<u>\$ 9,300</u>	<u>Program Year 29 (2004)</u>	
Total	\$ 133,000	CUC Elderly Health Care	\$ 8,000
<u>Program Year 32 (2007)</u>		Takoma Park - Organizing	\$ 17,050
Holton Lane Streetscape	\$ 70,000	Streetscape Projects	<u>\$ 141,950</u>
Maple Avenue Planning	\$ 50,000	Total	\$ 167,000
ADA Accessibility Plan	\$ 25,000	<u>Program Year 28 (2003)</u>	
CUC: Victory Tower Health Care	\$ 12,500	Streetscape Projects	\$ 110,000
Boys and Girls Club Sports Program	\$ 8,250	CASA de Maryland - Organizing	\$ 10,000
Manna Foods, Inc.	<u>\$ 4,500</u>	Takoma Park Presbyterian Church	\$ 11,000
Total	\$ 170,250	Boys and Girls Home Renovation	\$ 7,900
<u>Program Year 31 (2006)</u>		T.P. Family Resource Center	\$ 14,400
Streetscape Projects	\$ 141,950	Gateway Learning Center	<u>\$ 8,700</u>
Capacity Building Program	\$ 9,000	Total	\$ 167,000
CSAFE - Takoma Park	\$ 9,000		
Hearts and Home for Youth	<u>\$ 7,050</u>	<u>Program Year 27 (2002)</u>	
Total	\$ 167,000	Streetscape Projects	\$ 141,950
<u>Program Year 30 (2005)</u>		Community Organizing	<u>\$ 25,000</u>
Streetscape Projects	\$ 125,000	Total	\$ 166,950

Program Year 26 (2001)

History of Takoma Park	\$ 15,000
Maple Path Park	\$ 36,800
Takoma Langley Improvements	\$ 89,000
Grant Avenue Sidewalk Project	\$ 19,000
ADA Sidewalk improvements	<u>\$ 16,000</u>
Total	\$ 175,800

For more information, please contact

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