

Community Development Block Grant (CDBG)

2020 CDBG
and
CDBG-CV Program
Virtual Public Hearing
Skype for Business
Tuesday, May 19, 2019
3:00 PM

2020 CDBG and CDBG-CV Program Topics to Present/Discuss

- Introductions & Digital Hearing Procedures
- Purpose of this Hearing
- History of Community Development Block Grant
- National Objectives – Fundability
- Eligible Activities
- Past Projects
- Project Evaluation Criteria
- Notices
- Discussion

Introduction & Procedures

- Introduction of Presenters
- Attendee Video & Microphones
- Instant Message Chat Box
- Question and Answer Opportunities
- Length of Hearing & Access to Presentation

If you have any questions regarding the CDBG program,
please contact:

Zachary Norwood
Crawford County Planning Director

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at (814) 333 - 7341

Purpose of this Hearing

- ***Why are we holding this hearing...***
 - *To help inform the citizens, municipalities, and any who intend to make an application to DCED for FY2020 CDBG or CDBG-CV funds of the requirements and process involved;*
 - *Provide examples of the types of eligible activities and previous projects funded through CDBG funds in Crawford County;*
 - *Answer questions and hear any comments that the public may have regarding the FY2020 CDBG or CDBG-CV allocations and process.*

History of CDBG – Federal

- ***Housing and Community Development Act of 1974***
 - Combined 7 “*Health of Cities*” programs into the Community Development Block Grant which distributes Federal (Housing and Urban Development – HUD) funds annually, and largely by formula, to state governments to use with considerable discretion
 - **REQUIREMENT** – create a three year community development plan that identifies community development needs and objectives through local participation
 - **REQUIREMENT** – meet national goals and objectives set by HUD and DCED

History of CDBG – State

- The Commonwealth allocates their HUD monies through the formula designated by PA Act 179
 - This act formulates grants to entitlement
 - Cities
 - Townships, Boroughs, and Towns with over 50,000 population
 - Counties
 - The monies given to Counties helps to fund projects in the “non-entitlement” municipalities
 - Thus, Crawford County does not fund projects in the cities of Meadville or Titusville, or in Vernon Township, which are all direct entitlement municipalities

History of CDBG – Crawford County

- This year's (FFY 2020) allocation from the state to Crawford County is \$291,612.00
- Past allocations have been:
 - 2019 - \$282,898.00
 - 2018 - \$280,335.00
 - 2017 - \$250,064.00
 - 2016 - \$253,863.00
- The 1st tranche of CDBG-CV allocation from the state to Crawford County is \$166,152.00
 - Crawford County has never before received grant funding through CDBG for pandemic response.

Questions or Comments?

National Objectives– Fundability

- Benefit to low-and moderate-income persons
- Elimination of Blight
- Urgent Need

Low/ Moderate Income (LMI) Benefit

- 70% of activity funds must be spent on the LMI Benefit National Objective

Definitions

- Low-Moderate Income:
 - Less than 80% of County median of adjusted gross income
- Family:
 - All persons in a household related by blood, marriage, adoption
- Household:
 - All persons occupying same housing unit regardless of relationship

Definitions (continued)

- Microenterprise:
 - A commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise
- Job Retained:
 - A position in which sufficient documentation can be provided that the job would have been lost without the CDBG assistance. At least one or both of the following must apply to at least 51% of the retained jobs:
 - The job is held by a LMI person or;
 - The job can be expected to turn over within two years and steps will be taken to ensure job will be filled by a LMI person
- Job Created:
 - A position made available through expansion of the business.
 - Business must have documentation indicating that at least 51% of the jobs will be held by a LMI person

Low/ Moderate Income (LMI) Benefit

- 1 of 4 categories can be explored to qualify this National Objective
 - Area Benefit
 - Limited Clientele
 - Employment
 - Housing

LMI Benefit – Area Benefit

- At least 51% of persons residing in area served are LMI
 - Principally residential
 - Benefits all residents
- Determination of service area
 - Primary benefit vs. incidental benefit
- Determination of LMI
 - Census (2011 - 2015 American Community Survey Data)
 - Survey

LMI Benefit – Limited Clientele

- At least 51% of the beneficiaries must be LMI persons
- Activities provide benefits to a specific group of persons rather than everyone in an area
- Activities must meet one of the following tests:
 - Benefit a clientele that is generally presumed to be principally LMI
 - Require documentation on family size and income in order to show that at least 51% of the clientele are LMI
 - Have income eligibility requirements limiting the activity to LMI persons only
 - Be of such a nature and in such a location that it can be concluded that clients are primarily LMI

LMI Benefit - Employment

- Funds the creation or retention of jobs as long as 51% of full time equivalent positions are held or made available to LMI persons
 - Employee must meet the definition of LMI person or household
 - Employee or business has presumed benefit if job holder resides, or business is located in, census tract (CT) with:
 - 20% poverty and general distress, or
 - 30% poverty, Central Business District, and general distress
 - Federally designated Empowerment Zones (EZ) or Enterprise Communities (EC)
 - CT or block group with 70% LMI

LMI Benefit – Housing

- Household (not individual persons) must be LMI
 - All single households
 - One of two unit duplex
 - 51% of units with more than 2 units
- Intake application needed
 - Household must demonstrate income eligibility through various forms of documentation

Questions or Comments?

National Objectives– Fundability

- Benefit to low-and moderate-income persons
- **Elimination of Blight**
- Urgent Need

Elimination of Blight

- Activities under this national objective are carried out to address conditions which have contributed to the deterioration of an area designated as a blighted area
- Up to 30% of total allocation of activity funds can be used toward elimination of blight
- Under this national objective, the extent of physical conditions that contribute to blight is the central qualifying factor
- There are 3 categories used to qualify activities:
 - Area basis
 - Spot basis
 - Urban renewal area—none located in Crawford County

Elimination of Blight – Area Basis

- Area basis – a defined slum or blighted area
 - Officially designated area with defined boundaries
 - Area must also exhibit one of two conditions:
 - 25% or more of properties deteriorated (per code) and
 - Public improvements must be in general state of deterioration
 - Activities are limited to those contributing to the property's overall deterioration
 - Buildings must be considered substandard by local definition
 - Code deficiencies making building substandard must occur before other work

Elimination of Blight – Spot Basis

- Elimination of blight on specific property or area outside of defined slum or blighted area
 - Limited to:
 - Acquisition for demolition
 - Clearance
 - Relocation
 - Historic Preservation
 - Remediation of environmentally contaminated properties
 - Rehabilitation
 - Limited to specific conditions

National Objectives– Fundability

- Benefit to low-and moderate-income persons
- Elimination of Blight
- Urgent Need

Urgent Need

- Alleviate existing conditions which can be certified to:
 - Pose a serious and immediate threat to the health or welfare of the community
 - Be of recent origin or recently become urgent
 - A condition will generally be considered of recent origin if it has developed or become critical within the preceding 18 months
 - Unable to be financed through any other sources (such as FEMA)
- In order to assist municipalities to prevent, prepare for, and respond to the coronavirus, CDBG-CV and FY2020 CDBG funding can be used under the Urgent Need national objective category.

Questions or Comments?

Eligible Activities

Eligible Activities

1. Acquisition and Demolition

- Acquisition (purchase) of real property for a public purpose
- Disposition of real property includes the costs related to the sale, lease, or donation of property acquired with CDBG funds
- Clearance and Demolition of buildings, or the movement of buildings to other sites
- Cleanup of Contaminated Sites includes activities undertaken to clean toxic/environmental waste or contamination from a site
- Relocation includes payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms

Eligible Activities

2. Public Facilities and Improvements

- Funds may be used for improvements to public facilities. This includes, but is not limited to:
 - Acquisition, construction, or rehabilitation of facilities for
 - seniors
 - persons with disabilities
 - persons experiencing homelessness
 - Youth centers
 - Neighborhood facilities
 - Public use facilities such as:
 - Parks, recreational facilities
 - Parking facilities
 - Physical and mental health facilities
 - Public infrastructure such as:
 - Solid Waste Disposal facilities
 - Flood Drainage Improvements
 - Water/Sewer Improvements
 - Street Improvements

Eligible Activities

3. Public Services

- Following the enactment of the CARES Act, the previous cap on public service activities of 15% has no effect on CDBG-CV grants or FY2020 grant funds used for coronavirus efforts. If the public service activity is not related to coronavirus relief, no more than 15% of the total allocation can be used.
- Public service funding is available to assist with activities servicing particular client groups, including but not limited to:
 - Senior services
 - Persons with disabilities
 - Youth services
 - Legal services to aid LMI persons
 - Transportation services
 - Fair Housing activities such as:
 - Tenant/Landlord counseling
 - Screening for lead poisoning
 - Homebuyer down payment assistance
 - Rental housing subsidies
 - Physical and mental Health services
 - Food banks

Eligible Activities

4. Housing

- Includes new construction and rehabilitation. Also may be used for:
 - Conversion of non-residential structures into housing
 - Water/Sewer hookups, replacement of wells, septic systems
 - Historic preservation work that is part of housing rehabilitation
 - Housing counseling for homeownership assistance
 - Code enforcement

Eligible Activities

5. Economic Development

- Eligible types of assistance include:
 - Building acquisition/disposition, construction, or rehabilitation of commercial/industrial property
 - Financial assistance to expand or provide operating capital to private for-profit businesses including loans, loan guarantees, and grants
 - Technical assistance such as workshops and developing business plans
 - Microenterprise assistance such as financial or technical assistance and general support services to owners and developers of microenterprises

Eligible Activities

6. General Administration

- Includes the costs of operating the CDBG programs.
Limited to 17.99% of total allocation.
 - Providing information to residents and citizen organizations
 - Fair housing activities that are part of program administration
 - Program planning activities

Eligible Activities

7. Other

- Funds may be used for:
 - Repayments of Section 108 loans (loans taken by leveraging the County's annual CDBG allocation)
 - Urban renewal completion
 - CDBG non-profit organization capacity building
- Crawford County currently does not utilize this activity category

Environmental Clearances

- Each project activity funded through the County's CDBG program is required to complete a HUD certified environmental clearance
- Depending on activity and project location, the level of necessary review varies as outlined per Federal statute
 - No CDBG funding can be spent prior to receiving an approved environmental clearance
 - Any funding for a CDBG project spent prior to an environmental clearance approval, will be required to be paid back to the program by the grantee
- Environmental review can take between 1 to 90 days based on the activity

Questions or Comments?

Past Projects

- Linesville Borough – Waterline Replacement Project
- Centerville Borough – Demolition of Blighted Structure
- Cochranon Borough – Acquisition & Disposition of Real Property

Past Projects – Linesville Borough

- Waterline Replacement
 - (LMI – Area Benefit)
- Budget Numbers
 - \$220,000 – CDBG
 - \$41,500 – Local
 - 15% Match (Construction)
 - Engineering + Design Expense Match



Past Projects – Centerville Borough

- Elimination of Blight
 - (Spot Blight – acquisition and clearance)
- Budget Numbers
 - \$20,000 – CDBG
 - \$7,000 – Local
 - 26% Match (Construction)



Past Projects – Cochrannton Borough, Hudson's Adams Place

- Acquisition & Disposition of Real Property to be developed into senior housing
 - (LMI – Limited Clientele)
- Budget Numbers
 - \$115,000 – CDBG
 - \$0 – Local
 - 0% Match



Proposed Development

Questions or Comments?

Project Evaluation Criteria

The Crawford County Board of Commissioners & Planning Office will use the following criteria to rank projects for funding.

Project Evaluation Criteria

Crawford County will evaluate proposed projects based on the following criteria:

- How consistent is the project with the County's comprehensive plan?
- How consistent is the project with the municipal comprehensive plan?
- How consistent is the project with the County's 3-Year Community Development plan?
- How clearly does the applicant define who benefits from the project?
- Does the project have matching funds allocated/available?
- How realistic is the project's budget estimates?

Project Evaluation Criteria

- How realistic is the project's timeline within CDBG constraints (typically, 3 years for CDBG FY2020 and 2 years for CDBG-CV)?
- How much support has the local elected body offered the project?
- What level of capacity does the applicant have to handle the project?
- Is this project located within a census block group(s) that has a minority population over 1%?
- Is this project located within a census block group(s) with a population that qualifies as over 51% low- to moderate-income?
- Has the community where the project is located received County CDBG funding within the last 5 years?

Questions or Comments?

Notices

- Application Schedule
- Section 3 Notice
- Antidisplacement Plan

Application Schedule

(CDBG-CV and FFY2020)

Event	Place	CDBG-CV Dates	FY 2020 CDBG Dates
Public Meeting #1 Informational	Virtual Public Hearing Skype for Business event	May 19, 2020 3:00 PM	
Project Proposal Applications Due	Submitted via survey found on County Planning website. https://www.crawfordcountypa.net/ planning/Pages/home.aspx .	June 2, 2020	June 30, 2020
Public Meeting # 2 Review of Projects	To Be Determined	June 29, 2020	July 27, 2020
Final Approval of Application	Crawford County Commissioners Meeting Assembly Room Courthouse	July 8, 2020	September 9, 2020

Section 3 Notice

Per Crawford County's Section 3 Plan

- Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency.
- Section 3 program requires Crawford County, to the greatest extent feasible, to provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.
- A Section 3 resident is a person residing in the service area of the project or grantee, who has an income below \$37,000. A Section 3 business is a business of which 51% or more is owned by an individual(s) with below \$37,000.
- Crawford County maintains a list of designated Section 3 businesses on the Planning Office website.

Antidisplacement Plan

- Housing lost to LMI families due to execution of a CDBG project will be replaced within the same vicinity and will accommodate the same number of occupants
- Replacement will be completed within 3 years
- The housing unit must be occupied by LMI persons for at least 10 years
- Moving expenses must be furnished for those who are displaced

Summary

FY2020 CDBG Program

- Must meet 1 of 3 National Objectives:
 - LMI (70% of total allocation) —Area, Limited Clientele, Housing, or Jobs
 - Elimination of Blight (up to 30% of total allocation)
 - Urgent need (up to 30% of total allocation)
- Eligible activities vary:
 - Acquisition and disposition
 - Public facilities & improvements
 - Public Services (15% cap)
 - Housing
 - Economic Development
 - General Administration (17.99% cap)
 - Other

CDBG-CV Program

- Must meet 1 of 3 National Objectives:
 - LMI (70% of total allocation) —Area, Limited Clientele, Housing, or Jobs
 - Elimination of Blight (up to 30% of total allocation)
 - Urgent need (up to 30% of total allocation)
- Eligible activities limited:
 - Can only be used to prevent, prepare for, and respond to, the Coronavirus
 - The 15% cap on Public Service activities has been lifted

Summary

FY2020 CDBG Program

- Environmental Review must be conducted prior to project spending
- Program's application is due October 2, 2020.
- Program funds will be available approximately June of 2021.

CDBG-CV Program

- Environmental review will still need to be conducted prior to project spending
- Program has an expedited application process—anticipated application due date of July 31, 2020.
- Program funding *may* become available by September of 2020.

Questions or Comments?

Project Submission Process

- Proposals of New Projects for Consideration

Project Submission Process

- Public comment can be received until **May 24, 2020** via:
 - Email--Zach Norwood, Planning Director at znorwood@co.crawford.pa.us
 - Mail—Crawford County Planning Office, 903 Diamond Park, Meadville, PA 16335
- Project proposals can be submitted via survey found on County Planning website
<https://www.crawfordcountypa.net/planning/Pages/home.aspx>
 - Project proposals for **CDBG-CV** funding will be received until **June 2, 2020**
 - Project proposals for **FY2020 CDBG** funding will be received until **June 30, 2020**

Questions or Comments?

If you have any questions regarding the CDBG program,
please contact:

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at (814) 333 - 7341