

Committee of the Whole

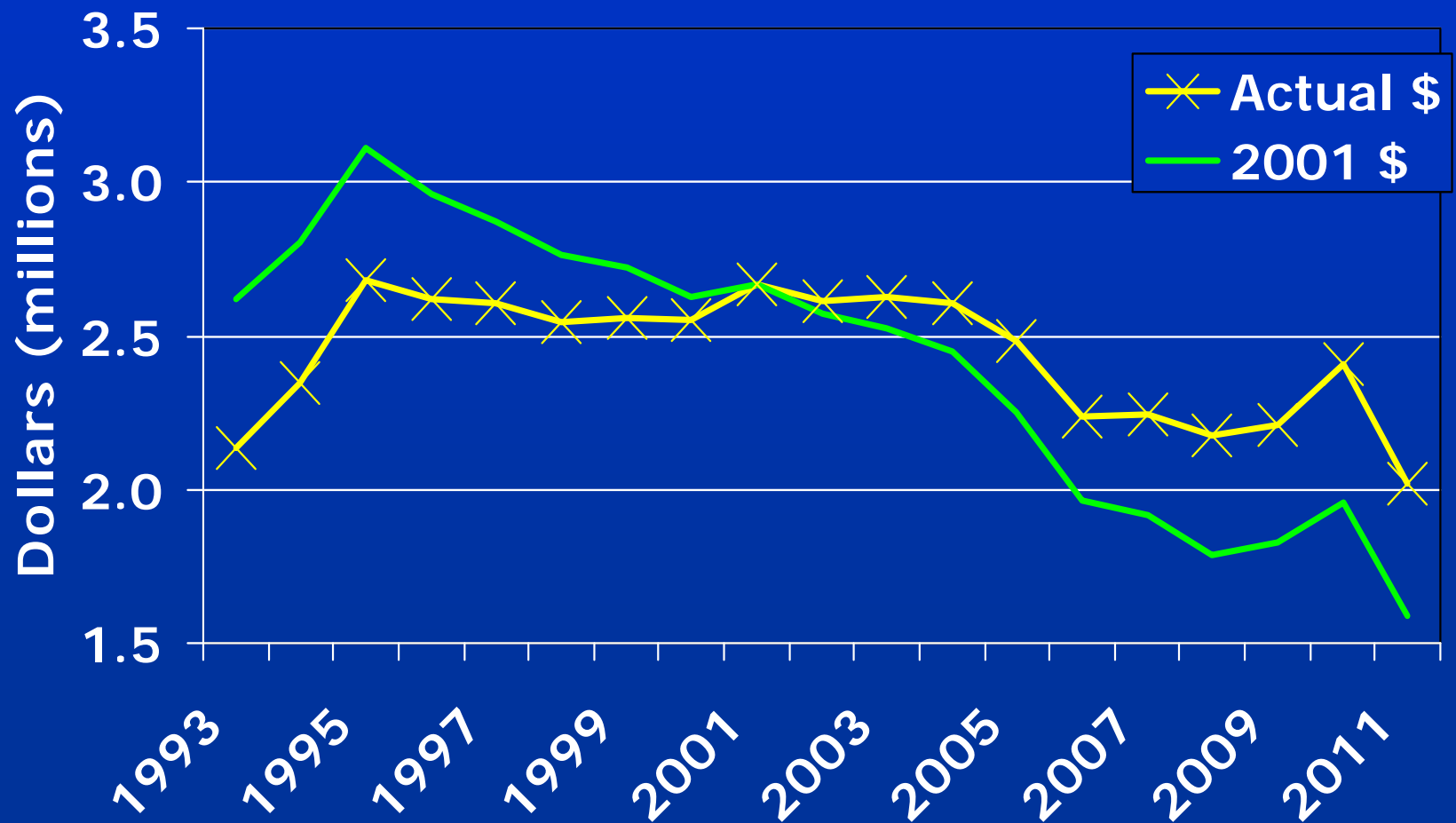
2011 CDBG Allocation
Discussion

June 1, 2011

Lakewood is an Entitlement Community

- Entitlement Communities receive funding directly from HUD.
- Must have a population of at least 50,000.
- Amount of the grant is determined by a formula that considers:
 - Population growth lag
 - Poverty
 - Age of housing stock

Lakewood CDBG Funding



CDBG Primary Objective

*the development of viable urban communities, by providing **decent housing** and a **suitable living environment** and **expanding economic opportunities**, principally **for persons of low and moderate income***

CDBG National Objectives

All activities must meet one of the following three National Objectives:

- Provide direct benefit to low- and moderate-income persons; or
- Aid in the prevention of slum and blight; or
- Meet an Urgent Need.

Eligible Activity

The activity must also be an “eligible activity” according to HUD regulations. Eligible activities include, among others:

- Property acquisition;
- Public facility and infrastructure improvements;
- Provision of public services;
- Economic development activities;
- Housing rehabilitation and preservation activities;
- Comprehensive planning and environmental studies.

Consolidated Plan

Four functions of the Five-Year Plan:

- Serves as the City planning document which is built upon public participation and input;
- Lays out local priorities and a 5-year strategy that Lakewood follows in implementing HUD programs;
- Provides program accountability to local citizens and a way for HUD to measure program performance;
- One-Year Action Plan component of the Five-Year Plan serves as the application for funds under HUD grant programs: Community Development Block Grant (CDBG), HOME, and Emergency Shelter Grants (ESG) Programs.

Changes To The Plan

Substantial changes to the Consolidated Plan require a recommendation by the Citizens Advisory Committee and approval of City Council.

Definition of "Substantial"

- Change in purpose
- Change in Scope of Activity and/or Funding Levels
- Change in Location
- Change in Beneficiaries

Expenditure Requirements

- 70% - averaged over a designated 3-year period must benefit low- to moderate-income persons;
- 30% - maximum 30% can be used for the prevention or elimination of slum and blight;
- 20% - maximum 20% of grant plus program income can be used for administration;
- 15% - maximum 15% of the grant can be used for public services.

Award and Estimates

- 2010 estimate: \$2,100,000
- 2010 award: \$2,406,701

- 2011 estimate: \$2,200,000
- 2011 award: \$2,017,897

Administration Impact

Total allowable expenditures in 2011:
\$403,580 (plus 20% of PI in 2011 est:
\$42,155)

Total already committed to this activity
(carry-forward): \$133,710

Maximum allowed to be allocated to
administration of the 2011 funds: \$312,025

Amount of approved award: \$436,438

At least \$124,413 must be subtracted from
administration activities.

Public Services Impact

Total allowable expenditures in 2011:
\$343,784

Total already committed to these activities
(carry-forward): \$96,998

Maximum allowed to be allocated to public
services of the 2011 funds: \$246,786

Amount of approved awards: \$343,241

At least \$96,455 must be subtracted from
public services activities.

Next Steps

- CAC reviews funding changes and make recommendations to council
 - Council reviews recommendations, votes on final program budgets
 - 2011 budgets contracts issued
 - CAC convenes for 2012 cycle
 - Applicant presentations to the CAC
 - CAC makes 2012 recommendations to Lakewood City Council
 - Objectives and proposed use of funds for published for public comment
 - Council reviews recommendations
Planning prepares Action Plan
 - Mayor submits Action Plan to HUD
- June
 - July
 - August
 - September
 - October
 - November