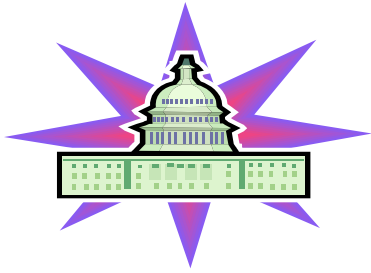


Applicant Meeting

June 28, 2011

Lakewood is an Entitlement Community

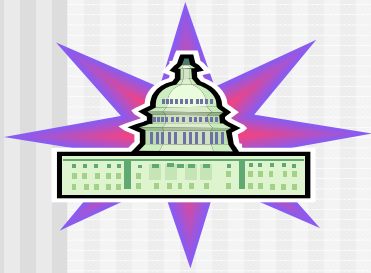
- Entitlement Communities receive funding directly from HUD.
- Must have a population of at least 50,000.
- Amount of the grant is determined by a formula that considers:
 - Population growth lag
 - Poverty
 - Age of housing stock



Federal Funding for Community Development

The City of Lakewood receives funding from four HUD programs:

- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- HOME Investment Partnership (HOME)



Federal Funding for Community Development

The City of Lakewood received one-time ARRA funds (ongoing activities):

- Neighborhood Stabilization Program (NSP)
- Homeless Prevention and Rapid Rehousing (HPRP)
- Community Development Block Grant-Recovery (CDBG-R)

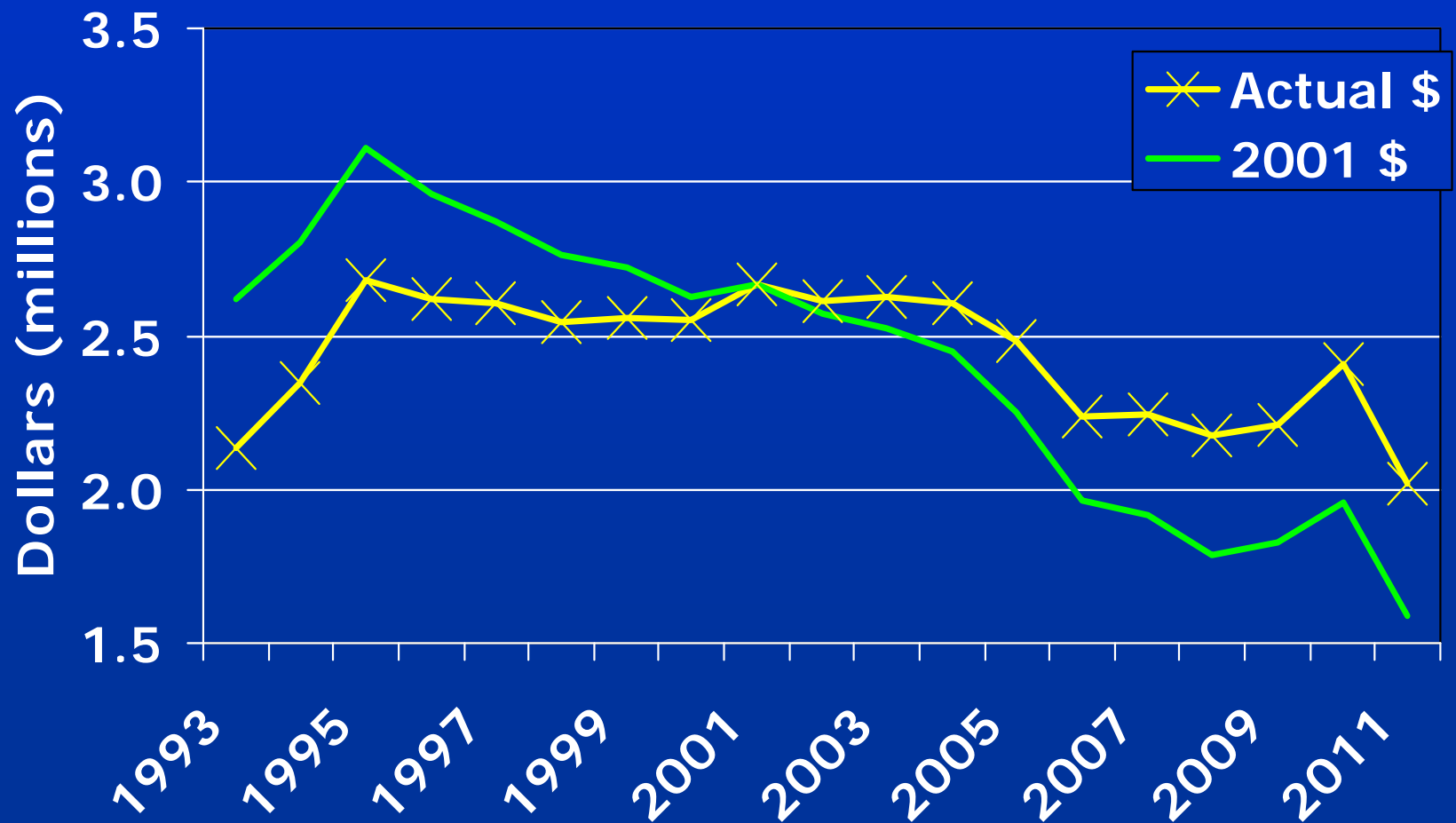


The Community Development Block Grant Program (CDBG)

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) awards annual grants directly to states, urban counties, and certain cities.

Lakewood CDBG Funding



Award and Estimates

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

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

**What is the primary
objective of the funding?**

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***

National Objective

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.

National Objective - Low/Mod Benefit

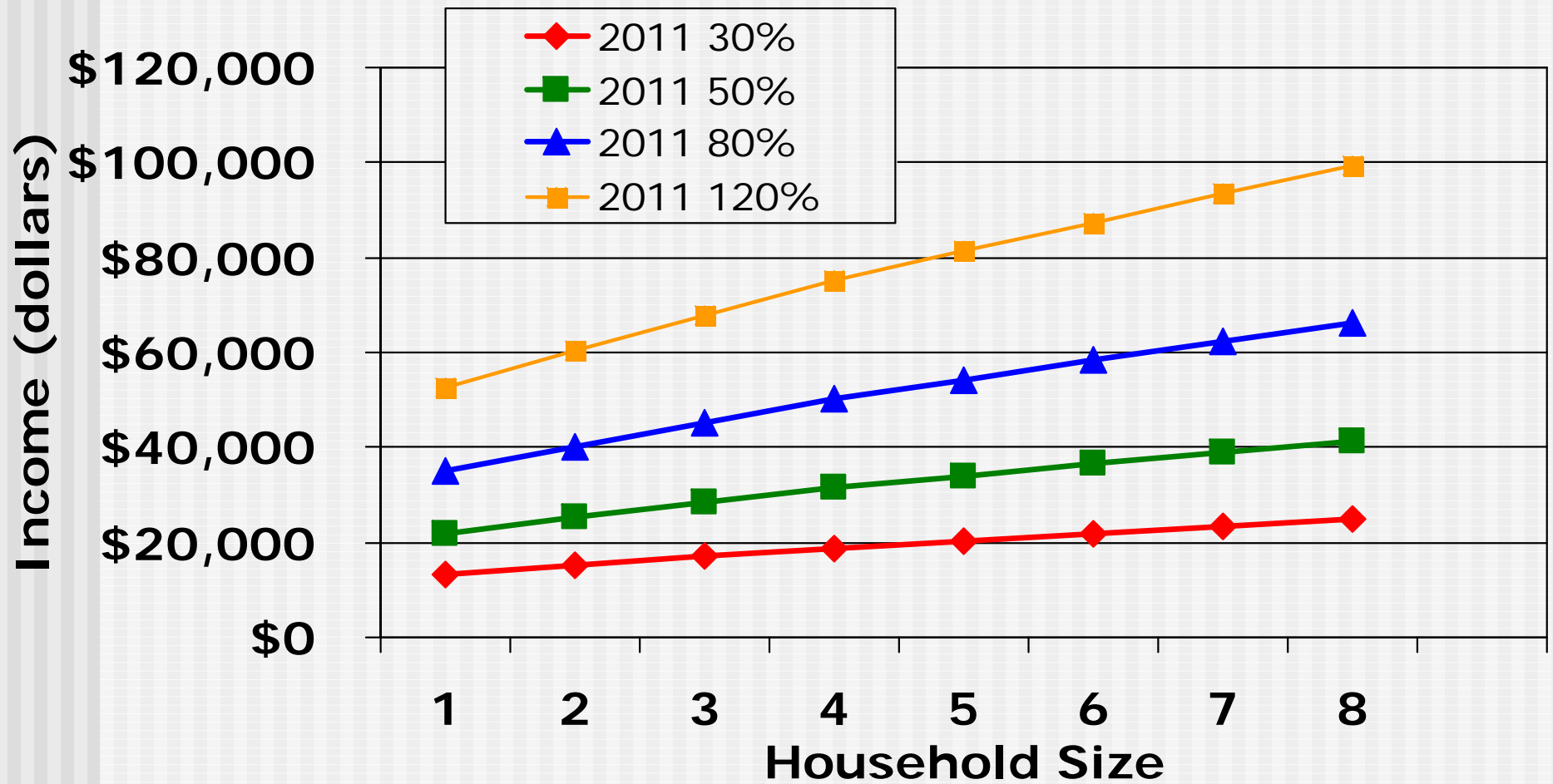
At least 51% of the persons benefiting from the activity are of low- to moderate- income

- Limited Clientele
- Low-Mod Area
- Presumed Benefit
- Low-Mod Housing
- Low-Mod Jobs

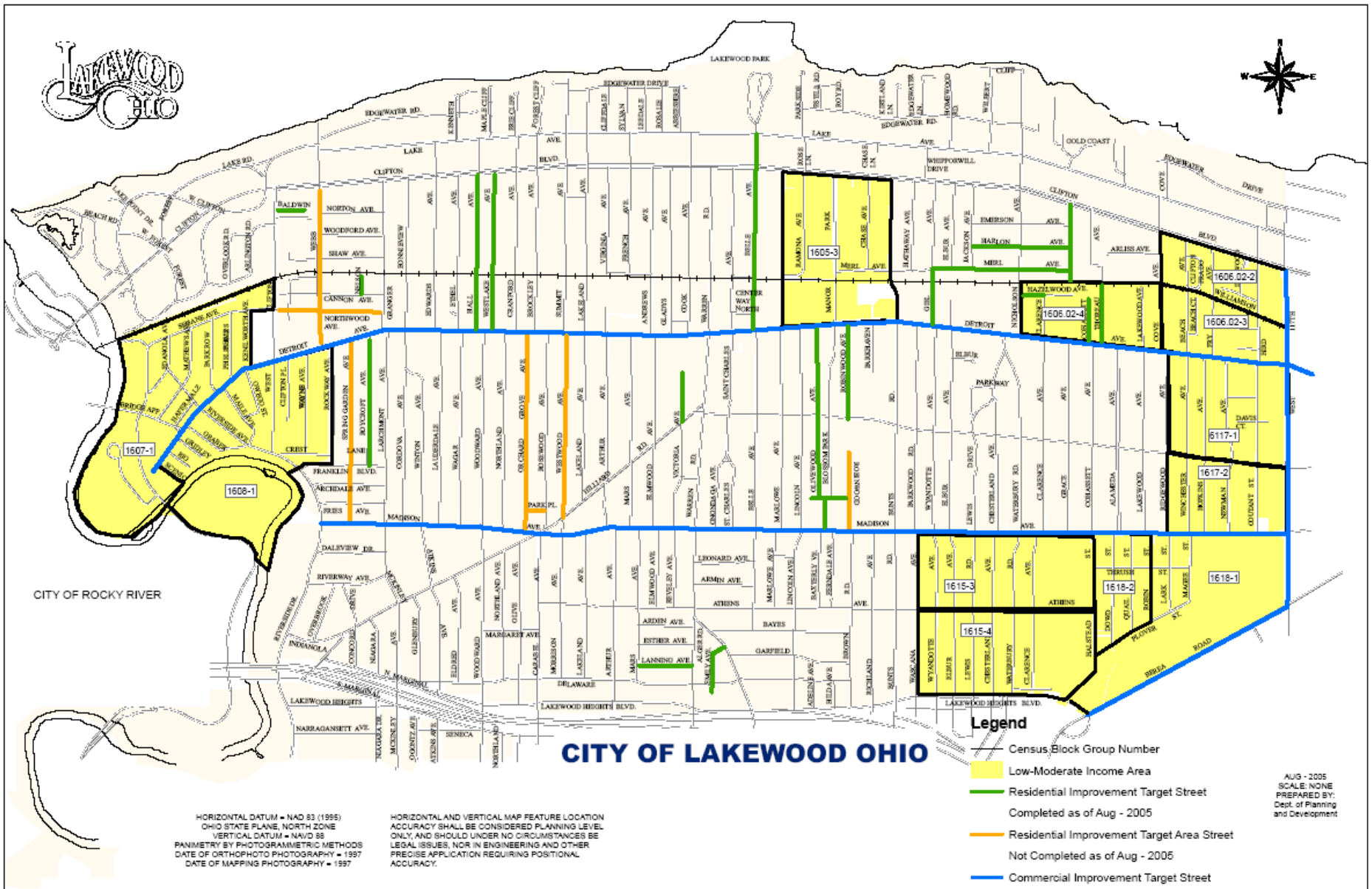
Low- and Moderate-Income Guidelines

- Income levels are set by HUD each year;
- Lakewood's low/mod areas are derived from Census Data every ten years.

Income Guidelines- FY 2011



Lakewood Low/Mod Areas



AUG - 2005
SCALE: NONE
PREPARED BY:
Dept. of Planning
and Development

National Objective – Slum and Blight

Activity must eliminate or prevent slum or blight on an **area** or **spot** basis

Area must have a substantial number of deteriorated or deteriorating buildings;

- Public improvements must be in a general state of deterioration;
- Documentation is maintained on the boundaries of the area and the conditions that qualified the area;
- In Lakewood, such areas are known as “Improvement Target Areas” (ITA)

Spot basis addresses a specific property or properties not located within a designated area.

National Objective – Urgent Need

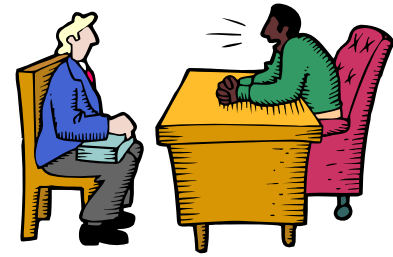
Activity must meet a community development need of particular urgency

- Eliminate conditions that pose a serious and immediate threat to the health or welfare of the community (flood, tornado, fire, etc.).

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.



How does the City request funding from HUD?

HUD Consolidated Plan

Lakewood's **Consolidated Plan**, or "Five-Year Plan," is the document which identifies the City's community development needs and priorities, and the strategies for addressing those needs.

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.

One Year Action Plan

Each year Lakewood must also submit a **One-Year Action Plan** to HUD which specifies how the City will utilize allocated funds to improve neighborhoods and carry forth the vision contained in the Five-Year Plan.

Citizens Advisory Committee (CAC)

- Citizens are appointed to the CAC by the Mayor and City Council.
- CAC members meet annually to review grant applications and develop recommendations to City Council on how funding should be allocated.
- If necessary, the CAC also occasionally reviews and makes recommendations to the Administration and City Council regarding requests for a “substantial change.”



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

Lakewood City Council Action

- CAC funding recommendations require review and approval by Lakewood City Council.
- Once approved, funding allocations are incorporated into the City's One Year Action Plan.
- One Year Action Plan is submitted to HUD by the Mayor as the application for funding for the upcoming fiscal year.

Funding Recipients

A “sub-recipient” is an agency that utilizes Lakewood’s HUD funds to provide some type of service to the City and/or citizens of Lakewood.

- City Divisions
- Non-profit organizations

Are there spending limitations?



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.

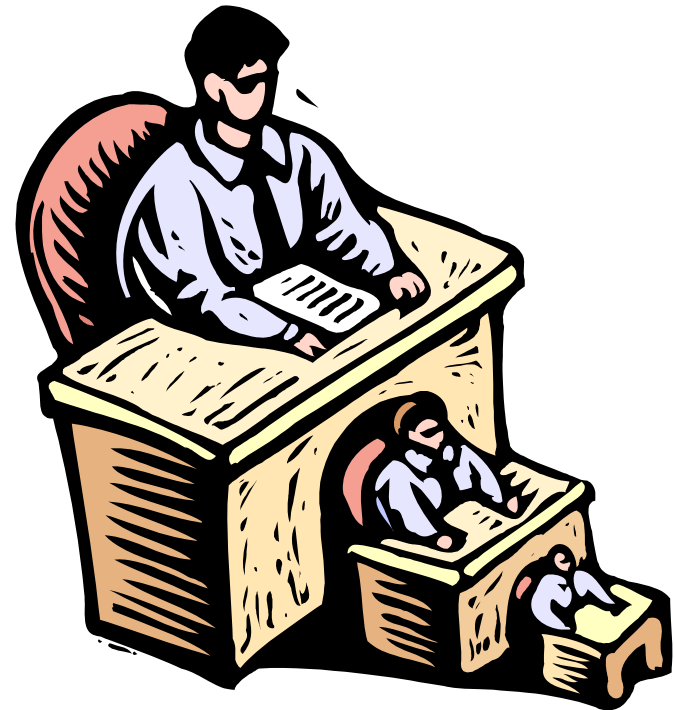
Emergency Shelter Grants (ESG)

- Annual grant based on the CDBG formula;
- Objective - The objectives of the ESG program are to increase the number and quality of emergency shelters and transitional housing facilities for homeless people, and to help prevent homelessness.
- Eligible activities:
 - Renovation and rehabilitation of shelter buildings;
 - Shelter operating costs;
 - Essential Services (e.g. employment, health, drug abuse, education);
 - Homeless prevention (e.g. short-term subsistence payments, legal services, etc.);
 - Program administration.

ESG Expenditure Requirements

- 40% of the total Emergency Shelter Grant must be allocated toward the costs of operation and maintenance of shelters.
- 30% may be used for essential services.
- 30% may be used for homeless prevention.

Accountability



CAPER

Consolidated Annual Performance and Evaluation Report

- Annual report on the jurisdiction's progress in meeting the goals set out in the **Consolidated Plan**;
- Summarizes the expenditures and accomplishments for each program from January 1st through December 31st;
- Submitted to HUD by March 31 for prior fiscal year;
- Reporting mechanism - HUD software, Integrated Disbursement and Information System (IDIS)
 - Track expenditures;
 - Confirm that activities meet the National Objective and Eligible Activity requirements
 - Track program accomplishments of beneficiaries.

Funding Logistics

- Money is wire transferred from HUD to the City;
- Sub-recipients submit invoices with required expenditure documentation;
- Sub-recipients submit accomplishment reports on a quarterly basis;
- Sub-recipients must submit to audits by the City.

SUMMARY OF THE CAC PROCESS

- City of Lakewood accepts grant applications May/June
- CAC Convenes Late Summer
- Applicant presentations to the CAC August
- CAC makes funding recommendations to Lakewood City Council September
- City of Lakewood publishes objectives and proposed use of funds for public comment October
- Council reviews funding recommendations Late Fall
- Planning Department prepares One-Year Action Plan Late Fall
- Mayor submits Action Plan to HUD November
- HUD awards funds Late Spring