



CDBG Direct Recipient Entitlement Community

November 23, 2015

Purpose

- Review recent developments in CDBG funding
- Discuss alternatives and next steps for becoming a direct allocation City or remaining a sub-recipient of Adams County



HUD/CDBG National Objectives

Activities must meet 1 of 3 national objectives:

1. Aid in the prevention of slum and blight; Prevention or elimination of slums

and blighted conditions must either:

- Eliminate slum and blight on an area basis;
- Eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

2. Urgent Need; Alleviates *emergency* conditions.

- Existing conditions pose a *serious* and *immediate* threat to health or welfare;
- Existing conditions occurred within past 18 months;
- Recipient is unable to finance the activity on its own; and
- Other sources of funding are not available.



HUD/CDBG National Objectives (cont.)

3. Benefit Low/Moderate-Income Persons

- Area Benefit
- Limited Clientele
- Housing Activities
- Job creation/retention



Additional Facts

- 50,000 population required to become an entitlement city, as calculated by the U.S. Census Bureau
- HUD determines if the city is qualified to become an entitlement city – sends notification to the City
- HUD stated they made an error by not notifying the City of its eligibility during the summer of 2015
- City notifies HUD of the desire to transition to entitlement city and HUD agreed that formal notification would be provided next year, but allowing direct entitlement for next year provided:
 - Decision to move forward is made by November 25, 2015
 - Letter from the city manager is submitted to HUD
 - Then, HUD will designate a local team to assist with the transition



Additional Facts

- If direct entitlement is sought, City would not remain with Adams County for 2016 funding year (\$277,778)
- Will need to terminate IGA with Adams County
 - HUD will work with City Attorney on exit strategy
- May take up to two years before the city receives funding (2017)
- 2016 Projected allocation would be \$398,151
- Upfront costs required – consultants and staff
- 20% of award funding may be used to offset administrative costs in the future
 - This may not be sufficient to run the program depending upon new FTE expenditures



Requirements

- Consultant(s) – approximate cost \$75,000-\$100,000
 - The following documents are required by HUD and must be submitted prior to becoming an entitlement city
 - Housing Needs Assessment
 - Five-year Consolidated Plan
 - Annual Action Plan
 - Citizen Participation Plan
 - Analysis of Impediment
- Minimum of two designated FT staff the transition year(s) and the first year after
- Minimum of one designated FT staff person to run the program following year one
 - Very time intensive
 - Difficult program to navigate if staff is not fully understanding of HUD, their regulations and requirements
 - Steep learning curve
- Multi-year Phased Process



Project History

Year	Amount	Project(s)
2007	\$156,527	Derby Resource Center
2008	\$152,486	Derby Façade Renovation
2009	\$153,473	\$93,473 – County administered Minor Home Repair \$60,000 – Derby Irrigation
2010	\$166,002	Fairfax Parking Lot Renovation – used dollars in 2012
2011	\$178,864	Fairfax Parking Lot Renovation – used dollars in 2012
2012	\$0	No dollars available per Adams County
2013	\$274,465	\$200,000 – Minor Home Repair \$ 74,465 – banked dollars (no longer available - NO banking allowed - HUD regulation)
2014	\$166,720	Derby Sidewalk Repair and Replacement – Phase I
2015	\$165,000	Derby Sidewalk Repair and Replacement – Phase II
2016	\$398,151	<i>Future projects (TBD)</i>

Staff Recommendation and Council Direction

- Staff recommends proceeding with the direct entitlement process:
 - Due to the challenges with Adams County's administration of program
 - The City is over 50,000 population
 - Barriers to entry will never be less expensive
- Does Council have any objections with continuing the analysis at this time?



Next Steps

- City Manager will formally notify HUD of intent to become direct entitlement (non-binding)
- City will notify Adams County of intent to dissolve 3 year IGA (2016-2018)
- Staff will complete additional analysis over next 60-90 days and report back to City Council
- Formal resolution by City Council in Q1 2016 may be required



Questions

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