CDBG Program Overview

• Funding authorized under the *Housing and Community Development Act of 1974*

• Three National Objectives:
  • Low- and moderate-income benefit
  • Slum and blight elimination
  • Urgent community development needs
CDBG Program Overview

• Serves Non-Entitlement localities
  • Only localities are eligible applicants
• Program Design establishes Virginia’s overall Program Goal and Objectives
• Request for Proposal
  • CDBG Competitive Application Guidelines and Open Submission Program Fact Sheets
CDBG Method of Distribution

Total Funding Available for CDBG Community Improvement Grant Programs

$18,150,503

CDBG Community Improvement Grant Programs

- Competitive $ 9,750,503
- Planning Grants $ 700,000
- Open Submission Funds $ 6,000,000
  - Public Services
  - Scattered Site
    - Community Economic Development
    - Local Innovation
      - Construction-Ready Water and Sewer Fund
      - Regional Water/Wastewater Fund
- Urgent Need Open Submission Projects $ 1,000,000

$17,450,000
# CDBG Program Schedule

<table>
<thead>
<tr>
<th>Program</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Submission, Planning Grants, and Urgent Need</td>
<td>Open April 1(^{st}) - December 30(^{th}), 2022</td>
</tr>
<tr>
<td>Competitive Grant</td>
<td>Due April 1(^{st}), 2022</td>
</tr>
</tbody>
</table>
Summary of Program Changes

• Public Services as open submission: 3 priority funding areas:
  • Lead hazard reduction
  • Child care programs
  • Health services

• Housing Rehab scattered site as open submission (up to $1,000,000)
• Local Innovation & Community Economic Development OS programs
• Extending base contract period of planning grants
• Bolstering energy efficiency activities under housing rehab programs
Programmatic Changes: Open Submission

Housing Rehab: Scattered Site

• Eligible for up to $1,000,000

• Clarification regarding targeted housing rehabilitation vs. scattered site rehabilitation. The applicant determines a specific project area. The project area can be defined in any way, but must have a similar characteristic (i.e. specific neighborhood, population, community characteristic, or a shared physical aspect)
Programmatic Changes: Open Submission

Local Innovation

- Virginia Individual Development Account (VIDA)
- Job training & workforce development projects
- Multi-purpose community centers are eligible under Local Innovation. Up to $500,000 in funding available. Must demonstrate 51% LMI or LMA benefit at application
- Small Scale Manufacturing
Programmatic Changes: Open Submission

Community Economic Development

Eligible uses are as follows:

• Job Creation
• Site Redevelopment
• Site Readiness; infrastructure, including broadband
• All CEDs require Letter of Credit, bond, or other form of security
• No repayment requirement if the locality has a long-term lease (ownership is retained by the locality/EDA or IDA) and the low-to-moderate jobs are created or retained. Repayment would only be required if the property is sold.
• If a property is privately owned DHCD can grant the funding to the locality and the locality can loan it to the business owner.
Open Submission Grant Cycle

• $700,000 is reserved for Planning Grants
• Expected **$7 million** available in funding
  • Public Services
  • Construction-Ready Water and Sewer
  • Local Innovation Fund
  • Community Economic Development Fund
  • Urgent Need
  • Regional Water/Wastewater Fund
• April 1\textsuperscript{st} – December 31\textsuperscript{st}, 2022
Competitive Grants

- **Housing** – Rehabilitation of housing units to DHCD Housing Quality Standards or construct new housing units. Targeted project area

- **Comprehensive Community Development** – At least two major activities, such as water, sewer, housing, etc.

- **Public Infrastructure** – Water/Wastewater services, drainage improvements, streets (including streetscapes).

- **Community Service Facility** – Workforce training, health care, daycare associated with economic development, etc.

- **Business District Revitalization** – downtown revitalization/economic development
Housing

• Know your Project Area – make it manageable for 24 month timeline
• Leverage, i.e., Weatherization and Lead Hazard Reduction (LHR) funds
• LHR Program includes incentives for administration and construction
• Existing cost limits for pre-1978 rehabs with no abatement contractors
  • If rehabs will eliminate lead hazards through assessments, stabilization, abatement and clearance – grantee may use new cost limits
• New cost limits for post-1978 rehabs
  • $125,000 per house rehabilitated
  • $150,000 per house substantially reconstructed
Housing Rehabilitation Project Mistakes

- Many communities have not clearly documented how many homes actually need assistance (assessed needs compared to housing units to be served)
  - Example - A total of 50 homes listed in project area, 24 to be assisted with the project.
    - Can be remedied by a detailed description of the condition of the homes not being assisted
    - Map referencing

- Unsigned participation agreements by identified property owner
- Outdated participation agreements
### Housing Summary Table

<table>
<thead>
<tr>
<th>Project Area Totals</th>
<th>Total # Units</th>
<th># Substandard Units</th>
<th>Total # Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project Area</td>
<td>LMI</td>
<td>Project Area</td>
</tr>
<tr>
<td><strong>Owner Occupied</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>11</td>
<td>8</td>
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<tr>
<td>Multi-Family</td>
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<tr>
<td>Mobile Homes</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Renter Occupied</strong></td>
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<td></td>
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<tr>
<td>Single-Family</td>
<td>8</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Multi-Family</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mobile Homes</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Vacant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Multi-Family</td>
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<td>0</td>
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</tr>
<tr>
<td>Mobile Homes</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

- 1 landlord participation agreement & 2 owner-occupied participation agreements not signed by identified property owner
- 7 participation agreements are dated between late 2016 and early 2017 so continued interest is unclear
- 1 rental being rehabbed is vacant. For how long is unclear so eligibility is uncertain. Proposed tenant identified
Comprehensive Community Development

• Must target at least two activities, with an emphasis on Housing
• Other significant activities must be supported by neighborhood surveys, preliminary engineering report or needs assessments
• Significant activities: water, sewer, streets, broadband, ED and CSF
• Limits on the CCD application request:
  • Two activities $1,250,000 + $110,000 in Admin
  • Three activities - $1,500,000 + $120,000 in Admin
• Water or Sewer improvements cannot exceed:
  • $20,000 per household budgeted for water
  • $25,000 per household budget for sewer
Public Infrastructure (Including Housing Production)

• Max Award: $1,000,000
  • Max CDBG investment per water connection: $20,000
  • Max CDBG investment per sewer connection: $25,000

• Project area must be at least 51% LMI.
  • Service must be *made available to* all occupied LMI households.

• Household income surveys and user agreements.
  • Complete prior to submitting application.
Community Service Facility

- Up to $1,000,000 grant award (Multi-Purpose Community Centers can be awarded $1.5 million)
- Must demonstrate that facility development is a clear local community development priority.
- Must provide 51% benefit to LMI or be in a LMA
- Examples: daycare facilities, skill building facilities, health clinics

Calfee School Adaptive Reuse Project (Pulaski)
Economic Development/CED

• $1,000,000-$1,250,000
• Irrevocable Letter of Credit, bond, or other guaranteed form of security is required in the amount of the grant.
• Categories that CED projects typically fall into:
  • Job Creation and Retention – must be 51% LMI
  • Site Redevelopment - target sites that have been rendered unusable
  • Develop Readiness - completion of improvements which will result in the creation of business and job opportunities
Business District Revitalization (BDR)

- $1,000,000
- At least 25% blighted (physical) or 50% vacancy rate (economic)
- Economic Restructuring Plan or Economic Development Strategy
- Applicant must provide analysis of housing and other community needs
- Design and marketing activities up to 5% are eligible
- Applicant must enact and enforce project area ordinances
- Must adopt minimum design and maintenance standards
- Important change-No façade match requirement
Business District Proposal Mistakes

• Demonstration of blight (25% or more physical blight or 50% economic blight) not clearly defined or depicted
  • Can be accomplished by including a detailed map or complete listing of identified blighted properties

• Not addressing other blight or vacancies in the project area

• Not submitting an Economic Restructuring Plan or Economic Development Strategy

• Not submitting documentation of support from business community for the project
Competitive Proposal Evaluation Criteria

- National Objective Relationship
- Composite Fiscal Stress
- Regional Priorities
- Costs and Commitments
- Project Specific Evaluation
  - Community Priority (scoring based on submitted materials demonstrating community needs)
  - Stakeholder Involvement
  - Readiness (timeliness and costs)
  - Capacity (local and community engagement)
  - Long-term Impact
Application Overview: Common Mistakes and Helpful Tips
APPLICATION BASICS

• Two public hearings are required
  • **First Public Hearing**: solicits input on local community development and housing needs and past use of CDBG funds
  • **Second Public Hearing**: solicits input on a locality’s proposed CIG proposal

• Advertisement and timing
  • Advertised at least seven days prior in the non-legal section of the local paper and by one other method. Hearings must be held at least one week apart
  • Adhere to 2022 CDBG Program Design for public hearing requirements
APPLICATION BASICS

• $2.5 million cap on open CDBG projects
  • Projects **must be closed out** by March 30th to not count against the cap for the 2022 competitive round.

• Include assurances, copies of advertisements, and copies of notices in ALL proposals

• Transmittal letter to PDC

• Regional Priorities must be submitted prior to April 1st, 2022
Common Mistakes

**Costs and Commitment**
- Documentation of Leverage Funds
  - Locality contribution must be documented by resolution

**Project Specific Evaluation, Readiness, Capacity, & Impact**
- Participation agreements, easement identification/acquisition, environmental review, and procurement are obstacles to project readiness

**Project Needs & Outcomes**
- Mapping Deficiencies - Project areas not clearly depicted
- Project does not have a clear connection to other plans or studies
Common Mistakes
Mapping Example
Physical Inventory
<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>145</th>
<th>Main Street</th>
<th>Affordable New &amp; Used Go</th>
<th>Robert L. Walston III</th>
<th>C-4</th>
<th>3,616</th>
<th>0</th>
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<tbody>
<tr>
<td>16</td>
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<td>149</td>
<td>Main Street</td>
<td>Amisha's Fashions / Celia</td>
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<td>C-3</td>
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<td>156</td>
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<td>Cynthia Tyndle</td>
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<td>Vacant</td>
<td>James &amp; Diane Poates</td>
<td>C-3</td>
<td>1,605</td>
<td>1,500</td>
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<td>24</td>
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<td>206</td>
<td>Main Street</td>
<td>Napier Construction (back)</td>
<td>Dorothy B. Delano</td>
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<td>Richmond Road</td>
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<td>26</td>
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<td>Northern Neck State Bank</td>
<td>C-3</td>
<td>11,127</td>
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</tbody>
</table>

**Legend:**
- **C-1**: The structure and all components are new and feature no obvious physical depreciation.
- **C-2**: The structure features limited physical depreciation, normal wear and tear, and has been adequately maintained.
- **C-3**: The structure exhibits some deferred maintenance and requires small to moderate repairs and improvements.
- **C-4**: The structure features obvious deferred maintenance and is in need of significant repairs. The functional utility of the structure is somewhat diminished due to condition.
- **C-5**: The structure has substantial damage or deferred maintenance with deficiencies that are severe enough to affect the overall functionality of the structure. Substantial improvements are needed.
Cost and Commitments
## Cost and Commitment

<table>
<thead>
<tr>
<th>Amount Budgeted</th>
<th>Source(s) (State, Federal, Local, Private, or Other)</th>
<th>Status of Funds Pending (P)/or Commited (C)</th>
<th>Amount Accepted</th>
<th>Notes</th>
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<tbody>
<tr>
<td>408,500</td>
<td>LOCAL</td>
<td>D</td>
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<tr>
<td>50,000</td>
<td>STATE</td>
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<tr>
<td>54,092</td>
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<td>8,376</td>
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<td>81,000</td>
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<td>62,454</td>
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<td></td>
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</table>

*Notes:*
- D: Documented
- X: Commitment
- Blank: No documentation provided
- Grant: Received grant
- DEF BROWNFIELD Grant - 100% awarded letter
- VT - no doc provided
- Down funds - no documentation
Applicant received 20 out of 125 Points for Costs and Commitment
Application Submission Requirements

• Submit to DHCD by 11:59 pm on April 1\textsuperscript{st}, 2022

• Must submit all application materials in CAMS

• Must provide ALL required attachments
CAMS Submission

• Create a Profile now.
• Locality must submit.
• Do not share your password / login.
• Assign staff to roles for assistance as needed.
• Internet Explorer or Chrome are the recommended browsers.
• Save often. Use Save this Tab before moving to another section
• **CAMS User Guide (includes explanation of CAMS roles):**
TA Sessions
Available:

Tuesday, February 15th
8:30 am – 5 pm

Tuesday, February 22nd
2-5 pm

Thursday, February 24th
9:30 am – 5 pm
Matt Weaver
Associate Director of Outreach, Planning & Compliance
matt.weaver@dhcd.virginia.gov

Rachel Jordan
Policy Analyst
rachel.jordan@dhcd.virginia.gov

Call or Email with questions. CAMS Help Desk staff are available. CAMSHelp@dhcd.virginia.gov