



Community Services Division Office of Community Development

DATE: January 31, 2017
TO: Community Development Block Grant (CDBG) Community Development Program Recipients
FROM: Matt LaMantia, Deputy Chief, Office of Community Development
SUBJECT: Biennial Community Development Allocation Program Proposal

In an effort to address stagnant Community Development Block Grant (CDBG) funding while maintaining an emphasis on program impact, sound administration, and local discretion, the Office of Community Development (OCD) proposes to modify the Community Development Allocation Program, starting in PY 2017, to provide eligible communities with a biennial allocation.

Community Development Program Design Proposal

- OCD will provide eligible communities with a biennial Community Development Program allocation.
Approximately 50 percent of Ohio's total Community Development Block Grant allocation will continue to be committed to the Community Development Program.
Approximately 50 percent of eligible non-entitlement counties and small cities will receive funding in odd years.
Non-entitlement counties (78) and cities (23) with a total population greater than or equal to 15,000 and an LMI population greater than or equal to 30 percent will remain eligible communities.
Funding allocations for communities will continue to be determined by the existing Allocation formula found in the Notice of Funding Availability:

[(Number of LMI Individuals in the Community / Total Number of LMI Individuals in Non-entitlement Areas) x Amount of CDBG Program Funds allocated for Community Development]

- The biennial grant floor will be set at \$150,000 to ensure adequate funding for eligible applications.
Allocation, Neighborhood Revitalization, and Downtown Revitalization applications will be due June 16, 2017, and grant agreements will be issued September 1, 2017.
Grant recipients will have 26 months to complete identified projects, submit requests for payment, and final reporting.

Program Year Assignment

Eligible Community Development Program recipients were assigned to either PY 2017 (odd year) or PY 2018 (even year) based on factors including PY 2016 competitive set-aside awards, PY 2016 holdovers, high/stagnant Economic Development Revolving Loan Fund balances, administrative capacity, intent to apply for PY 2017 competitive set-aside program funding, and geographic distribution. A list of the eligible communities by program year assignment is attached.

Competitive Set-Asides

Neighborhood Revitalization and Downtown Revitalization funds will continue to be administered as competitive set-asides to the Community Development Allocation Program. Funding selections will be based on a comprehensive application review. **Communities will only be eligible for Neighborhood Revitalization and Downtown Revitalization programs in the years they receive Allocation funds.**

Critical Infrastructure Program

Critical Infrastructure funds will be administered as an open-cycle program. **Both odd and even year Community Development Allocation Program recipients may apply for Critical Infrastructure funds in PY 2017.**

Applications will be accepted on an open-cycle basis, starting June 16, 2017, and ending when all PY 2017 funds are awarded.

- Funding selections will be based on a comprehensive review; applications must meet minimum program thresholds to be considered for funding.
- Applications scoring higher in the criticality, impact, low- and moderate-income (LMI) benefit, and readiness to proceed areas will receive priority.
- OCD will work with applicants to correct program design and application deficiencies during the review process; communities are encouraged to submit applications early in the funding cycle.

Public Hearing Requirements

PY 2017 Community Development Allocation Program recipients are required to hold two public hearings prior to the application submission deadline. The first public hearing is required to identify all OCD program funds for which the community is eligible to apply. The second public hearing must include the projects selected for Allocation, Neighborhood Revitalization, and Downtown Revitalization funding, the amount of CDBG funds allocated to each project, and the identified national objective. The second public hearing must also include a list of alternative projects if a community allots Allocation funds to an unfunded competitive set-aside or the Allocation project is determined to be ineligible.

PY 2018 Community Development Allocation Program recipients are still required to hold the first public hearing to identify all OCD programs funds for which the community is eligible to apply. The community will be required to hold a second, project-specific public hearing for any open cycle (e.g. Critical Infrastructure, Economic Development, and/or Residential Public Infrastructure) project for which it applies during PY 2017.

Community Development Implementation Strategy

Communities receiving funds from OCD are required to conduct long-term planning. The Community Development Implementation Strategy (CDIS) is a tool to facilitate communication with stakeholders in eligible applicant communities, provide a format for disseminating information about the Community Development, Economic Development, and Residential Public Infrastructure programs, and assist with identifying and prioritizing potential funding opportunities.

PY 2017 Community Development Allocation Program recipients are required to hold a CDIS meeting prior to the second public hearing and submit meeting documentation and a list of identified priorities as an attachment to the PY 2017 Community Development Allocation Program application.

OCD recommends that PY 2018 Community Development Allocation Program recipients conduct the CDIS in 2017 to allow adequate time for project identification and development; however, PY 2018 communities are not required to submit the CDIS until PY 2018 Community Development Allocation applications are due.

Fair Housing

PY 2017 Community Development Allocation Program recipients are required to include a fair housing activity as part of the PY 2017 application. The proposed program should cover the period from January 1, 2018 through December 31, 2019. A fair housing activity can be treated as part of the general administrative budget, but fair housing and administrative costs cannot exceed 20 percent of the total grant amount.

PY 2018 Community Development Allocation communities are not required to submit a Standard Fair Housing Program plan for PY 2017, but OCD recommends that grantees maintain a Local Fair Housing Contact and continue to distribute outreach materials to agencies, organizations, or events.

Annual Action Plan Opportunities for Comment

Stakeholders were provided the opportunity to comment on community and economic development, and housing needs during the Annual Action Plan Advisory Committee Meeting and Public Hearing on Needs, which were both held in September 2016. In addition, administrators were consulted about potential program changes during the October Community Development Program Advisory Committee meeting. OCD intends to post the draft PY 2017 Annual Action Plan, which will encompass the proposed program changes, no later than March 1, 2017.

Stakeholders will be able to provide written comments during the public comment period from March 1 to March 31, 2017. In addition, both oral and written comments will be accepted during the Annual Action Plan Public Hearing on March 16, 2017 at 1:30 p.m. in Room 1960 (19th floor) of the Riffe Center in Columbus.

Questions regarding the Community Development Program should be directed to your Community Development Program Representative. Please refer to the enclosed map for territory assignments and contact information.

ML/MRO/DG