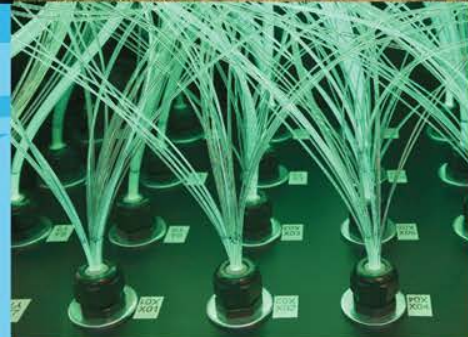




CDBG Public Hearing

October 4, 2012



TENNESSEE
DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

2011- 2012



CDBG staff

Community Development Projects

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Economic Development Projects

- Jeff Bolton
- Philip Trauernicht



What is CDBG?

- Federal funding for community development activities
- Created by Title 1 of the Housing and Community Development Act of 1974
- Primary objective is the development of viable communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of LMI
- Program priorities are developed by ECD, local governments and citizens



What is CDBG?

- “Small Cities” program administered by the state began in 1982
- Funding based on population, poverty rates, age and condition of housing, overcrowding, shortage of affordable housing, etc.
- TN is the only state whose funding went up in 2012
- More than \$560 million in funding to local communities since 1996
- More than 1350 projects in 370 communities since 1996



2012 CDBG

- CDBG remains highly competitive
 - In 2012, 126 applications
 - \$52m requested, \$24m available
- 2012 Awards
 - 57 awards made in September and October
 - We have 3 more rounds of announcements
 - We will send out the complete ranking after the final announcement



What's changing with CDBG?

What's NOT Changing

- National Objectives
- Primary projects
- Eligible and Ineligible Expenses
- Entitlement Communities
- Application process



What's changing with CDBG?

What's NOT Changing

- National Objectives
 - Principally benefit low and moderate income (51% LMI)
 - Eliminate or prevent slums and blight
 - Urgent need (health and safety) – IT applications may change however!



What's changing with CDBG?

What's NOT Changing

- Primary projects
 - Water lines and systems
 - Sewer lines and systems
 - Housing
 - Community livability



What's changing with CDBG?

What's NOT Changing

- Eligible Activities
 - Real property acquisition costs
 - Real property disposal costs
 - Clearance of real property
 - Removal of architectural barriers
 - Local code enforcement
 - Historic preservation
 - Planning and capacity building



What's changing with CDBG?

What's NOT Changing

- Eligible Activities - continued
 - Program management, coordination, evaluation
 - Provision of public facilities and improvements
 - Provision of public services
 - Assistance to for profit entities (businesses)



What's changing with CDBG?

What's NOT Changing

- Ineligible Activities
 - Buildings for the general conduct of government
 - General government expenses
 - Educational facilities
 - Political expenses



What's changing with CDBG?

What's NOT Changing

- Entitlement Communities
 - Bristol
 - Chattanooga
 - Clarksville
 - Cleveland
 - Davidson County
 - Franklin
 - Jackson
 - Johnson City
 - Kingsport
 - Knox County
 - Knoxville
 - Memphis
 - Morristown
 - Murfreesboro
 - Oak Ridge
 - Shelby County
- New one - Hendersonville



What's changing with CDBG?

What's NOT changing?

- Application process
 - Keeping the Economic Development question
 - Develop projects that have a connection to your community's Economic Development
 - Keeping the same basic format for turning in applications with some improvements
 - Submit the applications and upload additional information
 - We'll have a naming convention for additional information
 - We'll make improvements to the application format by October 31



What's changing with CDBG?

What's Changing

- No maps to show randomness methodology
 - The administrator will have to certify that the process was random and the explanations will have to be improved
- Clarification on housing applications – number of people versus number of households, target area, cost per person, etc.
- Slight change in the budget format so that it matches the contract and is easier for ECD
- Additional information required on TAS's
- This year if you have to change anything, you'll have to submit a new application



What's changing with CDBG?

PROPOSED Changes

- Money set aside for very small communities
 - Communities with less than 3000 people?
 - Set-aside \$5m for those communities?
 - Have the same requirements otherwise?



What's changing with CDBG?

PROPOSED Changes

- Microenterprise grant program
 - Funded with the Economic Development loan repayment fund?
 - For businesses that are part of or graduate from one of the Regional Entrepreneurial Accelerators?
 - Small pilot program for 2013 that could expand in the future?



What's changing with CDBG?

PROPOSED Changes

- Funding set aside for commercial façade program for Main Street and TN Downtown communities
 - For 2013, set aside \$200,000 for 8 grants?
 - Work with Main Street and TN Downtowns and have them make selections?
 - Let communities who currently have an open grant participate?



What's changing with CDBG?

PROPOSED Changes

- Points for increased energy efficiency in water and sewer system projects
 - Additional points in the project need category if the PER shows that the project will save energy
 - Points for saving 20%
 - More points for saving 30%?
 - etc?



Why these changes?

- We want to expand the benefits of this program into economic development and other areas of community development
- We want to keep making progress
- We want to support the smallest communities and those with the most need
- We want to encourage new ideas and innovations from our communities



Next Steps

- Be in touch with me within the next two weeks to let me know your opinions about the PROPOSED changes
- We'll release the final plan based on your comments by the end of October
- Go ahead and start on Target Area Surveys, getting your application materials together and closing-out current projects



2013 Applications

FY 2013 Schedule

- January 22, 2013
 - Last day to have local public meeting
- January 25, 2013
 - Last day to submit final change orders
- February 1, 2013
 - Last day to submit complete final budget revisions and final pay request from prior year grants
- February 8, 2013
 - Close-outs due from prior year grants
- February 22, 2013
 - Deadline for receipt of FY 2013 applications



Common Errors to Avoid

- You have to use ECD's forms this year!
 - There have been problems with the map survey forms and TAS Summary forms in particular
- Multi-jurisdictions
 - If you have beneficiaries in more than one municipality or county, it is a multi-jurisdiction application and additional unemployment rate and PCI calculations are required
- Rate Factor
 - MUST have a letter on letterhead from the Utility stating the water/sewer rates for 5,000 gallons
- Problems with the public hearing advertisements
 - Make sure it gets in the paper and does not rely solely on the ad in the newspaper



Common Errors to Avoid

- Target Areas
 - If the area of beneficiaries is not geographically contiguous by street, you have different target areas (it has to make sense – if it is across town, it is a new target area). We have to have a map that shows the various target area(s)
- Rounding
 - In TAS Summaries, percentages should all be rounded to 1 decimal point
 - For money, round to the nearest dollar
 - For the rate factor, round to three places
- TAS
 - It is very difficult to have a house with 4 people and 3 LMI people – don't mess that up!



Common Errors to Avoid

- PER
 - The numbers in the PER should match the numbers in the application
- Proof reading
 - We have tried to take out the places where we ask you for the same numbers over and over again, but it will still happen. Check to make sure the numbers are correct and the same figures for the same question are used consistently throughout the application



Coming up

- Governor's Conference – October 18-19
- Training for engineers – October 25
- Is there a need for application workshops?
- Is there a need for Environmental Review training?
- How else can we help?



CDBG-D

- 2008 and 2010 projects are all underway
 - ERRs are coming in daily
 - Contracts are going out daily
 - Please be prepared to submit your first invoice for admin and engineering soon after the contract is approved
 - Equipment purchases should be made within 90 days of contract clearance.



Economic Development CDBG

- Philip Trauernicht
- Jeff Bolton



Questions?

Suggestions?

Comments?



Contact Us

Contact Information

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