

Small Cities Community Development Block Grant Program

Allocation Plan - Federal Fiscal Year 2015



DEPARTMENT OF HOUSING

MARCH 2015

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I. OVERVIEW OF SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

A. Purpose

The primary statutory objective of the Community Development Block Grant Program (CDBG) is to develop viable communities by providing decent housing, a suitable living environment, and by expanding economic opportunities for persons of low and moderate-income. To achieve these goals, the CDBG regulations outline eligible activities and national objectives that each activity must meet.

The CDBG Program is administered by the United States Department of Housing and Urban Development (HUD). The Connecticut Department of Housing (DOH) is designated as the principal state agency for the allocation and administration of “Small Cities” CDBG funds within the State of Connecticut.

In 1981, Congress amended the Housing and Community Development Act of 1974 to give each state the opportunity to administer CDBG funds for “non-entitlement areas.” Non-entitlement areas include those units of general local government that do not receive CDBG funds directly from HUD as part of the entitlement program. Non-entitlement areas in Connecticut are either cities or towns with a population of less than 50,000 or a central city of an area as designated by the Office of Management and Budget. States participating in the Small Cities CDBG Program have three major responsibilities: formulating community development objectives, deciding how to distribute funds among communities in non-entitlement areas, and ensuring that recipient communities comply with applicable state and federal laws and requirements.

Entitlement communities receive annual grants directly from HUD as part of the CDBG program. Listed below are Connecticut municipalities that are entitlement communities and therefore are ineligible for state administered Small Cities CDBG funds.

| CDBG ENTITLEMENT COMMUNITIES | | |
|---|----------------|---------------|
| (Municipalities <u>not eligible</u> for state administered Small Cities CDBG funds) | | |
| Bridgeport | Hartford | New London |
| Bristol | Manchester | Norwalk |
| Danbury | Meriden | Norwich |
| East Hartford | Middletown | Stamford |
| Fairfield | Milford (Town) | Stratford |
| Greenwich | New Britain | Waterbury |
| Hamden (Town) | New Haven | West Hartford |
| | | West Haven |

All other Connecticut municipalities are eligible for the state administered Small Cities CDBG funds.

B. Major Use of Funds

Except for a limited amount of funds for its own CDBG-related administrative expenses, each state must distribute the Small Cities CDBG funds to units of local governments in non-entitlement areas. States must also ensure that at least 70% of its Small Cities CDBG grant funds are used for activities that benefit low- and moderate-income persons over a one, two, or three year time period selected by the state. The 70% applies to each state's Small Cities CDBG Program as a whole and does not apply to each individual grant that states make to units of general local government.

All activities must meet one of the following national objectives for the program: benefit low- and moderate-income persons; prevention or elimination of slums or blight; and community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. A need is considered urgent if it is sudden and unexpected, has arisen in the past 18 months and no other funding is available to address it.

Activities that can be funded with Small Cities CDBG dollars include: acquisition of real property; acquisition and construction of public works and facilities; code enforcement; relocation assistance; reconstruction and rehabilitation of residential and nonresidential

properties; American Disability Act (ADA) improvements; provision of public services including, but not limited to, those services concerned with employment, crime prevention, child care, health, drug abuse, education and fair housing counseling; provision of special economic development assistance; and assistance to Community-Based Development Organizations (CBDO's) for neighborhood revitalization, community economic development, energy conservation projects, homeownership assistance, fair housing, planning, and administrative costs, including actions to meet the grantee's certification to affirmatively further fair housing. Broad program categories for Small Cities CDBG eligible activities include: Housing, Public Services, Public Facilities, Economic Development, and Planning.

Any activity not listed in the Housing and Community Development Act is ineligible to be assisted with Small Cities CDBG funds. For example, the following activities may not be assisted with Small Cities CDBG funds: buildings for the general conduct of government (i.e. city hall), except for ADA improvements; general government expenses; political activities; new housing construction except under certain conditions or when carried out by a CBDO; and income payments.

Applications are selected based on their consistency with the state's most recently approved Consolidated Plan and the evaluation criteria outlined in the Action Plan. However, the state has discretion to choose not to fund an application that is determined to be infeasible.

C. Federal Allotment Process

A state's allotment is based on one of two formulas, whichever gives a larger allotment. Allocations are made on the basis of a two formula analysis that takes into account the following factors: population, poverty, overcrowded housing, age of housing, and growth lag.

Formula A - The average of the ratios between:

- The population of the non-entitlement areas in that state and the population of the non-entitlement areas of all states;
- The extent of poverty in the non-entitlement areas in that state and the extent of poverty in the non-entitlement areas of all states; and

- The extent of housing overcrowding in the non-entitlement areas in that state and the extent of housing overcrowding in the non-entitlement areas of all states.

Formula B - The average of the ratios between:

- The age of housing in the non-entitlement areas in that state and the age of housing in the non-entitlement areas of all states;
- The extent of poverty in the non-entitlement areas in that state and the extent of poverty in the non-entitlement areas of all states; and
- The population of the non-entitlement areas in that state and the population of the non-entitlement areas of all states.

In determining the average of the ratios referenced in Formula A above, the ratio involving the extent of poverty shall be counted twice and each of the other ratios shall be counted once. In determining the average of the ratios referenced in Formula B above; the ratio involving the age of housing shall be counted two and one-half times, the ratio involving the extent of poverty shall be counted one and one-half times, and the ratio involving population shall be counted once. The (HUD) Secretary shall, in order to compensate for the discrepancy between the total of the amounts to be allocated under 42 CFR 5306 and the total of the amounts available under 42 CFR 5306, make a pro rata reduction of each amount allocated to the non-entitlement areas in each state so that the non-entitlement areas in each state will receive an amount which represents the same percentage of the total amount available as the percentage which the non-entitlement areas of the same state would have received if the total amount available had equaled the total amount which was allocated.

D. Federal Funding – Pending HUD Approval

HUD funding for Connecticut's non-entitlement Small Cities CDBG Program for Federal Fiscal Year (FFY) 2015, which is first available for expenditure by the State on July 1, 2015 (i.e. State Fiscal Year (SFY) 2016) has been announced at \$11,990,905. However, funding levels are subject to subsequent congressional action, which could affect an increase, reduction or elimination of funding in the amount noted. Changes in Connecticut's non-entitlement Small Cities CDBG Program funding allocations are a direct result of funding modifications to the program nationally.

E. Estimated Committed Funds and Proposed Allocations

FFY 14 (SFY 15) Refer to Table A, Column 1

- The federal Small Cities CDBG allocation for FFY 14 (SFY 15) was anticipated to be \$11,958,150;
- Administrative costs are anticipated to total \$458,745;
- The amount of carry forward funds from FFY 13 (SFY 14) to FFY 14 (SFY 15) was \$ 109,897;
- Excess Technical Assistance Funds in the amount of \$400,000 from previous years were reprogrammed for program activity (approved by HUD); and
- The total amount of Small Cites CDBG funds available to fund projects in FFY 14 (SFY 15) was \$12,851,155, (FFY 14 (SFY 15) allocation of \$11,958,150 minus administrative costs of \$458,745 plus the carried forward and reprogrammed funds from the previous year(s) of \$1,351,750).

FFY 15 (SFY 16) Refer to Table A, Column 2

- HUD's annual Small Cites CDBG allocation to Connecticut for FFY 15 (SFY 16) is anticipated to be \$11,990,905;
- Administrative costs subtracted from the allocation are anticipated to be \$459,400;
- "Uncommitted balance carried forward" are funds from any previous fiscal years that were not committed;
- The amount of recaptured funds available for reprogramming for FFY15 (SFY 16) is anticipated to be approximately \$200,000. "Recaptured funds" are funds that are returned to DOH from grantees such as: Small Cities CDBG funds returned to DOH by a non-performing grantee or a grantee that completed a project under budget, or program income generated by grantees. Program income is gross income received by a grantee that has been directly generated from the use of Small Cities CDBG funds (i.e. a grantee that sets up a revolving loan fund and receives payments of principal and interest on the loans made using CDBG funds). Recaptured funds may also be reallocated during the program year based on demand and/or emergency situations;

- The total funds available to fund projects in FFY 15 (SFY16), is anticipated to be \$11,731,505 (FFY 15 allocation of \$11,990,905 minus administrative costs of \$459,400 plus the reallocation estimate of \$200,000);
- Committed funds for FFY 14 (SFY 15), in the amount of \$12,851,155 reflects the total for the projects awarded under the competitive application process; and
- The amount to be carried forward to FFY 15 (SFY 16) is estimated to be \$0 as all funds available during the year were committed.

F. Proposed Allocation Changes From Last Year

There are no allocation changes proposed for FFY 15 (SFY 16). After allowable administration costs, including those for technical assistance, are deducted the remainder of the Small Cities CDBG funding is available for projects.

Pursuant to state law, a legislative hearing on this Allocation Plan is required prior to the submission of our Action Plan to HUD. HUD then has 45 days to review and approve it. This Allocation Plan, either as approved or modified by the legislative hearing, will be incorporated into the 2015-16 Action Plan prior to submission to HUD.

The Department is currently drafting its next five year Consolidated Plan for Housing and Community Development 2015-2019 (“2015-19 ConPlan”), which would include the draft Action Plan for Housing and Community Development, which includes the state’s Small Cities CDBG Program, for which this allocation plan was prepared.

G. Contingency Plan

This allocation plan has been prepared per the federal Small Cities CDBG allocation for Connecticut FFY 15 (SFY 16) being funded at \$11,990,905. The Small Cities CDBG funds are subject to availability from the federal government. Although we do not current anticipate any change, in the event that anticipated funding is reduced or increased, funds will be distributed in accordance with the 2015-16 Action Plan guidelines in effect as of the date of reallocation. An increase in funding would simply allow more activities to be funded while a decrease in funding would require a reduction in funded activities.

H. State Allocation Planning Process

DOH solicited public input in the development of the draft 2015-16 Allocation Plan. Citizen participation was requested at one public hearing conducted by DOH on October 2, 2014 in Hamden and October 7, 2014 in Hartford. The public was also encouraged to submit written comments. A legal notice announcing the public hearing and request for public comment was published in three newspapers, including one in Spanish. The legal notice, copies of past Action Plans, and related documents were made available on the DOH website. The public hearing was held in multiple locations so that persons from any area of the state could attend to provide their views on the development of this plan. Input for the development of the draft 2015-2016 Allocation Plan was also provided by agency staff.

The chief elected officials of all 169 municipalities in the state received a Department Notice informing them of the public hearings and comment period. Copies of the legal notices were forwarded to the Regional Planning Organizations (now the Councils of Government) and they were asked to post them on their websites. DOH also forwarded copies of the legal notices to its Community Partners. DOH submitted, via e-mail, a copy of this Allocation Plan to the members of the State Legislature's Appropriations Committee, Commerce Committee, Planning and Development Committee, and the Chairs of the Housing Sub-Committee. In accordance with Connecticut General Statutes Section 4-28b, the Joint Standing Committees of Connecticut's General Assembly, are required to meet to review the Small Cities Community Development Block Grant Allocation Plan.

I. Grant Provisions

The Small Cities CDBG Program requires the state to certify that:

- It is following a detailed citizen participation plan and that each funded unit of general local government is following a detailed citizen participation plan;
- It has consulted with affected units of general local government in the non-entitled areas in determining the method of distribution of funding, it engages or will engage in planning for community development activities, it will provide assistance to units of general local government, it will not refuse to distribute

funds to any unit of general local government based on the particular eligible activity chosen by the unit of general local government, except that a state is not prevented from establishing priorities based on the activities selected;

- It has a ConPlan that identifies community development and housing needs and short-term and long-term community development objectives;
- It will conduct its program in accordance with the Civil Rights Act of 1964 and the Fair Housing Act of 1988 and will affirmatively further fair housing;
- It will set forth a method of distribution that ensures that each of the funded activities will meet one or more of the three broad national objectives described in the “Major Use of Funds” section of this plan and at least 70% of the amount expended for activities over a period of one, two, or three consecutive program years will benefit low-and moderate-income families;
- It will require units of general local government to certify that they are adapting and enforcing laws to prohibit the use of excessive force against nonviolent civil rights demonstrations, and they will enforce laws against barring entrance and exit from facilities that are the targets of nonviolent civil rights demonstrations in their jurisdiction; and
- It will comply with Title I of the HCD Act and all other applicable laws.

J. Matching Requirement

The state is required to pay from its own resources all administrative costs incurred by the state in carrying out its responsibilities under subpart 24 CFR 570.489(a)(1), except that the state may use Small Cities CDBG funds to pay such costs in an amount not to exceed \$100,000 plus 50% of such costs in excess of \$100,000. States are, therefore, required to match such costs in excess of \$100,000 on a dollar for dollar basis. The amount of Small Cities CDBG funds used to pay such costs in excess of \$100,000 shall not exceed 2% of the aggregate of the state’s annual grant.

K. Program Fund Limitations or Caps

The Small Cities CDBG regulations limit the amount of funding that can be used for public service activities. The limit is based on expenditures for a given year’s allocation of money

not to exceed 15%, plus program income. States and local governments cannot spend more than 20% of their Small Cities CDBG grant (including the allocation for the subject period as well as program income received and funds reallocated during the subject period) on planning and administration activity. The 20% limit applies to the state Small Cities CDBG Program as a whole and does not apply to each individual grant that states make to units of general local government.

States may use up to 1% of their annual allocation to provide technical assistance to local governments and nonprofit organizations, either directly or through contractors, to assist them in carrying out community development activities.

L. Federal Requirements

The following federal requirements also apply to the Small Cities CDBG program; Davis Bacon, National Environmental Policies Act (including 24 CFR Part 58 Environmental Review Procedures), Relocation Act, and Administrative Requirements of 2 CFR Part 200.

M. Application and Planning Requirement

The state's application process to HUD for Small Cities CDBG funding includes the submission of an annual Action Plan. The Action Plan updates the ConPlan, a five-year planning document for Housing and Community Development that governs the state's administration of four formula-distribution federal grant programs; Small Cities CDBG, HOME, ESG, and HOPWA. The Action Plan must contain an allocation plan by which the state will distribute its Small Cities CDBG funds. Following this legislative hearing, DOH will finalize the Action Plan to HUD as part of its application package. HUD's approval of the Action Plan is provided when the state receives its Funding Approval/Agreements (HUD Forms 7082) for the programs.

N. Administration of Program

For FFY 15 (SFY 16), DOH intends to continue to administer the Small Cities CDBG Program through a competitive application funding round for all activities except Urgent

Need and Section 108. In the case of Urgent Need and Section 108, DOH will accept applications on a “first come first serve” basis.

Adequate advance notice of fund availability has been provided and DOH reserves the right to cease accepting applications at any time that all available funds have been committed. Based on funding availability and other considerations, DOH may limit the number of applications that can be submitted by a municipality in a funding round.

O. Small Cities Application Process

For Federal Fiscal Year 2015, the Small Cities Program has established a Competitive Round Application Process. Applications are due April 10, 2015 by 2:00 PM and will be rated and ranked according to DOH policy. The application steps are outlined below:

1. Attend the Application Workshop
 - a. Grantees attend application workshop
 - b. Receive Application forms
2. Hold Public Hearing
 - a. Notice to be published at least twice (on different days) in a daily newspaper of general circulation in the municipality.
 - b. The first notice must be published at least 14 days prior to the date of the public hearing.
 - c. Submit copies of notices along with newspaper Affidavit of Publication.
 - d. Submit copies of minutes of meeting.
3. Conduct an Environmental Review
 - a. Establish Environmental Review Record
 - b. Determine type of Activity and environmental impact
 - c. Publish Request for Release of Funds
 - d. Request Release from DOH
4. Write Application
 - a. Select eligible activity
 - b. Determine National Objective
 - c. Prepare application
 - d. Submit to DOH
5. Rate and Rank (DOH)
 - a. DOH receives and reviews applications
 - b. Rate applications
 - c. Rank applications
6. Award (DOH)
 - a. Submit rating to Commissioner for award announcements by Governor
7. Contract Documents (DOH)
 - a. DOH prepares contract documents
 - b. Submits to awarded towns
 - c. Towns sign and return to DOH
 - d. Commissioner signs contract documents

- e. AG office reviews signed contract documents
8. Construction Period
 - a. Grantees begin construction phase
9. Closeout
 - a. DOH conducts monitoring and closeout

The DOH has established the following program eligibility and threshold requirement standards for applicants. These program eligibility and threshold requirement standards are applicable to all applicants and activities unless otherwise noted:

- Eligible Applicants - As defined by HUD program regulations;
- Eligible Activity - Only “activities”, as defined by HUD program regulations;
- National Objective - Each proposed activity must meet at least one national objective and must be fully supported within the application;
- Citizen Participation - Applicant must provide certification of compliance with citizen participation criteria;
- Consistency with the ConPlan - Applicant must identify how the project is consistent with the goals and strategies of the ConPlan;
- Fair Housing and Equal Opportunity Compliance - Applicant must submit a Fair Housing Action Plan that complies with DOH’s guidelines/policies;
- Statement of Compliance - Applicant must be in compliance with all existing department assistance agreements and cannot be in default under any CHFA or HUD-administered program; and
- Expenditure Rates – 2014 grants must be 10% expended. 2013 grants must be 50% expended. 2012 grants must be 100% expended. Grants older than 2011 must have been closed out with a certificate by February 28, 2015. DOH has the right to waive the certificate for those grants older than 2011 should the certificate not be issued based on DOH’s own close out schedule.

During the application evaluation process, DOH conducts due diligence and evaluates all eligible applications using the evaluation criteria described below. Depending on the nature of the proposed activity, site inspections may be conducted by DOH staff. An evaluation of the site’s feasibility is completed and considered as part of the application’s final review.

The following categories of eligible application evaluation criteria are considered: 1.) Project Need, 2.) Applicant/Sponsor Capacity, 3.) Construction/Environmental, and 4.) Fair Housing.

Applications are rated and ranked in accordance with published criteria, which were made available for public comment prior to the current application period. For your reference, the proposed Rating and Ranking criteria are attached Exhibit 1.

Final application recommendations will be made to the Commissioner's Office, based on the overall quality of the application and compliance with threshold requirements and rating and ranking criteria. Applicants receive written notification after final decisions are made. On a case by case basis, applicants may be offered the option to have a debriefing meeting.

II. TABLES

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| Table A: Summary of Appropriations and Committed Funds | | |
|---|----------------------------------|---------------------------------|
| Small Cities CDBG Program | FFY 14 (SFY 15) Estimated | FFY 15 (SFY 16) Proposed |
| Uncommitted Balance Carried Forward from the previous year | +\$109,897 | +\$-0- |
| Plus Recaptured Funds | +\$841,853 | +\$200,000 ¹ |
| Plus Reprogrammed 1% TA Funds from the previous year | +\$400,000 | +\$-0- |
| Reallocation Total | \$1,351,750 | \$200,000 |
| PLUS | | |
| Annual Allocation | \$11,958,150 | \$11,990,905 |
| Minus Admin. (see Table B lines Annual Allocation for Admin and Technical Assistance) | -\$458,745 | -\$459,400 |
| Net Allocation | \$11,499,406 | \$11,531,505 |
| EQUALS | | |
| Total CDBG funding available for projects | \$12,851,155 | \$11,731,505 |
| MINUS | | |
| Committed Funds | \$12,851,155 | \$-0- |
| EQUALS | | |
| Uncommitted Balance to be Carried Forward to the following year | \$-0- | \$-0- |

Source: DOH

Table A illustrates the following formulas:

Reallocation Total + Net Allocation = Total CDBG funding available for projects; and

Total CDBG funding available for projects – Committed Funds = Uncommitted Balance to be Carried Forward.

- Uncommitted Balance Carried Forward from the previous year: funding that was available in the previous fiscal year but not committed;
- Recaptured Funds: funding that was returned to DOH from grantees and available for reprogramming;
- Reallocation Total: total funding that is available for reallocation from uncommitted balance carried forward and recaptured funds;
- Net Allocation: annual allocation funding available after administrative cost subtracted;
- Total CDBG funding available for projects: amount of funding that can be made available for projects;
- Committed Funds: funds that are committed to projects and are out of the funding pool permanently; and

¹ Estimated figure. Actual recapture dollars pending financial closeout.

- Uncommitted Balance to be Carried Forward to the following year: funding that remains after funding committed to projects is subtracted.

Table A-1 is a list of the projects that have received Small Cities CDBG funds in the current year.

| Table A-1: List of Committed Funds for FFY 14 (SFY 15) | | |
|---|---|---------------------------|
| Town | Project Description | Amount Funded |
| Bethlehem | Town Wide Housing Rehabilitation Program | 400,000.00 |
| Branford | Parkside Villages 1 and 2 Senior Housing | 448,500.00 |
| Coventry | Multijurisdictional Housing Rehabilitation Program (Columbia) | 500,000.00 |
| Derby | Housing Rehabilitation | 400,000.00 |
| East Haddam | Oak Terrace Senior Housing Rehabilitation | 791,210.00 |
| Franklin | Housing Rehabilitation | 400,000.00 |
| Griswold | McCluggage Manor Senior Housing Rehabilitation | 800,000.00 |
| Groton | Pequot Village 1 Rehabilitation | 800,000.00 |
| Hampton | Hampton Regional Housing Rehabilitation | 400,000.00 |
| Killingly | Housing Rehabilitation VIII | 400,000.00 |
| Newington | Cedar Village Senior Housing Rehabilitation | 800,000.00 |
| North | Housing Rehabilitation | 400,000.00 |
| Oxford | Housing Rehabilitation Program | 400,000.00 |
| Preston | Lincoln Park Elderly Housing Rehabilitation | 800,000.00 |
| Salem | Housing Rehabilitation | 400,000.00 |
| Seymour | Housing Rehabilitation | 400,000.00 |
| Sprague | Street and Sidewalk First, Second and Third Avenues | 500,000.00 |
| Stafford | Housing Rehabilitation Program | 400,000.00 |
| Suffield | Suffield Housing Authority Project | 800,000.00 |
| Thomaston | Grove Manor Senior Housing Rehabilitation | 611,445.00 |
| Thompson | Gladys Green/Pineview Court Rehabilitation 3 | 800,000.00 |
| Torrington | Housing Rehabilitation | 400,000.00 |
| Windham | Windham Housing Rehabilitation 5 | 400,000.00 |
| Windsor | Housing Rehabilitation Program | 400,000.00 |
| | Total | \$12,851,155 ² |

Source: DOH

² \$12,851,155 refer to Table A

Table A-2 is a list of projects that received Small Cities CDBG funds in the prior year.

| Table A-2: List of Contracted Projects for FFY 13 (SFY 14) | | |
|---|------------------------------|-------------------------|
| Town | Project Description | Amount Requested |
| Ansonia | Housing Rehabilitation | \$400,000 |
| Ashford | Housing Rehabilitation | \$400,000 |
| Beacon Falls | Housing Rehabilitation | \$400,000 |
| Brookfield | Housing Rehabilitation | \$400,000 |
| Canterbury | Housing Rehabilitation | \$400,000 |
| East Hampton | Public Housing Modernization | \$800,000 |
| Ellington | Housing Rehabilitation | \$450,000 |
| Groton | Housing Rehabilitation | \$400,000 |
| Hampton | Housing Rehabilitation | \$450,000 |
| Killingly | Public Housing Modernization | \$750,000 |
| Lebanon | Housing Rehabilitation | \$400,000 |
| Ledyard | Housing Rehabilitation | \$300,000 |
| Naugatuck Borough | Housing Rehabilitation | \$400,000 |
| New Fairfield | Housing Rehabilitation | \$400,000 |
| Plainfield | Housing Rehabilitation | \$400,000 |
| Putnam | Housing Rehabilitation | \$400,000 |
| Roxbury | Housing Rehabilitation | \$400,000 |
| Salisbury | Housing Rehabilitation | \$600,000 |
| Southbury | Housing Rehabilitation | \$400,000 |
| Sprague | Street Improvement Baltic | \$500,000 |
| Thompson | Public Housing Modernization | \$800,000 |
| Torrington | Housing Rehabilitation | \$400,000 |
| Vernon | Housing Rehabilitation | \$400,000 |
| Waterford | Housing Rehabilitation | \$400,000 |
| Windham | Housing Rehabilitation | \$400,000 |
| Woodstock | Housing Rehabilitation | \$400,000 |
| | Total | \$11,850,000 |

| Table B: Program Expenditures for Administration | | | |
|--|---|---|--|
| Small Cities CDBG Program | FFY 13 (SFY14) Actual Expenditures | FFY 14 (SFY 15) Estimated Expenditures | FFY 15 (SFY 16) Proposed Expenditures |
| State Admin. | \$152,319 | \$260,629 | \$385,506 |
| Technical Assistance | <u>+\$531,892</u> | <u>+633,636</u> | <u>+723,279</u> |
| Administrative Balance carried forward from the previous year | \$684,211 | \$894,265 | \$1,108,785 |
| Annual Allocation Funding allowed for State Admin. | \$340,354 | \$339,163 | \$339,818 |
| General Fund Subsidy | \$240,354 | \$239,163 | \$239,163 |
| Technical Assistance | \$120,177 | \$119,582 | \$119,582 |
| Total Available for Administrative Cost | \$1,385,096 | \$1,592,173 | \$1,807,349 |
| Administrative Costs: | | | |
| Personnel | \$268,801 | \$262,392 | \$277,100 |
| Personnel TA | \$10,700 | \$12,019 | \$0 |
| Fringe Benefits | \$191,417 | \$175,207 | \$193,900 |
| Fringe Benefits TA | \$7,733 | \$7,920 | \$0 |
| Other Expenses | \$12,180 | \$15,850 | \$16,643 |
| Other Expenses TA | \$0 | \$10,000 | \$10,500 |
| Equipment | \$0 | \$0 | \$0 |
| Contracts | \$0 | \$0 | \$0 |
| Contracts TA | \$0 | \$0 | \$0 |
| Total Administrative Cost/ Committed Funds | \$490,831 | \$483,388 | \$498,143 |
| Administrative Balance to be carried forward to the following year | \$894,265 | \$1,108,785 | \$1,309,206 |

Source: DOH, OFA

Table B illustrates the following formulas:

Administrative Balance carried forward + Annual Allocation Funding allowed for State Admin. + General Fund Subsidy + Technical Assistance = Total Available for Administration Costs; and

Total Available for Administration Cost - Total Administrative Cost/Committed Funds = Administrative Balance to be Carried Forward.

- Administrative Balance to be Carried Forward to the following year: administrative funding left over from previous year, which is carried forward;
- Annual Allocation Funding allowed for State Administration: includes \$100,000 plus 2% of the state's annual allocation;
- General Fund Subsidy: subsidy provided to the Small Cities CDBG Program;
- Technical Assistance: 1% of the state's annual allocation to be used for technical assistance;
- Total Available for Administrative Costs: all funding added together that is available for administrative costs;
- Total Administrative Costs/Committed Funds: amount of all costs associated with administering the program; and
- Admin. Balance to be carried forward to following year: balance of funding that remains after administrative cost/expenditures are subtracted from the total amount of funding available for administrative costs. These funds can only be carried forward for administrative costs.

III. ALLOCATIONS BY PROGRAM CATEGORY

CDBG National Objectives:

- *I Benefit low and moderate-income families*
- *II Prevent or eliminate slums or blight*
- *III Meet other urgent community development needs*

| List of Block Grant Funded Programs – FFY13 and FFY 14 Estimated Expenditures | | |
|--|--|---|
| Title of Major Program Category Small Cities CDBG Program | FFY 13 Estimated Expenditures | FFY 14 Proposed Expenditures (with carry over funds) |
| Benefit low and moderate-income families | \$11,850,000 | \$12,851,155 |
| Prevent or eliminate slums or blight | - | - |
| Meet other urgent community development needs | - | - |
| TOTAL | \$11,850,000 | \$12,851,155 |

IV. EXHIBIT 1 – RATING AND RANKING CRITERIA

The following rating and ranking criteria were made available to the general public on January 13, 2015 to solicit comment in advance of the impending application period.

In addition, an application workshop was held for potential applicants on January 26, 2015, at which time additional comments and questions were solicited with regard to these criteria.