CDBG & HOME Entitlement

2012 Council Workshop

September 6, 2012

CDBG & HOME Workshop

- Funding History
- Review of CDBG
- Review of HOME
- LCCAC Request for 5% Operating Costs
- Consolidated Planning for 2014 -2018
- Review 2009-2013 Con Plan Project Goals & Accomplishments
  - 2013 Program Year Project Development

Funding

- Federal Entitlement Funding
- U. S. Dept. of Housing and Urban Development
- Formula Basis: *Population, Overcrowded units, Persons in Poverty, Pre-1940 Housing*
- HUD directly to Consortiums – HUD Seattle Regional Office

CDBG - Funding History - HOME

2004	$443,000	2004	$405,124
2005	$419,944	2005	$381,436
2006	$377,295	2006	$358,745
2007	$376,093	2007	$355,989
2008	$363,282	2008	$345,164
2009	$366,641	2009	$385,358
2010	$395,713	2010	$381,821
2011	$329,452	2011	$335,223
2012	$306,464	2012	$261,801
Total	**$3,377,884**	**Total**	**$3,210,641**

Differences between CDBG & HOME

- No new housing
- Infrastructure including sewer, water, streets, sidewalks in street
- No minimum
- No required code update for entire unit

- New housing
- Utility connections from main to site and home only
- Must spend at least $1000 per unit
- Unit must be brought up to rehab code

CDBG Primary Objective

The development of viable urban communities, principally for low-moderate income persons, through:

- Decent housing
- Suitable living environment
- Expanded economic opportunity

Eligible CDBG Activities

- Housing
- Economic Development
- Community Facilities
- Public Facilities
- Infrastructure
- Public Services – up to 15% Max
- Planning – up to 5% Max
- Administration – up to 15%-20%
- Match to Federal Grant Projects

CDBG Area Revitalization

- Principally Serve Low and Moderate Income Persons - 70% over 3 years
  - Direct Benefit
  - Designated Low-Income Residential Neighborhood (& service area)
- Prevent or Eliminate Slums or Blight - 30% over 3 years (2010-2012) (2013-2015)
  - Revitalization
  - Survey of area noting code deficiencies
  - Downtown, Commercial, Industrial, Residential
  - Area must be designated by Council through Resolution or other document. (Res. #1811)

2011 Administration Costs

- $329,452
- $ 49,417 (15% Admin)
- $ 54,601 Admin Costs
- $ -5,184 Admin Deficit

2012 Administration Costs

- $306,464
- $45,969 (15% Admin)
- $53,407 Admin Costs est.
- $ -7,478 Admin Deficit

CDBG Funding

•HOME Program Overview

- Strengthen private and public partnerships
- Expand the supply of decent, safe, sanitary, and affordable housing for very low income and low income families

2012 Income Guidelines

Median Family Income = $59,100			
Family Size	Very Low < 30%	Low < 50%	**Moderate < 80%**
1	$12,450	$20,700	$33,150
2	$14,200	$23,650	$37,850
3	$16,000	$26,600	$42,600
4	$17,750	$29,550	$47,300
5	$19,200	$31,950	$51,100
6	$20,600	$34,300	$54,900

Longview-Kelso HOME Consortium

- Comprised of the Longview and Kelso City Councils
- Assess housing needs
  - Consolidated plan - 5 year plan 2009-2013

- **Kelso 25%**
  - Base Allocation based upon population split
- **Longview 75%**
  - Base Allocation

HOME Funding

2011 HOME Administration

- $335,223
- $ 33,522 (10% Admin)
- $ 43,470 Admin Costs
- $ -9,948 Admin Deficit

2012 HOME Administration

- $261,410
- $ 26,141 (10% Admin)
- $ 38,625 Admin Costs est
- $ -12,484 Admin Deficit

Types of HOME Projects

- Homeownership
- Owner Rehabilitation
- Rental Housing
- Tenant Based Rental Assistance (TBRA)

HOME Project Activities

- *New Construction*
- *Rehabilitation*
- *Reconstruction*
- *Conversion to housing*
- *Site improvements*
- *Acquisition of property*
- *Acquisition of vacant land*
- *Demolition*
- *Relocation Costs*
- *Refinancing (for single family owner occupied or multi-family rehabilitation)*
- *Capitalization of project reserves (for new construction or rehabilitation of rental units)*
- *Project soft costs (finance related costs, architectural, engineering and related professional services, tenant and homebuyer counseling, affirmative marketing and fair housing services to prospective tenants or owner)*

2009-2012
Homeownership vs. Rental

- Habitat
  - $120,000 3
  - $ 80,000 2
  - $100,000 2
- Blighted Property Redevelopment
  - $ 12,403 2
- Highlands Homeownership
  - $ 60,000 1

- Total $372,403
- 42% / 10 units
- $37,240 per unit avg.

- Campus Towers
  - $ 74,154 74
- Comrade Quarters
  - $189,000 20
- Tenant Based Rental Ass't
  - $ 75,000 9
- 33rd Transitional /Supportive
  - $ 70,816 1
  - $112,000 6

- Total $521,920
- 58% / 110 units
- $ 4,745 per unit avg.

Community Housing Development Organization (CHDO)

- LCCAP's formal request for 5% Operating Costs for 2013
- Support general salary and operating costs of Housing Staff/Division
- $13,070 based upon 2012 allocation
    - Reduces $9,802 for Longview projects
    - Reduces $3,268 for Kelso projects
- In addition to 15% CHDO set-aside
    - ($39,211 in 2012 for projects)
- Approval needed by Kelso and Longview City Councils
- Amendment to the 2009-2013 Consolidated Plan
- **Decision Needed in April**

HOME - New 2012 Rules

- Four-Year Project Completion
- Conversion of Homebuyer Units to Rental units within 6-months.

Consolidated Plan

- This 5-year community-based plan provides:
  - an update of U.S. Census data
  - identifies neighborhood needs and strategies to serve low/moderate income persons, and
  - lists program priorities for the HOME Program and Community Development Block Grant Program.

2014-2018 Consolidated Plan

- 2013 Program Project allocation
- Estimated cost $25,000 paid through CDBG Planning, CDBG Admin & HOME Admin
- Consultant selection process
- Contract to begin August 1, 2013 with draft completed by May 1st, 2014
- Council workshops, input for project priorities, and review
- Electronic version is required
- Due at HUD June 15, 2014

2009-2013 Consolidated Plan

- Mid-term accomplishment review
- 2013 Project development
  - Council Driven through Department projects
  - Ideas for 2013 needed
    - Section 108 allows the aggregation of 5 years of CDBG funding as a loan over 20 years.
  - Agency driven by their current need/wants