

# Community Development Block Grant - CDBG

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# Program Funds Distribution

- Job Creation: 8.84%
- **Public Infrastructure & Improvement: 68.31%**
- Public Facilities: 15.49%
- Anticipated Local Administration: 4.99%
- State Administration/Planning/State Technical Assistance: 2.37%

# CDBG – How it Works

- HUD determines annual allocation to States
- Requirements dictated in CFR
- State must submit an Action Plan to HUD to show intended expenditure of funds
  - Based on local citizen participation and DED input
- HUD will approve or deny (followed by modifications to move into approval)
- HUD will issue a grant agreement to State to receipt funds

# CDBG – How it Works continued

- Only “non-entitlement” Units of General Local Government (UGLG) are eligible for state CDBG
- Eligible applicants: cities less than 50,000 in population, counties less than 200,000
- Sub-applicants: districts (such as water districts), nonprofits are eligible through their local government.
- CDBG cannot be awarded to individuals or businesses.

# CDBG – How it Works continued

- All projects must meet a national objective, which must be determined PRIOR to application
  - **51% Low/Moderate Income (LMI) beneficiaries**
    - HUD census data
    - Local income survey
    - Limited Clientele
    - Job creation
  - Elimination of Slum and Blight
  - **Urgent Need**

# CDBG – How it Works continued

- LMI – persons and families with income at or below 80% of county median household income (MHI)
- Elimination of Slum & Blight - Certain conditions per federal regulation
  - Local unsafe or dangerous building ordinance
- Urgent Need - Activity must be designed to alleviate existing conditions which the local government certifies and the State determines:
  - Pose a serious and immediate threat to the health or welfare of the community
  - Are of recent origin or recently became urgent (18 months maximum)
  - The grant recipient is unable to finance the activity on its own
  - Other sources of funding are not available to carry out

# Programs we offer

- **Emergency program**
- Long-Term Recovery program
- **Water and Wastewater program**
- General Infrastructure program
- Demolition program
- Community Facilities program
- Workforce Training Initiative program
- Economic Development-Industrial Infrastructure program

# Emergency Program

## Eligible projects must be:

- Designed to alleviate existing conditions which post a serious and immediate threat to the health and welfare of the community
- Conditions which are of recent origin or which recently became urgent (generally within the last 18 months)
- Conditions that are **NOT** the result of minimal or nonexistent maintenance

# Emergency Program continued

## Funding amount

- CDBG Emergency funds are a gap financing tool
  - Insurance proceeds MUST come first
  - In the case of a disaster declaration, FEMA/SEMA MUST come next
  - If any local funds are available, these MUST come before CDBG
- No specific funding maximum.

# Emergency Program continued

## How it works

- Emergency projects require a special application.
- Applications are by invite only, after discussing the potential project with CDBG staff to determine if it meets emergency criteria.
- The applications are open cycle, so available year-round.
- Can meet either Urgent Need or LMI national objective.

# Water and Wastewater Program

## Eligible projects must:

- Go through the Missouri Water and Wastewater Review Committee (MWWRC), comprised of USDA-RD, MDNR, and CDBG
- Be publicly-owned systems
- Have an appropriate rate structure for users

# Water and Wastewater Program

## Priority projects:

- Lack of existing needed facility
- System failure
- Regulatory requirements
- Natural or manmade disaster
- Significant and unexpected growth
- Potential or anticipated growth
- Part of comprehensive, strategic, or capital improvement plan

# Water and Wastewater Program continued

## Funding amount

- CDBG funds are a gap financing tool
  - Maximize local funds and/or MDNR/USDA-RD loans and grants
- Maximum grant amount: \$750,000 or \$5,000/household, with CDBG discretion to go up to \$7,500/household

# Water and Wastewater Program continued

## How it works

- Water and wastewater projects require a proposal.
- MWWRC meets once a month to discuss proposals.
- Applications are by invite only after recommendation by MWWRC.
- The applications are open cycle, so available year-round.
- Must meet LMI national objective.

# CDBG Program

## How to apply

- Emergency, Long-Term Recovery, and Water and Wastewater Programs applications are open cycle, but applications are by invite only.
- General Infrastructure, Demolition, Community Facilities, Workforce Training Initiative Programs are competitive cycle (working to release these Oct. 2020)
- Economic Development-Industrial Infrastructure Program is open cycle year round.

# CDBG – contact information

## Contact us for more information

- [Sam.Komo@ded.mo.gov](mailto:Sam.Komo@ded.mo.gov) or [Amy.Barnhill@ded.mo.gov](mailto:Amy.Barnhill@ded.mo.gov)
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