



Harford County Government
Department of Housing and Community Development
And Department of Community Services
Technical Assistance Workshops
December 14, 2016

Community Development Block Grant (CDBG) and HOME Program Funding Opportunities



HOUSEKEEPING ISSUES

- **Welcome and Introductions**
- **Sign-in sheet**
- **Restroom**



AGENDA

CDBG and HOME Funding Opportunities

- **CDBG**
- **HOME**
- **Application Process/Important Dates**
- **Questions**



OVERVIEW CDBG Funds

- The Community Development Block Grant (CDBG) Program provides grants to cities and counties on to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.
- Principally for low and moderate-income persons.
- Governed by Federal Regulations



CDBG PROGRAM ENTITIES

- **Harford County is the Grantee**

We receive CDBG funds directly and distribute to:

- **Sub recipients** - Government Agencies, Non-Profit or For-Profit, etc. (*most is distributed to this group*)
- **Contractors** – Competitive Selection for a specific service
- **CDBO** – Special Community Based Development Organization



NATIONAL OBJECTIVES

CDBG ACTIVITIES MUST MEET ONE OF THE FOLLOWING NATIONAL OBJECTIVES:

1. Benefit low and moderate-income persons
2. Prevention or elimination of slums or blight
3. Address urgent needs because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.



NATIONAL OBJECTIVE #1 LOW/MOD INCOME BENEFIT (LMI)

Grantees must give maximum feasible priority to activities which benefit low and moderate income persons.

LMI=Low Moderate Income=
0-80% or Area Median Income (AMI)

70% of CDBG Funds must be used for this N.O.



NATIONAL OBJECTIVE #1 LOW/MOD INCOME BENEFIT

- **Activities benefiting LMI persons**
- **Four Subcategories to meet the LMI N.O.**
 1. Area Benefit Activities (LMA)
 2. Limited Clientele Activities (LMC)
 3. Housing Activities (LMH)
 4. Job Creation or Job Retention (LMJ)



NATIONAL OBJECTIVE #1

SUBCATEGORY 1

AREA BENEFIT ACTIVITIES (LMA)

At least 51% LMI Person in a primarily residential area

- Must have a defined Service Area of Activity, not the Location
- Must use HUD Census Data Tracts and Block group data or conduct HUD approved Survey Method
- Must meet 51 %LMI or exception Requirement
 - *Exception Rule, if few or no areas lower than 51% LMI*
- Examples of Projects: Road paving, façade Improvements, park and bike paths, etc.



NATIONAL OBJECTIVE #1

SUBCATEGORY 2

LIMITED CLIENTELE (LMC)

- Non-housing Activities designed to benefit a limited number of persons
- Documented by family size and income eligibility, at least 51% are LMI
- Nature and location of the activity
- Presumed benefit-persons presumed to have to have LMI such as: abused children, battered spouses, elderly persons, severely disabled adults(as defined by the Bureau of Census), homeless persons, illiterate adults, persons living wit AIDS, and migrant farm workers



NATIONAL OBJECTIVE #1 SUBCATEGORY 2 LIMITED CLIENTELE (LMC)

Project Examples:

- Most Public Services (energy assistance, fair housing counseling, etc.) 15% Public Services Cap
- Construction of a senior center, shelters for homeless families or individuals
- Food Pantries, meals-on-wheels
- Domestic abuse shelters

Not be used for activities that benefit all residents of an area, construction/rehabilitation for housing, or job creation



NATIONAL OBJECTIVE #1 SUBCATEGORY 2 LIMITED CLIENTELE (LMC)

Project Examples in Harford County:



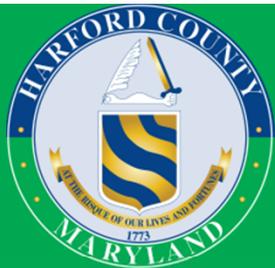


NATIONAL OBJECTIVE #1

SUBCATEGORY 3

HOUSING ACTIVITIES (LMH)

- **Permanent housing only**
 - Occupied by a majority of LMI persons at project completion
 - Single family, Duplex, Multi Family
- **Project examples include:**
 - Acquisition of land or existing structures
 - Rehabilitation of owner-occupied or rental units
- **Purchase Assistance for LMI buyers**
- **Conversion of non-residential to housing units**
- **Support the HOME program in new Construction**



**NATIONAL OBJECTIVE #1
SUBCATEGORY 3
HOUSING ACTIVITIES (LMH)**

Project Examples in Harford County:





NATIONAL OBJECTIVE #1

SUBCATEGORY 4

JOB CREATION OR

JOB RETENTION (LMJ)

- **Permanent Jobs Only**
- **51% of Jobs held by or Available to LMI Persons**
- **No special Skills or experience**
- **No education beyond H.S. needed**
- **Loans to Expand**



NATIONAL OBJECTIVE #2 ELIMINATE SLUM & BLIGHT

A grantee may also carry out activities which aid in the prevention or elimination of slums or blight.

Three Subcategories

1. Address On An Area Basis (SBA)
2. Address on A Spot Basis (SBS)
3. Address in An Urban Renewal Area (SBR)

Can only utilize 30% of CDBG Allocation for this N.O.



NATIONAL OBJECTIVE # 3 URGENT NEED

- **Serious and immediate threat to the health or welfare of the community**
- **Where no other financial resources are available to meet such needs**
- **Rarely Used in CDBG Projects**

Can Only use 30% of CDBG Funds for this N.O.





ELIGIBLE ACTIVITIES

So your project meets one of the three National Objectives ...

Is it an eligible activity?

Examples of eligible activities:

- Acquisition
- Disposition
- Public Facilities and Improvements
- Clearance Activities
- Public Services
- Interim Assistance
- Planning and Administration
- Construction of Housing-Limited
- Rehabilitation
- Economic Development



INELIGIBLE ACTIVITIES

- **Acquisition, construction, or reconstruction of buildings for the general conduct of government**
- **Operating and maintenance expenses (with some exceptions)**
- **Political activities**
- **Certain income payments**
- **Construction of new housing (with some exceptions)**



CDBG HUD DOCUMENTATION REQUIRED!

To ensure compliance, you must provide lots of paperwork!

- **Legal Contract Agreements**
- **Environmental Review Process**
- **Labor standards Laws and Authorities**
- **Monitoring period**
- **Overall documentation for fund reimbursements and activity process**

CDBG QUESTIONS?





OVERVIEW: HOME

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities, often in partnership with local nonprofit groups .

The grants are used to fund a wide range of activities, including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.



FINAL RULE

HUD published a Final Rule in the Federal Register on July 24, 2013 to amend the HOME Program regulations. These amendments to the HOME regulations represent the most significant changes to the HOME Program in 17 years.

HUD is in the process of updating this page to reflect the changes made to the HOME Final Rule. Please consult the 2013 HOME Final Rule page for the latest guidance and resources on new requirements.



**THE PROGRAM WAS DESIGNED TO REINFORCE
SEVERAL IMPORTANT VALUES AND PRINCIPLES OF
COMMUNITY DEVELOPMENT:**

**HOME's flexibility empowers communities
to design and implement strategies tailored to their own needs and priorities.**

**HOME's emphasis on consolidated planning strengthens partnerships among all
levels of government and the private sector in the development of affordable
housing.**

**HOME's technical assistance activities and set-aside for qualified community-based
nonprofit housing groups builds the capacity of these partners.**

**HOME's requirement that Participating Jurisdictions (PHs) match 25 cents of every
dollar in program funds mobilizes community resources in support of affordable
housing.**



ELIGIBLE ACTIVITIES

HOME funds may be used for a variety of activities, according to local needs.

Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing.

HOME funding may be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.



HARFORD COUNTY EXAMPLES





MATCH REQUIREMENT

Harford County must match every dollar of HOME funds used (except for administrative costs and Community Housing Development Organizations (CHDO) predevelopment loans for projects that do not move forward) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources.



CHDO REQUIREMENT

In addition, Harford County must reserve at least 15 percent of our allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as CHDOs.



ELIGIBILITY CRITERIA

Eligibility varies with the nature of the funded activity

- For rental housing and rental assistance, at least 90% of benefiting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area.
- In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median.
- The incomes of households receiving HUD assistance must not exceed 80 percent of the area median. HOME income limits are published each year by HUD.



OTHER REQUIREMENTS

- **HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity.**
- **HOME-assisted homebuyer housing is also subject to resale or recapture requirements.**

HOME QUESTIONS?





APPLICATIONS

**Download CDBG and HOME applications on the
Harford County Housing & Community Development
website: www.harfordhousing.org**



APPLICATIONS KEY DATES

1/3/2017

CDBG & HOME applications available

2/13/2017 5:00 p.m.

Application deadline

Jan- Feb 2017

Community Development reviews applications and develops funding recommendations

February 2017

Funding recommendations sent to County Executive

May 2017

Preliminary notification to grant recipients

July 2017

Project year begins



TALK TO US!

- **If you think you have a project that might be a good fit for either of these programs, please contact us to discuss.**
- **Housing and Community Development will guide you through the process to determine if your project is compatible with the program eligibility criteria and provide technical assistance.**



LINKS

- **HUD Exchange:** <https://www.hudexchange.info/>
- **CDBG Regulations:** <http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4>
- Refer to Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities (HUD exchange website):
https://www.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf
- **HOME Regulations:** http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl



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