



Arapahoe County

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Board Summary Report

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Agenda Date: 8/9/2022

Agenda #:

To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources Department

Prepared By:

Jeremy Fink and Liana Escott, Community Development Administrators and Courtney Stryker, Grants Administrator, Community Resources Department

Subject:

2022 Annual Action Plan, Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME)

Purpose and Request:

This business meeting is being held to provide an opportunity for the general public to comment on the funding recommendations for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) projects for 2022 grant year funding, as well as authorize the submission of the 2022 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) for their review and approval. The Board of County Commissioners (BOCC) reviewed the funding recommendations and Annual Action Plan, presented by Housing and Community Development Services (HCDS) staff, during a study session on July 19, 2022, and instructed staff to schedule the item for a business meeting.

Background and Discussion:

At a study session on March 22, 2022, HCDS staff presented funding recommendations for the 2022 allocations for CDBG and HOME programs. The initial funding recommendations were then approved by the BOCC at the April 26, 2022 Business Meeting. At the time of both the study session and business meeting, the actual 2022 CDBG and HOME allocations were not released and recommendations were presented and approved based on the assumption of near level funding for both programs.

After the initial BOCC approval on April 26, 2022, HUD released the actual 2022 allocations for CDBG and HOME, which required minor adjustments to the Action Plan to account for the reduced CDBG allocation. Updated funding recommendations were then presented to the BOCC at the July 19, 2022 Study Session and

the Action Plan was recommended for presentation at a business meeting.

Therefore, this Board Summary report will review updated funding recommendations for 2022 CDBG and HOME programs, highlighting the changes from the initial plan and difference in the estimated versus actual 2022 funds available to commit to projects and activities.

The Arapahoe County CDBG program started in 1992 and now operates as an Urban County Consortium, which consists of Deer Trail, Englewood, Glendale, Greenwood Village, Littleton and Sheridan. As an entitlement community, Arapahoe County receives CDBG funds annually from HUD on a formula basis related to our population and demographics, particularly low-to-moderate income residents. In addition to administering the County CDBG Program, Arapahoe County HCDS staff also administers the City of Centennial's CDBG funds. Centennial is designated as a separate entitlement community.

The 2022 CDBG applications were released on September 16, 2021 and due by November 19, 2021. A total of 15 applications were received requesting \$2,262,195 in assistance. The number of applications does not include City of Centennial applications for use of their entitlement funds, or in-house projects proposed by HCDS staff.

As previously stated, the initial recommendations for 2022 CDBG and HOME allocations were developed based on the assumption of receiving funding at, or near, the 2021 allocation of \$1,497,438 for both Arapahoe County and Centennial CDBG Entitlements, \$1,140,434 and \$357,004, respectively, as well as \$742,487 for Arapahoe County HOME Entitlement funds (Centennial doesn't receive HOME funds). However, the actual 2022 HUD allocations for CDBG were lower than anticipated and require some adjustments to account for the reduced allocation.

In total, the 2022 CDBG allocation is \$1,375,306 compared to 2021 CDBG allocation of \$1,497,438, a reduction of \$122,132. Of the total, the County CDBG allocation is \$1,042,405 (reduction of \$98,029) and the Centennial CDBG allocation is \$332,901 (reduction of \$24,103). The 2022 HOME allocation increased to \$801,378 compared to the 2021 HOME allocation of \$742,487, an increase of \$58,891

	2022 Estimate	2022 Actual	Difference
County CDBG	\$1,140,434	\$1,042,405	(\$98,029)
Centennial CDBG	\$357,004	\$332,901	(\$24,103)
County HOME	\$742,487	\$801,378	\$58,891

With respect to the 2022 CDBG applications, HCDS Staff reviewed, scored and ranked all the applications based on an evaluation matrix that includes components such as reasonable quantifiable goals, measurable community impact, addressing an unmet need, serving low-to-moderate income residents, cost reasonableness and effectiveness, leveraged funds, organizational resources and efficacy, SMART goals, staff experience, past performance, community support and consistency with County goals and priorities, specifically the

Consolidated Plan.

The adjustments to our funding recommendations reflect the necessary changes needed to account for the reduced HUD allocation of CDBG funds, while retaining our original funding priorities, community goals and program requirements and policies, including the use of set-aside allocations for participating jurisdictions. The final CDBG recommendations also take into account the available funds and allocations for HOME projects, as well as additional COVID related allocations and are supported by HCDS staff.

The CDBG program has spending limits for Administrative Costs (20%) and Public Service Projects (15%), which cannot be exceeded. The HOME program has a spending limit for Administrative Costs (10%), which cannot be exceeded. Based on these restrictions, only 15% of the total CDBG award from HUD may be spent on Public Service Projects, plus 15% of the prior year program income. Only 20% of the total CDBG award from HUD may be spent on Administrative costs. Based on our agreement with the City of Centennial, a maximum of 18% of the City of Centennial award may be spent on Administrative costs, as opposed to the 20% deducted from the County CDBG award. Only 10% of the total HOME award from HUD may be spent on Administrative costs. The remaining balance after deducting Administrative costs and Public Service projects is available for Public Facility and Public Infrastructure projects, which includes Housing projects (applies to Centennial and County programs).

For a complete overview of the original and revised funding recommendations for County CDBG, Centennial CDBG and County HOME, please see Attachment 1. For reference, the original funding recommendations presented to the BOCC at the 3/22/22 study session is also included as Attachment 2. Project Summaries and additional project information are also provided in Attachment 3.

The following table highlights the recommended changes from our original funding allocations to our final funding allocations, based on the actual HUD CDBG award for 2022. All other previously approved projects and amounts will remain the same.

2022 CDBG & HOME Revised Funding Recommendations				
Project	Original Allocation	Revised Allocation	Difference	Notes
Community Development Block Grant (CDBG)				
Arapahoe County – Emergency Rent	\$25,565	\$9,500	(\$16,065)	Reduced to meet PS Cap (15%) and reallocated to IFCS – Homeless Prevention (Rent)
IFCS – Homeless Prevention	\$35,000	\$43,451	(\$8,451)	Increased allocation from County Rental Assistance
Medici Bonsai Apartments	\$300,000	\$250,000	(\$50,000) Total (\$100,000) 2022 Funds	Reducing 2022 allocation by \$100,000. Total recommendation of \$250,000 (reallocating unspent prior year County Rental Assistance funds)
Nourish – Meals on Wheels	\$50,000	\$50,000	\$0	Different County/Centennial contribution (\$10,000/\$40,000)
Project Angel Heart – Home-Delivered Meals	\$52,655	\$45,000	(\$7,655)	Reduced to meet PS Cap (15%) and different County/Centennial contribution (\$35,565/\$9,435)
HOME Investment Partnership Program (HOME)				
Affordable Housing Developer CDHA, Inc - Jewell Apartments	\$400,000	\$500,000	\$100,000	Project will utilize the increased 2022 allocation and reflects the use and availability of CDBG and HOME funds

Based on the final CDBG funding recommendations, including the aforementioned adjustments, Arapahoe County will award \$948,766 in CDBG funds (includes carryover/prior year resources) and utilize 20% of the grant for administration (\$208,481). The City of Centennial will award \$417,089.03 in CDBG funds (includes carryover/prior year resources) and utilize 18% of the grant for administration (\$59,922.18).

In addition, Arapahoe County will award up to \$850,000 in HOME funds and utilize 10% of the grant for administration (\$80,137.80). HCDS staff will present additional HOME project requests, applications, and recommendations to the BOCC after they are received and reviewed.

Additional information on the applications/projects recommended for funding, including background information and project descriptions can be found in the Project Summaries attachment.

Alternatives: The BOCC may recommend an alternative distribution of CDBG and/or HOME funds.

Fiscal Impact: The CDBG and HOME programs are entitlement programs awarded and distributed by the Department of Housing and Urban Development. Therefore, the allocation of these funds will not impact Arapahoe County general funds.

Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☒ Provide essential and mandated service
- ☒ Be community focused

Concurrence: N/A

Resolution: Attached is a copy of the draft resolution.