



Board Summary Report

Date: February 16, 2021

To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources Department

Prepared By: Jeremy Fink, Community Development Administrator, Community Resources Department

Presenter: Linda Haley, Housing and Community Development Services Senior Resources Division Manager

Subject: 2021 Annual Action Plan, Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME)

Purpose & Request

The purpose of this Board Summary Report is to review the funding recommendations for 2021 Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) projects, as recommended by Community Resources – Housing and Community Development Services (HCDS) Staff, as well as to seek direction from the Board of County Commissioners (BOCC) regarding the plan to utilize these funds and submit the 2021 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) for review and approval.

Background & Discussion

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 2021 CDBG applications were released on September 1, 2020 and due by November 20, 2020. A total of 20 applications were received requesting \$1,881,680 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.

Unfortunately, at this time, we do not know the actual 2021 allocation from HUD, but we anticipate receiving an amount similar to the 2020 entitlement allocation. Assuming level funding, we anticipate receiving funding at, or near, \$1,478,458 for both Arapahoe County and

Centennial CDBG Entitlements, \$1,117,418 and \$361,040, respectively, as well as \$734,345 for Arapahoe County HOME Entitlement funds (Centennial doesn't receive HOME funds).

With respect to the 2021 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.

Due to the fact that HUD has not released the 2021 CDBG allocations, HCDS staff has prepared funding recommendations assuming level funding based on the 2020 allocations of \$1,117,418 and \$361,040 for Arapahoe County and City of Centennial CDBG, respectively, as well \$734,345 for Arapahoe County HOME. The balance of uncommitted funds from prior grant years is also factored into the evaluation and recommendations.

Each of the participating Urban County jurisdictions receive a portion of the CDBG award as a set-aside allocation. Each jurisdiction is then provided the opportunity to direct their funds to specific projects. The set aside amounts are as follows:

COMMUNITY	ALLOCATION
Deer Trail	\$10,000
Englewood	\$135,000
Glendale	\$20,000
Greenwood Village	\$10,000
Littleton	\$135,000
Sheridan	\$22,500
TOTAL	\$332,500

Table 1. 2021 CDBG Set-Aside Amounts

The set-aside funding requests from Urban County Consortium Members are as follows:

Community	Project	Amount
Deer Trail	Street & Sidewalk Improvement Project	\$157,100
Englewood	Energy Efficient Englewood (E3)	\$150,000
Englewood	Family Tree House of Hope Staffing	\$20,250
Littleton	South Hickory Street Sidewalk	\$114,750
Littleton	Doctors Care	\$20,250

Table 2. 2021 CDBG Set-Aside Requests

* Glendale, Greenwood Village and Sheridan did not submit applications for 2021 or requests for the use of their set-aside allocations.

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).

The following table describes the anticipated funds available for 2021 based on the aforementioned program details, restrictions, and level funding from 2020 to 2021:

2021 Arapahoe County CDBG Entitlement (Estimate)	\$1,117,418
Arapahoe County Public Service – 15%	\$167,612.70
Arapahoe County Public Service Increase via Program Income (PI)	\$15,443.73
Arapahoe County Public Service Total – (15% + PI)	\$183,056.43
Arapahoe County Public Facilities and Infrastructure	\$710,877.97
Arapahoe County CDBG Carryover – Anticipated	\$85,267.70
Arapahoe County Public Facilities and Infrastructure Total	\$796,144.97
Arapahoe County Administration – 20%	\$223,483.60
Total Arapahoe County CDBG Funds for 2021	\$1,218,128.73
2021 City of Centennial CDBG Entitlement (Estimate)	\$361,040
City of Centennial Public Service – 15%	\$54,156
City of Centennial Public Facilities and Infrastructure	\$241,896.80
City of Centennial CDBG Carryover – Anticipated	\$409,896.41
City of Centennial Public Facilities and Infrastructure Total	\$651,793.21
City of Centennial Administration – 18%	\$64,987.20
Total Centennial CDBG Funds for 2021	\$770,936.41
2021 Arapahoe County HOME Entitlement (Estimate)	\$734,345
Arapahoe County HOME Carryover – Anticipated	\$1,166,740.72
Arapahoe County HOME Projects	\$1,850,000
Arapahoe County HOME Administration – 10%	\$73,434.50
Total Arapahoe County HOME Funds for 2021	\$1,901,085.72

Table 3. 2021 Entitlement Awards (Funding Categories and Estimates)

The following table outlines the 2021 CDBG Applications/Projects and HCDS Staff recommendations for Arapahoe County funding:

2021 CDBG Applications & Recommendations for Arapahoe County Funds				
Agency	Project	Type	Request	Recommend
Archway Housing & Services, Inc.	Improvements at Arapahoe Green Townhomes	PF/HS	\$75,040	\$0
Brothers Redevelopment Inc.	Home Modification & Repair Program (HMR) and Paint-A-Thon	HS	\$100,000	\$100,000
City of Englewood	Energy Efficient Englewood (E3)	HS	\$150,000	\$114,750
City of Littleton	S. Hickory Street Sidewalk	PI	\$114,750	\$114,750
City of Littleton	Sewer Line Repair/Replacement	HS	\$125,000	\$100,000
* Family Tree, Inc.	GOALS Capital Project	PF	\$214,500	\$214,500
Family Tree, Inc.	House of Hope Flooring	PF	\$50,636	\$0
GRID Alternatives	Energy for All Program	HS	\$250,000	\$150,000
Prentice Place Lofts LLP	Water Heater and Washer/Dryer Replacement	PF/HS	\$70,000	\$0
Town of Deer Trail	Street & Sidewalk Improvement Project	PI	\$157,100	\$0
Total Request and Recommendation (HS/PF/PI)			\$1,307,026	\$794,000
* Arapahoe County Housing & Community Development	Emergency Rent/Mortgage Assistance	PS	\$-	\$26,712
Archway Housing & Services, Inc.	Family Services at Arapahoe Green Townhomes	PS	\$25,000	\$0
Big Brothers Big Sisters	Youth Mentoring	PS	\$40,000	\$25,000
Doctors Care	Connection to Health Coverage and Health Care Initiative	PS	\$25,000	\$20,250
Family Promise of Greater Denver	Rapid Resolution & TBRA Family Advocate	PS	\$25,000	\$25,000
Family Tree, Inc.	House of Hope Staffing	PS	\$37,654	\$20,250
Integrated Family Community Services (IFCS)	Homeless Prevention	PS	\$40,000	\$35,000
* Project Angel Heart	Home-Delivered Meals * Centennial Funding @ \$14,156	PS	\$62,700	\$30,844
Summit Healing Inc.	Project Noah – Homeless Prevention	PS	\$240,000	\$0
Sunshine Home Share Colorado	Home Share Expansion Project	PS	\$20,000	\$0
* Nourish Meals on Wheels	TLC Meals on Wheels * Centennial Funding @ \$40,000	PS	\$50,000	\$0
Total Request and Recommendation (PS)			\$565,354	\$183,056
Total Requests and Recommendations			\$1,872,380	\$977,056

Table 4. 2021 CDBG Applications/Projects and HCDS Staff Recommendations for County Funding.

Key Abbreviations: HS = Housing, PF = Public Facility, PI = Public Infrastructure, PS = Public Service.

* Indicates projects included in the Contingency Plan on page 6. These projects may be increased or decreased based on the actual HUD allocation as further described in the Contingency Plan.

Additional project information is provided in the Project Summaries attachment.

The following table outlines the 2021 CDBG Applications Centennial and HCDS Staff are recommending for Centennial funding:

2021 CDBG Applications & Recommendations for City of Centennial Funds				
Agency	Project	Type	Request	Recommend
* City of Centennial	Housing/Public Facility/Public Infrastructure Improvements	HS/PF/PI	\$651,793.21	\$651,793.21
Total Request and Recommendation (HS/PF/PI)			\$651,793.21	\$651,793.21
* Project Angel Heart	Home-Delivered Meals * County Funding @ \$30,844	PS	\$62,700	\$14,156
* TLC Meals on Wheels	TLC Meals on Wheels	PS	\$40,000	\$40,000
Total Request and Recommendation (PS)			\$102,700	\$54,156
Total Requests and Recommendations			\$754,493.21	\$705,949.21

Table 5. 2021 CDBG Applications/Projects and HCDS Staff Recommendations for Centennial Funding.

Notes: Key Abbreviations: HS = Housing, PF = Public Facility, PI = Public Infrastructure, PS = Public Service

* Indicates projects included in the Contingency Plan on page 6. These projects may be increased or decreased based on the actual HUD allocation as further described in the Contingency Plan.

City of Centennial will finalize and approve their CDBG Entitlement funds through City Council approval. The Centennial recommendations are presented here in order to receive prior BOCC approval to proceed if approved by City Council. Additional projects outside of these recommendations would be presented to the BOCC for review and approval.

2021 HOME Recommendations for Arapahoe County Funds				
Agency	Project	Type	Request	Recommend
Affordable Housing Developer - To Be Determined	Multi-Family Affordable Housing Development - To Be Determined, LIHTC Applications	HS	\$0	\$1,500,000
Existing TBRA Providers – To Be Determined Aurora @ Home and/or Family Promise of Greater Denver	Tenant Based Rental Assistance (TBRA)	HS	\$0	\$350,000
Total Requests and Recommendations			\$0	\$1,850,000

Table 6. 2021 HOME Applications/Projects and HCDS Staff Recommendations for County Funding.

Notes: Key Abbreviations: HS = Housing, PF = Public Facility, PI = Public Infrastructure, PS = Public Service

Additional HOME applications and requests are anticipated during the 2021 Grant Year and will be brought before the BOCC for review and approval once finalized and reviewed by HCDS staff.

Based on the aforementioned CDBG funding recommendations, Arapahoe County will award up to a total of \$977,056 in CDBG funds (includes carryover/prior year resources) and utilize 20% of the grant for administration (estimated at \$223,483.60), and the City of Centennial will award up to a total of \$705,949.21 in CDBG funds (includes carryover/prior year resources) and utilize 18% of the grant for administration (estimated at \$64,987.20). In addition, Arapahoe County will award up to \$1,850,000 in HOME funds (includes carryover/prior year resources) and utilize 10% of the grant for administration (estimated at \$73,434.50). HCDS staff will present specific HOME project requests, applications, and recommendations to the BOCC after they are received and reviewed. As previously indicated, these amounts are contingent upon the actual HUD allocation.

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

Background & Discussion – Contingency Plan

Due to the fact that HUD has not announced the 2021 CDBG and HOME Entitlement Allocations at the time of this report, HCDS staff has prepared the following CDBG contingency plans to adjust our funding recommendations in the event of a substantial increase or decrease in funding.

Under our contingency plan, we are requesting BOCC approval for HCDS staff discretion to adjust the funding amounts only for the projects identified with an asterisk (*) in the tables above, included as an attachment, and outlined below, including the following:

- Three public service projects (PS projects capped at 15% of the total CDBG grant)
 - Arapahoe County Housing & Community Development – Emergency Rent/Mortgage Assistance: +/- \$26,712 (initial recommendation)
 - This project will be designated to receive the balance of PS funds not committed to the other recommended projects up to, and including, an amount equal to the balance of funds to reach the 15% public service threshold, which includes program Income.
 - Project Angel Heart – Home-Delivered Meals: +/- County \$30,844/Centennial \$14,156 joint funding (initial recommendation)
 - This project will be designated to receive the balance of Centennial PS funds after fully funding the TLC project at \$40,000, which would subsequently adjust the County/Centennial joint funding amounts.
 - TLC Meals on Wheels: \$40,000 Centennial funding (initial recommendation)
 - This project will be fully funded with Centennial PS funds. However, a substantial decrease in HUD allocations may necessitate the County adding to Centennial funding so the total funding equals \$40,000.
- Three public facility/public infrastructure/housing projects

- City of Englewood – Energy Efficient Englewood (E3) \$114,750: +/- CDBG Program Income
 - This project will be designated to receive the balance of HS/PF/PI funds not committed to the other recommended projects plus up to 85% of program income received during the grant year.
- City of Centennial – Public Facility/Public Infrastructure Improvements/Housing: +/- \$651,793.21 Centennial funding (initial recommendation)
 - This project will be designated to receive the balance of Centennial HS/PF/PI funds not committed to other recommended projects including an amount up to the initial recommendation of \$651,793.21, which includes prior year resources.
- Family Tree – GOALS Capital Project \$214,500:
 - This project will be designated to receive a reduced CDBG in the event our annual allocation is less than our estimates and not sufficient to fund the aforementioned recommendations.

Given our estimated level funding for the 2021 CDBG Entitlements Award, combined with our funding recommendations, the balance of uncommitted funds would be held in reserve for future projects that meet the needs of the County, and/or supplemental assistance to existing projects, if necessary and approved by the BOCC.

The Projects Not Recommended for Funding, Include:

1. Archway Housing & Services – Improvements at Arapahoe Green Townhomes (\$75,040): HCDS staff is in support of the Improvements at Arapahoe Green Townhomes project, helping to ensure safe, healthy, decent housing. However replacement costs for key components of the building should be factored into a capital needs budget.
2. Archway Housing & Services – Family Services at Arapahoe Green Townhomes (\$25,000): HCDS staff is in support of the family services provided by Archway at Arapahoe Green as demonstrated by the \$15,000 CDBG awarded in 2018. The proposed project will be evaluated as a potential youth services project for CDBG-CV funds.
3. Family Tree – House of Hope Flooring (\$50,636): HCDS staff is recommending two Family Tree projects for 2021 CDBG support, \$214,500 for the GOALS project and \$20,250 for House of Hope Staffing. Unfortunately, given our funding estimates, an additional Family Tree project is not feasible.
4. Prentice Place Lofts LLP (\$70,000): HCDS staff is in support of providing financial assistance to affordable housing developments, helping to ensure long-term sustainability and affordability. However, general anticipated replacement costs should be factored into facility improvement plans and capital needs assessments, limiting the reliance on grant funds to support operating costs. Prentice Place Lofts received a \$150,000 CDBG in 2019 to replace the existing water heaters.

5. Summit Healing Inc. – Project Noah – Homeless Prevention (\$240,000): The proposed project was a large request relative to the amount of funds available to award to projects in 2021, particularly for public services (\$240,000 request with an estimated \$237,212 available.) The request combined with the amount of funds available and details provided in the application, raises concerns about the long-term sustainability of the project, and the organization’s ability to continue funding up to five new full-time positions, as requested. Although this project is not recommended for funding, the proposed project will be evaluated as a potential capacity building project for CDBG-CV funds.
6. Sunshine Home Share Colorado – Home Share Expansion Project (\$16,000): Sunshine Home Share received a \$10,000 and \$16,000 CDBG in 2018 and 2019 respectively. Although, home sharing is a valuable program that provides a creative solution to the affordable housing crisis, matching home providers with home seekers, a limited number of matches have been made in Arapahoe County, while the demand for other housing services, particularly rental assistance continues to grow. Providing Sunshine Home Share with a CDBG in 2018 and 2019 helped them apply for, and receive additional grants and foundation funds.
7. Town of Deer Trail – Street and Sidewalk Improvement Project (\$157,100): The Town of Deer Trail completed a similar CDBG funded project (\$176,835) in 2017/2018 that required significant input and project management support from Arapahoe County Public Works staff. Given the small annual set-aside allocation for Deer Trail (\$10,000) HCDS staff is recommending we partner with Arapahoe County public works and the Town of Deer Trail to apply for a future project to utilize multiple years of funding and address local needs.

Alternatives

The BOCC may recommend an alternative distribution of 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 and use of these funds will not impact Arapahoe County general funds.

Alignment with Strategic Plan

CDBG funds link to Align Arapahoe in each of the three goals, Service First, Fiscal Responsibility and Quality of Life. By design, the CDBG program and our funding decisions start with analyzing the needs of the community and providing goods, services and housing that are consistent with those needs of our residents and communities. Through our funding awards, Arapahoe County is demonstrating a commitment to providing quality services to our residents. By awarding CDBG funds to entities (municipalities, non-profits and affordable housing developers) who complete community development projects, Arapahoe County is making a responsible fiscal impact that addresses the needs of our communities and residents and demonstrates our role

as good stewards of public funds. The overall goal of the CDBG program is to develop viable communities and support low- and moderate income residents, thereby improving our residents' overall quality of life.

Staff Recommendation:

HCDS staff is recommending the funding allocations presented above, including the contingency plans to account for any changes required by an increase or decrease in the 2021 CDBG entitlement award.

Reviewed By:

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