

COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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CDBG Overview

1) What is CDBG

The federal Community Development Block Grant (CDBG) program is a principal revenue source for local communities to address the roots and consequences of poverty. The <u>U.S. Department of Housing</u> <u>& Urban Development</u> administers the program on a national basis and awards grants annually to entitlement communities, including Burlington, on a formula basis. The City in turn awards grants to local organizations as well as operates several CDBG-funded programs.

2) CDBG Terminology

- a) Five-Year Consolidated Plan (Con Plan): 5-year Consolidated Plans are organized into four sections: Needs Assessment, Market Analysis, Strategic Plan and One-Year Action Plan. The Needs Assessment provides a concise summary of the City's estimated housing and community development needs for the next five years. The Market Analysis overview provides an analysis of the housing market, homeless housing and facilities, and the City's economic characteristics. The Strategic Plan selects priorities among the existing needs, describes the City's specific objectives for the next five years (given available resources), and describes how the City will carry out its action strategies. The Action Plan details how the City plans to spend the CDBG and HOME resources on specific activities.**
- b) **Action Plan:** The Action Plan is an annual update to the Five-Year Consolidated Plan and describes specific planned uses of HUD funds including CDBG and HOME program activities.
- c) Notice of Funding Availability (NOFA): The annual process in which the City of Burlington solicits proposals for funding from community and faith-based organizations, non-profits, and City Departments. The City is allocated a certain amount of money each year by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. The CDBG Program is a principal revenue source for local communities to address the roots and consequences of poverty.

3) Defining Roles

CEDO – Formulate the Action Plan for Entitlement Funds based on City's needs; coordinate the NOFA process and Advisory Board, administer all sub-recipient grants, monitor sub-recipients, manage internal CDBG projects, report to HUD, the Mayor, and City Council.

Advisory Board – Review, rank and recommend projects to fund. Recommendations go to the Mayor and the City Council.

Mayor – Functions as the Certifying Official for our HUD programs, reviews the Advisory Board's recommendations and forwards to the City Council.

City Council – Must vote to approve or change recommendations for CDBG Action Plan and send those recommendations in the form of an Action Plan to HUD by mid-May.

4) Goals and priorities of CDBG funding for Burlington

Provide decent, safe and affordable housing, expand economic opportunities, and provide a suitable living environment for low- and moderate-income persons.***

5) All CDBG-funded activities must meet one of three national objectives:

- a) Activities that benefit low- and moderate-income persons (80% of Area Median Income)
 - i) L/M Income Area Benefit (LMA)
 - ii) L/M Income Limited Clientele (LMC)
 - iii) L/M Income Housing (LMH)
 - iv) L/M Income Jobs (LMJ)
- b) Activities which aid in the prevention or elimination of slums or blight
- c) Activities designed to meet community development needs having a particular urgency (Urgent Need)

6) Decision Criteria

- Application and point allocation were based on federal regulations and the City of Burlington's goals and objectives (from the 2018 Con Plan 2024 Con Plan is currently in early draft stages)
- Activities must be eligible (eligibility requirements can be found in the <u>NOFA online</u>) and meet the goals and national objectives of CDBG (#4 & #5 above)
- Organization must be able to record and report beneficiary data as well as keep accurate/detailed accounting records.

***These goals and priorities are representative of our 2018 Con Plan. Goals and priorities might differ in our upcoming 2024 Con Plan based on community feedback. CEDO administration, Mayor's office, and City Council may adjust funding recommendations to support new goals and priorities that are currently being determined through a public outreach/feedback process which is mandatory in drafting every Con Plan.

^{**}The City is currently drafting our next 5-year Con Plan (2024-2028)