



Board Summary Report

Date: March 20, 2019

To: Board of County Commissioners

Through: Don Klemme, Community Resources Department Director

From: Linda Haley, Housing and Community Development Division Manager

Subject: Community Development Block Grant Annual Plan

Direction/Information

At a Study Session on February 12, 2019, the Board of County Commissioners (BoCC) received and reviewed Housing and Community Development Services (HCDS) staff recommendations for 2019 funding amounts for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) projects for Arapahoe County and the City of Centennial. At the conclusion of the study session, the BoCC approved the funding recommendations and directed HCDS staff to set the recommendations for a Public Hearing.

Background

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 2019 CDBG applications were released on September 4, 2018 and due by November 16, 2018. A total of 17 applications were received requesting \$1,222,548.00 in assistance. The number of applications does not include City of Centennial applications for use of their entitlement funds, or the pending applications by South Metro Housing Options (SMHO) and TLC Meals on Wheels (both for relocation/acquisition/facility improvement projects), as well as an emergency homeowner assistance project proposed in-house by HCDS staff.

Unfortunately, at this time, we do not know the actual 2019 allocation from HUD, but we anticipate receiving an amount similar to the 2018 entitlement allocation. Assuming level funding, we anticipate receiving funding at, or near, \$1,530,574 for both Arapahoe County and

Centennial CDBG Entitlements, \$1,158,469 and \$372,105, respectively, as well as \$756,990 for Arapahoe County HOME Entitlement funds (Centennial doesn't receive HOME funds).

With respect to the 2019 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.

Discussion

Due to the fact that HUD has not released the 2019 CDBG allocations, HCDS staff has prepared funding recommendations assuming level funding based on the 2018 allocations of \$1,158,469 and \$372,105 for Arapahoe County and City of Centennial CDBG, respectively, as well \$759,990 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

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

Community	Project	Amount
Deer Trail	Town Food Bank	\$9,000
Englewood	Energy Efficient Englewood (E3)	\$115,000
Englewood	Family Tree House of Hope Staffing	\$20,000
Littleton	South Hickory Street Sidewalk	\$114,750
Littleton	Doctors Care	\$20,250

* Glendale, Greenwood Village and Sheridan did not submit applications for 2019 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 amount of funds anticipated to be available for 2019 based on the aforementioned program details and restrictions, and our estimate of near level funding from 2018 to 2019, including the estimated amount available for each type of project:

2019 Arapahoe County CDBG Entitlement (Estimate)	\$1,158,469
Arapahoe County Public Service – 15%	\$173,770.35
Arapahoe County Public Service Increase via Program Income (PI)	\$26,870.09
Arapahoe County Public Service Total – (15% + PI)	\$200,640.44
Arapahoe County Public Facilities and Infrastructure	\$753,004.85
Arapahoe County CDBG Carryover – Anticipated	\$112,210.53
Arapahoe County Public Facilities and Infrastructure Total	\$865,215.38
Arapahoe County Administration – 20%	\$231,693.80
Total Arapahoe County CDBG Funds for 2019	\$1,297,549.62
2019 City of Centennial CDBG Entitlement (Estimate)	\$372,105.00
City of Centennial Public Service – 15%	\$55,815.75
City of Centennial Public Facilities and Infrastructure	\$249,310.35
City of Centennial CDBG Carryover – Anticipated	\$409,896.41
City of Centennial Public Facilities and Infrastructure Total	\$659,206.76
City of Centennial Administration – 18%	\$66,978.90
Total Centennial CDBG Funds for 2019	\$782,001.41
2019 Arapahoe County HOME Entitlement (Estimate)	\$756,990
Arapahoe County HOME Carryover – Anticipated	\$429,108.34
Arapahoe County HOME Projects	\$681,291
Arapahoe County HOME Administration – 10%	\$75,699
Total Arapahoe County HOME Funds for 2019	\$1,186,098.34

The following table outlines the 2019 CDBG Applications/Projects and HCDS Staff recommendations for Arapahoe County funding:

2019 CDBG Applications & Recommendations for Arapahoe County Funds				
Agency	Project	Type	Request	Recommendation
* Arapahoe County Housing & Community Development	Emergency Homeowner Assistance (Rehab)	HS	\$-	\$100,000
Arapahoe County Weatherization	Energy Efficiency Home Improvements	HS	\$75,000	\$75,000
Brothers Redevelopment, Inc.	Home Modification and Repair Program (HMR)	HS	\$100,000	\$100,000
City of Englewood	Energy Efficient Englewood (E3)	HS	\$115,000	\$115,000
* Prentice Place Lofts, LP	Prentice Place Lofts Apartments	HS	\$498,000	\$150,000
Total Request and Recommendation (HS)			\$788,000	\$540,000
City of Littleton	South Hickory Street Sidewalk	PI	\$114,750	\$114,750
* South Metro Housing Options (SMHO)	New Administration Building Improvements	PF	\$-	\$150,000
* TLC Meals on Wheels	New Program Facility Improvements	PF	\$-	\$100,000
Total Request and Recommendation (PF/PI)			\$114,750	\$364,750
Arapahoe County Housing & Community Development	Emergency Rent/Mortgage Assistance	PS	\$-	\$20,456
Archway Housing and Services, Inc.	Family Services at Arapahoe Green Townhomes	PS	\$20,000	\$0
Big Brothers Big Sisters of Colorado	Mentor2.0 High School Mentoring Program	PS	\$30,000	\$30,000
Brothers Redevelopment, Inc.	Housing Counseling	PS	\$10,000	\$0
Doctors Care	Connection to Health Coverage and Health Care Initiative	PS	\$25,000	\$20,250
Family Promise of Greater Denver	HOME Program Manager	PS	\$15,000	\$15,000
Family Tree, Inc.	House of Hope Staffing	PS	\$41,298	\$20,250
Integrated Family Community Services (IFCS)	Homeless Prevention	PS	\$35,000	\$35,000
* Project Angel Heart	Home-Delivered Meals * Centennial Funding @ \$15,815.75	PS	\$62,000	\$24,184.25
Senior Hub	Rural Meals on Wheels	PS	\$16,500	\$16,500
Sunshine Home Share Colorado	Home Share Expansion Project	PS	\$16,000	\$10,000
* TLC Meals on Wheels	TLC Meals on Wheels * Centennial Funding @ \$40,000	PS	\$40,000	\$0
Town of Deer Trail	Town Food Bank	PS	\$9,000	\$9,000
Total Request and Recommendation (PS)			\$319,798	\$200,640.25
Total Requests and Recommendations			\$1,222,548	\$1,105,390.25

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.

The following table outlines the 2019 CDBG Applications Centennial and HCDS Staff are recommending for Centennial funding:

2019 CDBG Applications & Recommendations for City of Centennial Funds					
Agency	Project	Type	Request	Recommendation	
* Arapahoe County Housing & Community Development	Emergency Homeowner Assistance (Rehab)	HS	\$-	\$100,000	
Total Request and Recommendation (HS)			\$-	\$100,000	
* City of Centennial	Public Facility/Public Infrastructure Improvements/Housing	PF/PI/HS	\$-	\$459,206.76	
* TLC Meals on Wheels	New Program Facility Improvements	PF	\$-	\$100,000	
Total Request and Recommendation (PF/PI)			\$-	\$559,206.76	
* Project Angel Heart	Home-Delivered Meals	* County Funding @ \$24,184.25	PS	\$62,000	\$15,815.75
* TLC Meals on Wheels	TLC Meals on Wheels		PS	\$40,000	\$40,000
Total Request and Recommendation (PS)			\$102,000	\$55,815.75	
Total Requests and Recommendations			\$102,000	\$715,022.51	

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.

2019 HOME Recommendations for Arapahoe County Funds				
Agency	Project	Type	Request	Recommendation
DGB Properties	Rangeview Apartments	HS	\$200,000	\$200,000
Total Requests and Recommendations			\$200,000	\$200,000

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

Additional HOME applications and requests are anticipated during the 2019 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 \$1,105,390.25 in CDBG funds and utilize 20% of the grant for administration (estimated at \$231,693.80), and the City of Centennial will award up to a total of \$715,022.51 in CDBG funds and utilize 18% of the grant for administration (estimated at \$66,978.90). In addition, Arapahoe County will award \$200,000 in HOME funds and utilize 10% of the grant for administration (estimated at \$75,699), and present additional project recommendations to the BOCC as requests/applications are received and reviewed. As previously indicated, these amounts are contingent upon the actual HUD allocation.

Discussion – Contingency Plan

Due to the fact that HUD has not announced the 2019 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, as well as pending, anticipated applications.

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 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: +/- \$20,456 (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% threshold, which includes program Income.
 - Project Angel Heart – Home-Delivered Meals: +/- County \$24,184.25/Centennial \$15,815.75 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.
- Five public facility/public infrastructure/housing projects
 - Arapahoe County Housing & Community Development – Emergency Homeowner Assistance (Rehab) +/- County \$100,000 & Centennial \$100,000 joint funding (initial recommendation)
 - This project will be designated to receive the balance of HS/PF/PI funds not committed to the other recommended projects up to, and including, an

- amount equal to the initial recommendation of \$200,000 total (\$100,000 each, County & Centennial).
- Prentice Place Lofts – Prentice Place Apartments: +/- \$150,000 County funding (initial recommendation)
 - This project will be designated to incur any reduced funding due to a substantial decrease in HUD allocations or a reduction due to the extent and support of the SMHO and TLC applications for facility improvements.
 - City of Centennial – Public Facility/Public Infrastructure Improvements/Housing: +/- \$459,206.76 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, or exceeding the initial recommendation of \$459,206.76.
 - South Metro Housing Options – New Administration Building Improvements: +/- County \$150,000 (initial recommendation)
 - This project and the recommended funding is contingent on the final application and request from SMHO, which include factors that are ongoing and have not yet been determined and finalized.
 - TLC Meals on Wheels – New Program Facility: +/- \$200,000 total (\$100,000 each, County & Centennial (initial recommendation))
 - This project and the funding breakdown between the County and Centennial is contingent on the final application and request from TLC Meals on Wheels, which include factors that are ongoing and have not yet been determined and finalized. Depending on total request and Centennial support, County funds may be reallocated to the other projects, e.g. the SMHO application.

Given our estimated level funding for the 2019 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 Two Projects Not Recommended for Funding, Include:

- 1. Archway Housing and Services, Inc. – Family Services at Arapahoe Green Townhomes (\$20,000):** In 2018, Archway received a \$10,000 CDBG for the same Family Services at Arapahoe Green Townhomes project. Although HCDS staff is in support of the Archway Housing Family Services project, given the limited funds available to public service projects (capped at 15% of the grant) and the overall availability of similar supportive services offered throughout the County via non-profits and faith-based organizations, HCDS staff is not recommending this project for CDBG funding.
- 2. Brothers Redevelopment, Inc. – Housing Counseling (\$10,000):** Arapahoe County HCDS funds a Housing Specialist position, which handles similar functions as the Housing

Counseling project. Since Arapahoe County HCDS now has a dedicated Housing Specialist position, staff recommends continuing to support our in-house position to meet housing information and assistance needs. Brothers Redevelopment will also be receiving CDBG funds for homeowner rehab projects through the County and has also recently received HOME and CDBG funds for a new affordable housing development, Paris Street Apartments.

Links to Align Arapahoe

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.

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.

Concurrence

Attorney Comments

Reviewed By:

Jeremy Fink, Community Development Administrator
Liana Escott, Community Development Administrator
Linda Haley, Housing and Community Development Division Manager
Don Klemme, Community Resources Department Director
Janet Kennedy, Finance Department Director
Tiffanie Bleau, Assistant County Attorney

Public Hearing: April 2, 2019

Resolution # _____. It was moved by Commissioner _____ and duly seconded by Commissioner _____ at the conclusion of the April 2, 2019 Public Hearing and after opportunity to comment, to approve the 2019 One-Year Action Plan, including the proposed Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) projects, and to authorize submittal of the 2019 One-Year Action Plan to the U.S. Department of Housing and Urban Development.

The vote was: Commissioner Baker _____; Commissioner Conti, _____; Commissioner Holen, _____; Commissioner Jackson, _____; Commissioner Sharpe, _____.

The Chair declared the motion carried and so ordered.

Public Hearing: April 2, 2019

Proposed Motion:

I move to approve the 2019 One-Year Action Plan, including the proposed Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) projects, as presented on April 2, 2019, and to authorize submittal of the 2019 One-Year Action Plan to the U.S. Department of Housing and Urban Development.