



CDBG 101

Bellevue Human Services Commission

January 4th, 2023



Community Development Block Grant

The Department of Housing and Urban Development (HUD) provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by

- providing decent housing and a suitable living environment, and by
- expanding economic opportunities principally for low- and moderate-income persons.

ALL CDBG Activities Must

- Meet a national objective
- Be an eligible activity



National Objectives

- Prevent or eliminate slums and blight
- Meet an urgent need
 - Existing conditions that pose a serious or immediate threat to the community.
- **Benefit low- and moderate-income persons**
 - Grantees must prioritize activities which benefit low- and moderate-income persons.



Low- and Moderate-Income Benefit

Limited Clientele:

Activities that benefit low and moderate income (LMI) persons (e.g. services for seniors, homeless shelters, microenterprise assistance).

- 51% of participants are documented as LMI; or
- Participation is limited to LMI area only; or
- Presumed benefit clientele:
 - Activity must exclusively serve abused children, elderly persons, battered spouses, homeless persons, adults with severe disabilities, illiterate adults, persons living with AIDS, or migrant farm workers.



Low-and Moderate-Income Benefit (Cont'd)

Low- and Moderate-Income Housing:

- Structures must be occupied by low- and moderate- income households.
- Activities include homeowner rehabilitation and minor home repair and maintenance.



Eligible Activities

- Administration and Planning
- Public Services
- Acquisition of real property
- Rehabilitation of residential and non-residential structures
- Public facilities and improvements
- Assistance provided to businesses to carry out economic development and job creation/retention activities



Consolidated Plan

- To receive the annual grant, the City must develop and submit its 5-year Consolidated Plan, the jurisdiction's comprehensive planning document and application for funding under CDBG.
- The Consolidated Plan identifies the jurisdiction's goals for the program as well as for housing programs. The goals serve as the criteria which HUD will evaluate along with the City's performance under the Plan.
- The Consolidated Plan must include several required certifications, including a certification that not less than 70% of the funds received will be used for activities that benefit low- and moderate- income persons.



Citizen Participation

- The Citizen Participation Plan (CPP) is part of the Consolidated Plan that encourages citizen participation by agencies and persons of low-and moderate-income within the community in which the CDBG funds will be used.
- The CPP must provide our community members with reasonable and timely access to local meetings, information, and records related to the use of the CDBG funds.

Citizen Participation (Cont'd.)

- The CPP also includes information about required public hearings to obtain community views and a response to proposals for all stages of the CDBG program that includes community needs, a review of the proposed activities, and program performance.
- It must also provide for timely answers to written complaints and grievances as well as address the needs of non-English speaking residents when they are expected to participate.

Annual Action Plan

- The Annual Action Plan (AAP) is informed by the Consolidated Plan and outlines the City's annual plan for the use of funds provided by the CDBG grant.
- Each year the City develops the draft AAP for the upcoming year by estimating the amount of funding and how the funding will be used. The draft AAP is posted on the City website.
- A public hearing is held to obtain input from the community and service providers on the current needs before the City sends out a request for proposals to the community each Spring or Summer for the next funding year. The request for proposals outlines the priorities of the types of activities the City is seeking to fund.
- Applications are screened by Human Services staff to ensure the project meets the national objective and is an eligible activity.



ANNUAL ACTION PLAN (Cont'd.)

- The Human Service Commission is provided information from staff and makes preliminary funding recommendations. A second public hearing is held on the recommendations and the Commission makes final funding recommendations to City Council for approval, typically in the Fall.
- Once the recommendations are approved by Council, the information is added to the draft AAP including the estimated funding awards and a contingency plan since the actual entitlement amount is not known until HUD announces the allocations for the funding year.
- When HUD releases the funding allocations, the FINAL AAP is submitted to HUD and the grant agreement is executed and HUD disperses the funds.

Estimated 2023 CDBG Funding Available

Revenue Sources	
Prior Year Funds Available for Reprogramming	\$275,805
Projected 2023 Program Income	\$249,995
Projected 2023 Bellevue Entitlement	\$808,000
Total Projected Available Funds for 2023 Program Year	\$1,333,800

Summary of 2023 Funding Distribution

Activities	Estimates
Public Services (15% Cap)	\$166,200
Planning & Administration (20% Cap)	\$211,600
Capital Projects	\$586,000
Community & Economic Development	\$370,000
Total Projected Activity Funding for 2023 Program Year	\$1,333,800



Public Services

CONGREGATIONS FOR THE HOMELESS 24/7 MEN'S SHELTER
\$166,200 OF CDBG FUNDS AWARDED FOR 2023

Provides low barrier shelter services to men experiencing homelessness year-round. Funds are used to support the overall operations of the shelter.

Public Services is equivalent to Human Services funding

- 15% CAP on public services
- Cannot exceed 15% of current year's funding award plus 15% of projected Program Income for current year

Administration & Planning

- **20% CAP on Administration and Planning;** cannot exceed 20% of the current year's entitlement and 20% of the previous year's Program Income.
- **Administration \$75,000.00** - covers the costs of staff administering CDBG for the City including providing technical assistance and monitoring to subrecipients and overall admin of the programs to build the capacity of non-profit agencies.
- **Planning \$136,600** - covers the costs for resources to adequately plan for and anticipate human services needs for Bellevue residents. In addition to supporting the development of the Human Services Needs Update, CDBG Planning funds are used to support regional human services planning.



Capital - Rehabilitation

City of Bellevue Home Rehabilitation Program (\$586,000)

- Partner with King County Housing Authority and Habitat for Humanity to provide owner-occupied health and safety repairs to low- and moderate-income Bellevue residents.
- Projects include roof repairs and replacement, siding and exterior repairs and maintenance. Replacing and repairing heating and plumbing systems and much more.
- Grants and 0% deferred loans are provided to qualified Bellevue residents.

Home Repair Program Eligibility

- Must own and occupy home for at least one year, home is located within City limits
- Income must be at or below 80% of the Area Median Income (AMI) Income is calculated by using all household members income
- Must have current Homeowner's Hazard Insurance
- Reverse mortgages not eligible for deferred loans
- Total Loan to Value cannot exceed 90% included projected loan

Deferred Loans & Grants

- 0% interest deferred loan available to households at or below 80%
 - Repair costs are covered 100% by the City loan. Loans are only paid back at the time of sale or transfer of the title.
 - Up to \$35,000 in deferred loans the first year, and a total of \$50,000 for the lifetime of the applicants.
 - Grants are available to applicants that have emergency needs and/or lower loan amounts.
 - Grants do not need to be paid back and can also be used in the event the homeowner does not qualify for the deferred loan.
 - Leveraged loans are also available to households that have a higher AMI and can afford to match the cost of the repair. The homeowner(s) pay 50% of the cost and the City matches the remaining 50%

Home Repair Process

- Application submitted and eligibility approved
- Environmental Review by City and Site Visit with KCHA or Habitat
- Scope of work and bidding requests
- Contractor selected (KCHA) Habitat may use their staff or contractor
- Invoices paid by KCHA or Habitat, reimbursement from City
- Project complete, final inspection and sign-off of final loan documents with the City
- City processes payoffs of deferred loans
- Loan payoffs are considered Program Income and fund future CDBG projects

Home Repair Story



Sound Generations Minor Home Repair

Sound Generations has been funded by the City to provide minor home repairs and maintenance to the Bellevue community.

Currently, they are spending down funds from the 2021 program year and were also funded for 2022. The City is not funding for 2023 to allow Sound Generations an opportunity to catch up on spending down the 2021 and 2022 awards.

Minor home repairs are considered maintenance and do not require an environmental review, but limit the amount of work that can be done.

Examples of Minor Home Repairs

- ▶ Fixing leaking pipes and faucets
- ▶ Replacing broken toilets and sinks
- ▶ Replacing broken switches, sockets, and fixtures
- ▶ Installing smoke detectors
- ▶ Installing locks and deadbolts
- ▶ Installing grab bars and handrails

Eligibility

- ▶ Must be under 80% of the AMI for the Bellevue Metro Area
- ▶ Must own and occupy the home
- ▶ Grants are provided at no cost to the homeowner



Microenterprise Business Assistance

- A microenterprise is defined as a business having five or fewer employees, one or more of whom owns the business.
- Microenterprise assistance qualifies under the Low- and Moderate-Income Limited Clientele national objective when the assistance is provided to a low- or moderate-income person who owns or is developing a microenterprise.
- A “person developing a microenterprise” is defined as a person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a microenterprise at the time it is formed.

4 Tomorrow - Latino Microenterprise Project \$150,000

- Create quarterly cohorts for Spanish speaking Bellevue residents
- Trainings and one-on-one personalized support for business proceedings
- Funding will help create greater economic stability and security for small business owners and the community
- Funds will be used to hire a CPA, legal consultation, and support in part the case manager's salary and ED
- Small grants will be available to participants who successfully complete the trainings and demonstrate a need for a small business grant

Bighug Korean Resource Center Microenterprise Growth, Support & Training \$100,000

- Funds will be used to support employment of one half-time staff
- Marketing and outreach, professional services
- Provide support and resources to small businesses in the Korean community
- Build resiliency for business owners and their families minimizing financial, health, and educational disparities of disadvantaged people due to language and cultural barriers
- Small business incubation grants

Indian American Community Services Small Business Assistance Project \$120,000

- Support struggling small businesses with technical assistance for relief applications
- Workshops on obtaining business licenses, labor practices, marketing, web development
- Funds will be used to hire a small business coordinator and lead
- Funds will be used to pay for small business consultation and provide small grants to eligible participants

QUESTIONS?