

# 2015-2016 CDBG Neighborhood Program

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CREATING THE NEXT GENERATION OF NEIGHBORHOOD  
ENHANCEMENT

# CDBG Basics

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- Community Development Block Grant (CDBG) is a Federal program managed by the Housing & Urban Development department (HUD)
- CDBG dollars are intended to provide communities with resources to address unique, local development needs and are primarily required to serve low and moderate income individuals
- The City of Spokane receives approximately \$3 Million of CDBG funding annually
- CDBG funding and all other federal, state and local funding (annual total \$13M) that supports services and housing in our community is managed by the Community Housing and Human Services (CHHS) department and citizen advisory board.

# CDBG Basics

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- For all CDBG expenditures, we must show that the expenditure was an “**eligible activity**” and that it met a “**national objective**”
- There are many **eligible activities** including:
  - Housing rehabilitation
  - Public improvements to parks and infrastructure
  - Economic development (small business loans, streetscape enhancements, job creation)
  - Code Enforcement
- There are three **national objectives**:
  - Low and moderate income benefit (80% or less of Area Median Income)
  - Prevention or elimination of slums or blight (must be formally identified blighted area)
  - Urgent need that poses a serious and immediate threat to community health or welfare (e.g. flood or earthquake)

# Background

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- Beginning in the 1970's the City began allocation a portion of overall CDBG funding to neighborhoods consisting of 51% or greater low and moderate income households.
  - Neighborhood were identified using 10-year Census income data
- Remaining CDBG funds were allocated city-wide by a citizen advisory board
- In 2008, the Federal Government began collecting income data through the annual **American Community Survey** (ACS) instead of the 10-year Census
- In late 2013, HUD notified the City of Spokane that ACS income data would be used in place of 10-year Census data for the CDBG program

# Why does this matter?

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- The data generated through the ACS is less specific than US Census data and relies on a smaller sample size (1-40 households)
- Due to the smaller sample size, the data is only considered valid down to a block group level and block group level data is more likely to change from year to year
- Without the more specific US Census data, the City can no longer use the same methodology for allocating CDBG funds to the 13 traditional CDBG neighborhoods (e.g. using Census data the City was able to split block groups while maintaining data integrity)

# Block Group Income Map

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# CDBG Neighborhood Taskforce

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- The Community Assembly, Neighborhood Councils and CDBG steering committees were invited to take part in a taskforce to develop recommendations for adapting the CDBG neighborhood program to the changing federal requirements
- The taskforce met between February and April of 2014 with over 21 neighborhood represented
- The taskforce considered multiple options for adapting the CDBG neighborhood program and made a recommendation to the City and CHHS board to make changes incrementally over a period of two years
- Read the taskforce blog for more information at [www.spokaneneighborhoods.org](http://www.spokaneneighborhoods.org)

# Recommendation Summary

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- For current CDBG-eligible neighborhoods, these changes **do not** impact current projects or allocations made for the 2014 program year (July 1, 2014 to June 30, 2015)
- For the 2015 CDBG program year (July 1, 2015 to June 30, 2016), work with all neighborhoods to develop a new methodology for providing an allocation of CDBG funds directly to neighborhoods
- For the 2016 CDBG program year (July 1, 2016 to June 30, 2017) work with all neighborhoods to design a neighborhood-based, collaborative model for determining how neighborhood CDBG funds are invested City-wide. **This model would end direct allocations of CDBG funding to neighborhoods while retaining equal funding for the CDBG neighborhood program**



## Current CDBG Program

**Summary:** As determined by US Census data, neighborhoods with 51 percent or more low and moderate income households receive a direct allocation of CDBG funding. The qualifying 13 Neighborhoods host a public process to determine which projects receive funding in their neighborhood. The CHHS board matches single family home rehab and sidewalk neighborhood projects with additional funding.

	Single Family Home Rehab	Sidewalks	Other (CHED)
<b>Funding level</b>	\$157,838	\$229,368	\$265,594
<b>Board match</b>	\$473,514	\$229,368	\$0
<b>Total</b>	<b>\$631,352</b>	<b>\$458,736</b>	<b>\$265,594</b>
<b>How is funding level determined?</b>	US Census Data & proportionate neighborhood need	US Census Data & proportionate neighborhood need	US Census Data & proportionate neighborhood need
<b>Who makes the decision?</b>	CDBG eligible Neighborhoods	CDBG eligible Neighborhoods	CDBG eligible Neighborhoods

### Pros:

1. Neighborhoods make direct decisions about CDBG investments
2. US Census data provides granular income data that can be used to develop well defined neighborhood boundaries.
- 3.

### 4.

### Cons:

1. Neighborhoods with less than 51 percent low and moderate income households are excluded from decision-making
- 2.
- 3.

## Option 1 Modified Direct Allocation (2015)

**Summary:** As determined by American Community Survey data all 27 neighborhoods receive a direct allocation of CDBG funding based on the proportionate amount of low and moderate income households in their neighborhood. Neighborhoods host a public process to determine which projects receive funding in their neighborhood.

	Single Family Home Rehab	Sidewalks	Other (CHED)
<b>Total</b>	<b>\$631,352</b>	<b>\$458,736</b>	<b>\$265,594</b>
<b>How is funding level determined?</b>	% of total CDBG grant funding	American Community Survey Data & proportionate neighborhood need	American Community Survey Data & proportionate neighborhood need
<b>Who makes the decision?</b>	First come, first served	All Neighborhoods	All Neighborhoods

### Pros:

1. Neighborhoods make direct decisions about CDBG investments
2. All neighborhoods challenged with poverty are included in decision-making
- 3.
- 4.

### Cons:

1. With up to 27 participating neighborhoods, direct allocations will be smaller and may be ineffective in creating positive change
2. American Community Survey data changes on an annual basis leading to unpredictability in neighborhood allocations
- 3.

## Option 2 All Neighborhood Non-competitive (2016)

**Summary:** CDBG dollars are allocated to three separate neighborhood program categories (single family home rehabilitation, sidewalk repair/construction and Other/CHED). Applications for single family home rehabilitation are submitted by individual households and funded on a first come, first served basis, city-wide. Neighborhoods host a public process to identify where sidewalks need to be repaired/installed as well as other projects that need to be completed in their neighborhood. The resulting list of sidewalks and projects is provided to the Community Assembly (CA). The CA undergoes a collaborative process to determine which projects are funded.

	Single Family Home Rehab	Sidewalks	Other (CHED)
<b>Total</b>	<b>\$631,352</b>	<b>\$458,736</b>	<b>\$265,594</b>
<b>How is funding level determined?</b>	% of total CDBG grant funding	% of total CDBG grant funding	% of total CDBG grant funding
<b>Who makes the decision?</b>	First come, first served	Community Assembly	Community Assembly

### Pros:

1. Neighborhoods retain control of funding decisions through a trusted organization comprised of neighborhood representatives
2. Neighborhoods do not compete against each other for funding
- 3.
- 4.

### Cons:

1. Neighborhoods lose some control in funding decisions
- 2.
- 3.

## Option 3 All Neighborhood Competitive

**Summary:** CDBG dollars are allocated to three separate neighborhood program categories (single family home rehabilitation, sidewalk repair/construction and Other/CHED). Applications for single family home rehabilitation are submitted by individual households and funded on a first come, first served basis, city-wide. Neighborhoods host a public process to identify where sidewalks need to be repaired/installed as well as other projects that need to be completed in their neighborhood. Neighborhoods use this information to develop applications and submit them to the CHHS board. The CHHS board forms an application review committee comprised of board members and neighborhood representatives to evaluate and score applications. The highest scoring applications receive funding.

	Single Family Home Rehab	Sidewalks	Other (CHED)
<b>Total</b>	<b>\$631,352</b>	<b>\$458,736</b>	<b>\$265,594</b>
<b>How is funding level determined?</b>	% of total CDBG grant funding	% of total CDBG grant funding	% of total CDBG grant funding
<b>Who makes the decision?</b>	First come, first served	CHHS Board	CHHS Board

### Pros:

1. The principle of competition is to ensure the best ideas are funded first
2. Neighborhoods are involved in the application scoring and evaluation
- 3.
- 4.

### Cons:

1. Neighborhoods lose some control in funding decisions
2. Neighborhoods compete against each other which could result in conflict and reduce neighborhood collaboration
- 3.

# 2015 Program Year Impacts

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- Neighborhood CDBG programs will receive the same level of funding in 2015 as has been historically provided as a total percentage of CDBG funding received
  - Single Family Home Rehabilitation Program (15 percent or \$630K)
  - Sidewalk improvement program (12 Percent or \$460K)
  - Neighborhood projects/community, housing and economic development (CHED) (8 Percent or \$266K)
- More neighborhood are going to share the same amount of money

# 2015 Single Family Home Rehabilitation

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- 15 percent (historic level) of total CDBG funding will be allocated to single family home rehabilitation
- The program will be available to income-eligible households on a citywide basis
- Households will be served on a first-come, first-served basis.

# 2015 Sidewalk Improvement Program

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- 12 percent (historic level) of total CDBG funding will be allocated to sidewalk improvements
- Neighborhoods will be provided with a map of eligible areas and a map displaying the conditions of sidewalks
- Neighborhoods with eligible areas (block groups with 51 percent or more low and moderate income households) will identify sidewalks in need of improvement
- The new Community Assembly CD Committee will work between now and mid-July to develop criteria for prioritizing sidewalks projects identified by neighborhoods
- The highest priority projects will be funded first

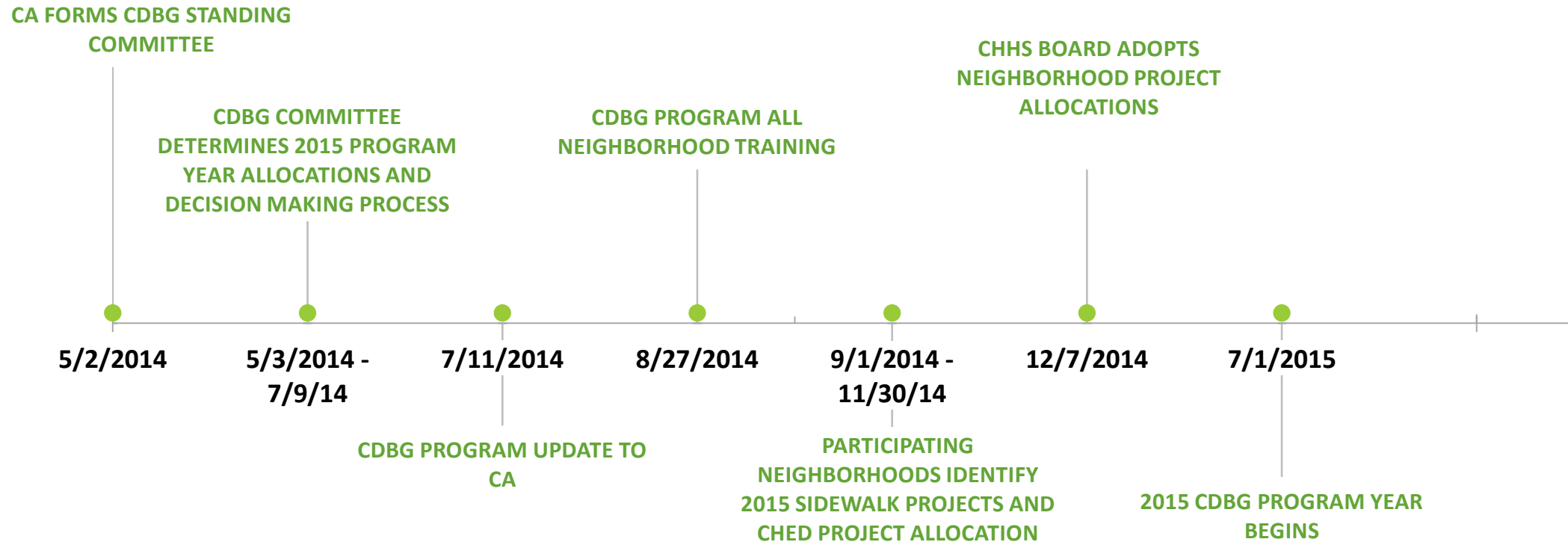
# 2015 Neighborhood Projects/CHED

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- 8 percent (historic level) of total CDBG funding will be allocated to Neighborhood Projects/Community, housing and economic development (CHED)
- The new Community Assembly CD Committee will work over the next two months to develop the a model that will determine how much funding each neighborhood is eligible to receive
- Eligible neighborhoods will receive information about local need (e.g. income maps, parks facilities, social service demand/available resources)
- Eligible neighborhoods will make determinations as to which projects they choose to fund using CHED dollars

# 2015 CDBG Neighborhood Program Timeline

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# 2016 Program Year Summary

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- Neighborhoods will work over the next year to develop a CDBG neighborhood program for 2016 where neighborhoods work together through a collaborative process to identify and choose projects that receive CDBG funding
- Under this model, individual neighborhoods would not receive direct allocations
- The funding for the neighborhood program would remain equal to historic levels of funding
- Neighborhoods would work together as a group rather than individually

# How to get involved

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## **Community Assembly CD Committee Meeting**

Tuesday, May 20, 11:30 – 1:00 p.m.

Cassano's Grocery (Corner of Mission and Napa)

## **CDBG Taskforce and Neighborhood Program Blog**

[www.spokaneneighborhoods.org](http://www.spokaneneighborhoods.org)

## **Staff Contacts**

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