

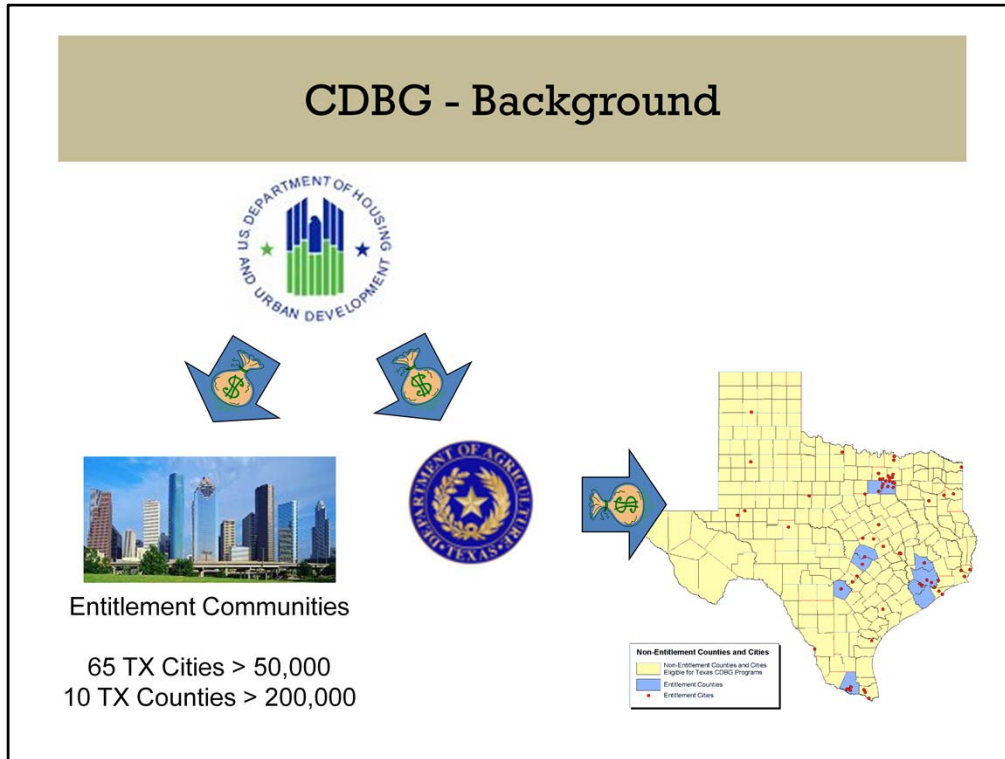
Good morning and welcome to CDBG over Coffee! I'm Michelle Phares, Program Specialist for TDA's Office of Rural Affairs. Also joining us today:

CDBG over Coffee presentations are informal webinars held throughout the year to help you and your community implement a successful CDBG project.

Before we get started, just a friendly reminder to please mute your lines at this time. Questions will be taken at the end of the presentation, and can also be submitted through the Instant Message feature.

So grab your cup of coffee, and lets get started...

CDBG - Background



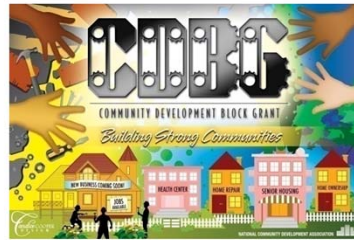
First a little bit of background on CDBG funding:

The Community Development Block Grant program provides federal funds to cities and counties across the country. For urban areas, the community receives funds directly from HUD. For rural communities, HUD sends the funds to the state to determine priorities and methods of distribution. The Texas Department of Agriculture is the pass through state agency for over 800 small cities and 244 rural counties.

CDBG – Background

CDBG was created from:

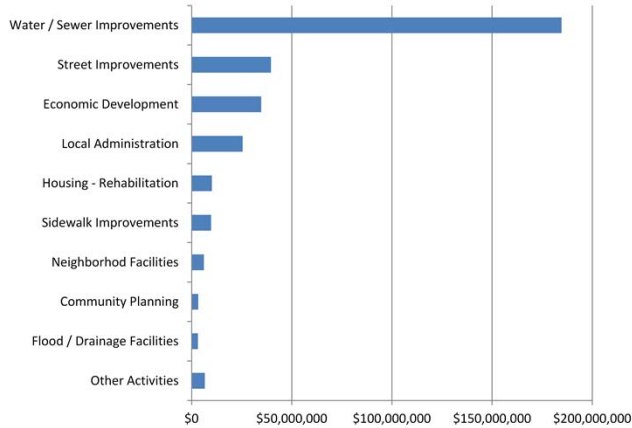
- Urban Renewal
- Water and Sewer Grants
- Neighborhood Facilities
- Neighborhood Development
- Open Space
- Model Cities
- Public Facilities
- Historic Preservation



When Congress created the CDBG program in the Housing and Community Development Act of 1974, it combined 8 different programs with a wide range of projects and objectives. Objectives for these programs were set at the federal level and communities competed nationally for funding under each program. The flexible block grant, in contract, was intended to provide a set amount of funding and allow communities to choose what types of projects were most important.

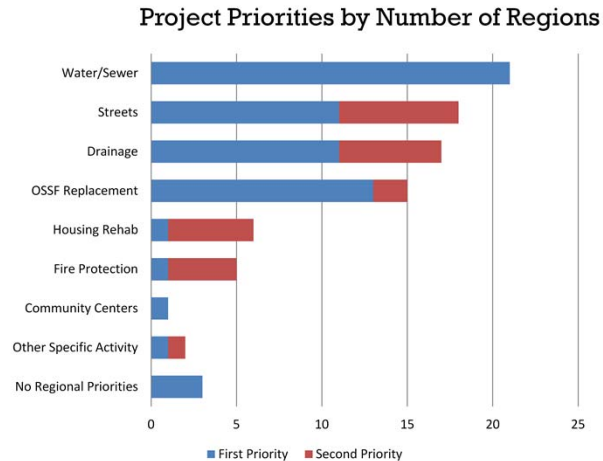
Texas CDBG – Use of Funds

Funding by Activity 2014-2018



Historically, most Texas CDBG funds have been used by non-entitlement communities for water and wastewater improvements. This chart shows the relatively common project types requested.

Texas CDBG – Regional Priorities



Nearly 2/3 of Texas CDBG funding is determined based on regional priorities. The Regional Review Committee in each area establishes project priorities and other scoring criteria for the applications submitted in that region. For the coming cycle of Community Development Fund applications, RRCs chose water, sewer, and street improvements as the top priorities in 21 of the 24 regions. However, the CDBG program allows for a very broad range of projects under the federal guidelines. Today, we will highlight a few more “outside the box” eligible projects.

Outside the Box – Example 1

- **What: Non-Profit Housing**
- **Why: a non-profit organization can own/rehab single-family homes (up to 4-plex) to allow their clients to live independently with support in the community**



The first example is a housing rehabilitation project. Most housing rehab in our program is designed for owner-occupied housing, but TDA also allows for the housing units to be owned by a non-profit organization. This concept came from one of several interagency working groups where TDA represents rural Texas, and where stakeholders explained the need for single units or small clusters of housing where persons with disabilities could live fully integrated into the community, while also receiving support from the organization as needed. For example, an organization that supports Texans with hearing impairments might include a strobe or vibration doorbell and other sensors in the rehabilitation project.

Outside the Box – Example 1

- **What: Non-Profit Housing**
- **How: 14A Limited Clientele**
 - Income Eligibility (nonprofit requires LMI status for residents)
 - Presumed LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers)

To qualify, the residents of the home (or 51% of the units, if the house has more than one unit) must be low to moderate income. The organization could accomplish this by restricting eligibility for participation to only income eligible clients. HUD also allows certain groups of people to be “presumed” to be LMI. If the housing is designated to serve one of these populations, the CDBG applicant may not have to separately document the residents’ income.

Outside the Box – Example 2

- **What: Laundromat**
- **Why: Everyone needs clean clothes**
- access to facilities for laundry
allows residents without machines
at home to efficiently meet this
need



The second Outside the Box project is a laundry facility in a rural community. Clean clothes are essential for our dignity as we go to school and work. For families without a working washer or dryer, options for cleaning clothes are limited and inefficient.

To meet this need, grant funds could be used to construct or renovate a building, installing water and electrical systems as well laundry equipment.

Outside the Box – Example 2

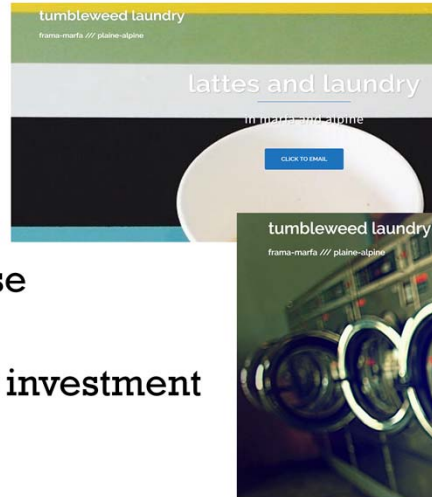
- **What: Laundromat**
- **How: 03E Community Center**
 - Expansion of existing center
 - Element of new facility
 - Must benefit qualifying target area (51% LMI)

To apply for CDBG funding, laundry facilities could be included in a community center project. Whether an expansion or renovation of an existing community center or construction of a new building, laundry equipment can be incorporated into the function of the facility.

Community centers are eligible for CDBG funding where at least 51% of the area served by the facility are low to moderate income.

Outside the Box – Example 2

- **What: Laundromat**
- **How: 18A Economic Development**
 - Small / Microenterprise Revolving Fund
 - Create 1 job / \$25,000 investment
 - 51% LMI jobs



Laundry facilities can also be funded as an economic development activity.

Communities with a Small and Microenterprise Revolving Fund (or SMRF) program through TDA could assist an entrepreneur to open a laundromat. SMRF Loans for up to \$50,000 are currently available in several communities. The loans must result in the creation of one job for every \$25,000 in CDBG funds or retention of one job for every \$10,000 in CDBG funds, with most of those jobs taken by low to moderate income persons. The example on this slide - a combination laundry and coffee shop in Marfa – was not funded through CDBG but is an example of the creative business community in rural Texas.

Outside the Box – Example 3

- **What: Vehicle for Transportation Services**



- **Why: in rural areas, lack of public transportation options can limit opportunity for residents that can't afford a vehicle or are not able to drive**

The final “outside the box” example for today is intended to meet the transportation needs of rural Texans. For residents who either do not own a car or are not able to safely drive, accessing community resources and fully participating in public life can be a significant challenge. A vehicle could be used to transport eligible residents to doctor’s appointments, grocery stores, or other local businesses. Routes could be scheduled or as needed, within a specific community or between the local area and a larger city, depending on the needs of the community.

Outside the Box – Example 3

- **What: Transportation**
- **How: 05 Public Service**
 - Purchase of equipment/vehicle (not maintenance)
 - Commit to continuing the service
 - Limited clientele (eligible riders LMI only or presumed LMI target population)

To apply for CDBG funds, the vehicle must be provided as part of a Public Service activity. The grant funds would purchase the vehicle or other equipment, but fuel and maintenance costs must be provided through other sources.

The Public Service activity must be a new service offered for the area or a quantifiable increase in service as a result of the purchase. And it is important that the applicant be committed to continuing the program even after the grant funds have been expended. For this reason, partnering with a nonprofit to operate the program may be a strategy to consider.

In order to be eligible, the beneficiaries of the project – in this case the riders for the transportation program – must be low to moderate income. This could mean serving a population that is presumed to be LMI, or the operating nonprofit could verify income for each before providing service.

CDBG Outside the Box – Inside CD

2019 – 2020 Community Development Fund
Due: February 7, 2019

Needs Assessment = Opportunity to Explore Community Wish List

COMMUNITY NEEDS ASSESSMENT		?
LIST OF ALL IDENTIFIED COMMUNITY NEEDS / PROBLEMS		
Community Need	Specific Project to Address Need	
1.		+ X
2.		X
3.		X

Each community has many different needs, and many projects that could benefit from Texas CDBG funding. As you are preparing your application for the 2019-2020 Community Development Fund, we encourage you to use the public hearing and community needs assessment processes to consider both traditional and Outside the Box projects.

The Community Needs Assessment section of the application allows a community to list many different projects important to their community, even if the application does not request funding for them. This feature is especially important at the end of the project: if the application is funded and the project is completed under budget, TDA and the community can look to this Needs Assessment for opportunities to expend the remaining grant funds*. For example, a lift station in the original application may receive favorable bids and \$45,000 in grant funds remain at the end of the project; if the Needs Assessment included a new vehicle to expand the service area of a local senior transportation program, it may be possible to add that project to the existing contract. Or the community could request from the Needs Assessment a project to provide accessibility improvements and rehabilitation for housing units owned by a local disability advocacy nonprofit. Other program constraints will apply, so not every project will be feasible to add to a contract, but adding non-traditional projects to this Needs Assessment in the application means that TDA can at least consider the project.

**A new project may be added only after the original project is completed.*

CDBG Outside the Box

Questions or Technical Assistance:

CDBGapps@TexasAgriculture.gov

TDA is more than happy to discuss potential projects. Please send any questions or requests for Technical Assistance to the CDBGapps email box and we will have the most appropriate staff person get in contact.