

Oregon Community Development Block Grant Program – 2018 Annual Action Development

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Topic of Discussion

- Updates
 - 2017 4th quarter application status
 - E-application
 - Housing related activities status and plan for 2018
 - Adjustments from previous meeting
 - Policies
 - Scoring
 - Presentation to the IFA Board and impact on timeline

Housing Rehabilitation and Other Housing Related Activities – current program

- Eligible applicants (Cities or Counties) applied for either the loan program or the grant program.
 - Loan program – funds provided to eligible homeowners as loans.
 - Deferred payment/0% interest – due upon sale or refinance.
 - Loans repaid to non-profit to be used, usually, for other home repair projects. Eliminates concern about program income.
 - Grant program – funds provided to eligible homeowners as grants.
 - Opened up the opportunity to provide assistance to homeowners living in manufactured homes in parks or if the homeowner did not have any equity.

Housing Rehabilitation Program – Manufactured Home Rehabilitation Incentives

- Creation of Incentive of additional \$100,000 in addition to maximum award \$400,000 with one exception.
 - Applicant can request an additional \$100,000 dedicated for repairs to homes in manufactured home parks. Which will be tracked separately within the project (in the application, implementations, disbursement and deliverables)
 - Grant Administration, Program Management and Environmental Review costs would remain the same.

2018 Allocation (Proposed)

	2018	Target %
Annual Allocation from HUD	\$11,978,330 (Note 3)	
State Administration 2% (The required match for these funds comes from the Special Public Works Fund (SPWF).	239,567	2%
State Administration \$100,000—no match funds	100,000	N/A
State Technical Assistance Set-Aside 1%	119,783	1%
Annual Allocation Available for Projects	\$11,518,980	
Program Income (Note 1)	\$0 (Note 3)	
Recaptured Funds	100,000 (Note 3)	
ESTIMATED TOTAL AVAILABLE FOR PROJECTS	\$11,618,980 (Note 5)	
Microenterprise Assistance	\$232,380	2%
Public Works (Note 6)	\$6,158,059	53%
Community/Public Facilities	\$2,323,796	20%
Regional Housing Rehabilitation	\$2,904,745	25%

Note 1 When received, program income is allocated to projects using the target percentages identified above, after taking 2% for state administration.

Note 2 Total 2017 CDBG allocation.

Note 3 Estimated to be received in 2018.

Note 4 Actual as of December, 2017.

Note 5 Unobligated amounts from 2017 will be added to this figure.

Note 6 No more than 30% of the Public Works allocation will be awarded to Design Only projects.

Additional enhancement for Public Works Target Funding

- **Based on discussion from the previous AAD meeting on November 27, 2017,**
 - **Construction Only will be no more than 70% of PW allocation** (for projected 2018 allocation approximately \$4,310,641)
 - **Design Only will be no more than 30% of PW allocation** (for projected 2018 allocation approximately \$1,847,418)

If sufficient number of projects are not awarded in the construction only (or Design only) category, applications in other category may be funded. Business Oregon will conduct target review and determine if funds need to be moved from one category to another to address program needs.

Project Management Plan

- Work plan – Application Stage
- Project Management Plan – Implementation Stage

Proposal of Program Adjustments Scoring – Readiness to Proceed

Selection

- Select projects that are feasible and ready
- Scoring & underwriting for readiness & feasibility

Readiness to Proceed	PW	CF	HR	MicroE
<ul style="list-style-type: none"> Provide workplan with achievable quarterly milestones which will be incorporated contractually into monitoring requirements which shows funds will start to be drawn within 4 months after award and project will be completed within allotted project completion time. Workplan must include, but is not limited to: <ul style="list-style-type: none"> Target timeline that would address CDBG programmatic requirements as identified within the most recent CDBG Grant Management Handbook Chapter 2 (Checklist); Government/ regulatory agency decision making and review time; And specific project implementation time. <p><i>(Final design/ construction public water/sewer or public/community facility grants must be administratively closed within 24 months of grant execution. Design only projects and Housing Rehabilitation projects must be administratively closed within 24 months of grant execution. Microenterprise assistance projects must be administratively closed within 12 months of grant execution.)</i></p> Note: <ul style="list-style-type: none"> Failure to provide sufficient detail will negatively impact the application score. Failure to complete and meet targeted milestone identified in the timeline will result in consequences that may include withdrawal of funding. 	20	20	20	20
<ul style="list-style-type: none"> Proposed project sites is free and clear of any restrictions that impede the ability to start the project in a timely fashion (i.e. Liens, deed restrictions, homestead limitations or conditions for which a waiver(s) need to be obtained) 	5	5		
<ul style="list-style-type: none"> Proper land use entitlements and other attainable permits (before the project) have been obtained for the project type and will run for the duration of the proposed project (land use approvals, zoning, removal of structures, allowable uses, etc). Documentation listing all permits along with the status (obtained or not obtained) and projected timeline to secure permits must be included with the application. 	5	5		

Proposal of Program Adjustments Scoring – Financial Readiness

Selection

- Select projects that are feasible and ready
- **Scoring & underwriting for readiness & feasibility**

Financial Readiness to Proceed	Maximum Possible Points
<p>All other funds needed to complete the project are available and committed. Application must contain clear and convincing documentation that funds are secured and readily available for the project (i.e. Commitment letter, or Business Oregon internal funding program signed staff recommendation)</p>	<p>15 Points</p>
<ul style="list-style-type: none"> • Applicant has conditional commitment and received a waiver exception from Business Oregon prior to application, as outlined in the Chapter 5 of the Method of Distribution. • Applicant is applying for CDBG to fully fund the project. 	<p>10 Points</p>

Proposal of Program Adjustments Scoring – Project Feasibility (PW)

Selection

Project Feasibility	Public Works
Application must list the alternatives presented to the governing body and discussion of the alternatives that support the proposed project.	5
The Applicant provide a detailed project budget that includes contingencies and breakout of project cost in accordance with Program Policies and Definitions in Chapter 5 of the Method of Distribution.	5
Describe, in detail, the level of community support or buy-in, investment of money, time and resources or various studies the applicant has put into the development of the project. Provide supporting documentation.	5
Provide evidence that applicant has analyzed the project cost (or completed value engineering on life cycle cost) to ensure that the proposed project is a cost effective solution.	5
Provide justification and documentation on how the applicant will sustain operations and adequately budget for future Operations, Maintenance and Replacement (OM&R) costs upon completion of the project. Note: Analysis will, at a minimum, consist of a project construction cost estimate, expected cost of maintenance and costs expected for annual operations (breakdown of specific estimates: electricity, chemicals, hours of personnel, etc.).	5
Revenue source for repayment of loan (if applicable) and future OM& R has been reviewed and updated (rate schedule is updated and ready for adoption or revised rate schedule has been adopted). Provide supporting documentation.	5
TOTAL	30

- Select projects that are feasible and ready
- **Scoring & underwriting for readiness & feasibility**

Proposal of Program Adjustments Scoring – Project Feasibility (CF)

Selection

- Select projects that are feasible and ready
- **Scoring & underwriting for readiness & feasibility**

Project Feasibility	Community Facilities
Application must list the alternatives presented to the governing body and discussion of the alternatives that support the proposed project.	5
The Applicant provide a detailed project budget that includes contingencies and breakout of project cost in accordance with Program Policies and Definitions in Chapter 5 of the Method of Distribution.	5
Describe, in detail, the level of community support or buy-in, investment of money, time and resources or various studies the applicant has put into the development of the project. Provide supporting documentation.	5
Provide evidence that applicant has analyzed the project cost (or completed value engineering) to ensure that the proposed project is a cost effective solution.	5
Provide justification and documentation on how the applicant or nonprofit will sustain operations and adequately budget for maintenance costs upon completion of the project for the 5-year continued use period. Note: Analysis will, at a minimum, consist of a project construction cost estimate, expected cost of maintenance and costs expected for annual operations (breakdown of specific estimates: electricity, hours of personnel, etc.)	5
Revenue source for operations and maintenance have been reviewed and updated. Provide supporting documentation.	5
TOTAL	30

Setting Minimum Score

- Implement a minimum score to help in funding well-developed projects.

Public Works Project example under new scoring criteria	Design Only	Construction Only
TOTAL Core Eligibility	210	215
TOTAL Points Possible (* Includes Bonus Points)	247	267
80% Minimum threshold rating based on core eligibility point	168	172

Summary of 2018 Adjustments

- 2018 Allocation ratio – remain the same as 2017
- Availability:
 - Split Public Works project category into design and construction only. with the adjustment of no more than 30% of Public Works allocation being awarded for design Only projects, and 70% for construction only projects.
 - Adjust funding cycle from quarterly to annually (May 1st – July 31st)
 - Incorporation of E-application flow

Summary of 2018 Adjustments – Part 2

- Scoring/ selections:
 - Reorganized categories (need, feasibility, financing, readiness and capacity)
 - Adjustments for scoring points and criteria:
 - Tightening of Project Need requirements to highlight project development
 - Add focus and clarity of the readiness to proceed (breaking it down to financial readiness and project readiness along with the implementation of bonus points)
 - Enhancing utilization of CDBG as Gap funding through adjustment of match scoring (to percentage of project cost)
 - Refocusing of the priority scoring based on type of project for Community Facilities
 - Additional incentives and funding for manufactured home rehabilitation assistance

Summary of 2018 Adjustments – Part 3

- Project Start up:
 - Tool enhancement: orientation webinars to jump start project administration; sample of RFP and contracts for grant recipients
 - Clarify the authorization of pre-agreement costs
 - Establishment of front loading approach based on milestones and quarterly report requirements (Project Management Plan- Application stage)
- Implementation:
 - Tool enhancements: checklists, flow charts, visual aids along with on-going training (video, webinar, etc.)
- Monitoring:
 - Monitoring Policy Adjustments (more in-depth Project Management Plan quarterly based monitoring)
 - Develop risk based assessment and intervention strategies

Conclusion

End of 2018 CDBG Annual Action Development Process

THANK YOU!!!!

We really appreciate your great contribution in advancing the CDBG Program.