



March 11, 2013

TO: Eligible Ohio State Administered Community Development Block Grant (CDBG)
Community Development Program Applicants

FROM: Michael A. Hiler, Deputy Chief, Office of Community Development

SUBJECT: FY 2013 Ohio State Administered CDBG Community Development Program Notice of
Funding Availability (NOFA) and Training Forum

Funding allocation levels for the Federal Fiscal Year 2013 budget are uncertain at this time. Currently, the Office of Community Development (OCD) is using Ohio's FY 2012 CDBG Program allocation levels as estimates for the FY 2013 CDBG Program allocations. Based on the FY 2012 CDBG Program allocations, OCD expects to distribute approximately \$20.2 million of Ohio State Administered CDBG Program funds to eligible communities through the FY 2013 Community Development Program, which includes the Community Development Allocation, as well as the Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure competitive set-aside grants.

The FY 2013 CDBG Community Development Allocation grant amount notifications will be distributed on or about April 5, 2013. Funding allocations for communities are determined by dividing the number of low- and moderate-income (LMI) persons residing in the community by the total number of LMI persons residing in the non-entitlement areas of the state multiplied by the amount of CDBG Program funds allocated to the Community Development Allocation Program for the year. The amount of CDBG Program funds allocated to the Community Development Allocation Program for FY 2013 will be based on 60 percent of the \$20.2 million OCD expects to distribute through the CDBG Community Development Program.

NOTE: The FY 2013 Community Development Program application submission deadline is June 21, 2013 at 5:00 p.m. Any community that fails to meet the 5:00 p.m. deadline will forfeit its FY 2013 funding allocation.

Community Development Allocation Program

A number of significant changes are proposed for administration of the FY 2013 Community Development Allocation Program. The key changes are summarized as follows:

- The number of eligible communities has been reduced from 130 to 105. Eligible communities include the 79 non-entitlement counties and 26 direct cities. Direct cities are cities with a total population of 15,000 or greater (based on the 2010 Census) and a LMI population of at least 30 percent or greater (based on the 2000 Census data [updated in 2007]).
- Counties that include a city that received a direct allocation for the FY 2010, FY 2011, and FY 2012 program years, will be required to undertake at least one project in that city in FY 2013, FY 2014, and FY 2015. There is no set dollar requirement.
- A grant floor of \$75,000 has been set to ensure adequate funding for eligible communities.
- Number of projects will be capped at three for communities with an allocation of \$75,000 to \$124,900 and four for communities with an allocation of \$125,000 or more.

- Funding is no longer guaranteed, but instead based on the applicant's administrative capacity, as demonstrated by past performance, and timely, complete, and accurate application submission.
- Funds not awarded will be reallocated to competitive set-aside grants.
- A city or county may opt to use its Community Development Allocation Program funds as local match for CDBG competitive programs. The project or activity must be identified as an activity in the Community Development Allocation Program application, even if the competitive program funds have not yet been awarded. Communities must select alternative projects for Community Development Allocation Program funds in the event competitive funds are not secured. Funds are not guaranteed, and delays due to failure to select alternative projects can result in loss of Community Development Allocation Program funds.
- Funds cannot be used for housing activities, with the exception of Home Repair. OCD will consider a community's request to waive this requirement and use Community Development Allocation Program funds for other CDBG eligible housing activities if a community applies, but is not funded for a CDBG eligible housing activity through the CHIP program in the current or previous year's application cycle. Communities must select alternative projects for Community Development Allocation Program funds in the event a waiver request is not approved. Waivers are not guaranteed, and delays due to failure to select alternative projects can result in loss of Community Development Allocation Program funds.
- Administration and Fair Housing activities will be capped at 20 percent. Previously, Administration had been capped at 15 percent and Fair Housing at 5 percent.
- Grantees not requesting CDBG funding for Fair Housing activities will still be required to administer the standard Fair Housing program and document how that will be accomplished at the time of application.
- Amendments will no longer be allowed for new activities.
- Extension requests will require demonstration of milestone attainment, i.e., environmental review, bid opening, and contract execution.

Community Development Program Competitive Set-Aside Grants

The Community Development Program will include Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure competitive set-aside grants.

Neighborhood Revitalization projects are designed to improve the quality of life, livability and functionality of distressed areas and will require neighborhoods to carry out a comprehensive strategy of revitalization.

Downtown Revitalization projects are designed to improve Central Business Districts. Qualifying projects should aid in the elimination of slums or blight and create and retain permanent, private-sector job opportunities for LMI households. This includes projects designed to improve blighted streetscapes, rehabilitate deteriorated building facades, and address code violations in central business districts.

Critical Infrastructure projects are designed to assist with high priority, single-component infrastructure improvements that will alleviate failed or failing systems, including storm drainage and other public facilities.

The application deadline for the competitive set-aside grants is also June 21, 2013 at 5:00 p.m.

Training

On Thursday, April 11, 2013, from 9:30 a.m. to 4:00 p.m., OCD will conduct the FY 2013 Community Development Program application training at the Ohio Department of Transportation Auditorium, 1980 West Broad Street, in Columbus. Due to the significant program changes proposed, attendance at the training session is expected for program administrators of direct-funding recipients. Program administrators of cities that received a direct allocation for the FY 2010, FY 2011, and FY 2012 program years and will receive funding for at least one project through the county of jurisdiction in FY 2013, FY 2014, and FY 2015 are also strongly encouraged to attend.

The training will focus on changes to the Community Development Allocation Program, a review of national objective, eligibility, and project selection criteria, the application instructions and a tutorial on the application document. The training will also include presentations on the Neighborhood Revitalization, Downtown Revitalization, and Critical Infrastructure competitive set-aside grants. Topics will include eligibility criteria, scoring criteria, and a review of application instructions and the application documents.

During the training, OCD will present Policy Notice 13-03: Policy on Administrative Agreements for OCD-Administered Programs. The policy provides guidance on contracting by the grant recipient for grant administration duties. The policy will be presented in draft form and the training will open a 30-day comment period on the policy. Once finalized, the policy will take effect July 1, 2013.

In addition, following the formal presentations there will be an opportunity for a question and answer session. Attendees are **required** to bring a copy of the application and application instructions to the training. These documents will be available online on or about April 5, 2013 at http://development.ohio.gov/cs/cs_cdbg.htm (see left-hand navigation bar "Community Development Program" section).

To register for the training, complete and fax or email a registration form (see enclosure) to OCD, Attention: Joshua Roth at (614) 752-4575, or email to Joshua.Roth@development.ohio.gov, no later than April 5, 2013. Questions regarding the training should be directed to your OCD Community Development Program Representative at (614) 466-2285.

Internet Assistance

To assist applicants, the following documents are posted or will be posted on the websites listed below:

- Draft FY 2013 Ohio Consolidated Plan – <http://development.ohio.gov/files/cs/Draft%20FY%202013%20Ohio%20Consolidated%20Plan.pdf>
- FY 2013 Community Development Program application and application instructions, which are expected to be posted on or about April 5, 2013 – http://development.ohio.gov/cs/cs_cdbg.htm
- Complete List of All Activity Names with Outcome Measurement Names – <http://development.ohio.gov/files/cs/List%20of%20Activity%20Names%20and%20Outcome%20Measurement%20Names.pdf>
- Environmental Review Process for General Administration, Fair Housing, and Planning Activities Funded with Administrative Dollars Policy (OCD Notice 06-01) – http://development.ohio.gov/files/cs/OCD_06-01.pdf
- Public Hearing Notification Requirements Policy (OCD Notice 07-01) – http://development.ohio.gov/files/cs/OCD_07-01.pdf
- Income Survey Requirements Policy (OCD Notice 08-03) – http://development.ohio.gov/files/cs/OCD_08-03.pdf
- Community Development Field Service Areas and Field Service Representatives – http://development.ohio.gov/files/cs/2012_CD_Field_Rep_Map.pdf

Pre-Submission Requirements

Community Development Program applicants are required to conduct two public hearings: one general public hearing to cover all programs administered by the applicant; and at least one application-specific public hearing for each program proposed. When conducting public hearings, applicants should use the FY 2012 Community Development Program allocation as an estimate for FY 2013 funding levels.

Pre-Submission Consultations

To expedite the Community Development Program application review and approval, OCD will offer pre-submission consultation opportunities during the period April 15 – June 14, 2013.

The pre-submission consultation enables the participating community to discuss the proposed application with an OCD Program Representative, make revisions, and gather required documentation. By participating in a pre-submission consultation, the community will expedite the application review and grant agreement process. Therefore, OCD recommends and encourages eligible communities to take advantage of this opportunity. To schedule a consultation, contact your OCD Program Representative at (614) 466-2285.

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