

# WWC News



## Community Development Block Grants

### Community Development Block Grants (CDBG)

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### What are Community Development Block Grants?

Community Development Block Grants (CDBG) are federally funded grants that provide communities with the resources and funds to address a wide range of unique community development needs. This program was started in 1974 and is overseen by the U.S. Department of Housing and Urban Development (HUD). It is one of the longest continuously run programs at HUD. Under federal law all CDBG projects must principally benefit low and moderate income (LMI) persons. Low and moderate income is defined as 80% of the median income and adjusted by family size. The program works to ensure decent, affordable housing, to provide services to the most vulnerable in our communities and create jobs through the expansion and retention of businesses. Annual allocation of funds are distributed to state & local jurisdictions called “non-entitlement” and “entitlement”.

**Entitlement Communities**—This part of the CDBG program allocates funds for grants to larger cities and urban counties that have a population of 50,000 or larger and qualified urban counties with a population of 200,000 or more. In the state of Montana, only Billings, Great Falls, and Missoula are entitlement communities. In Wyoming, only Casper and Cheyenne are entitlement communities. Indian & Alaska Native communities are also considered “entitlement communities”. Communities with this status are ineligible to apply for state grants as they receive separate CDBG funds directly from HUD.

**State Administered (non-entitlement) CDBG** - this is known as the Smaller Cities CDBG program awarding grants for towns, counties & incorporated cities of 50,000 or less. These grants are administered by designated state agencies such as the Montana Department of Commerce, the Wyoming Business Council, and the Office of Native American

Programs, to name a few. The amount of each state grant is determined by HUD using a formula that measures several areas of community need, including extent of poverty, population, housing overcrowding, age of housing, population growth in comparison with other metropolitan areas. HUD also requires that each grantee or designated state agency must develop and follow a detailed plan that encourages citizen participation including, reasonable and timely access to meetings, review of projects, comments or complaints on how funds are allocated, and how projects will affect the communities involved. All projects funded by CDBG funds must meet one of the three objectives set out by HUD.

1. Benefit low & moderate income persons/families
2. Work to prevent or eliminate slums and blight
3. Address an urgent community development need that poses a serious & immediate threat to the health or welfare of the community.

### Who is eligible to apply:

By federal law eligible applicants are limited to general-purpose local governments, this would include incorporated towns, cities, and counties. Special purpose entities such as water & sewer districts or rural special improvement districts are not eligible to apply for state funds. However, a county or municipality can apply for CDBG funds on their behalf. In this case these special purpose entities must be established as a county district before making application for funds through the county government. If funds are granted, all project responsibilities must be clarified in an inter-local agreement between the local government and special purpose group/agency. In all cases, the applying government assumes ultimate responsibility for administration of the federal funds and compliance with all federal and state requirements.

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## **Quality Services Dependable Value**

*WWC Engineering (WWC) is a full service corporation that has been serving the Rocky Mountain region since 1980. WWC's range of consulting services is broad and our corporate experience is extensive. With over 85 employees and offices in Sheridan, Laramie, and Casper, Wyoming and Helena, Montana, we have an exceptional staff of professionally licensed engineers, hydrologists, surveyors, and geologists with a full complement of highly skilled field technicians, CADD specialists, and clerical staff. WWC prides itself on producing the highest quality of work for our clients in a time-and-cost-efficient manner.*

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### **Eligible Projects:**

The eligibility of a project is usually clear cut and any questions can be answered by contacting the state authorized CDBG agency (in Montana the Montana Community Development Division, in Wyoming the Wyoming Business Council and for Native American Indians the Northern Plains Office of Native American Programs in Colorado). There are three basic categories of funding.

- 1) **Economic Development**—funding for economical development is through the Business Resource Department. They provide fixed-rate financing with reasonable interest rates to assist in creating and retaining jobs for low and moderate income individuals. Eligible activities include loans for acquisition, construction, installation or rehabilitation of commercial & industrial buildings, facilities, equipment or working capital, Customized Employee Training, Technical Assistance Grants for initial planning, preparation of growth policies, economic development strategy, and Business Infrastructure Projects such as water, sewer, streets, or sidewalks in support of businesses.
- 2) **Housing**— This includes but is not limited to, housing rehabilitation, land acquisition to support new housing construction, site improvements, conversion of nonresidential structures into residential structures, clean up of junk and debris, or improving or constructing public facilities.
- 3) **Public Facilities**— CDBG funds may be used to assist local governments in a variety of planning-related activities such

as preparation of growth policies, needs assessments, capital improvements, plans, housing studies, or preliminary architectural or engineering plans relating to sewer & water systems. These funds may also be used for short-term residential facilities such as homeless shelters, and shelters for abused youth and victims of domestic violence. Improvements to public facilities serving communities comprised of 51% or more of LMI families, as well as paying for the cost of water meter installation, hookup charges, or special assessments for eligible families are also eligible projects. According to the "Uniform Application for Montana Public Facility Projects", dated October 2005, local government must provide a match of at least 25% of the requested CDBG funds when applying for projects in this category.

### **Application Process:**

Eligible applicants need to go through the appropriate application process. Applications and requirements can be found on the following web pages—HUD CDBG, Montana Department of Commerce—Community Development, Wyoming Business Council, and HUD Office of Native American Programs. Keep in mind that the application process is very competitive and is scored by a point system. The higher percentage of LMI persons benefited by the project the more points a project receives. As previously mentioned all applications must meet at least one of the three objectives set out by HUD.

### **In Conclusion**

Community Development Block Grants are a great way for communities to receive funds to address their unique community development needs. Please feel free to contact our staff at (406) 443-3962 for more details on the CDBG process.