

Leveraging CDBG Funds

2020 CDBG Best Practices Webinar Series



HUD Welcome

James Höemann, Director Entitlement Communities Division

- Senate appropriations committee request to focus on four topic areas –
 - Prioritizing greatest need activities/projects
 - Grant oversight strategies
 - Reducing CDBG admin costs
 - Leveraging CDBG funds
- Identify creative strategies in these areas
- Provide a platform for our grantees to learn from each other
- Compile a report for Congress

Session Overview and Introductions

Carrie Kronberg, ICF

Session Overview

- Learning Objectives
 - Participants will learn from program administrators in diverse communities across the country about best practices to leverage CDBG funds.
 - Participants will gain understanding of effective, replicable, best practice models to implement in their CDBG programs.
- Agenda
 - Introductions
 - Panelist Community Presentations
 - Q&A

Introductions

- Brent Childers and Nick Cook, Bowling Green, KY
- Rebecca Edwards, Greenville, SC
- Angela Durant, Medford, OR

Poll Question

What is the size of your most recent CDBG allocation?

- A. < \$300,000
- B. < \$600,000
- C. < \$999,999
- D. > \$1,000,000

Bowling Green, KY

Brent Childers, Director and Nick Cook, Grants Coordinator
Neighborhood & Community Services

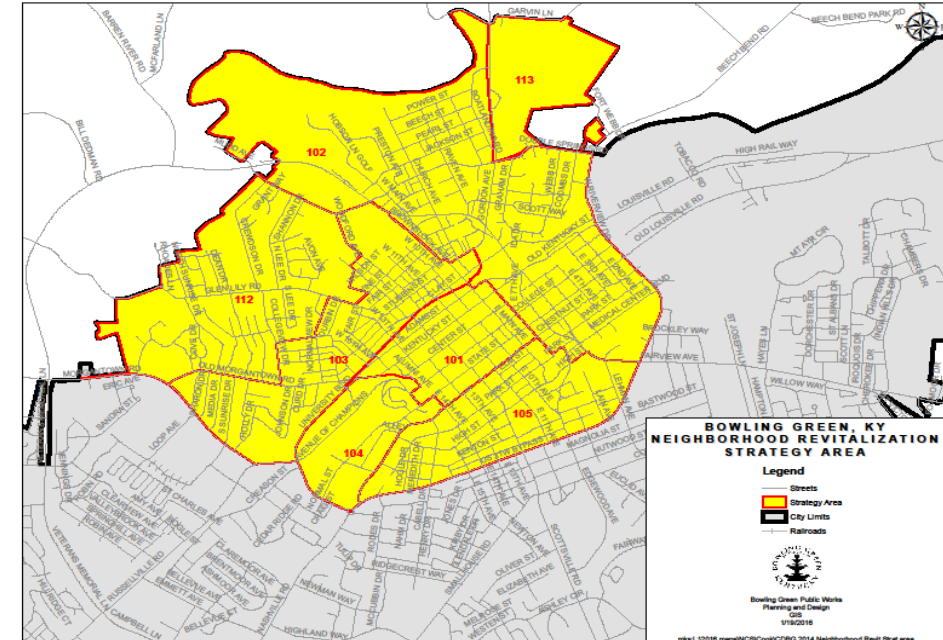
Bowling Green, KY

- Bowling Green is located between Louisville and Nashville
- Population: 70,000
- Home to Western KY University and Corvette Assembly Plant
- Bowling Green continues to grow and expand economically and by population



Bowling Green CDBG Program

- Became entitlement community in 2003
- Used an application process to allocate CDBG funding
 - Did not produce desired results
- In 2014, overhauled the CDBG process to focus on neighborhood redevelopment
 - Created the BG Reinvestment Area (BGRA)
 - Created Neighborhood Improvements Program (NIP)
 - CDBG as annual funding source
 - Attracted other funding
- Process: one neighborhood area at a time
- Avg. CDBG allocation \$600K



Building Vision in the Community

- Presented vision to City Manager and Elected Officials for support
 - Got political support and \$200,000 in Local Funds annually
 - Local Funds provide additional flexibility for projects
- Set aside 80% of CDBG and local funds for NIP
 - Focus is on long-term improvements to:
 - Create Economic Opportunities,
 - Create Better Residential Environments, and
 - Address Housing Issues
- Projects are developed from two sources
 - City Staff—Various City Departments represented
 - Residents—Public Meetings, Comments, Interviews



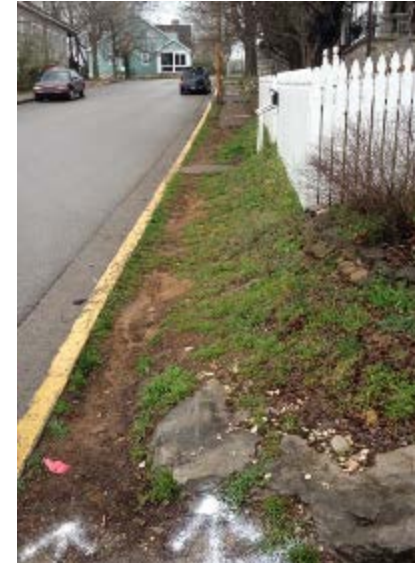
Leveraging Vision

- Drafted Neighborhood Revitalization Strategy Area (NRSA) Plan for entire BG Reinvestment Area
- Received HUD approval for NRSA Plan
 - Provides regulatory flexibility
- Leveraged the NRSA Plan to secure other funding
 - Other Funding Received
 - \$300,000 from EPA
 - \$1,137,441 from FHWA
 - \$750,000 from NPS
- Portion of BGRA approved as Opportunity Zone



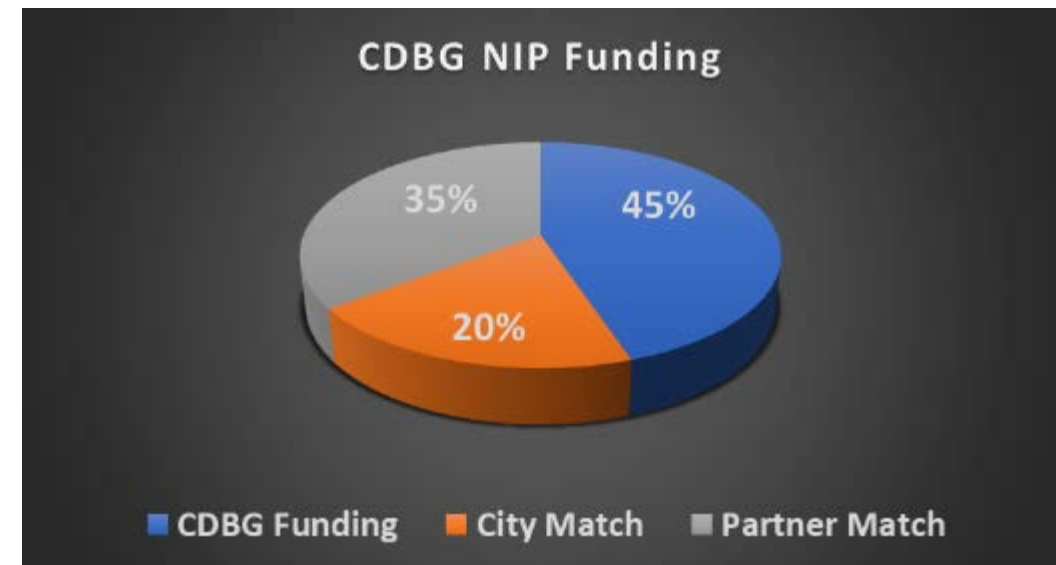
CDBG NIP Results

- Since July 1, 2014 we have secured funding to do the following:
 - Exterior rehab on 277 properties
 - Improve 7,700 feet of Sidewalk
 - Create 40 affordable housing units
 - Invest \$183,304 in Road Improvements
 - Invest \$790,884 in Park Improvements



CDBG NIP Results

- CDBG Leveraging over the last 6 years
 - CDBG Investment \$3,171,843
 - City Match \$1,400,000
 - Partner Match \$2,501,745

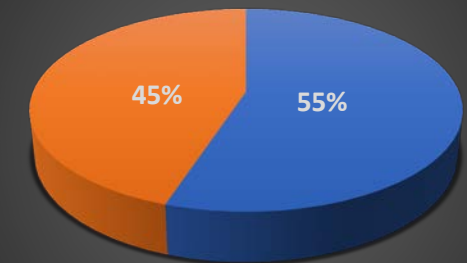


BG Reinvestment Area Results

- Since July 1, 2014 secured funding for 10,500 feet of Pedestrian and \$2,225,000 in Park Improvements



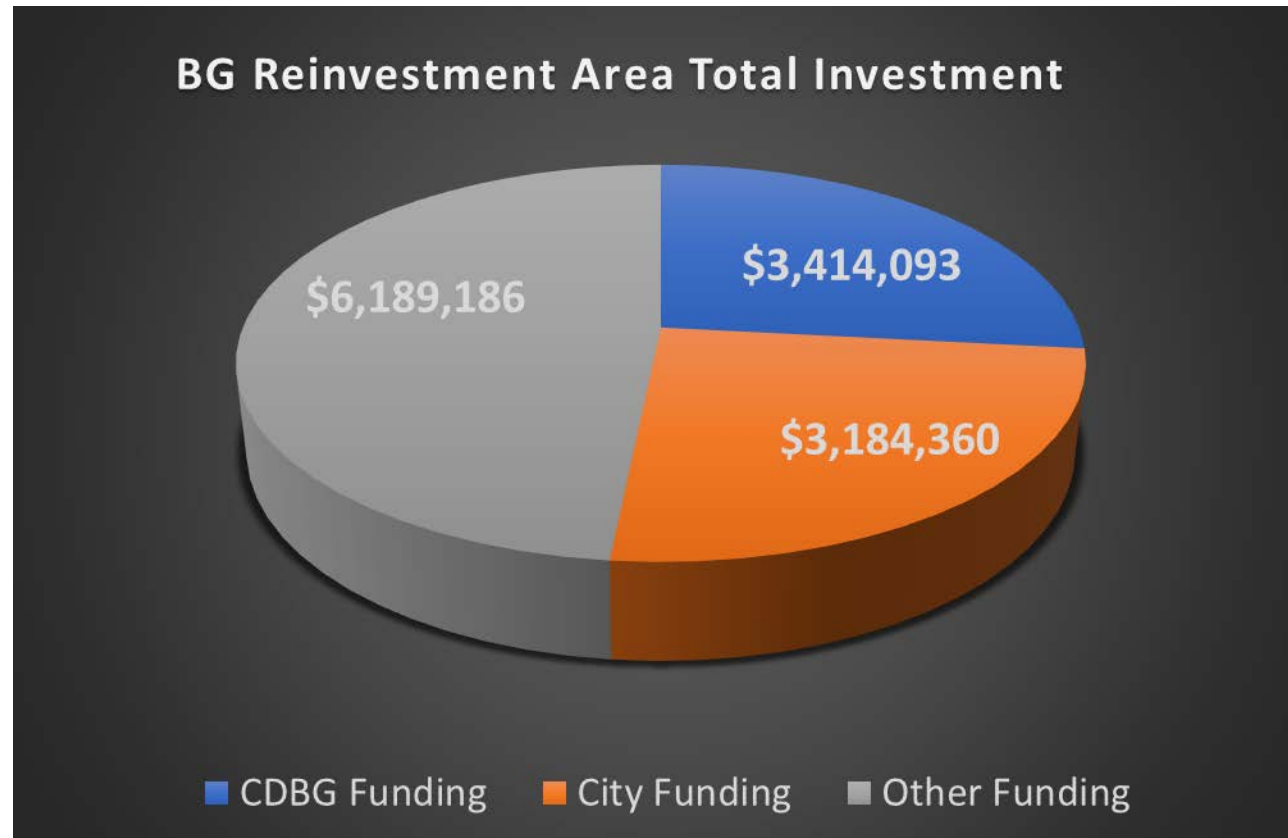
BGRA Grant Funding



■ Grant Funding ■ City Match

Results

- Using the NRSA Plan & commitment to the BGRA we secured almost \$13M



Poll Question

What strategies do you use to leverage CDBG funds?

- A. We are proactive with our state government in finding additional funds to leverage our CDBG allocation.
- B. We regularly seek to combine CDBG with other federal funding sources.
- C. We use local tax incentives or other local funds to leverage CDBG.
- D. All of the above
- E. Other

Greenville, SC

Rebecca Edwards

Community Development Financial Coordinator

City of Greenville, S.C. Snapshot

- Population of 70,635 (7/1/2019, U.S. Census Bureau)
- Receives \$700,000 - \$800,000 in CDBG funds each year
- Receives \$200,000 - \$300,000 in HOME funds each year
- Due to a rapidly increasing population, robust downtown and industry, affordable housing has become a top priority in Greenville
- Strategies for use of HUD funding:
 - Production of affordable housing
 - Preservation of affordable housing
 - **Property acquisition for affordable housing development**



Property Acquisition for Affordable Housing Development

Habitat for Humanity (Mulberry Street)



Description:

- Three owner-occupied single-family homes
- Sold to families at 80% AMI or below
- One unit is part of Habitat for Humanity's Veterans Build program
- Habitat for Humanity purchased the land from the City of Greenville

Funding:

- City of Greenville CDBG - property acquisition (\$75,000)
- City of Greenville CDBG - down payment assistance (\$30,000)
- City of Greenville General Fund - demolition (\$12,000)
 - Total City investment (\$117,000)
- Private build partner - construction (\$211,194)
- Habitat for Humanity - acquisition, construction, etc. (\$102,300)
 - Total other investment (\$313,494)

Leveraging:

- For every \$1 of public investment, nearly \$3 of private investment

Project Profile:

<https://greenvillesc.gov/DocumentCenter/View/15081/Mulberry-Street-Infill-Development---Habitat-for-Humanity>



Property Acquisition for Affordable Housing Development

United Housing Connections (Urban Street)



Description:

- Construction of one stacked duplex (2 units)
- City-owned property donated to United Housing Connections (UHC)
- HUD grant; leveraged City property
- Rented to formerly homeless families working with UHC case manager

Funding:

- City of Greenville CDBG - property acquisition (\$25,000)
- City of Greenville HOME - rental construction (\$60,000)
- City of Greenville General Fund - demolition (\$5,000)
 - Total City investment (\$90,000)
- HUD Continuum of Care - construction costs (\$257,630)

Leveraging:

- For every \$1 of city investment, nearly \$3 of other investment

Project Profile:

<https://greenvillesc.gov/DocumentCenter/View/15082/Urban-Street---United-Housing-Connections>

Ribbon Cutting: <https://youtu.be/5O4V-ORTWUs>



Property Acquisition for Affordable Housing Development

Habitat for Humanity and Homes of Hope (Joshua's Way)

Description:

- Habitat for Humanity lead developer
- Seven single-family homes; three duplexes (13 total units)
- Habitat for Humanity - six single-family homes for sale
- Homes of Hope - seven rental homes for seniors
- PPP best practice - public, private, faith, philanthropic, corporate, neighborhood



Funding:

- City of Greenville CDBG - down payment assistance (\$40,000)
- City of Greenville HOME - rental construction (\$200,000)
- City of Greenville PPP grant - site work (\$130,000)
 - Total City investment (\$370,000)
- Greenville Housing Fund - site work (\$130,000)
- Habitat for Humanity - site work (\$39,254)
- Philanthropic - site work (\$224,970)
- Other private - construction (\$427,000)
 - Total other investment (\$821,224)

Leveraging:

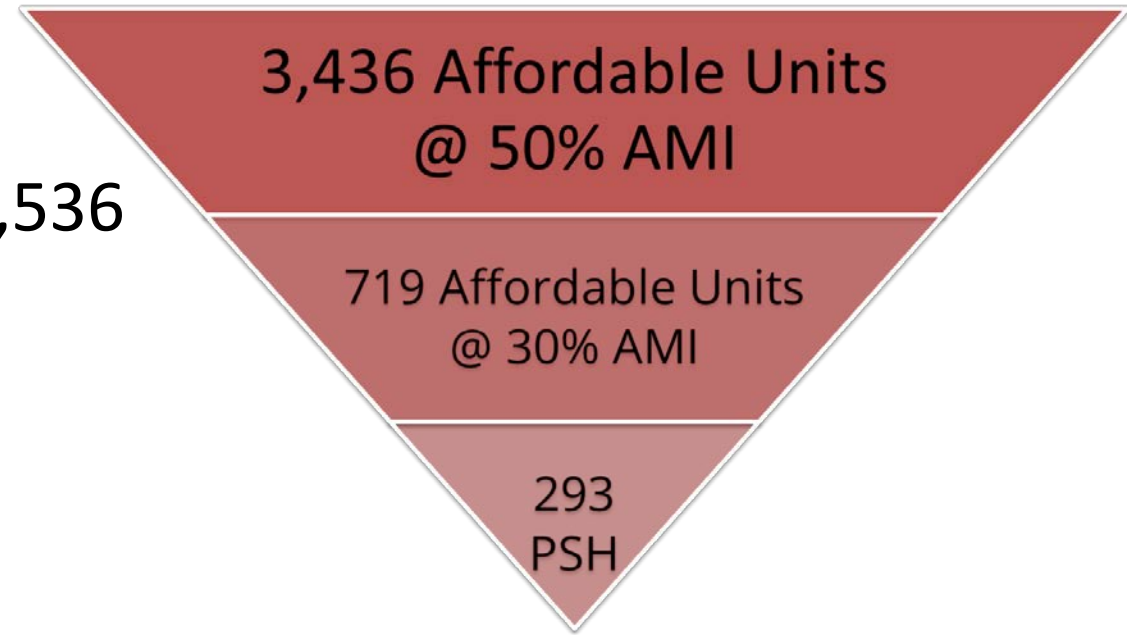
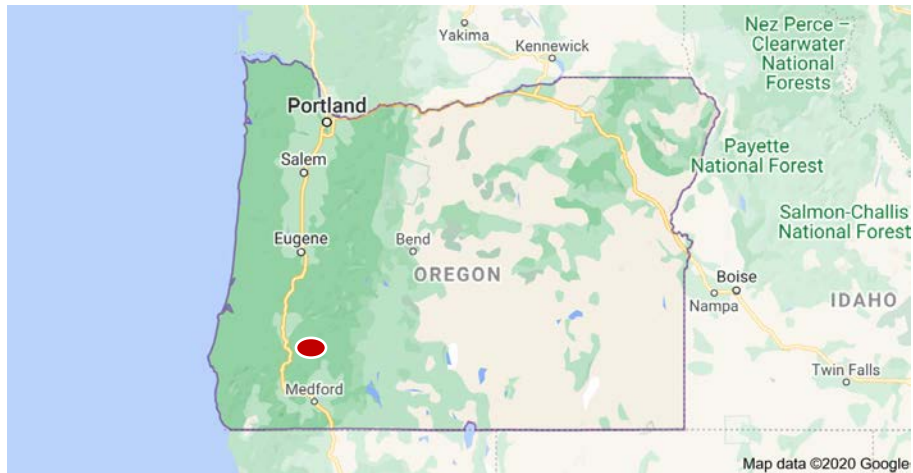
- For every \$1 of public investment, nearly \$2.25 of private investment

Medford, Oregon

Angela Durant, Principal Planner
Housing and Community Development Division

CDBG Entitlement Jurisdiction Since 1989

- 2020 CDBG entitlement = \$735,536
- Population of 82,347



Focusing on Strategic Community Investment

- Capital Absorption Model



Moving from Awareness to Action

- Medford Homeless System Action Plan

AWARENESS

- What is the City's Role in addressing homelessness?
- What is the Continuum of Care (CoC)?
- How is the City coordinating with the CoC?
- Where is the data?
- How can the City help build resources?
- Is CDBG helping?

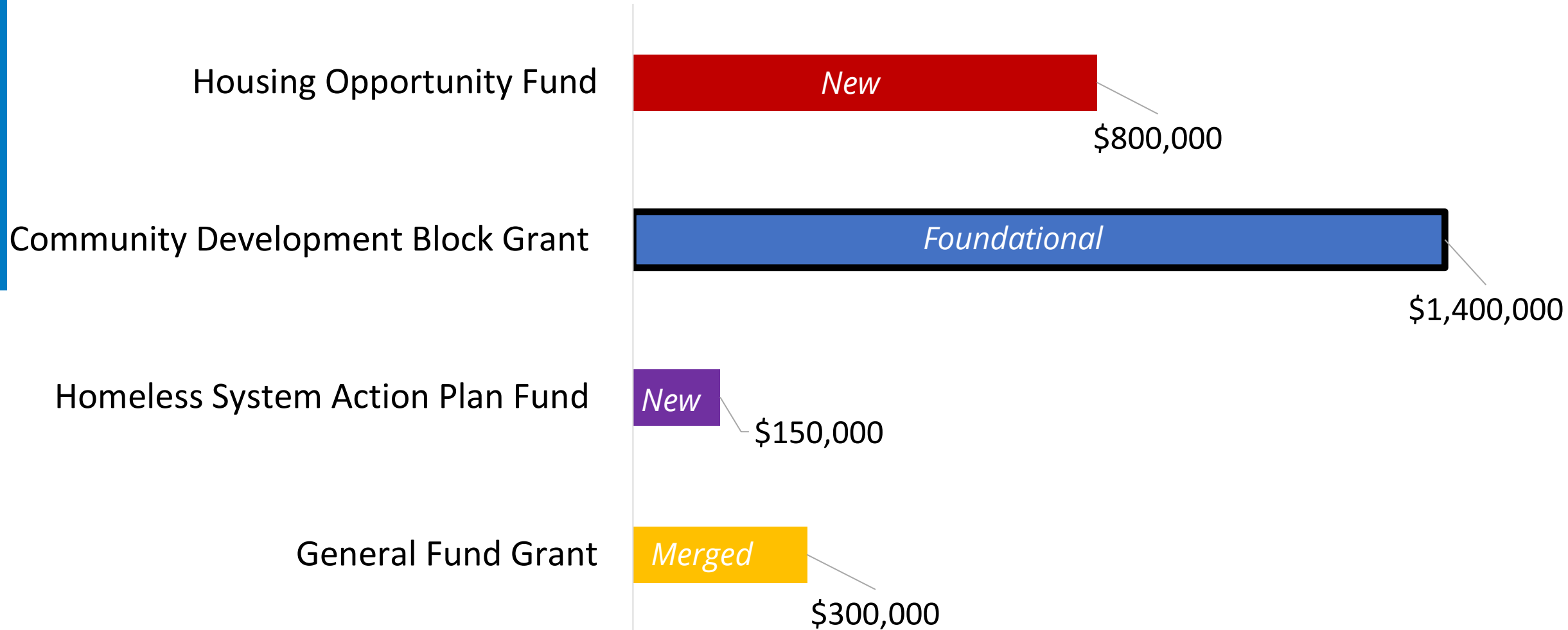


ACTION

- ✓ Defined City role and established priorities
- ✓ Strategic funding decisions and policy change
- ✓ Active participation and ongoing support for the CoC
- ✓ Ongoing data analysis
- ✓ Improved collaboration and outreach
- ✓ New partnerships

Increasing Funding to Incentivize Leverage

- 2019-2021 Funding Platform = \$2.65 Million



Establishing Local Priorities

HOF

- 100% to projects that develop or redevelop affordable housing units

CDBG

- 65% to housing and community development
- 15% to public services
- 20% to program administration

GFG

- 50% to housing stabilization & rapid re-housing
- 50% to essential safety net services

HSAP

- 60% to chronically homeless outreach partnership
- 7% to develop solutions for distribution of goods and services
- 33% to “reunification”

Building a Shared Vision to Capture Leverage

✓ ***Local***



✓ ***State***



**Breaking
New Ground**
OREGON'S STATEWIDE HOUSING PLAN

✓ ***Federal***

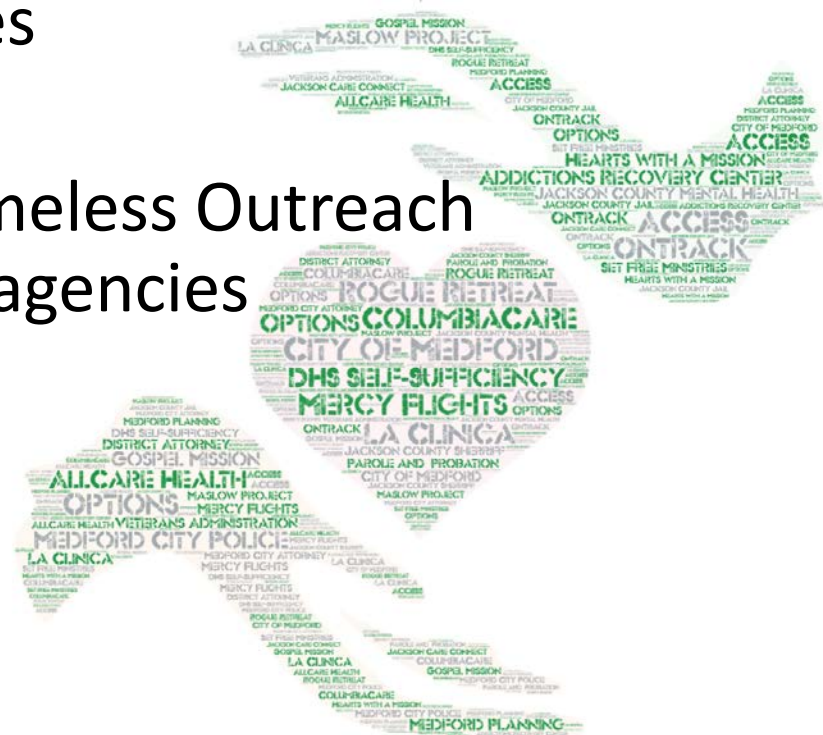
Home, Together:
THE FEDERAL STRATEGIC PLAN TO
PREVENT AND END HOMELESSNESS



Strengthening the Enabling Environment

- Adopted or Drafted Policy – 14 of 19 Regulatory Strategies
- Created a Chronically Homeless Outreach Partnership with over 24 agencies

- Enhanced Advisory Capacity
- Adopted a Construction Excise Tax



Advisory Capacity



Housing Advisory Commission



Community Services and Development Commission

Construction Excise Tax

- Local flexible funding source from tax on improvements to residential, industrial and commercial (new structures or additional square footage)
- Statute allows up to 1% on residential improvements and unrestricted on commercial/industrial improvements
- City worked with building community to adopt 1/3 of 1 percent (.00333)



(Senate Bill 1533)

Building a Robust Pipeline

- 15-bed youth emergency shelter
 - ✓ \$150,000 to leverage \$800,000 private-sector funds
- 16 affordable units for Veterans
 - ✓ \$250,000 to capture \$750,000 state leverage and \$580,000 local bank loan



- 30-40 Accessory Dwelling Units
 - ✓ \$150,000 to leverage private property owner resources



Poll Question

What is your average leveraging ratio for your CDBG funds?

- A. < \$1 per dollar of CDBG
- B. \$1 - \$3 per dollar of CDBG
- C. \$3 - \$5 per dollar of CDBG
- D. \$5 - \$10 per dollar of CDBG
- E. > \$10 per dollar of CDBG
- F. Don't know

Camarillo, CA

Carrie Kronberg, ICF

Preserving At Risk Affordable Ownership Units

- Camarillo leverages CDBG with General Funds to preserve at-risk affordable homeownership units and create first time homebuyer opportunities by:
 - Purchasing at risk affordable ownership units with expiring affordability covenants
 - Resetting the affordable covenant for 55 years, which includes a clause to restart the affordability period with each resale
 - Revising the calculation for the resale value to be based on county median income instead of a Consumer Price Index (CPI)
 - Marketing the affordable units to income qualified buyers
 - Repaying the General Fund Loan from the City upon sale of the homes

Supporting First Time Home Buyers

- Provide down payment assistance to buyers utilizing CDBG funds (up to 5% of purchase price)
- Consolidate information on other home purchase resources in marketing material

Ownership — Affordable Housing Coming Soon (see map on pg. 2)

Project Name	Date	Location	Contact Information	Affordable Units
Parkwest Townhomes (RPD-188)	2020	Pleasant Valley Road/ Lewis Road	805.388.8788 or www.parkwesttownhomes.com	9 Moderate-income units
Camarillo Village Homes (RPD-196)	TBD	Pleasant Valley Road/ Lewis Road	None at this time	29 Moderate-income units

HomeShare Program

HomeShare is a free program through Ventura County Area Agency on Aging that provides assistance in matching home providers—primarily seniors—with home seekers who are willing to help with household tasks, transportation, companionship, financial support, or a combination of these in exchange for affordable housing. For information and office hours for one of the following HomeShare offices, please call (805) 477-7300 or email Home.Share@ventura.org.

Ventura County Area Agency on Aging
646 County Square Drive,
Ventura, CA 93001

Simi Valley Senior Center
3900 Avenida Simi,
Simi Valley, CA 93063

Office of Supervisor Linda Parks
625 W. Hillcrest Drive
Thousand Oaks, CA 91360

Home Buyer Workshop / Assistance

Area Housing Authority offers workshops where you can learn about programs that help with down payments, closing costs, and lower interest loans. Workshops cover tax benefits, raising your FICO score and loan options through the State of California. Please call 805.480.9991, extension 235, to reserve a seat at their next class. This is not a sales presentation and is a free class.

Area Housing Authority
400 West Hillcrest Drive, Newbury Park, CA 91320
Phone: 805-480-9991 ext. 235 || Fax: 805-480-1021 || Email: Info@ahacv.org || Website: www.ahacv.org

Ventura County Community Development Corporation (VCCDC) offers assistance to low-to-moderate income families in buying affordable homes in Ventura County. VCCDC supplies the education and coaching necessary to provide its clients with a clear pathway to home ownership and financial stability. Services include its HUD-approved Homebuyer Education Workshop, HUD-approved Coaching for Homeownership, Mortgage Lending services including up to \$30,000 in down payment assistance, and Realty services specializing in assisting first-time low-to-moderate income buyers. VCCDC provides additional support after the home purchase through our Homeowner Workshops and Post-Purchase one-on-one Coaching for our clients who have recently become homeowners. This is the final step in VCCDC's unique continuum of homebuyer support before, during and after the purchase process. For more information, please visit www.vccdc.org or call (805) 273-7800.

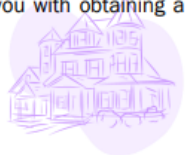
Ventura County Community Development Corporation
2231 Sturgis Road, Suite A, Oxnard, CA 93030
Phone: 805-273-7800 ext. 7805 || Website: www.vccdc.org

Mortgage Credit Certificate Program

Purchase your first home with a Mortgage Credit Certificate and save thousands of dollars in federal income taxes. If you have not owned a home in the last three years, and you could use some help in qualifying for a loan, this program might assist you. There are over 100 approved loan officers listed by county that may assist you with obtaining a Mortgage Credit Certificate.

For information regarding the Mortgage Credit Certificate Program, please contact:

Mortgage Credit Certificate Program
Phone: 310.342.5400 || Website: www.calhfa.ca.gov/homeownership/programs/index.htm



Resources

Carrie Kronberg, ICF

Resources

- CDBG HUD Exchange:
<https://www.hudexchange.info/programs/cdbg/>
- Explore CDBG (other best practices, 101 video modules):
<https://www.hudexchange.info/programs/cdbg/cdbg-ta-products/#all-products>
- CDBG State Guides, Tools, and Webinars:
<https://www.hudexchange.info/programs/cdbg-state/guides/#guides-and-training-manuals>

Q & A

Carrie Kronberg, ICF