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Department of Neighborhood and Business Development

Action Plan 2019 – 2020 Update of the 5-Year Consolidated Plan (2015-2020)

DRAFT 01/14/19



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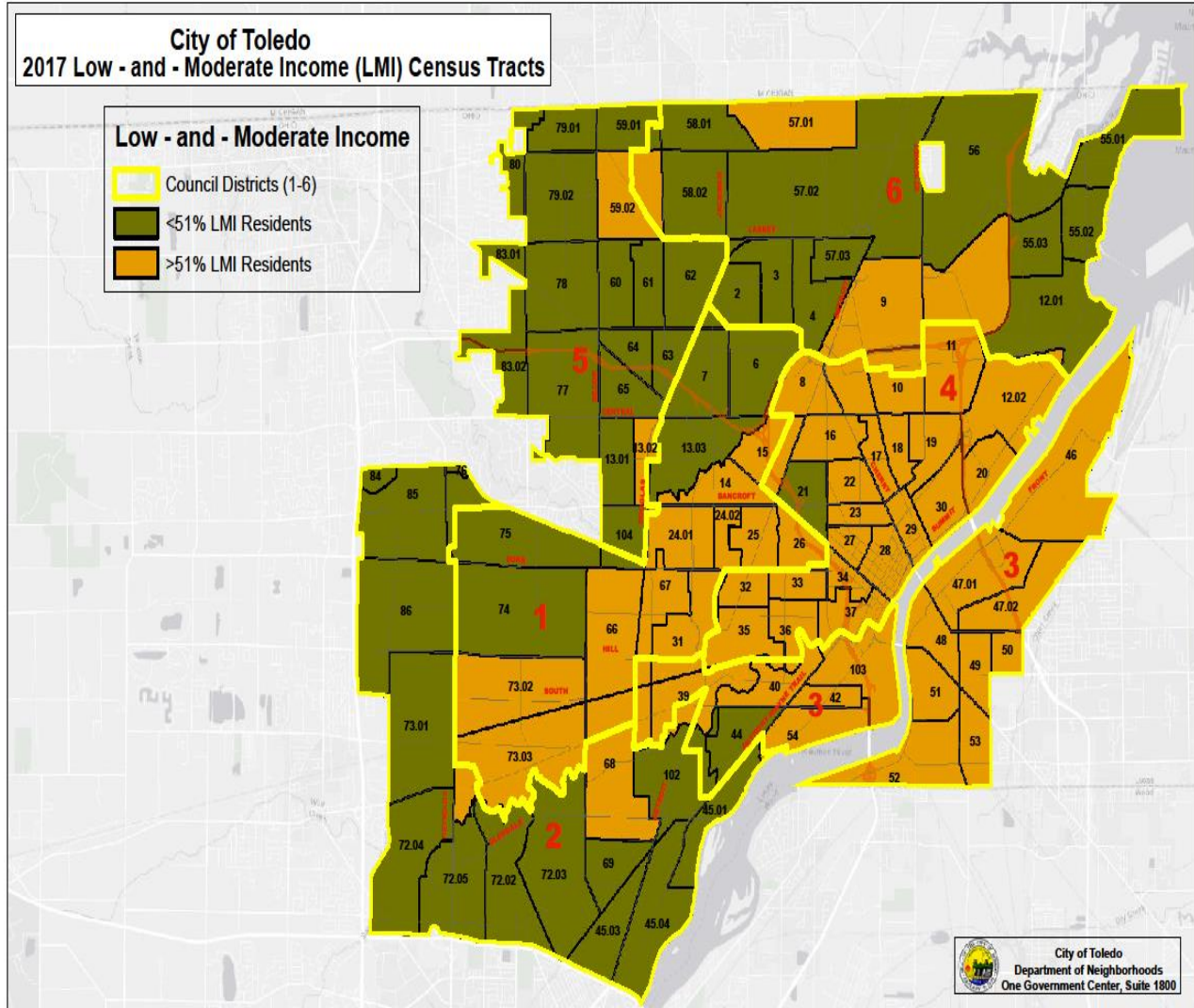
WHAT IS THE CONSOLIDATED PLAN?

- **The Consolidated Plan** (or “CON PLAN”) is a 5-year planning document required by the U. S. Department of Housing and Urban Development (HUD) for recipients of HUD funding.
- **The Action Plan** is the annual activity and budget plan for each program year within the 5 year Consolidated Plan.
- The Program Year is July 1 through June 30- crossing 2 calendar years.
- The action plan for Year 5, (July1, 2019-June 30, 2020,) will be due **May 17, 2019.**



CDBG FUNDS

- Eligible areas are Census Tracts with a majority of low- to moderate-income residents.
- Projects must serve low- to moderate-income areas or populations.





Community Development Block Grant (CDBG) Process

COMMUNITY ENGAGEMENT



5-YEAR CONSOLIDATED PLAN

- Priorities Established



ANNUAL ONE-YEAR ACTION PLAN

- Objectives/activities funded to address the priorities identified in the 5-Year Consolidated Plan



**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION
REPORT (CAPER)**

- Report accomplishments on the objectives/activities undertaken in the Annual One-year Action Plan.



COT PRIORITIES and HUD RESTRICTIONS

Priorities based upon 2015 - 2020 5-Year Consolidated Plan

1. Prevention and Reduction of Blight
2. Public (Social) Services
3. Economic Development
4. Elimination of Homelessness
5. Affordable Housing
6. Transportation
7. Obtaining/Maintaining Housing Affordability
8. Fair Housing

Restrictions on Distribution

HUD restricts funding allocations by establishing caps or minimum for certain uses

- No more than 20% for Administration (CDBG) Planning, Monitoring, Fiscal and Reporting;
- No more than 15% expended during Plan Year for Public Services (CDBG);
- At least 70% must be utilized for activities benefiting low- to- moderate persons.
- **Administrative and Public Service Caps are calculated on new funding only- Carry Over Funds are not part of cap calculation.**
- Carry over funds cannot be used to exceed the caps



COT PRIORITIES and HUD RESTRICTIONS

Annual Action Plan

- Must be an eligible activity
- Requires completion of CON PLAN goals
- Allocation of funds MUST be done within a CDBG Public hearing
- Council changes are closed after April 4, 2019 CDBG Public Hearing.

Substantial Amendment Options

The Consolidated Plan and Annual Action Plan are living documents and, therefore, the City of Toledo recognizes that it may periodically be necessary to make significant changes to the documents. An amendment to the Consolidated Plan or Annual Action Plan is one that includes a change of thirty percent (30%) or more in the amount of funds allocated to a project/activity; a change within the programmatic service/scope of the plan, location or beneficiary.

- Substantial Amendments reopen entire Annual Action Plan Process
- Must have a Public Hearing and Public Comment Period
- Must be approved by HUD



City of Toledo 2015-2020 Consolidated Plan

Priority needs and goals for CDBG

City of Toledo - Department of Neighborhoods

2015-2020 Consolidated Plan

Priority needs and goals for CDBG*

Listed by category

1. Prevention and Reduction of Blight
a. Demolition of Blighted Properties
b. Housing Code Enforcement and Nuisance Abatement
c. Decrease Rodents in the City of Toledo
d. Establish and Maintain Community Gardens - subject to 15% Public Service Cap
2. Public (Social) Services - subject to 15% Public Service Cap
a. Health Services
b. Youth Programs (skills development for ages 13-19)
c. Soup Kitchens and Feeding Programs (meals and groceries)
d. Educational Enrichment and Life Skills Programs (to empower and increase self-sustainability)
3. Economic Development
a. Job Creation/Retention (through assistance to small-medium private businesses)
b. Business Recruitment/Retention/Assistance (grants/loans/technical assistance/tax incentives)
c. Contaminated Sites Remediation for Re-development
d. Availability/Accessibility of Neighborhood Grocery and Basic Need Stores
5. Affordable Housing
a. Home Repairs for Seniors and the Disabled (repairs and modifications)
b. Elimination of Lead-Based Paint (in homes with children under six)
c. Housing Repairs and Rehabilitation
d. Home Buyer Down Payment/Closing Costs Assistance
e. New Construction (only as considered appropriate)
6. Transportation
a. Transportation Assistance (to obtain or maintain jobs and increase job opportunities)
7. Obtaining/Maintaining Housing Affordability – may be subject to 15% Public Service Cap
a. Housing Tax Incentives (Community Reinvestment Area)
b. Preventative Housing Maintenance (training on basic home systems and preventative maintenance)
c. Foreclosure Prevention / Housing Counseling (education and counseling)
d. Housing Legal Assistance (for housing issues)
8. Fair Housing
a. Ensuring Fair Housing Practices (elimination of housing discrimination)

* Goals are listed as ranked in the Community Survey

NOTE: Consolidated Plan Priority #4 (Elimination of Homelessness) is addressed by a separate application through the Toledo Lucas County Homelessness Board (TLCHB).



ANNUAL PLAN DEVELOPMENT

Action Plan Update Steps

- Evaluate existing programs' performance
- Review requests for new programs/activities
 - City Staff evaluates eligibility for CDBG
 - Community Based Committee evaluate consistency with CON PLAN 2015 – 2020 priority needs and Applicant capacity
 - Public Hearings – invite Public Comment and Amendments – **Final Hearing April 4, 2019.**

NO CHANGES TO ALLOCATIONS AFTER FINAL HEARING

- **The Annual Action Plan must be submitted to HUD by
May 17, 2019**



ESTIMATED Program Year Funds

How MUCH MONEY is involved:

- For Program Year 2019-2020, HUD has not yet released allocation information.
- For this presentation, the City assumed a 10% reduction from the last year's funding level for the CDBG program.
- **Estimated** to receive:
 - \$6,711,564 CDBG funds (a \$745,729 reduction from 2018-2019)
 - \$5,149,191 Carry Over Funds*
 - \$249,000 Program Income

* Cumulative 2009-2018 Program Years





Beginning Balance*

New Funds + Carry Over + Program Income = Estimated Beginning Balance (01/14/19)

- \$6,711,564 CDBG funds (a \$745,729 reduction from 2018-2019)*
- \$5,149,191 Carry Over Funds**
- \$249,000 Program Income **

ESTIMATED TOTAL: \$12,109,734.60**

ESTIMATED AVAILABLE BY ACTIVITY

15% Public Service Cap - \$1,006,734.60
20% Administrative Cap- \$1,342,312.80
All Other Eligible Activities- \$9,760,707.60

***Estimated beginning balance for CDBG**

****Subject to change due to year-end adjustments, chargebacks and correcting entries
-to be Updated by 1/16/19 to reflect YTD expenditures**

All figures are estimated and subject to change



Carry Over Funds

Carry Over Funds= Unexpended CDBG balances 2009- 2018 Program years

Cumulative carryover **Estimated Balance \$5,149,191** MINUS-

Subtract \$650,000 yearly for Housing Program Project costs for **HOME** grant programs

- Owner Occupied Repair
- Rental Rehab
- Down Payment Assistance
- CHDO Projects
- Development Projects

And in house **CDBG** housing Projects

- Roof Program
- Paint Program
- CVAP Program
- Environmental Reviews and Rehab Approvals

19-2020 Annual Plan period :

\$5,149,191- \$650,000= **\$4,499,191 CARRYOVER**

CANNOT BE USED FOR - Public Service if 15% Cap already met for the Program year

- Administrative Services if 20% cap already met for the Program Year



Annual Plan Considerations

2019-20 Annual Plan

Must meet 2015-2020 Consolidated Plan Goals

- Complete activities as outlined in Con Plan
- Final Changes to plan Thursday April 4 at Public Hearing
- Plan year July 1 2019- June 30, 2020

2020-2025 Consolidated Plan

Planning begins May 2019

May 2020 Submission of 5 Year Plan 2020-2025

2020-2025 Challenges

Diminishing Carry Over

Federal Program Restructuring/ Population Reduction

Economic Change Predicted

Demolition Funds Depleted

Housing needs/ Market Changes

Community Capacity /Neighborhood Development Needs

Public Facility /infrastructure Investment



City of Toledo

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Please Attend and Participate

Thursday, March 28th

1st Public Hearing
Neighborhoods Committee Meeting
City Council Chambers – 3:00 pm

Thursday, April 4th

2nd Public Hearing
One Government Center
City Council Chambers – 5:30 pm

FINAL OPPORTUNITY
for allocation change by Council

Tuesday, April 9th

Review of Legislation
Council Agenda Review
City Council Chambers – 2:00 pm

Tuesday, April 16th

Passage of Legislation
Council Meeting
City Council Chambers – 4:00 pm



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