

It's Time to Start Planning Your Small Cities Project

Triad Associates

The New Jersey Department of Community Affairs (DCA) recently posted its Final Plan for the Small Cities Community Development Block Grant Program. The Small Cities CDBG program will have a total allocation of \$7,170,552, with funds allocated to the following programs:

- Emergency Housing Repair
- Innovative Development
- Housing Rehabilitation
- Public Facilities
- 108 Loan Authorization

149 non-entitlement municipalities and counties throughout the State are eligible to apply for funding through the Small Cities CDBG program. Applications will be accepted throughout the program year for the Emergency Housing Repair, Innovative Development and 108 Loan Program Funds. Public Facilities projects must be submitted no later than October 24, 2008 and Housing Rehabilitation projects submitted during the month of October, 2008 will have priority. Therefore, the time to start planning for your Public Facilities and/or Housing Rehabilitation projects is now.

When considering a Public Facilities and/or Housing Rehabilitation project, the first step is to determine whether or not you are an eligible unit of local government. The DCA has published a list of eligible municipalities and counties on their website at www.nj.gov/dca/dcr/sccdbg/index.shtml. Listed next to each eligible municipality or county is a corresponding Municipal Distress Index (MDI) Ranking. The MDI rank determines the level of matching share that your community must provide. The lower the MDI rank, the lower the matching share. For example, an MDI rank of 0 to 100 must provide a match of 10% of the project, while an MDI rank of 401 and above must provide a 50% match.

Once you have determined that you are eligible, you can start to develop your project. If your community has a number of substandard housing units, consider applying for the Housing Rehabilitation Fund to meet that need. The DCA has allocated \$2,000,000 towards that activity to improve housing conditions in New Jersey. County-managed programs may be awarded up to \$500,000, multi-jurisdictional programs can receive grants of up to \$350,000 and programs serving one municipality may not exceed \$200,000 in grant funding. Not less

than 70% of the funds will be used to benefit persons of low and moderate income.

The DCA has also allocated \$4,007,141 to the Public Facilities Fund. This was established to assist communities in constructing or improving essential public facilities that will primarily benefit people of low and moderate income. The maximum grant awarded in this category has been increased to \$500,000. It is imperative that you schedule a meeting with your municipal engineer right away to begin the process of developing a public facilities project.

Once you have developed your project, it is time to begin writing the application. As in recent years, all DCA applications must be submitted through the SAGE system. The threshold requirements are the same from last year and can be found in the Final Plan for the Small Cities CDBG Program submitted by the DCA. A few examples are: the proposal needs to meet one of the National Objectives set forth in the Housing and Community Development Act and the proposal addresses at least one of the areas identified in your Statement of Community Development and Housing Needs. Additionally, all housing rehabilitation applications must include a provision for a revolving loan fund. A link to the final plan can be found at www.nj.gov/dca/dcr/scfdbg/index.shtml.

New to the application process this year is that all federal compliance items must be included in the application. Resolutions for citizen participation and affirmatively furthering fair housing, a grant management plan, an environmental review record, professional services agreement drafts, an adopted policies and procedures manual for housing programs and matching funds certification all must be 100% complete and ready for execution. The above referenced items must be included in the application or your community will not be eligible for funding.

If your community has met the threshold requirements, then your application will be scored on criteria such as your Municipal Distress Index, Readiness to Proceed documents (for Housing Rehabilitation – a list of several income-eligible households with biddable work write-ups and for Public Facilities – biddable plans and specifications), Balance Ratio (the remaining balance of grant awards received over a three year period) and a rating of your Past Performance.

Municipalities are limited to one Housing Rehabilitation grant, one Public Facilities grant and one Innovative Development grant per year. The DCA retains the discretion to award only one grant a year per jurisdiction.

If you are interested in submitting an application for a Housing Rehabilitation and/or Public Facilities project, the time to start planning is NOW. The Small Cities CDBG program through the DCA is an excellent way for non entitlement municipalities and counties to ascertain funds to assist low and moderate income persons throughout the State of New Jersey. Schedule a meeting with your engineer and/or your community development liaison to get the ball rolling. You may also contact Terry Schrider at the Small Cities CDBG Unit at (609) 633-6283, or visit their website at www.state.nj.us/dca/dcr.

Triad Associates is currently the League's Grant Consulting Firm. Their firm, which is known for its expertise in community and economic development, including strategic planning, redevelopment, acquisition, relocation and funding, has brought diverse plans and projects to life by generating more than \$580,000,000 for over 120 public, private and nonprofit clients throughout the Northeast region since 1978. Every member of the Triad team is personally committed and dedicated to the success of its clients and the projects that benefit communities.