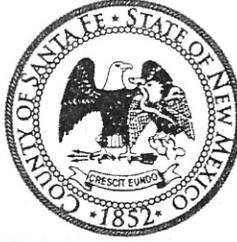


**Henry P. Roybal**  
Commissioner, District 1

**Anna Hansen**  
Commissioner, District 2

**Rudy N. Garcia**  
Commissioner, District 3



**Anna T. Hamilton**  
Commissioner, District 4

**Ed Moreno**  
Commissioner, District 5

**Katherine Miller**  
County Manager

## **MEMORANDUM**

**Date:** January 30, 2019

**To:** Board of County Commissioners

**From:** Tony Flores, Deputy County Manager  
Paul Olafson, Planning Projects Manager

**Via:** Katherine Miller, County Manager

**Item:** **2019 Community Development Block Grant (CDBG) Project Proposals Presentation and Discussion – First Public Hearing (Paul Olafson/Growth Management)**

---

### **BACKGROUND:**

The Department of Housing and Urban Development's Community Development Block Grant (CDBG) program, administered by the New Mexico Department of Finance and Administration's Local Government Division (DFA) will be accepting applications for new CDBG projects in June of 2019.

### **Program Objectives:**

Project applications shall be utilized in one of three national program objectives:

1. Benefit principally low and moderate income families.
2. Aid in the prevention of slum or blight.
3. Meet urgent community development needs where an existing condition poses a threat to the health and welfare of the community and other financial resources are not available.

### **Eligible Applicants:**

- All counties/incorporated municipalities except the cities of Albuquerque, Las Cruces, Santa Fe, Farmington, and Rio Rancho.
- Water and mutual domestic associations may apply for a planning grant through their county; sanitation districts, public nonprofit groups, etc. cannot apply directly for assistance but may apply through an eligible municipality or county.
- Indian Pueblos and tribes receive funding directly from HUD.

### **Eligible Activities/Categories:**

Project funding may be used for the following purposes:

- **Community Infrastructure:** Water and sewer systems; street improvements consisting of roads, streets, curbs, gutter, sidewalks, traffic control devices; municipal utilities.
- **Housing:** Real property acquisition; rehabilitation; clearance; provision of public facilities to increase housing opportunities; code enforcement; historic preservation activities; a maximum of \$65,000 in CDBG funds per home can be used on rehab/repair activities.
- **Public Service Capital Outlay:** Community centers; senior citizen centers; community facilities designed to provide health, social, recreational and other services to residents.
- **Economic Development:** Assists communities in creating or retaining jobs for low and moderate income persons; creation or retention of businesses owned by community residents.
- **Planning:** Grant assistance must be used for a comprehensive plan if there has not been a current or updated plan within the last five years; feasibility studies; base mapping, aerial photography, GIS systems; development of codes and ordinances; limit of \$50,000.
- **Colonias:** Communities must be within 150 miles of the U.S.-Mexico border and be designated by the county or municipality where it is located. The criteria necessary to qualify are lack of potable water supply, inadequate sewage system and lack of decent, safe, and sanitary housing.

### **Ineligible Activities:**

Project funding may not be used for the following purposes:

- City halls or county courthouses, with the exception of city halls or county courthouses that are not ADA compliant
- General operation and maintenance expenses of public facilities
- Housing allowance payments and mortgage subsidies
- Expenditures for political purposes
- Costs involved in preparing applications and securing funding

### **Program Requirements:**

- Applicants must conduct at least one public hearing prior to selecting a project. The public hearing is meant to advise citizens of estimated CDBG funds available, the types of projects available, and to obtain recommendations from citizens regarding community development and housing needs.
- Citizen participation must be encouraged with emphasis on low and moderate income persons by publishing public hearing notices in English and Spanish, and using other means to reach the public.
- Recommendations from the public are to be considered and the project is selected at an official, regularly scheduled meeting of the governing body.
- Each CDBG application must address at least one of the three national objectives:
  1. Benefit low and moderate income persons
  2. Prevent slum and blight
  3. Meet an urgent or life-threatening community development need

### **Application Requirements**

- Application requests are limited to \$750,000 with certified cost estimates and \$500,000 without certified cost estimates. Planning applications are limited to \$50,000. A phased project is also required.
- Applicant must meet threshold requirements: Any grantee with one or more active grants in the infrastructure, public service, capital outlay categories, and Colonias projects, cannot apply for additional funding until the current project is fully closed.
- Rural applicants (3,000 or less population) must provide a minimum 5% cash match; Non-Rural applicants must provide a 10% cash match.
- Applicants may request a waiver of the matching requirements in the absence of local resources or apply for a loan to meet the matching requirement at appropriate interest rates.
- Applications are scored by rating certain criteria such as description and need, benefit to low and moderate income persons, leveraging, citizen participation, planning, feasibility and readiness, user fees and revenues, and cost benefit. The Community Development Council (CDC) will also consider current economic situations, if the entity was funded last year, and application presentation.

### **SUMMARY:**

At the February 12<sup>th</sup> BCC meeting, staff presented an overview of the 2019 CDBG application process. The following bullet points identify key dates in the 2019 CDBG process:

- CDBG Application Workshop - March 15, 2019
- Low / Moderate Income (LMI) Survey Methodology approval deadline - April 5, 2019
- Application deadline- June 21, 2019
- Applicant notice of eligibility - July 19, 2019
- Selection of projects for grant award - September 2019

Along with the current DFA CDBG guidelines, the New Mexico Administrative Code 2.110.2 (NMAC) outlines the CDBG Rules and Regulations (effective November 15, 2016). Included within the NMAC are the program requirements including the application review and evaluation process. It is important to note the highest rated evaluation criteria are Benefit to Low/Moderate Income Beneficiaries, and Appropriateness and Feasibility/Readiness. The State of New Mexico expects to distribute \$10,000,000 statewide on a competitive basis through the 2019 CDBG process.

As required within the CDBG guidelines, any local unit of government that contemplates submission of an application shall conduct a minimum of one (1) CDBG Public Hearing to solicit project ideas and to make a formal determination of the project to be submitted for consideration. Staff proposes pursuing CDBG grants for Infrastructure and Economic Development projects.

On January 30 and February 3, 2019 respectively staff placed advertisements in the Santa Fe New Mexican and the Journal North in English and Spanish to notify the public about the CDBG application process and to provide information on how a project can be requested. These notices also included the dates and times of the Special BCC meetings to provide for public input on potential projects. These dates are as follows:

February 12, 2019:                   1<sup>st</sup> CDBG Hearing - Presentation of Proposals for 2019 CDBG Infrastructure and Economic Development Projects

February 26, 2019: 2<sup>nd</sup> CDBG Hearing – Selection of Projects for Application for 2019 CDBG Infrastructure and Economic Development Grants

March 12, 2019: 3<sup>rd</sup> CDBG Hearing – Confirmation of Selection of Projects for Application for 2019 CDBG Infrastructure and Economic Development Grants

**RECOMMENDATION:**

This is the first of three Special BCC Public Hearings regarding the 2019 CDBG application process. The purpose of this meeting is to present proposals received to date for the 2019 CDBG Infrastructure and Economic Development Projects. No action is requested at this time. The remaining Public Hearings regarding the CDBG application will be held February 26<sup>th</sup> and March 12<sup>th</sup>, 2019.

**EXHIBITS:**

**Exhibit A – New Mexico Administrative Code 2.110.2**



