

CHAPTER 2. FUNDING PROCESSES

A. State Process

The amount of CDBG funds available for Utah each year varies based upon the federal legislative appropriation passed by congress. That amount is formally announced by the U.S. Department of Housing & Urban Development (HUD) annually in May or June. For the 2024 program year, the following formula was used: \$100,000 plus three percent of the total appropriation was subtracted from the allocation for state administration costs. The remaining funds were then allocated to the Four Associations of Governments (AOGs), R6 Regional Council, Southeastern Regional Development Agency, and Wasatch Front Regional Council (WFRC) based upon the Method of Distribution (MOD) approved by the CDBG Policy Committee during their September 22, 2021 meeting, which is reviewed annually and subsequently reapproved September 19, 2024.



This MOD is in effective for 2024, 2025 and 2026 program years. Each region received a \$400,000 base amount with the balance being allocated on the following criteria:

- % of State LMI population (40%)
- average poverty rate (35%)
- pre-1980 housing (15%)
- number of pre-approved LMI communities (10%).

1. 2024 Method of Distribution

In 2024, the Utah CDBG program received a total of \$ 5,501,208 of which \$ 265,036.24 was deducted for State CDBG administration. The balance of \$ 5,236,717.76 was then made available for distribution to the non-entitlement areas of the state.

After adding unexpended funds from prior year grants, which was \$ 1,116,601.72; the total amount of funding available for projects was \$ 6,352,773.48. The allocation was divided among each of the seven AOG regions per the approved MOD. This allocation formula includes a \$400,000 base amount for each region.

Association of Governments Region	Allocation
Bear River AOG	\$ 830,828
Five County AOG	\$ 1,040,244
Mountainland AOG	\$ 673,652
R6 Regional Council	\$ 964,646
Southeastern Regional Development Agency	\$ 933,659
Uintah Basin AOG	\$ 761,605
Wasatch Front Regional Council	\$ 1,148,140
Total available for 2024 projects:	\$ <u>6,352,773</u>

2. 2025 Method of Distribution

At the time of the CDBG “How to Apply” workshops in Oct/Nov each year, the next federal budget is unknown. The amount of CDBG funding that HUD will allocate to the State of Utah for the

Community Development Block grant program will be announced in May or June 2025. The information below will be updated and provided as soon as it becomes available.

Based on a \$5,500,000 projected allocation, the regional amounts are listed below. This is only an estimate and the actual amount available will vary based on:

- the federal budget
- the amount of unspent funds from previous grants available to re-allocate
- If a new MOD is approved by the CDBG Policy Committee.

CDBG Estimated Allocations - 2025 Program Year

Association of Governments Region	*Allocation
Bear River Association of Governments	776,520
Wasatch Front Regional Council	978,712
Mountainland Association of Governments	599,749
Uintah Basin Association of Governments	611,749
Six County Association of Governments	847,717
Five County Association of Governments	907,269
Southeastern Utah Association of Local Governments	778,284
* Estimate Only	\$ 5,500,000

B. Application Review Process

1. Role of the Rating and Ranking Committee

Portions of the CDBG application review process have been delegated to the six regional AOGs and Wasatch Front Regional Council (WFRC). Each region has established a Rating and Ranking Committee (RRC). The organization of each RRC varies. In some cases, special subcommittees are formed to conduct part of the application review, while in others the association’s executive committee or board serves as the review body.

The role of the RRC is to review and determine the ranking of CDBG applications in each region. Following this process, individual awards are determined and funded based on a region’s total allocation. This regional body has the responsibility to determine threshold eligibility and consistency with the consolidated plan as well as national objective compliance and alignment of proposed projects with regional priorities. State CDBG staff assist in this process.

All applicants submit an electronic application online through HCD’s WebGrants system. All applications that include an original survey must be reviewed by the state prior to rating and ranking by the AOG, Regional Development Agency or Regional Councils. In February, state CDBG staff meets with each regional representative to review applications for compliance with CDBG program regulations. Following this review and certification of the national objective, consolidated plan compliance and project eligibility, the RRC may then apply their regional rating and ranking scoring. State staff then review the applications for scoring accuracy and compliance with all federal and

- ✓ Americans with Disabilities Act (ADA) of 1990
- ✓ Fair Housing Act Executive Order 11063, as amended by Executive Order 12259, 12892
- ✓ Equal Employment Opportunities under HUD Assisted Contracts Executive Order 11246
- ✓ Section 504 of the Rehabilitation Act of 1973
- ✓ Section 3 of the Housing and Urban Development Act of 1968
- ✓ Section 109 of the Housing and Community Development Act of 1974
- ✓ Age Discrimination Act of 1975
- ✓ Architectural Barriers Act of 1968
- ✓ Title II of the Americans with Disabilities Act of 1990
- ✓ The Hatch Act (5 USC 1501 et seq; 5 CFR Part 151)
- ✓ The National Environmental Policy Act of 1969; Executive Orders 12898, 13166
- ✓ HUD Environmental Review Procedures – 24 CFR Part 58
- ✓ Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- ✓ Title IV of the Lead-Based Paint Poisoning Prevention Act
- ✓ HUD Reform Act
- ✓ 2 CFR Part 200
- ✓ Section 104(d) of the Housing and Urban Development Act of 1974
- ✓ Residential Lead Based Paint Hazard Reduction Act of 1992 and Final Rule, September 1999
- ✓ Build America, Buy America enacted as part of the Infrastructure Investment and Jobs Act of 2021

D. Eligible Activities

Each applicant must select an ELIGIBLE activity from the following HUD Matrix Codes. Applicants should contact the AOG staff to help select the proper Matrix Code.

Matrix Code	Eligible CDBG Activity Descriptions
01	Acquisition of Real Property
11	Privately Owned Utilities (Broadband)
	Construction Activities
03A	Construction - Senior Centers
03B	Construction – Facility for Persons with Disabilities
03C	Construction - Homeless Facilities (not operating costs)
03D	Construction - Youth Centers
03E	Construction - Neighborhood Facilities (community centers)
03F	Construction - Parks, Recreational Facilities
03G	Construction - Parking Facilities
03H	Construction - Solid Waste Disposal Improvements
03I	Construction - Flood Drain Improvements
03J	Construction - Water/Sewer Improvements
03K	Construction - Street Improvements
03L	Construction – Sidewalks
03M	Construction - Child Care Centers
03N	Construction - Tree Planting
03O	Construction - Fire Stations/Equipment
03P	Construction - Health Facilities
03Q	Abused/Neglected Children Facilities
03R	Asbestos Removal

03S	Construction - Facilities for AIDS Patients (no operating costs)
03T	Homeless/Aids Patients Programs (subject to 15% public service cap)
03Z	Other Public Improvements Not Listed in 03A-03S
03Z	Americans With Disabilities Act (ADA Improvements)
04	Clearance and Demolition
04A	Cleanup of Contaminated Sites
	Public Service Activities (Non Construction)
05A	Public Service – Seniors Services
05B	Public Service – Services for Persons with Disabilities
05D	Public Service – Youth Services
05E	Public Service – Transportation Services
05G	Public Service – Services for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking
05J	Public Service – Fair Housing Activities (Subject to 15 % Cap)
05M	Public Service – Health Services
05N	Public Service – Services for Abused and Neglected Children
05P	Public Service – Screening for Lead Based Paint /Lead Hazards
05Q	Public Service – Subsistence Payments (Prevent Homelessness)
05Z	Public Service – Other Public Services Not in 03T and 05A-05Y
	Housing Activities – <i>Carried out by AOGs and Housing Authorities ONLY.</i>
13A	Housing Counseling under 24 CFR 5.100, for homeownership see 13B
13B	Homeownership Assistance-excluding Housing Counseling under 24CFR 5.100
14A	Rehabilitation - Single-Unit Residential (Single Family Housing)
14B	Rehabilitation - Multi -Unit Residential (Multi-Family Housing)
14C	Public Housing Modernization
14D	Rehabilitation - Other than Publicly Owned Residential Buildings
14E	Rehabilitation - Public/Private Owned Commercial or Industrial Buildings
14F	Rehabilitation - Energy Efficiency Improvements – (Housing)
14G	Rehabilitation - Acquisition for the purpose of Rehabilitation (Housing)
14H	Rehab Administration Costs
14I	Lead-Based Paint Hazard Testing and Abatement
16A	Residential Historic Preservation
16B	Non- Residential Historic Preservation
	Economic Development (ED) Activities – <i>Please note that the 7 Associations of Government (AOG) are the only eligible entities to carry out these activities.</i>
17A	ED -Acquisition by Recipient – Land Acquisition/Disposition
17B	Commercial/Industrial – Infrastructure Development
17C	Commercial/Industrial – Building Acquisition, Construction, Rehab
17D	Commercial/Industrial – Other Improvements
18A	ED – Direct Financial Assistance to For-Profits
18B	ED – Technical Assistance
18C	ED – Micro-Enterprise Assistance
19C	CDBG – Non-Profit Organization Capacity Building
19E	CDBG Operation & Repair of Foreclosed Property
	Administration and Planning Activities (AOG)

20A	Regional/Community Planning (LMI communities ONLY)
20	CDBG Planning
21A	General Program Administration
21C	Public Information
21D	Fair Housing Activities (Subject to 20% Admin Cap)

NOTE: Maintenance and repairs of publicly-owned streets, parks and other facilities are ineligible activities. Sometimes there is a gray area between what is considered maintenance or repairs versus construction or rehabilitation. The regulations specifically state certain items are ineligible in 570.207(b)(2)(i), for example, pothole repairs. Generally, improvements with a useful life of less than five to eight years are considered repairs and not new construction. For example, road sealing is considered maintenance while a new asphalt overlay is considered construction.

Continued Use Requirement / Change of Use Requirement / Period of Affordability

The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided. 24 CFR 570.505

- (a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:
 - (1) The new use of such property qualifies as meeting one of the national objectives in § 570.208 (formerly § 570.901) and is not a building for the general conduct of government; or
 - (2) The requirements in paragraph (b) of this section are met.
- (b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.
- (c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in § 570.504(b)(4) or (5), as applicable, shall apply to the use of funds reimbursed.
- (d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.

The Grantee shall certify that the jurisdiction will comply with all requirements of 24 CFR Part 570, specifically Sections 488; 489 J, requiring all assisted housing units maintain affordability standards until 5 years following the date of closeout of this contract with the State.

**2024 Alphabetical CDBG Grantee Listing
(O=Owner, J=Julie, N=Nicole, T-Tamara)**

Contract #	O	Grantee	Amount	Project
25-DWS-0148	J	Bear River Association of Governments	\$50,000.00	CDBG Administration / Consolidated Planning
25-DWS-0149	J	Bear River Association of Governments	\$488,828.00	CDBG 2023 Housing Rehab and Home Buyer Assistance
25-DWS-0150	J	Snowville	\$292,000.00	Deep Creek Bridge Replacement/Rehabilitation
25-DWS-0151	J	Tooele County	\$50,000.00	WFRC Administration/Consolidated Planning
25-DWS-0152	J	Washington Terrace	\$248,875.00	Rohmer Park Improvements
25-DWS-0153	J	Wendover	\$300,000.00	Pilot Peak Waterline Replacement
25-DWS-0154	J	Marriot-Slaterville	\$200,000.00	Sewer Installation
25-DWS-0155	J	Toole County	\$60,000.00	Switchpoint Vehicle Purchase
25-DWS-0156	T	R6 Regional Council	\$50,000.00	CDBG Administration/Consolidated Planning
25-DWS-0157	T	R6 Regional Council	\$50,000.00	CDBG Regional Planning
25-DWS-0158	T	R6 Regional Council	\$100,000.00	CDBG Single Family Rehab
25-DWS-0159	T	Hinkley	\$127,700.00	Water System Improvements
25-DWS-0160	T	Piute County	\$220,025.00	County Fairgrounds Improvements
25-DWS-0161	T	Joseph	\$77,450.00	Town Park Improvements
25-DWS-0162	T	Fountain Green	\$177,916.00	Town Park Improvements
25-DWS-0163	T	Loa	\$161,555.00	Community Center Acquisition
25-DWS-0164	T	Five County	\$50,000.00	CDBG Administration/Consolidated Planning
25-DWS-0165	T	Five County	\$50,000.00	CDBG Regional Planning
25-DWS-0166	T	Cedar City	\$150,000.00	Affordable Housing Purchase
25-DWS-0167	T	Brian Head	\$124,000.00	Fire Station Improvements
25-DWS-0168	N	SERDA	\$50,000.00	CDBG Administration/Consolidated Planning
25-DWS-0169	N	SERDA	\$174,000.00	CDBG Single Family Rehab
25-DWS-0170	N	SERDA	\$50,000.00	CDBG Regional Planning
25-DWS-0171	N	Moab	\$250,000.00	Swanny Park ADA Playground Improvements
25-DWS-0172	N	Castle Valley	\$220,000.00	Placer Creek North Water Crossing
25-DWS-0173	N	SERDA	\$189,659.00	Land Acquisition
25-DWS-0174	J	Uintah Basin Association of Governments	\$50,000.00	CDBG Administration/Consolidated Planning
25-DWS-0175	J	Uintah Basin Association of Governments	\$711,605.00	CDBG Single Family Rehab
25-DWS-0176	N	Mountainland	\$50,000.00	CDBG Administration / Consolidated Planning
25-DWS-0177	N	Mountainland	\$273,632.00	CDBG Single Family Rehabilitation
25-DWS-0178	N	Kamas	\$350,000.00	Sewer Improvements