

COMMUNITY DEVELOPMENT BLOCK GRANT 2019 BUDGET SUMMARY

January 1, 2019 – December 31, 2019

| | | | |
|-------------|-------------------------------|------------|---------------------|
| I. | 2019 CDBG Allocation | | \$5,260,167 |
| | Projected CDBG Program Income | \$ 617,416 | |
| | Total CDBG | | \$5,877,583 |
| II. | 2019 HOME Allocation | | \$2, 156,360 |
| | Projected HOME Program Income | \$ 735,105 | |
| | Total HOME | | \$2,891,465 |
| III. | 2018 ESGP Allocation | | \$ 445,432 |
| IV. | GRAND TOTAL | | \$9,214,480 |

Program Income Information

| <u>HOME Program Income Sources</u> | <u>Projected Amount</u> | <u>Disposition</u> |
|--|-----------------------------|----------------------------------|
| HOME Multi-Family Loan Repayment | \$ 636,000 | HOME Investment Trust Account |
| HOME Recapture Funds | <u>\$ 99,105</u> | |
| Total HOME Program Income Sources | \$ 735,105 | |

| <u>CDBG Program Income Sources</u> | <u>Amount</u> | <u>Disposition</u> |
|--|-------------------|---|
| Recapture Funds | \$ 479,596 | CDBG Capital Improvement Projects |
| Program Income (prior year) | \$ 0 | |
| Program Income | \$ 0 | |
| Program Income Projection | <u>\$ 137,820</u> | |
| Total CDBG Program Income Sources | \$ 617,416 | |

Program Policy for Program Income

1. Twenty percent of CDBG Program Income will be used for Planning and Administration. Up to 15% may be used for Public Service activities as outlined in the budget. The remaining balance will be used for other eligible activities.
2. Ten percent of the HOME Program Income will be used for Planning and Administration.
3. CDBG regulations require program income to be used before Treasury funds are expended. Program Income will be used for any approved eligible activity as outlined in the 2019-2023 Consolidated Plan.
4. If more program income revenue is received than anticipated for any activity, the additional funds will be appropriated to activities indicated in this policy.
5. The designated entity that the County contracts to manage the Economic Development Revolving Loan Fund may retain the program income for approved small business loans in DeKalb or return the funds to the County. The County must approve the loan fund programs that utilize County funds and program income generated from repayment of loans that were made with County funds.
6. HOME Program Income and Recapture amounts reflect availability as of the date of the development of this plan. Additional amounts received in 2019 will be reported in the 2020 Annual Action Plan and committed within 24 months of HUD allocation dates for 2020. This commitment will occur within two years of the HUD allocation date for 2019 funds.
7. Program income receipts may vary widely from amounts projected due to any number of unanticipated factors. Regardless of the amount received, the Consolidated Plan will not need to be amended unless the funds are used for activities not outlined in the 2019-2023 Consolidated Plan or other approved eligible activities.

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| 1. PUBLIC FACILITIES IMPROVEMENTS | \$1,791,550 |
| A. Tobie Grant Recreation Center Construction | \$ 650,000 |
| B. East DeKalb Senior Center Bruce Street | \$ 500,000 |
| C. Rainbow Park Amphitheater | \$ 150,000 |
| D. Scottdale Early Learning Center Renovation | \$ 250,000 |
| E. Art Station Facility Renovation Project | \$ 111,550 |
| F. Activity Delivery Cost | \$ 130,000 |
| | |
| 2. LOAN/BOND REPAYMENT | \$ 700,000 |
| A. HUD Section 108 Loan Repayment – Estimated Annual Repayment Amount - \$700,000 | |
| | |
| 3. ECONOMIC DEVELOPMENT | \$ 302,500 |
| A. Urban League- DeKalb Small Business Micro-Enterprise Training Program | \$ 150,000 |
| B. ACE – Revolving Loan Fund/Loan Servicing | \$ 125,000 |
| C. Activity Delivery Cost | \$ 27,500 |

PUBLIC SERVICES

COC/Homelessness/Assistance

| | |
|--|----------|
| 4. Africa's Children Fund, Inc. | \$23,400 |
| 5. Homeless At-Risk Client Services Assistance | \$45,000 |
| 6. Drug/Mental Health Court Housing Program | \$68,700 |
| 7. Furniture Bank of Metro Atlanta, Inc. | \$16,000 |
| 8. Jerusalem House, Inc. | \$37,400 |
| 9. Latin American Association, Inc. | \$20,000 |
| 10. Safe Haven Transitional, Inc. | \$10,000 |
| 11. Salvation Army, Atlanta Temple Corp | \$25,000 |
| 12. Salvation Army, Red Shield | \$50,000 |
| 13. St. Jude's Recovery Center | \$42,000 |
| 14. TBRA Case Management Services | \$25,000 |

Domestic Violence

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|---------------------------|----------|
| 15. Men Stopping Violence | \$20,000 |
|---------------------------|----------|

Financial Literacy

| | |
|----------------------------------|----------|
| 16. Catholic Charities – Atlanta | \$10,000 |
| 17. New American Pathways | \$23,000 |

Fair Housing /Foreclosure Prevention

| | |
|---------------------------------------|----------|
| 18. Atlanta Legal Aid Society, Inc. | \$60,000 |
| 19. Metro Fair Housing Services, Inc. | \$42,000 |

Youth/ Child Development

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|--|-----------|
| 20. Communities In Schools | \$ 25,000 |
| 21. Our House, Inc. | \$ 75,000 |
| 22. Scottdale Early Learning, Inc. | \$ 25,000 |
| 23. Youth Voucher Set-Aside/Youth Programs | \$100,000 |

SUBTOTAL **\$742,500**

HOUSING ACTIVITIES

| | |
|---|------------|
| 24. Special Purpose Housing Repair Program | \$ 300,000 |
| 25. Demolition & Blight | \$ 600,000 |
| 26. Implementation Services for Special Purpose Home Repair | \$ 150,000 |
| 27. Housing Implementation Services – Demolition | \$ 63,000 |
| 28. Housing Activity Delivery Cost (CDBG/HOME underwriting) | \$ 60,000 |
| 29. Blight Inventory Survey – Phase II | \$ 116,000 |

SUBTOTAL **\$1,289,000**

PLANNING AND PROGRAM ADMINISTRATION

| | |
|--|-------------|
| 30. Community Development Administration | \$1,052,033 |
|--|-------------|

ADDITIONAL CDBG RECOMMENDATIONS

1. The following projects are aligned with the goals and objectives of the 2019-2023 Consolidated Plan. If funds are available, these projects listed below will move forward in accordance with the County's priorities.
 - a. Fire Station #13 and #14 – CDBG funding will be considered for the land acquisition, design, and the new construction of the two new fire stations.
 - b. City of Lithonia Masonic Building Renovation Project/ Main Streetscape Feasibility Study with A&E for future renovation and streetscape improvement projects.- \$65,000
 - c. ACE - Loan servicing for County HOME and CDBG backed loans
 - d. DeKalb County Juvenile Court ADA Improvements
 - e. DeKalb County N.H., Scott Park Pool Renovation and Field Improvements
2. In 2018, a Section 108 Loan in the amount of \$7.8 million was approved and awarded to DeKalb County to be used to pay for the new District 4 Senior Center with a pool. The mechanism for repayment of this project will be from the County General Fund. If there is a gap in funding, then CDBG funding will be used to finance the gap.
3. The Community Development Department is working with the Parks Department to construct Tobie Grant Intergenerational Center. Community Development is paying for architectural and engineering services. Construction will be paid from County General funds and from 2019 and 2020 CDBG funding allocations.
4. HUD Section 108 Loan Program – The Community Development Department will consider the use of Section 108 Loan Program to finance the building of large-scale eligible Capital Improvement Projects and Economic Development projects in the

County or municipalities. The mechanism for repayment of these projects will be from the County General Fund and/or CDBG, municipalities or business funds.

5. CDBG funds will be used for any approved eligible activity as outlined in the 2019-2023 Consolidated Plan. Because CDBG regulations require program income to be used before Treasury funds are expended, flexibility with obligating program income is needed in order to comply with the HUD regulations.
6. The Community Development Director may approve the use of CDBG funds for eligible Capital Improvement Projects submitted by local municipalities and County Departments during the program year as long as they meet eligibility requirements.
7. The DeKalb County Community Development Department is authorized to reallocate funding of prior year projects that are no longer feasible or needed. Reallocating previously funded projects will allow for other approved projects to utilize prior year or current year funds. Through the reallocation process, the Community Development Department is allowed to utilize/reallocate funds immediately to ensure compliance with HUD guidelines and regulations.
8. The remaining Section 108 principle loan amount is approximately \$8.1 Million with an amortization period of 11 years (2019-2030), at an estimated fixed interest rate of 2.54%. The annual loan repayment amount will be approximately \$950,000.
9. If funds are available in the eligible category, they may be used to assist with providing services to fill the services gap in the DeKalb Continuum of Care for the Homeless and meet other needs in DeKalb neighborhoods. The DeKalb County Community Development Department will collaborate with DeKalb County Continuum of Care representatives and other service providers to identify and prioritize service gaps.
10. At the direction of the Community Development Department Director, CDBG funds may be used to fulfill any eligible match requirements that are associated with ESG and/or CoC funding.
11. The Community Development Department Director is authorized to designate CDBG funds to an agency to administer case management services for the Tenant Based Rental Assistance Program.
12. The Community Development Department Director is authorized to designate CDBG funds to an agency to administer case management services for the Continuum of Care Coordinated Intake.
13. Program Income receipts from the NSP Grant shall be converted to CDBG program income receipts and used for CDBG eligibility activities upon the authorization of the Director.

14. The Community Development Director may authorize the use of CDBG funds to conduct surveys and counts of homeless and at-risk individuals in the County in order to determine housing needs for those populations.
15. The Community Development Director is authorized to accept additional HUD/CoC grants for homelessness mitigation and to allocate eligible CDBG funds for grant matching requirements.

**HOME INVESTMENT PARTNERSHIPS PROGRAM - BUDGET SUMMARY
JANUARY 1, 2019 – DECEMBER 31, 2019**

2019 HOME Allocation \$2,891,465

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|---|-------------|
| 31. HOME Program Administration (10% Set-Aside) | \$289,146 |
| 32. HOME CHDO Projects (15% Set-Aside) | \$443,720 |
| 33. HOME CHDO Operating (5% Set-Aside) | \$144,573 |
| 34. HOME-Eligible Projects | \$2,014,026 |

TOTAL HOME ALLOCATION **\$ 2,891,465**

NOTES:

1. HOME funds are not designated for a specific project at this time. However, the following activities have been proposed and may be funded: Single-family unit acquisition, rehabilitation and sale to eligible, low-income homebuyer; Tenant-based Rental Assistance; Acquisition, rehabilitation, or new construction of affordable rental housing; any other housing activities considered eligible under the home program regulations.
2. In addition to committing a minimum of 15% of our 2019 HOME allocations, the County may commit funds to CHDOs from its 2018 allocation for the acquisition and/or rehabilitation of specific, eligible homebuyer properties or multi-family rental properties to be owned, developed or sponsored by qualified Community Housing Development Organizations (CHDOs). Funds in excess of the 15% minimum, may be committed if specific, eligible properties are identified and HOME funds are available. The County may allocate up to 5% of its HOME allocation to eligible CHDOs for the operation of the CHDO. CHDOs will be selected during open application/certification processes. Selection may occur once or multiple times per year.

3. The County will commit available HOME program income and recaptured funds (\$635,600) for eligible projects. This commitment will occur within two years of the HUD allocation date for 2019 funds.
4. Program Income receipts from 2017, \$86,068.99, will be committed during 2019 to JBS Starnes, LLC in the form of a HOME loan for the development of Starnes Senior Residences.
5. The County works closely with the DeKalb Housing Authority in the administration of its CDBG, HOME, NSP1 and NSP3 Program activities related to the development and implementation of affordable housing assistance programs and projects. **The Housing Authority acts as an agent and sub-recipient on a number of HOME activities.** Many of these activities are undertaken through the County's ongoing contract with the Housing Authority and are developed and implemented in accordance with the program descriptions executed by the Housing Authority Executive Director and the Community Development Department Director. The County may work with the DeKalb Housing Authority or other approved entities. The following is a listing of potential activities that may be undertaken by the County with HOME funds in the upcoming program year and details outlining how they may be administered.
 - a. Unless otherwise approved, all multi-family projects will be implemented under the Housing Authority's contract with the County following a competitive application process and thorough review of the project for compliance with the County's underwriting guidelines as outlined in the HOME application package. This includes multi-family developments using CHDO funds. The Community Development Department Director is authorized to commit funding amounts and determine loan terms for these projects.
 - b. Tenant-based Rental Assistance programs may be administered by the Housing Authority under its contract with the County or by other approved entities through separate agreements.
 - c. When the County pursues additional affordable housing initiatives in the County will partner with the DeKalb Housing Authority and/or other entities on development activities.
6. The Community Development Department Director may approve interchanging the use of CDBG, HOME, NSP 1, and NSP 3 funds for projects as long as all program eligibility standards are satisfied.
7. The County will consider Tenant-based Rental Assistance on special initiatives consistent with the needs identified by the DeKalb Continuum of Care or special needs that may be identified by the County.

8. The Community Development Department Director shall provide comments and letters of support to the Georgia Department of Community Affairs regarding Tax Credit applications or to other entities regarding potential funding for applicants.
9. The Community Development Department will work with the County Departments and the community to identify and prioritize distressed multi-family properties in the County and develop collaborative strategies to remove blight.
10. In an effort to stabilize neighborhoods, prevent and/or reduce blight, and increase the availability of standard, affordable housing, the County may acquire, demolish, and/or redevelop substandard apartment complexes or single family residences using eligible CDBG, HOME, NSP 1, NSP 3, Program Income, and other funds.
11. The Community Development Director will act as the primary contact for affordable housing initiative and collaborate with other County Departments and community representatives to develop affordable housing plans and strategies for the County.
12. If funds are available in eligible categories, they may be used to assist in providing housing and/or services to fill the housing/services gap in the DeKalb Continuum of Care for the Homeless. The County will collaborate with DeKalb CoC representatives and other providers to determine areas of need.

**EMERGENCY SOLUTIONS GRANTS PROGRAM - BUDGET SUMMARY
JANUARY 1, 2019 – DECEMBER 31, 2019**

2019 Allocation \$445,432

| AGENCY | Rapid Re-Housing | Street Outreach | Emergency Shelter Operations & Services | Homeless Prevention | HMIS | Admin. | Total |
|--|------------------|-----------------|---|---------------------|-----------------|-----------------|------------------|
| 35. Decatur Cooperative Ministry, Inc. | \$62,000 | | \$52,000 | \$36,000 | | | \$150,000 |
| 36. Rebecca's Tent | | | \$12,000 | | | | \$12,000 |
| 37. HMIS | | | | | \$35,025 | | \$35,025 |
| 38. Salvation Army Peachcrest | | | | \$30,000 | | | \$30,000 |
| 39. Salvation Army Red Shield | \$15,000 | | \$60,000 | | | | \$75,000 |
| 40. Traveler's Aid / HOPE Atlanta | \$25,000 | \$40,000 | \$20,000 | \$25,000 | | | \$110,000 |
| 41. Local Admin | | | | | | \$33,407 | \$33,407 |
| TOTAL | \$102,000 | \$40,000 | \$144,000 | \$91,000 | \$35,025 | \$33,407 | \$445,432 |

| Activity | Maximum Eligible Expenditures | Proposed |
|---|-------------------------------|-----------|
| Emergency Shelter + Street Outreach* (60% Cap) | \$267,259 | \$139,000 |
| Administrative Costs (7.5% Cap) | \$33,407 | \$33,407 |

OTHER RECOMMENDATIONS AFFECTING EMERGENCY SOLUTIONS GRANTS PROGRAM PROVIDERS

1. HUD requires a 7.5% cap on the funds for Administration, and a 60% cap on Emergency Shelter + Outreach. There is no cap on any other component.
2. Representatives from the DeKalb County Continuum of Care (CoC) are assessing services to determine gaps and establish new DeKalb County priorities for serving the homeless population. The Community Development Department Director is authorized to make the required funding changes to fill service gaps, align ESG funding with newly formed priorities, and satisfy HUD's guidelines and regulations. Changes may include funding agencies that are not shown in the 2018 allocation but have been recommended by the DeKalb Continuum of Care.
3. If for any reason and for any year Emergency Solutions Grants funds have been received and service providers cannot utilize the funds allocated, the funds will be considered for reprogramming to any of the approved ESGP service providers or providers who can fill a service gap in a manner that is identified by the Community Development Department Director.
4. All approved ESGP funding will be contingent upon the agency being in compliance with all DeKalb County and statutory regulations.
5. The Community Development Department Director will be authorized to act on behalf of the County to provide certifications for non-profit agencies that must provide certification in order to receive from HUD, the Georgia Department of Community Affairs or other funders.
6. Any funds remaining from the previous year will be reprogrammed to agencies approved to receive FY 2019 ESGP funding or to providers who can fill a service gap in a manner that is identified by the Community Development Department Director with input from the DeKalb CoC.

OTHER

Housing Activities

\$1,223,000 (or 13%) of DeKalb County's Community Development Budget is allocated for direct housing activities. If Fair Housing and Foreclosure prevention funded activities are added to the direct housing activities, the County is allocating \$1,325,000 (or 14.5%) of the CDBG Budget for housing activities. If the HOME activities are added to these CDBG activities, the County is allocating \$4,216,465 (or 46%) of DeKalb County's Community Development Budget is allocated to housing activities. This figure does not include any of the funding for activities that address homelessness that also address a critical housing issue in DeKalb County. If the \$342,583 provided to this area was added to all other housing activities, the County is allocating \$4,559,048 (or 50%) of the total CDBG Budget is related to housing activities

Point-In-Time Count

HUD mandates that each continuum of care conduct a biennial point-in-time count of homeless persons. To facilitate conducting this count and ensure that the County obtains information regarding its success in mitigating homelessness, the Community Development Department Director may authorize the use of CDBG or other eligible funds for the performance of the point-in-time count.

Re-Entry Program

The State provides short term financial assistance (\$600 per offender per month for three months) to help stabilize the re-entry process of newly released convicted felons and enhance their ability to remain crime free. Following an agency housing/services assessment process, the Community Development Department will recommend approval or disapproval for agencies wishing to provide housing for this program. The final determination will be made by the Chief Executive Officer.

DeKalb County Continuum of Care (CoC)

In compliance with the HEARTH Act of 2012, the DeKalb County Continuum of Care (CoC) has formed committees to develop an organizational structure, establish priorities, assess service gaps, and implement a coordinated intake and service delivery system. When completed, the delivery system will include uniform requirements for the provision of homeless programs and services in DeKalb County. The delivery system will move to a Housing First model of rapidly re-housing homeless individuals and households.

The County has agreed to perform the role of Collaborative Applicant for the DeKalb CoC. In this role, the County will receive the HUD Planning Grant, receive other funds that support the goals of the CoC and collaborate with the State to administer the Homeless Management Information System (HMIS). As the Collaborative Applicant, the county may receive additional funds and may apply to become the Unified Funding Agent for the DeKalb CoC. At the direction of the Community Development Department Director, eligible CDBG funds may be used to pay for Department personnel performing CoC or homelessness mitigation work and fulfill any eligible match requirements that are associated with CoC and/or ESG funding.