



To: Rockville Civic Organization  
From: Susan Swift, Director  
Community Planning and Development Services  
Date: August 31, 2011  
Subject: CDBG Application for Year 38

The time is coming for decisions to be made for the next allocation of Community Development Block Grant (CDBG). Citizens and organizations may voice their opinions on community needs and funding priorities at a Public Hearing to be held at 7:00 p.m. on Monday, September 19, 2011. Anyone wishing to speak at this hearing should register with the City Clerk by calling 240-314-8280 between the hours of 8:30 a.m. and 5:00 p.m. Testimony will be limited to three minutes for an individual citizen and five minutes for an association or organization.

In addition, the city is inviting proposals for use of CPDS funds for Fiscal Year 2013/(Program Year 38). Applications are available at [www.rockvillemd.gov](http://www.rockvillemd.gov) or the Department of Community Planning and Development Services. The link contains a fillable application form. Written CDBG proposals should be submitted to the Department of Community Planning and Development Services no later than 5:00 P.M. on Friday, September 30, 2011. Please provide an original plus 5 copies of the requested application and attachments to:

City of Rockville  
Department of Community Planning and Development Services  
Attention: CDBG Application  
111 Maryland Avenue  
Rockville, Maryland 20850

For a number of years the City of Rockville has received Community Development Block Grant (CDBG) funding through a Cooperation Agreement with Montgomery County. The Community Development Block Grant Program is a federal grant for housing and community development projects, which must benefit low and/or moderate-income persons. The amount of money Rockville receives is generally based upon the number of low/moderate income persons living in the city. According to preliminary calculations, Rockville is projected to receive \$243,000 in CDBG funding for Fiscal Year 2012, which reflects a 16% cut from the anticipated funding level. At this writing, we are unsure how much funding there will be for FY2013 awards, although cuts are anticipated.

It should be noted that federal CDBG regulations allow a maximum of only 15% of the annual grant to be allocated to public service programs. Public services include, but are not limited to, those programs concerned with employment, crime prevention, childcare, health care, drug abuse programs, education, mental health, energy conservation, welfare or recreation.

CDBG funds are used in Rockville to make improvements to our neighborhoods. They are available to finance new projects as well as to support ongoing programs, such as Rockville's Home Rehabilitation Loan and Grant Program.

The proposals will be reviewed by City staff and forwarded, with recommendations, to the Mayor and Council for review and approval.

Attached is a fact sheet that summarizes the types of proposals that will be eligible or ineligible for CDBG funding.

For further information, call Whitney Coleman at the Department of Community Planning and Development Services at 240-314-8200.

**GUIDE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROPOSALS**

All CDBG projects must (1) benefit low and moderate-income people and (2) prevent or eliminate slums and blight.

For an activity to meet the first national objective, or to benefit low and moderate income people, it must meet income eligibility requirements that limit the benefits of the project to low and moderate income persons or the project must be located in an area that is predominately inhabited by residents who are persons of low and moderate income. Under the regulations pertaining to the CDBG program, facilities that serve the elderly or adults with disabilities are usually considered to benefit low and moderate-income persons.

**HUD INCOME LIMITS\*Effective May 2011**

<b>Family Size</b>	<b>Low</b>	<b>Moderate</b>
1	\$37,150	\$47,350
2	\$42,450	\$54,100
3	\$47,750	\$60,850
4	\$53,050	\$67,600
5	\$57,300	\$73,050
6	\$61,550	\$78,450
7	\$65,800	\$83,850
8	\$70,050	\$89,250

\* All income figures have been rounded off to the nearest \$50.

For an activity to meet the second national objective, the removal of blight, it must be designed to address the conditions causing the slums and blight. Generally, the City determines areas of slums or blight, although activities designed to remove a specific blighting condition can be considered. Historic preservation activities can also be undertaken.

There is a third national objective, that is, to meet an urgent community need. In order to meet that objective, it must be demonstrated that the project will address an immediate threat to the health or welfare of the community such as a natural disaster. Because the third national objective addresses a very narrow range of activities, applicants should consult with the CPDS staff before selecting this objective.

Activities that do not meet one of the national objectives cannot be undertaken with CDBG funds.

**Block Grant funds can be used for the following:**

- To buy property for public uses (recreation, public facilities, historic preservation, neighborhood conservation).
- To build public facilities (roads, curbs, sidewalks, parks, neighborhood facilities, sewerage collection systems, water distribution systems, flood and drainage systems).
- To demolish or to rehabilitate blighted buildings.
- To provide public services.
- To remove architectural barriers for the handicapped and elderly (widen doors, install wheelchair ramps).

- To provide loans and grants to rehabilitate houses and apartments.
- To provide programs to preserve and restore public or private historic properties.
- To implement economic development activities (training programs, energy conservation programs, commercial revitalization).
- To pay for planning and administrative costs (studies, staff salaries).

**Block Grant funds cannot be used for the following:**

- To build facilities for the general conduct of government business.
- To purchase equipment.
- To purchase construction equipment.
- To purchase equipment, fixtures, motor vehicles, furnishings or other items that are not an integral structural fixture.
- To incur any expense associated with repairing, operating, or maintaining public facilities and services (i.e. maintenance of streets, parks, water and sewer facilities, senior centers, centers for the handicapped, parking, etc.).
- To construct new permanent residential housing except when carried out by a non-profit organization.
- To make income payments for housing (i.e. payments for housing maintenance, housing allowances, and down payments). Mortgage subsidies are not allowed except when funded through a nonprofit organization as second trusts.
- To pay for the salaries of trainees in training programs unless the work performed in that training program serves an eligible public purpose.
- To fund active churches or church-affiliated organizations, unless a clear separation of purpose, mission and organizational relationship can be established between an active church and any ancillary buildings it may own or affiliated organizations it may set up.

## Notice of Hearing

Notice is hereby given that the Mayor and Council of Rockville, Maryland, will conduct a public hearing on Monday, September 19, 2011 at 7:00 p.m., or as soon thereafter as it may be heard, in the Council Chamber, Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland for the purpose of receiving input on community needs and future funding priorities for the Community Development Block Grant for Fiscal Year 2013 (Program Year 38). Testimony from this hearing will be considered by the Mayor and Council in setting priorities for the upcoming round of funding.

The Community Development Block Grant (CDBG) is a federal grant for housing and community development programs. Recently, the City of Rockville has received approximately \$300,000 per year. There has been a 16% reduction in the Program Year 37 allocation due to Federal deficit reduction efforts, therefore, the actual funding amount for Year 38/FY 2013 is unknown at this time.

To be eligible for funding, all projects must principally benefit low and moderate-income people or prevent or eliminate slums and blight and comply with all Federal program requirements. For example, Block Grant funds can be used for the following:

- ◆ Buying property for public uses (recreation, public facilities, historic preservation, neighborhood conservation);
- ◆ Building public facilities (roads, curbs, sidewalks, parks, neighborhood facilities, sewerage collection systems, water distribution systems, flood and drainage systems);
- ◆ Providing public services;
- ◆ Removing architectural barriers for people with disabilities and the elderly (widen doors, install wheelchair ramps);
- ◆ Providing loans and grants to rehabilitate houses and apartments;
- ◆ Implementing economic development activities (training programs, energy conservation programs, commercial revitalization); and
- ◆ Paying for planning and administrative costs (studies, staff salaries).

Any person or organization interested in speaking at the public hearing should contact the City Clerk's Office at (240) 314-8280 by 4:00 p.m. on September 19, 2011. For further information, contact the Department of Community Planning and Development Services at (240) 314-8200. Application forms and eligibility criteria will be available online by September 1, 2011 at: [www.rockvillemd.gov/cpds](http://www.rockvillemd.gov/cpds)

**MAYOR AND COUNCIL OF ROCKVILLE**

By: Glenda P. Evans, City Clerk