



STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



CDBG Small Cities Bulletin

Bulletin Number: 2020-001

To: Small Cities Grantees and Interested Parties
Date: April 22, 2020
From: Miguel A. Rivera, Director, Housing and Community Development
Subject: Update to Small Cities CDBG Program Guidelines

Purpose: The purpose of this Bulletin is to announce changes to DOH's program guidelines for the Small Cities CDBG program. The changes are as follows:

1. A maximum of \$3,000 may be paid from Small Cities funds for the development of the Environmental Review Record for each application.
2. The minimum amount of program income on hand that DOH will consider "substantially expended" has been increased from \$25,000 to \$35,000.
3. In order to draw down grant funds for a particular activity (e.g., housing rehabilitation program), the grantee (the "municipality") must have fully expended the program income that was generated by that same activity.
4. The Loan-to-Value (LTV) Ratio threshold limit (rehabilitation activities) for seeking DOH consent is increased from 90% to 100%. DOH consent required before undertaking project above this ratio.
5. In the administration of housing rehabilitation programs, the dollar-threshold limit is now increased from \$30,000 per single-family house to \$35,000 per unit, up to \$100,000 per property (if 2 or more units). Grantees are still expected to "walk away" from projects when the estimated cost to bring a project into compliance with DOH's latest CDBG Residential Rehab Standards exceeds the limit.
6. Lead grants up to \$5,000 per unit are no longer allowed. All lead costs must be in the form of a loan.

The changes listed above will be reflected in the next update to the CDBG Grants Management Manual, but they are effective as of **January 28, 2020**. Please review these requirements and adjust your program accordingly. Should you have any questions concerning this bulletin, please contact your appropriate Small Cities project manager.