

**PROGRAM DESCRIPTION**

**Department: Economic Development**

**HB Sections: 7.040**

**Program Name: Community Development Block Grant Program - Annual Allocation**

**Program is found in the following core budget(s): CDBG Program**

**1a. What strategic priority does this program address?**

Customer Centric

**1b. What does this program do?**

- The Community Development Block Grant (CDBG) program provides funding and expertise to develop viable communities and build economic development capacity by leveraging resources and connecting stakeholders toward a common goal while meeting one or more of the following criteria:
  - (1) Benefit at least 51% low and moderate income (LMI) persons; (2) eliminate slum and blight; or (3) meet urgent threats to health and safety. CDBG is a federally-funded program that provides grants to "non-entitlement" communities, or municipalities with populations under 50,000 and counties with populations under 200,000 for addressing long term development needs.
- The State administers multiple CDBG grants, many of which are reserved for specific purposes identified by federal register. These grants include:
  - (1) Regular Annual CDBG Allocation - ~\$23,000,000 each year - project categories include (A) Infrastructure (e.g. Community Facilities, Water/wastewater projects, demolition, and downtown revitalization); (B) Economic Development (e.g. industrial infrastructure for job-creating projects); (C) Workforce Training; and (D) Emergency projects (e.g. generators needed after a severe ice storm);

**2a. Provide an activity measure(s) for the program.**

	PY2020		PY2021		PY2022		PY2023	PY2024	PY2025
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
<b>Projects Awarded</b>	68	126	68	126	78	139	130	132	134
<b>CDBG Funds Obligated</b>	N/A	\$23.31 M	N/A	\$24.26 M	N/A	\$23.48 M	\$23.68 M	\$23.68 M	\$23.81 M
<b>CDBG Funds Expended</b>	\$17.2M	\$15.56 M	\$17.5M	\$16.75 M	\$20.4M	\$23.01 M	\$16.1M	\$13.4M	\$16.7M

Note 1: The CDBG program can only directly control the obligation of funds by awarding projects. Subrecipients are responsible for carrying out program activities and expending funds related to their project.

Note 2: Funds Expended figures are based on funds drawn on projects across multiple Fiscal Years. The average period of performance for a CDBG project is 3 years; therefore, the annual expenditure and actual amount take into account each project spending a percentage of total allocation.

Note 3: "PY" = Program Year April 1 - March 31.

**PROGRAM DESCRIPTION**

**Department: Economic Development**

**HB Sections: 7.040**

**Program Name: Community Development Block Grant Program - Annual Allocation**

**Program is found in the following core budget(s): CDBG Program**

**2b. Provide a measure(s) of the program's quality.**

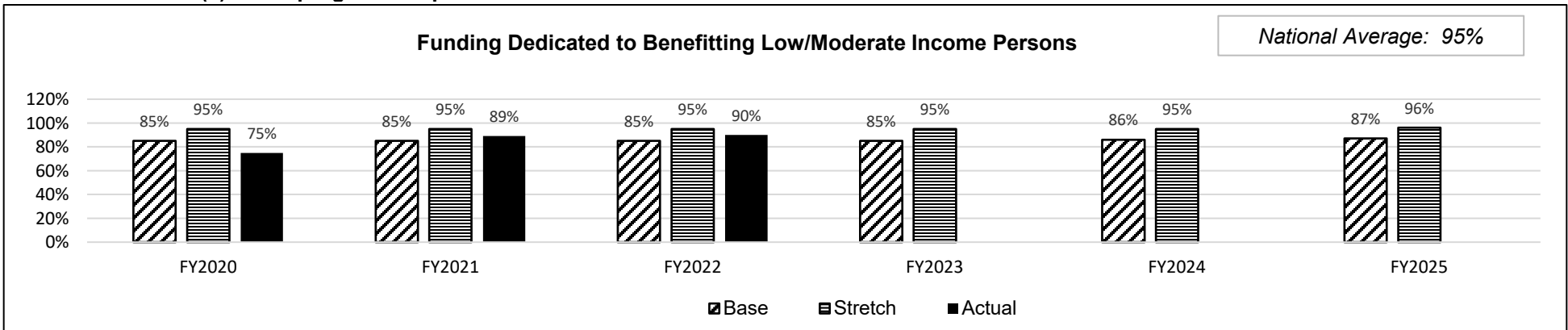
	FY2020	FY2021		FY2022		FY2023	FY2024	FY2025
	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
<b>Customer Service Experience</b>	87%	90%	74%	95%	85%	95%	95%	95%

Note 1: Percentage of customers who rated their experience as "very" or "somewhat" positive.

Note 2: FY2022 results based on August 2022 survey that included 33 respondents.

Note 3: Customer Service Experience includes feedback related to all CDBG programs.

**2c. Provide a measure(s) of the program's impact.**



Note 1: Calculated by dividing dollar amount of approved projects in a Fiscal Year that will benefit low and moderate income (LMI) persons by the total dollar amount of the grant.

Note 2: HUD requires that a minimum of 70% of the state's annual allocation be awarded for projects benefitting LMI persons; however, it is Missouri's goal that at least 85% of the projects will benefit LMI persons.

Note 3: Stretch target is set at 95% due to the fact that demolition (slum and blight national objective) and emergency (urgent threat national objective) projects might also need to be funded, and those national objectives do not require a 51% LMI benefit; therefore, Stretch includes a "cushion" for those emergency projects.

**PROGRAM DESCRIPTION**

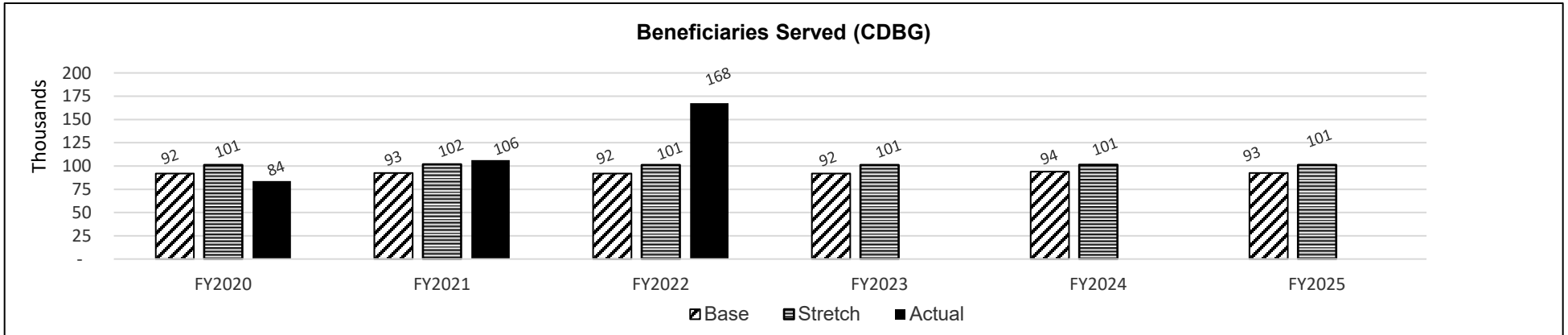
**Department: Economic Development**

**HB Sections: 7.040**

**Program Name: Community Development Block Grant Program - Annual Allocation**

**Program is found in the following core budget(s): CDBG Program**

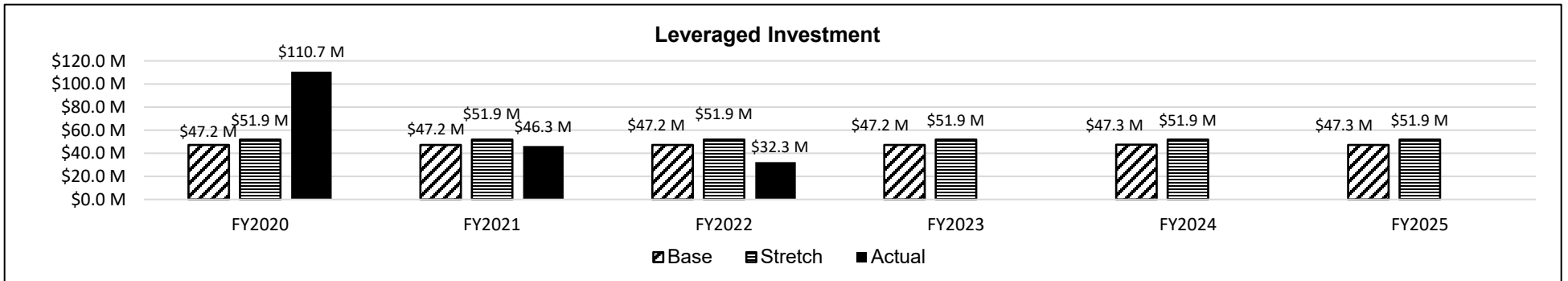
**2c. Provide a measure(s) of the program's impact. (continued)**



Note 1: Beneficiaries Served are reported based on projects that are completed and closed within a fiscal year. FY22 saw a significant increase in beneficiaries served as the program worked to close out several historic grants.

Note 2: Beneficiaries Served is limited by the population characteristics of the applicant, including %LMI and HUD-identified disaster impact level. As such, stretch goal is inherently limited per population. To reflect this limitation, stretch targets are stated as 10% above base.

Note 3: The FY2022 Actual includes CDBG-Federal Stimulus projects, as they were not separated into a separate budget unit until FY2024.



Note 1: CDBG does not require matching from subrecipients, as it acts as a gap financing tool. Leveraged funds vary by project based on the financial resources available to the subrecipient at the time of application, which is highly variable.

Note 2: Leveraged investment are non-CDBG funds (local, state, or federal) that are committed in conjunction with CDBG funds to aid in financing a particular project.

Note 3: Leveraged investment calculation based on amounts included in subrecipients' project applications from all CDBG projects, except economic development which have high variations by project and year.

Note 4: Future projected Base is calculated using the average of previous years while the Stretch calculation utilizes this number and increases projection by 10%.

**PROGRAM DESCRIPTION**

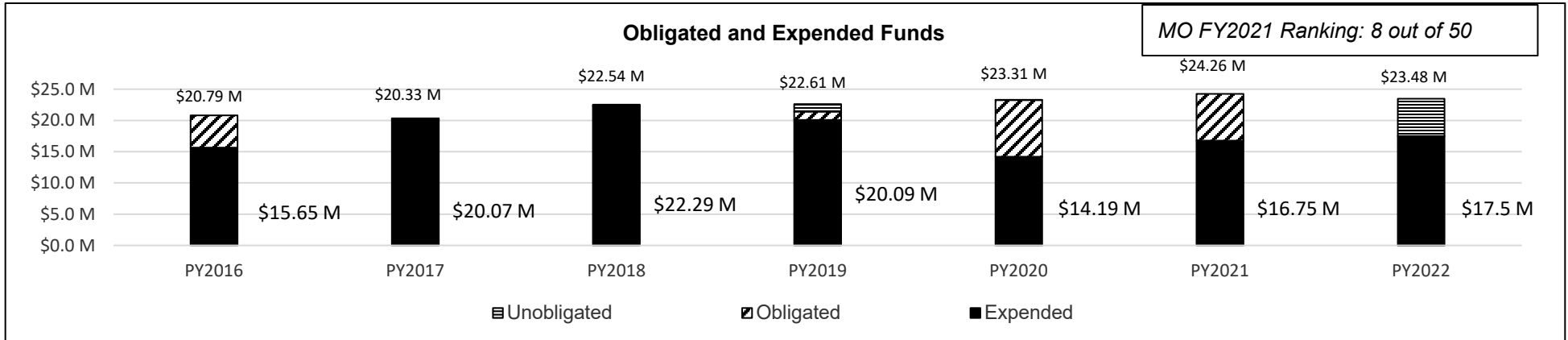
**Department: Economic Development**

**HB Sections: 7.040**

**Program Name: Community Development Block Grant Program - Annual Allocation**

**Program is found in the following core budget(s): CDBG Program**

**2d. Provide a measure(s) of the program's efficiency.**



Note 1: "PY" = Program Year April 1 - March 31.

Note 2: Missouri's PY2022 CDBG allocation was ~\$23.5 M.

Note 3: The Ranking above shows measures the unexpended funds from open grants. HUD divides this number by the most recent grant amount provided and gives each state its ranking; As of June 30, 2022, Missouri ranked 8 out of 50 states in timely expenditures of funds.

Note 4: PY2023 base target of \$53.6M would rank Missouri 5 out of 50 states.

Note 5: PY2024 base target of \$40.0M would rank Missouri 2 out of 50 states.

Note 6: PY2025 base target of \$50.0M would rank Missouri 3 out of 50 states. The stretch target of \$40.0M would rank Missouri 2 out of 50 states.

**PROGRAM DESCRIPTION**

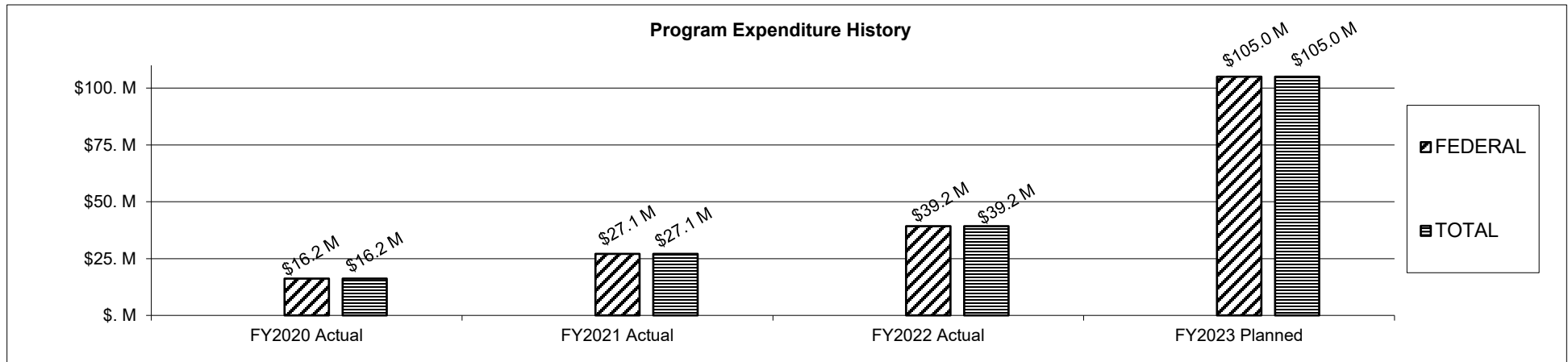
**Department: Economic Development**

**HB Sections: 7.040**

**Program Name: Community Development Block Grant Program - Annual Allocation**

**Program is found in the following core budget(s): CDBG Program**

**3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)**



Note: Personal Service/Expense and Equipment dollars transferred to Business and Community Solutions Division in FY2020 budget.

**4. What are the sources of the "Other " funds?**

N/A

**5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

42 USC Section 5301 et. Seq., 24 CFR Part 570, and the MO Consolidated Plan submitted to the US Dept. of Housing and Urban Development.

**6. Are there federal matching requirements? If yes, please explain.**

Yes, a \$1 for \$1 match required for the State's administrative funds, after the first \$100,000. The applicable administrative funds equal 4% of the total appropriation. Soft costs included in the Department's Cost Allocation Plan are used to satisfy the State's match requirements.

**7. Is this a federally mandated program? If yes, please explain.**

The program is a formula block grant provided to the State of Missouri; 70% of which is provided to the entitlement cities, 30% of which is provided to the non-entitlement balance of the state. That 30% portion is administered by DED.