

STATE OF DELAWARE
CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): Kent and Sussex Counties,
Delaware

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INTRODUCTION

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009 and appropriated \$1 billion in Community Development Block Grant Recovery (CDBG-R) funds to states and local governments to expeditiously carry out eligible activities under the normal Community Development Block Grant (CDBG) Program. The State of Delaware received a one-time allocation of \$537,718 in CDBG-R funds.

On May 6, 2009, The U.S. Department of Housing and Urban Development (HUD) issued its "Notice of Program Requirements for Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009." The state is required to prepare and submit to HUD a substantial amendment to its FY2008 Annual Action Plan that outlines how the Delaware State Housing Authority (DSHA) will administer the CDBG-R funds.

The subsequent plan constitutes the State's CDBG-R Substantial Amendment to the FY2008 Annual Action Plan for the use of its allocation of \$537,718 CDBG-R funds.

ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

DSHA proposes to undertake one activity with the \$537,718 CDBG-R grant allocation. One hundred percent of the non-planning and administrative expenditures will benefit low- and moderate-income persons. Administrative costs are budgeted at \$53,771, which is ten percent of

the grant. Not more than 15 percent of the CDBG-R grant may be used for Public Service projects; however, no Public Service projects are planned for this grant.

The CDBG-R Activity Data Spreadsheet is attached to this Substantial Amendment.

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (1) Activity Name: Rehabilitation, Weatherization and Energy Efficiency for Homeowners in Kent and Sussex Counties, Delaware.
- (2) Activity Narrative: DSHA has identified a need to provide housing that is decent, safe, sanitary and energy efficient for low- and moderate-income homeowners. This activity funds the repair or replacement of substandard housing systems and to bring homes up to code. DSHA will partner with the Delaware Health and Social Services Division of State Service Centers Weatherization Program to facilitate energy efficiency. The Weatherization Program will provide an average grant of \$4,875 per household for weatherization and CDBG-R funds will contribute on average \$1,625 per household for weatherization. DSHA subgrantees will also use CDBG-R funds to bring the homes completely up to housing code standards. Kent and Sussex County will utilize the current rehabilitation scattered sites waiting list to assist homeowners. This program serves vulnerable homeowners impacted by the economic recession; low-income homeowners who are in need of assistance to make improvements to the health and safety of their homes and decrease costs to stabilize their housing situations. DSHA anticipates assisting 15 homeowners in Sussex County and 10 homeowners in Kent County.
- (3) Jobs Created: It is difficult to estimate the number of jobs created by this activity; however, it is certain that the contractors and suppliers working on the homes funded by this activity are a labor force particularly hard hit by the recession in southern Delaware. It is estimated that two full-time positions will be retained and 15 construction jobs will be either created or retained by outside contractors by this activity.
- (4) Additional Activity Information: In partnering with DHSS, an instrumented energy audit and report will be completed on each home. This would include infrared and blower door tests. The housing unit addressed will be made more energy efficient as a result of the rehabilitation work. These projects will also help to promote economic recovery through the creation of temporary construction jobs. This activity was given priority for funding as the need for decent housing is high locally, and the activity can be started and completed in a timely fashion.
- (5) Responsible Organization:

Delaware State Housing Authority
18 The Green
Dover, DE 19901
Attn: Andy Lorenz

Subgrantees:

Kent County Levy Court
Kent County Administration Building
555 Bay Road
Dover, DE 19901
Attn: Albert Biddle

Sussex County Council
2 The Circle, P.O. Box 589
Georgetown, DE 19947
Attn: William Lecates

- (1) Activity Name: Program Administration
- (2) Activity Narrative: \$53,771 CDBG-R funds will be used for general program administration.
- (3) Jobs Created: One-quarter full time position will be retained for DSHA and Kent and Sussex Counties, Delaware.
- (4) Additional Activity Information: N/A
- (5) Responsible Organization:

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C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

Response:

CDBG-R
Activity Data Spreadsheet

Jurisdiction/Grantee Name:		CDBG-R Formula Grant Amount:				Date:	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Kent and Sussex Counties, Delaware rehabilitation	25 owner-occupied housing rehabilitation and weatherization grants	570.202	570.208(a)(3)	483,947	0		483,947
Program Administration	General Administrative Costs for CDBG-R	570.206	N/A	\$53,771	\$0		53,771
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