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FEATURED

Utah County cities could lose significant funding if HUD takes hit in 2018 budget

Genelle Pugmire Daily Herald 5 hrs ago

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Nonprofit agencies in Utah County that count on Community Development Block Grants to subsidize their programs are a bit concerned.

This week agencies will be visiting city council meetings presenting their desire for allocations and what they will use them for.

Some agencies are worried their presentations could be for naught.

President Donald Trump's administration is calling for the elimination of the Housing and Urban Development CDBG grants to the tune of \$3 billion.

"This is not the first time CDBG has been on the auction block," said Michelle Carroll, program manager of community and economic development for Mountainland Association of Governments.

President Barack Obama's 2012 budget called for at 7.5 percent reduction.

CDBG is an entitlement program and provides cities and counties annual grants, based on a formula, to help with everything from low-income housing to food banks to job creation.

According to Carroll, MAG issues CDBG grants to several cities and towns in Utah County.

"Once a city hits 50,000 population they become their own grant coordinators," Carroll said.

Provo, Orem and Lehi are "entitled cities" and have their own grants program. All other cities in the county receive grant money disbursed by MAG. Alpine, Highland, Fairfield, Woodland Hills and Eagle Mountain do not participate in the CDBG program.

Provo has an approximate total of \$1.2 million in grant money per year. Orem has \$610,000 based on the lower income population formula.

Lehi became an entitled city in 2014 and is required to have a five-year strategic plan that includes community needs, housing analysis, resource identification and goals.

"It's a huge learning curve," said Christie Hutchings, Lehi's CDBG administrator. "We opted to spend the money on one project."

Lehi will receive approximately \$220,180 each year during those five years. According to Lehi's program, it will be spent each year on infrastructure needs in the city through 2018. Some of those infrastructure projects have included upgrading handicapped accessibility, closing open irrigation ditches and working on projects in the downtown area where the highest concentration of lower-middle income families live.

"We've spent it well and tried to stretch our dollar," Hutchings said.

CDBG grants are set by population and may be split in usage. Only 15 percent of the money allocated from the federal government to the cities or counties through CDBG grants can be used for social services. The rest of the money goes to communities for infrastructure like sidewalks, streets or even parks.

In Orem, CDBG money in part is going to help upgrade a park situated in a low-income neighborhood, according to Steven Downs, Orem's CDBG administrator.

"The City of Orem is interested in making lives better for everyone in our community," Downs said. "This federal grant — which is money that has been paid by Orem residents that is coming back from Washington — has blessed thousands and thousands of lives. It has given individual's opportunities and resources to improve life for them and their family."

Downs added, "It would hurt the most vulnerable among us if grant money was lost."

Scott Snow, executive director of the Family Support and Treatment Center is hoping President Trump's remarks about infrastructure buildup would keep CDBG grants safe, as a lot of that money goes to infrastructure.

"We've used it for years here for therapy for low-income individuals," Snow said. "It's critical to have therapy. We are looking for ways to cover therapy when individuals don't have insurance. In many cases its kids in child abuse situations that need it."

Snow added, "CDBG funds are reaching those who need it most. It is disconcerting they are thinking of taking it away."

Brent Crane, director of the Food and Care Coalition, said the organization receives grants from both Provo and Orem – up to \$20,000 a year.

"It is for our meal program," Crane said. "Certainly (if grants stopped) we would find it discomfoting. It would be just that much more we'd have to raise."

David Walter, director of Provo's redevelopment agency said, "With no funding we'd have to look to other directions (for funding)."

Downs said he is concerned that groups like Habitat for Humanity that uses grant money to help with emergency home repairs for the elderly and lower income home owners would lose those funds. Orem gives \$185,000 a year for home repairs.

The consensus is that some agencies could go away or rely even more heavily on private donations to keep services going.

Cities would have to find another financing mechanism for infrastructure improvements if CDBG fizzles away.

“Having a community where everyone has the opportunity to thrive pays dividends to the entire community,” Downs said.

By May city and county CDBG administrators will know what they will have from the federal government for allocations during fiscal year of 2017-2018.

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