

A Note on CDBG, HOPWA, ESG, HOME Funding for 2013-2014 And Anticipated Grant Awards

Due to the status of budget negotiations between Congress and the White House, we have not been informed by HUD what our funding levels will be for the 2013-2014 Program Year.

Normally, the City would have received general guidance on anticipated funding levels for each our HUD-funded grant programs for the upcoming Program Year in late fall 2012. The impending fiscal cliff made that impossible, and the agreement which resolved that deadline delayed the time a potentially clear decision would be made.

This obviously make planning and budgeting for the City difficult and presents a challenge to grantees submitting funding requests. Unfortunately, this is a reality we need to live with this year. It is not likely we will have a clear sense of our funding for a few months.

Nonetheless, almost all informed observers are predicting cuts, potentially significant cuts, to these programs. The cuts could be 10% or more.

The single most frequently asked question we receive is: "How much should we apply for?" I always give the same answer: "Apply for what you need. Why would you apply for more? Why would you apply for less?" While this is a fundamentally true statement, I also realize it does not provide the guidance grantees are looking for.

Therefore, the following general guidelines provided at the application workshops is repeated here:

1. If you are applying for a Small Grant (Service or Facility) you should consider submitting a proposal between \$20,000 and \$75,000. We will continue the practice of awarding fewer but larger grants. A very limited number of grants smaller than \$20,000 may be provided when the project warrants such a grants.
2. If you are applying for a CNOG, you should consider submitting a proposal around \$200,000 if this would be the first year of CNOG funding. If you are seeking a second year of CNOG funding, consider applying for \$150,000 to \$175,000.
3. Returning HOPWA grantees should submit a request in line with recent funding, but consider reducing that request by 10%

This is IN NO WAY a guarantee of future funding, continued funding, or final funding levels. It is merely provided as guidance to assist you during a year when much is in flux.

Finally, it is likely at some point in the process we will need to ask prospective grantees the minimum grant size that would still allow the originally proposed project to move forward at the scope and scale originally presented. This will prevent the situation of providing inadequate grants that require grantees to pursue a project significantly different from what was originally submitted.

Thank you for your continued hard work for the residents of Providence. I hope this update helps you as you prepare your Community Development grant submissions.

February 4, 2013