

TOWNSHIP OF LOWER MERION

Grants and Community Development Committee

Issue Briefing

Topic: Substantial amendment to the Lower Merion Community Development Block Grant (CDBG) Action Plans For Fiscal Years 2022-2024 with Recommended Entitlement Funding Activity changes.

Prepared By: Emily Crane, Community Development Technician

Date: July 25, 2025

I. Action To Be Considered By The Board:

Hold a public hearing to receive public comment on and consider for approval a Substantial Amendment to the Lower Merion Township CDBG Action Plans for Fiscal Years 2022-2024 to reallocate \$214,836 in Annual Entitlement Funds to the Owner-Occupied Residential Rehabilitation Program from activities that were either cancelled or under budget.

II. Why This Issue Requires Board Consideration:

Federal regulations require the Township to hold a public hearing to obtain public comment on proposed CDBG Action Plan amendments. The Board of Commissioners must adopt the Amended Plan and submit the Plan for final approval by the U.S. Department of Housing and Urban Development (HUD).

III. Current Policy Or Practice (If Applicable):

In accordance with CDBG program regulations, the Township is permitted to make substantial amendments to its Annual Action Plans and their associated budgets.

IV. Other Relevant Background Information:

Lower Merion Township receives Federal CDBG funding on an annual basis. Generally, the Township's yearly allocation is split among: Administration/Planning, Housing Rehabilitation, Public Services, Public Facilities, Economic Development and Public Works activities, with special emphasis on allocations to the Owner-Occupied Residential Rehabilitation Program and Public Services. HUD permits the Township to carryover

CDBG funds from year to year and to amend program budgets from previous years to reallocate CDBG funds between eligible programs and/or projects.

The Substantial Amendment proposes the reallocation of \$214,836 in CDBG funding from fiscal years 2022, and 2023 and 2024 to other uses than those originally budgeted with those funds.

Amendments to CDBG budgets are common practice and a necessary step to reflect the realities of programs/projects that are completed under- or over-budget, experience delays that prevent timely completion, or do not materialize due to extenuating circumstances. The proposed reallocation will allow funds to be moved from such programs to existing CDBG initiatives that could more efficiently and effectively utilize the \$214,836. It is important to note that reallocating funds from a particular CDBG program does not preclude the Township from funding the same activity again in the future.

The accompanying CDBG Substantial Amendment document identifies the program and year from which CDBG funds would be withdrawn and the new proposed use for those funds. The Substantial Amendment proposes reallocating the unused CDBG funds to the Township's residential rehabilitation program.

This amendment is also an important step in adhering to CDBG spending regulations. As noted earlier, HUD allows the Township to carryover CDBG funds from subsequent years up to a certain amount. HUD has strict spending and timeliness regulations designed to ensure that CDBG funds are spent efficiently.

Staff will submit the Substantial Amendment to HUD for review as soon as it is approved by the Board to facilitate prompt reallocation and use for these historical CDBG funds.

V. Impact On Township Finances: There will be no impact on the Township's finances since the funds are part of the CDBG.

VI. Staff Recommendation: Staff recommends approval of the Substantial Amendment reallocation of CDBG 2022, 2023 and 2024.