



Neighborhood and Human Services

Community Assistance Division

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAM GUIDELINES

1. WHAT IS THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM?

The United States Department of Housing and Urban Development (HUD) funds the Community Development Block Grant (CDBG) Program (CFDA 14.218). The primary objective of the HUD CDBG Program is the development of viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities primarily for low and moderate income residents.

The national objectives of the CDBG program were established to assist local communities with activities focused on:

- Eliminating slum and blight, preventing deterioration of property, providing needed neighborhood community facilities and supportive services;
- Preserving and improving the supply of affordable housing through improvement of low and moderate income housing;
- Acquisition, design, construction, and installation of needed public facilities, improvements, and accessibility measures; and
- Creation and retention of jobs for low and moderate income persons through the expansion of business opportunities and the provision of financial incentives to businesses.

2. HOW CAN CDBG FUNDS BE USED?

Federal regulations require that CDBG funds be used for eligible activities that meet one of three national objectives:

- Benefit low and moderate income persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency

The City of Peoria uses its annual CDBG allocation to fund projects and activities undertaken by city departments and not-for-profit agencies specifically to address the housing and community development needs of low and moderate income persons. CDBG funding can be used for a variety of activities to meet HUD statutory goals including, but not limited to:

A. DECENT HOUSING

- Assisting homeless persons to obtain affordable housing;
- Assisting persons at risk of becoming homeless;
- Retention of affordable housing stock;
- Increasing the availability of affordable permanent housing in standard condition to low and moderate income families, particularly to members of disadvantaged minorities without discrimination of the basis of race, color, religion, sex, national origin, family status, or disability; and
- Providing affordable housing that is accessible to job opportunities.

B. A SUITABLE LIVING ENVIRONMENT

- Improving the safety and livability of neighborhoods;
- Increasing access to quality public and private facilities and services;
- Revitalizing deteriorating neighborhoods;
- Restoring and preserving properties of special historic, architectural, or aesthetic value; and
- Conservation of energy resources.

C. EXPANDED ECONOMIC OPPORTUNITIES

- Job creation and retention;
- Establishment, stabilization and expansion of small businesses (including micro businesses);
- The provision of public services concerned with employment;
- The provision of jobs for low income persons living in areas affected by those programs and activities or jobs resulting from carrying out activities under programs covered by the plan;
- Availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices;
- Access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- Empowerment and self-sufficiency for low-income persons to reduce generation poverty in federally assisted housing and public housing.

Under HUD CDBG regulations, at least 51% of individuals benefiting from CDBG funded activities must be low and moderate income persons. **Agencies and organizations receiving CDBG funding must be able to document that the individuals or households it serves fall within the HUD income limits.**

Final allocation of CDBG and HOME Program funds is contingent upon City Council action, HUD award of funds, submittal of all required insurance documentation and full execution of sub-recipient contract agreements. Completion and submission of a CDBG and/or HOME Program application does not obligate the City of Peoria to allocate CDBG and/or HOME Program funds to any particular activity.

3. ELIGIBLE AND INELIGIBLE ACTIVITIES

A. ELIGIBLE CDBG ACTIVITIES: The following activities are examples of eligible CDBG activities. Please note this list is not inclusive of all types of activities that may be eligible under the CDBG Program:

- Acquisition, construction or rehabilitation of neighborhood facilities and facilities for persons with special needs (e.g. homeless shelters, group homes or halfway houses);
- Construction or rehabilitation of housing units for low and moderate income persons;
- Economic development activities that create full-time jobs for low and moderate income persons;
- Health care and substance abuse services;
- Transitional housing and supportive services for the homeless;
- Fair Housing counseling;
- Crime prevention activities;
- Senior and disabled centers, except 24-hour care facilities;
- Removal of architectural barriers which restrict mobility of persons with disabilities; and
- Installation, construction and rehabilitation of infrastructure (e.g. water/sewer lines, streets and sidewalks).

B. **INELIGIBLE CDBG ACTIVITIES** - The following activities are examples of ineligible CDBG activities. Please note this list is not inclusive of all types of services that may be ineligible under the CDBG Program:

- General conduct of government;
- Political activities;
- Religious activities;
- Purchase of construction equipment; and
- Purchase of equipment*, fixtures, motor vehicles, furnishings, or other personal property that is not an integral structural fixture.

**Equipment is defined as nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.*

4. **AGENCY REQUIREMENTS:** Organizations applying for Peoria CDBG funds must have the following administrative systems in place before project services will be delivered:

- Formal personnel system with written procedures
- Staff salary tracking system by funding source
- Financial management system with written accounting procedures
- Recordkeeping system/separate tracking for each funding source
- Formal written cash management practices (includes proper security measures)
- Hard copy files and computer records systems with security and back-up
- Internal monitoring/evaluation system with written procedures
- Client eligibility verification procedures
- Client demographic data collection and reporting system
- Procurement policy with written procedures
- Conflict of interest policy
- Client grievance policy
- Limited English Proficiency policy
- Non-discrimination policy for both clients and employees
- Provide reasonable accommodations for both clients and employees
- Drug-free workplace policy
- Comply with E-Verify for employment activities
- If your agency provides housing services, your agency advertises to clients that your agency is an Equal Opportunity Housing Provider

5. **WHAT IS THE HOME PROGRAM?**

The HOME Program (CFDA 14.239) was created as part of the National Affordable Housing Act of 1990 and is also funded by HUD. HOME is primarily a bricks-and-mortar program that funds the development of affordable housing as a lasting community resource. Funding for this program is provided through HUD and flows to the City of Peoria through the Maricopa County HOME Consortium, of which the City is a member. HOME funds a broad range of activities including:

- New construction;
- Rehabilitation;
- Acquisition of standard housing;
- Homebuyer assistance; and
- Tenant based rental assistance.

6. ELIGIBLE AND INELIGIBLE HOME ACTIVITIES:

A. ELIGIBLE HOME ACTIVITIES: The following activities are examples of eligible HOME activities. Please note this list is not inclusive of all types of activities that may be eligible under the HOME Program:

- Acquisition of property;
- Construction of new housing for rent or ownership;
- Moderate or substantial rehabilitation of owner-occupied units;
- Site improvements for HOME-assisted projects;
- Demolition of dilapidated housing to make way for a HOME-assisted development;
- Homebuyer assistance; and
- Tenant based rental assistance.

B. INELIGIBLE HOME ACTIVITIES: The following activities are examples of ineligible HOME activities. Please note this list is not inclusive of all types of activities that may be ineligible under the HOME Program:

- Public and assisted housing modernization, operation and preservation activities;
- Activities that support the on-going operation of rental housing; and
- Matching funds for other Federal programs.

7. CDBG AND HOME PROGRAM ADMINISTRATION, PROCESS AND SELECTION OF FUNDING RECIPIENTS

The City of Peoria's CDBG and HOME Programs are administered by the Community Assistance Division of the City's Neighborhood and Human Services Department. Community Assistance staff is responsible for facilitating project implementation, monitoring project activities and outcomes and fiscal and contractual administration.

Community Assistance staff pre-screen all CDBG and HOME Program grant applications in order to determine eligibility with program regulations. The eligible applications are then presented to the City of Peoria's Council Not-for-Profit Review and Housing Sub-Committee. Recommendations for funding from the sub-committee are based on a number of factors including, but not limited to: priority needs and local objectives as outlined in the City's Five Year Consolidated Plan, cost effectiveness of the proposed project including leveraging of CDBG funds with other resources and past grant performance by the applicant (if applicable).

Peoria City Council makes the final funding decision based on community priorities and evaluations made by the Council Not-for-Profit Review and Housing Sub-Committee.

Once the City Council has made its final determination, applicants will be notified in writing of the disposition of their application. All applicants awarded funding will be required to execute a standard CDBG and/or HOME Program Sub-Recipient Contract prior to implementation of their respective project. No funds shall be disbursed to a sub-recipient until HUD provides a final award letter to the City of Peoria, all required insurance documentation has been submitted, and a contract is fully executed by both parties. Throughout the program year, Community Assistance staff will monitor the performance of the grant applicant to ensure compliance with the provisions of the approved contract.