



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Application for Funding Public Service Projects

Program Years 2016 and 2017

Release Date: November 17, 2015

Due Date: December 17, 2018 4:00 PM

Community Development Department ♦ 80 Columbia Avenue ♦ Marysville, WA 98270
<http://marysvillewa.gov> ♦ (360) 363-8100 ♦ Office Hours: Mon – Fri 7:30 AM – 4:00 PM

**City of Marysville Community Development Block Grant Program
Application for Public Service Projects**

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Introduction

The City of Marysville announces the availability of funds for Community Development Block Grant (CDBG) public service projects. The funds are authorized under the Housing and Community Development Act of 1974, as amended, and are received from the U.S. Department of Housing and Urban Development (HUD). The funds may be used for various public service activities, which principally benefit low- and moderate-income persons.

Eligible Applicants

- Private non-profit organizations that have received 501(c)(3) federal tax exempt status from the U.S. Internal Revenue Service (IRS) and are registered as non-profit corporations in the State of Washington
- Faith-based organizations in accordance with 24 CFR 570.200 (j)
- Public agencies and city departments
- For-profit entities authorized under 24 CFR 570.201(o)

Estimated Funds Available

This application is for PY2016 and PY2017 City of Marysville CDBG public service funds. The estimated funds available for public service projects are listed below; the actual amount of funding received by the City may vary.

- Program Year 2016 (July 1, 2016 – June 30, 2017): \$51,750
- Program Year 2017 (July 1, 2017 – June 30, 2018): \$51,750

Application Availability and Deadline

Applications for CDBG public service funds are available on the City of Marysville Community Development Department website located at: <http://marysvillewa.gov>, by navigating to the Community Development Department page. Applications are also available in alternative formats by contacting the City of Marysville Community Development Department at (360) 363-8100 (voice) or (800) 833-6399 (TDD).

PLEASE NOTE: *There is a separate application for applicants seeking CAPITAL PROJECT grant funding.*

Two (2) copies of the application must be received by Friday, December 18, 2015 no later than 4:00 pm. No applications will be accepted after this deadline. Mailed applications must be post-marked in time to be received by the deadline. Applications will not be accepted by e-mail or fax.

Submit applications to the following address:

City of Marysville
Community Development Department
80 Columbia Avenue
Marysville, WA 98270

Application Schedule

Date	Event
November 16, 2015	PY2016 – PY2017 Biennial CDBG Applications Released
November 17 – December 18, 2015	Individual pre-application conferences available
December 18, 2015	Application Deadline Applications MUST be received, no later than 4:00 PM
January 5, 2016	Applicant presentations to the Citizen Advisory Committee (CAC) for Housing and Community Development 5:00 PM City Hall Council Chambers 1049 State Avenue 2 nd Floor
January 2016	CAC application review and funding recommendations
February 8, 2016	City Council review and confirmation of CAC funding recommendations
February 2016	Applicant notification of funding recommendations
February 2016	Staff prepares PY2016 Annual Action Plan
February 2016	DRAFT PY2016 Annual Action Plan release for 30-day public comment
March 2016	CAC reviews and makes a recommendation to City Council on PY2016 Annual Action Plan
April 2016	City Council adoption of PY2016 Annual Action Plan
May 2016	PY2016 Action Plan submitted to HUD
June 2016	Subrecipient Agreements established for PY2016
July 2016	PY2016 funds estimated to be available for release

Pre-Application Assistance

You are encouraged to call and request technical assistance or schedule a pre-application conference as you are preparing an application. Assistance available includes answering questions about CDBG regulations and application requirements and discussing the proposed project's compliance with program regulations and eligibility for funding. If you would like to set up a pre-application conference, please contact:

Chris Holland, Planning Manager
360.363.8207
cholland@marysvillewa.gov

Amy Hess, Planning Assistant
360.363.8215
ahess@marysvillewa.gov

ADA Notice: The City of Marysville strives to provide access to all members of the public. City facilities are accessible. If additional accommodations are required, please notify the ADA contact person at least

one week in advance. In addition, reasonable accommodations will be made to provide the information in this application in an alternative format upon request. For assistance, please contact (360) 363-8100 (voice) or (800) 833-6399 (TDD).

Overview of CDBG Program Requirements

This section provides an overview of the federal requirements for the CDBG Program, rather than a full recitation of the regulations. Applicants should be acquainted with the federal regulations before preparing an application for funding. The regulations governing the CDBG Program can be found in the Code of the Federal Regulations (CFR) [Title 24 Part 570](#).

CDBG National Objectives

The CDBG Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, *principally for low- and moderate-income persons*.

All activities funded by the CDBG Program must meet one of the following three national objectives:

1. Benefit low- and moderate-income persons
2. Aid in the prevention or elimination of slums or blight
3. Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available

The City of Marysville must ensure that at least 70% of expenditures over a particular time period are used for activities qualifying under the first national objective (benefit low- and moderate-income persons).

Low- and moderate-income (LMI) is defined as having an income equal to or less than 80% of the median income, adjusted for household size, as defined by HUD. The specific household income limits are based on U.S. Census Bureau estimates and are updated and issued by HUD annually (<http://www.huduser.org/portal/datasets/il.html>). Below are the 2015 income limits for Snohomish County.

FY2015 HUD Income Limits for Snohomish County

	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Low-Mod Income (80% of median)	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,600	\$86,900
Very Low Income (50% of median)	\$31,400	\$35,850	\$40,350	\$44,800	\$48,400	\$52,000	\$55,600	\$59,150
Extremely Low Income (30% of median)	\$18,850	\$21,550	\$24,250	\$26,900	\$29,100	\$32,570	\$36,730	\$40,890

Note: Snohomish County is part of the Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area

There are four activity categories that can be used to meet the national objective of benefiting LMI persons:

1. Area benefit activities
2. Limited clientele activities
3. Housing activities
4. Job creation or retention activities

[Appendix A](#) contains a summary of the CDBG national objectives, activity categories, and required records to be maintained.

Public service projects must principally benefit LMI persons and typically qualify on an area benefit or limited clientele activity basis.

- **Area Benefit Activity.** An activity that benefits all residents in a particular area, where at least 51% of the residents are LMI persons. The service area of the activity must be primarily residential, and the activity must meet the identified needs of LMI persons. A facility would need to demonstrate that its primary users are the LMI area residents and accessible for use.
- **Limited Clientele Activity.** An activity that benefits a specific group of people, at least 51% of whom are LMI persons. Activities qualifying under this category serve a specific clientele, rather than providing service to all the persons in a geographic area.

Eligible Activities

[Appendix B](#) contains a summary of the eligible and ineligible activities under the CDBG Program.

Eligible public service activities include, but are not limited to, services concerned with:

- Employment
- Crime prevention
- Child care
- Health services
- Substance abuse services (e.g., counseling and treatment)
- Education programs
- Fair housing counseling
- Energy conservation
- Services for seniors
- Services for persons who are homeless
- Welfare services (excluding income payments)
- Down payment assistance
- Recreational needs

CDBG funds may be used to pay for labor, supplies, and material, as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

Emergency grant payments for food, clothing, and shelter (rent, mortgage, utilities) needs are eligible activities as long as the payments do not exceed three months and the payments are made directly to the provider of such services on behalf of an individual or family. Public services that are **not** eligible for

CDBG funding include political activities and ongoing grants or non-emergency payments to individuals for food, clothing, rent, utilities, or other income payments.

Additional Public Service Considerations

To utilize CDBG funds for a public service, the service must be one of the following:

- A new service
- A quantifiable increase in the level of an existing service which has been provided by the grantee or another entity on its behalf through State or local government funds in the 12 months preceding the submission of the grantee's Consolidated Plan Annual Action Plan to HUD

This provision was put into place to ensure that localities did not use CDBG funds to replace local or state monies to fund essential services typically offered by the local government entity. Specifically, the public services provision applies in the following manner:

- If a service is new, it may be funded.
- If a service is existing, determine whether it was provided by or on behalf of the unit of local government with local or state funding.
 - If it was not provided by or on behalf of the local government with funding from the local government, it may be funded.
 - If it was provided by or on behalf of the local government with funding from the local government, grantees must determine whether the proposed service will be a quantifiable increase in the level of service. If it can be documented that the service is a quantifiable increase in the level of service, it may be funded.
- The regulations do not prohibit a grantee from continuing to provide funding to a CDBG-funded public service at the same or decreased level in subsequent program years.

Consistency with the City of Marysville 2015-2019 Consolidated Plan

All projects must be consistent with the City of Marysville 2015-2019 Consolidated Plan. See [Appendix C](#) for a list of strategies, objectives, and five-year goals in the City's current Consolidated Plan.

HUD CPD Outcome Performance Measurement System

Federal regulations require that the City of Marysville implement the HUD Community Planning and Development (CPD) Outcome Performance Measurement System, consisting of three main components: objectives, outcomes, and indicators. Funded activities are matched with the CPD objective and outcome that best reflect their purpose and anticipated benefit. Funding recipients demonstrate accomplishments by reporting on common and activity-specific indicators.

CPD Objectives and Outcomes

The three possible **objectives** for describing the purpose of an activity are:

- **Creating Suitable Living Environments.** This relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by LMI

persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or elderly health services.

- **Providing Decent Housing.** This covers the wide range of housing activities that could be undertaken with CDBG funds. This objective focuses on housing activities where the purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under Suitable Living Environments.
- **Creating Economic Opportunities.** This applies to activities related to economic development, commercial revitalization, or job creation.

The three possible **outcomes** that best reflect what the City seeks to achieve by funding an activity are:

- **Availability/Accessibility.** This applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to LMI people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to LMI people where they live.
- **Affordability.** This applies to activities that provide affordability in a variety of ways to LMI people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate objective whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household.
- **Sustainability.** This applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to LMI persons or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

CPD Indicators

There are four common indicators that are relevant for most activities. Reporting on these data elements will be required for nearly all activities.

- Amount of money leveraged from other federal, state, local, and private sources, per activity.
- Number of persons, households, businesses, units or beds assisted, as appropriate.
- Income levels of persons or households by: 30 percent, 50 percent, or 80 percent of area median income. For CDBG activities that benefit an area, the data reported for that activity will need to show the total number of persons served and the percentage of LMI individuals served.
- Race, ethnicity, and disability data for activities that currently report these data elements. Under CDBG, race/ethnicity data is required only when the activity is specifically undertaken to directly

benefit persons or households, such as job creation activities or housing rehabilitation. Race and ethnicity data is **not** required for activities under the CDBG LMI area benefit, slum/blight, or urgent need national objectives.

In addition to the common indicators above, the activity-specific indicators for CDBG *public service* activities are:

- Number of persons assisted with new access to a service
- Number of persons assisted with improved access to a service
- Number of persons that now have access to a service that is no longer substandard

Records and Reporting

Funding recipients will be required to:

- Maintain accurate, complete, and orderly administrative records, financial records, and project/case files.
- Submit financial information for drawdown requests, progress reports with accomplishments, and an annual performance report to the Community Development Department.

Monitoring

Community Development Department staff will monitor funding recipients to ensure *both* of the following:

- Funding recipients *comply with all regulations* governing their administrative, financial, and programmatic operations
- Funding recipients *achieve their performance objectives* on schedule and within budget

Staff will develop a monitoring plan with funding recipients for each program year.

Other Requirements

Funding recipients must comply with all applicable requirements as set forth in 24 CFR 570 and in Subrecipient Agreements. CDBG regulations also require that federal funding recipients abide by additional federal regulations, including but not limited to requirements related to:

- Non-discrimination and equal opportunity
- Americans with Disabilities Act (ADA)
- Insurance
- Fiscal management

Fiscal management includes financial reporting, record keeping, accounting systems, payment procedures, procurement of goods and services, conflict of interest, and audit requirements. Non-profit organizations must administer programs in compliance with 24 CFR Part 84 and OMB Circulars A-110 (2 CFR Part 215), A-122 (2 CFR Part 230), and A-133. Public agencies must administer programs in compliance with 24 CFR Part 85 and OMB Circulars A-87 (2 CFR Part 225), A-102, and A-133.

Federal regulations are available [online](#) and OMB circulars are available online at www.whitehouse.gov/omb/circulars/index.html.

Funding Recipient Assistance

Community Development Department staff will offer assistance for funding recipients throughout the program year in the form of a pre-application information session, pre-application conferences, orientation session, and technical assistance as needed.

Decision-Making Process

Awards are contingent on project eligibility, satisfaction of evaluation criteria, and funding availability, as well as federal, state, and local statutes, regulations, policies, and contract requirements.

Review Steps

- Step 1 Staff Review.** Community Development Department staff will perform a technical review of applications and prepare a technical summary and analysis for the Citizen Advisory Committee (CAC) for Housing and Community Development.
- Step 2 Applicant Presentations and CAC Review and Recommendation.** Each CAC member will receive a copy of the applications and staff technical summary and analysis for review. Applicants will have an opportunity to make brief presentations to the CAC. Presentations will typically be limited to five minutes with an additional five minutes for answering questions from the CAC. The CAC will review applications and provide a funding recommendation to City Council.
- Step 3 City Council Recommendation.** City Council will review the CAC funding recommendation and make a final funding recommendation that staff will incorporate in the DRAFT 2016 Action Plan.
- Step 4 Final Decision.** Following public review and comment on the DRAFT 2016 Action Plan, the CAC will review and make a recommendation on the 2016 Action Plan to City Council. City Council will make the final funding awards through review and adoption of the 2016 Action Plan.

Threshold Criteria

Applications must meet the threshold criteria below to be considered for funding. The threshold review will be completed by Community Development Department staff and included in the material provided to the CAC. Incomplete or late applications will not be considered.

		Yes	No
A.	Proposed project is eligible under CDBG regulations (24 CFR 570)	<input type="checkbox"/>	<input type="checkbox"/>
B.	Proposed project complies with a CDBG national objective	<input type="checkbox"/>	<input type="checkbox"/>
C.	Proposed project is consistent with the priorities and specific objectives established in the City of Marysville 2015-2019 Consolidated Plan (Appendix C)	<input type="checkbox"/>	<input type="checkbox"/>
D.	Application package is complete, includes all required attachments, and was submitted on time	<input type="checkbox"/>	<input type="checkbox"/>
E.	Application meets threshold criteria, proceed with funding evaluation review	<input type="checkbox"/>	<input type="checkbox"/>

Funding Criteria

City of Marysville CDBG public service project applications will be scored against 15 criteria in three categories for a maximum of 150 points. The criteria categories are:

- Organizational Capacity
- Project Soundness
- Financial Feasibility

For each criterion, the proposed project will receive 0, 1, 5, or 10 points, depending on how fully the criterion is satisfied. Projects with tie scores will be evaluated a second time in comparison with each other to determine prioritization. The following is a description of the criteria.

Organizational Capacity

1. Applicant demonstrates that it has the proper level of qualified staff to carry out the project.

Staff Capacity and Qualifications

- 0 = No mention of current staffing level or staff qualifications
- 1 = Vague mention that they have adequate qualified staff but no evidence provided
- 5 = Partially demonstrated that the staff has adequate experience and qualifications and that the proper level of staffing is available; provided some evidence but evidence was not complete
- 10 = Clear detailed description of staffing level and organizational structure was provided; qualifications and experience of staff to be involved with the project were clearly presented

2. Applicant demonstrates the ability to successfully implement and manage federally funded projects in a timely manner, within budget, and consistent with funding requirements.

Project Management History

- 0 = No mention of previous relevant project management experience
- 1 = Mentioned that organization has managed similar projects in the past but no evidence or further details were provided
- 5 = Partially demonstrated that implementation and management of similar projects had occurred; provided some evidence, but evidence was not complete; unclear to reviewer if projects were completed on time, within budget, and consistent with funding requirements
- 10 = Provided clear and complete evidence of similar projects successfully implemented and managed with all relevant details included (e.g., timelines, budget adherence, funding requirements, deliverables)

3. Applicant has appropriate financial management capacity as indicated by most recent financial statement and audit and current organization budget. Any audit findings of the organization have been resolved prior to application submission.

Financial Management Capacity

- 0 = No mention of financial management capacity; current organization budget and most recent financial statement and audit not provided; not clear if there are audit findings or not
- 1 = Mentioned that financial management capacity exists but no evidence provided; not clear if there are audit findings or not
- 5 = Partially demonstrated that financial management capacity exists; some evidence provided but evidence was not complete; mentioned audit findings but reviewer had to infer that they were resolved
- 10 = Provided clear and complete evidence of financial management capacity; necessary financial statement, audit, and organization budget provided

4. Applicant has written policies and procedures for personnel and financial management.

Personnel and Financial Management Policies

- 0 = No mention of policies and procedures
- 1 = Mentioned that policies and procedures exist but no Table of Contents or list/summary provided
- 5 = Partially demonstrated that policies and procedures exist; Table of Contents or list/summary was provided but was not complete (i.e., policies and procedures were missing one or more of the necessary components)
- 10 = Provided clear and complete Table of Contents or list/summary, indicating that policies and procedures are in place; all necessary components of relevant of personnel and financial management were addressed

5. Applicant demonstrates that it has the capacity and data collection resources to comply with CDBG eligibility documentation and performance reporting requirements.

Data Collection and Reporting

- 0 = Did not mention data collection or management systems to be used
- 1 = Mentioned that data would be collected and entered but did not provide details about what, how, or by whom, the data would be collected
- 5 = Mentioned the data elements that would be collected and entered into a specific data management system but did not specify who or when this would be done
- 10 = Provided a clear description of the data elements that would be collected and entered into a specific data management system; how and when this would be done; and who would be responsible for data collection, entry, and reporting

Organizational Capacity Points (Max = 50) _____
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Project Soundness

1. Applicant objectively establishes the acuteness of the community need that the proposed project seeks to address.

Needs Assessment

- 0 = No clear description of the community need
- 1 = Mentioned that there was a need but did not provide any objective evidence of the need
- 5 = Provided some objective data that partially documented the need
- 10 = Provided clear and detailed description of the need supported by objective evidence with references

2. Applicant provides clear, objective evidence that demonstrates that the proposed project's service delivery model will logically and appropriately address the identified community need and achieve the project's overall goals.

Project Design

- 0 = No clear description of the service delivery model or evidence to support the model
- 1 = General, vague description of the service delivery model; some evidence provided to support the model, but no mention of the connection with the identified community need
- 5 = Clear, detailed description of the service delivery model and strong supporting evidence provided; connection to the community need was implied but had to be inferred by the reviewer
- 10 = Clear, detailed description of the service delivery model and strong supporting evidence provided; logical connections established amongst the model, community need, and desired results

3. Applicant demonstrates that the project scope will not exceed or overfill the existing service gap or need in the community and that current project funding will not be supplanted.

Project Scope

- 0 = No mention of project impact on existing service gap or need in community or whether current funding will be supplanted
- 1 = Mentioned that there was a service gap or need but did not provide any evidence of the scope to which this project will fill it; vague mention of supplanting of current funding
- 5 = Mentioned that there was a service gap or need in the community and some objective data but reviewer had to infer that the project would not exceed it and that current project funding would not be supplanted
- 10 = Provided clear and detailed description of service gap or need in the community as well as a detailed description with objective data of how much of this community need would be met by the project; clear evidence that current project funding will not be supplanted

4. Project activities are clearly defined, target high-need populations, and applicant demonstrates how it will promote access to services.

Project Activities

- 0 = No mention of activities to be provided OR mentioned “activities” without specifying what they are
- 1 = Listed activities to be provided without providing descriptions of them
- 5 = Listed activities with descriptions but no clear explanation of how they will be implemented and how the applicant will promote access to services
- 10 = Detailed description of activities, how they would be implemented, and how the applicant will promote access to services

- 5. Project schedule is clear, feasible, and supports the timely expenditure of funds.

Project Schedule

- 0 = No project schedule provided
- 1 = High level schedule provided, but no reference to milestones or frequency of service
- 5 = Detailed schedule provided, with reference to milestones and frequency of service, but schedule is not feasible and does not support timely expenditure of funds
- 10 = Clear, detailed, and feasible project schedule provided, complete with milestones and a description of service frequency; schedule clearly supports the timely expenditure of funds

- 6. Applicant coordinates or collaborates with other organizations in the community that provide similar or complimentary services that will assist in making the project a success.

Project Partnerships

- 0 = No mention of other organizations in the community that provide similar or complementary services
- 1 = Mentioned that there were “other organizations” but did not specify who these organizations were
- 5 = Listed other organizations in the community that address this issue but did not specify how the applicant would work with them
- 10 = Listed other organizations in the community that address this issue, how these other organizations address the issue, and how the proposed project will be improved by collaborations with other organizations

7. CPD objective, output goals, CPD outcome, outcome goals, and outcome measures are all clearly defined, logical, and feasible.

Project Outcome Performance Measurement

- 0 = No outcome performance measurement details provided
- 1 = Provided some outcome performance measurement details, but goals are vague and/or not feasible
- 5 = Provided all outcome performance measurement details, including clear and feasible goals, but the logic of the relationship amongst the elements is weak
- 10 = Provided all outcome performance measurement details, including clear and feasible goals; logical relationship amongst all performance measurement elements

Project Soundness Points (Max = 70) _____
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Financial Feasibility

1. Project budget estimates and costs are reasonable and well supported or justified relative to the number of persons to be served, the services to be provided, and the target population. Budget forms are accurate and thorough.

Budget

- 0 = No support or justification for project budget estimates; costs are unreasonable; budget forms not provided
- 1 = Budget estimates and costs are unreasonable and unjustified or budget forms are inaccurate
- 5 = Proposed budget estimates and costs appear reasonable; some justification and support for budget estimates were provided; budget forms are accurate but not thorough
- 10 = Detailed support and justification for budget estimates was provided, proposed estimates and costs are reasonable, and all forms are accurate and thorough

2. Applicant submitted a clear, documented, fully-funded budget.

Additional Resources

- 0 = No mention of whether additional funding or resources are necessary or have been committed to the project
- 1 = Vague mention that other funding or resources have been committed but no clear evidence that funding or resources were secured
- 5 = Partial evidence showing that additional funding or resources were secured, but amount(s) and source(s) were not clearly specified
- 10 = Evidence clearly shows that additional funding or resources were secured, and the amount(s) obtained and source(s) were provided

3. Applicant provided evidence of possible future sources of funding for sustainability.

Sustainability

- 0 = No mention of sustainability or future alternative funding possibilities
- 1 = Vague mention that future alternative funding would be needed but no clear mention of possible sources
- 5 = Mentioned possible sources for future alternative funding but either no timeline or plan was provided for requesting funding or the future funding sources provided are not realistic or appropriate
- 10 = Clearly identified appropriate alternative future funding sources and a plan with timelines for requesting future funding

Financial Feasibility Points (Max = 30) _____

Total Points (Max = 150) _____

Application Instructions and Forms

Application Overview

The CDBG application for public service funds contains the following sections:

- [Section 1: General](#)
- [Section 2: Organizational Capacity](#)
- [Section 3: Project Soundness](#)
- [Section 4: Financial Feasibility](#)
- [Section 5: Conflict of Interest Questionnaire](#)
- [Section 6: Application Checklist](#)

Carefully review the instructions and application prior to proceeding. Contact the Community Development Department if you need assistance.

Application Instructions

1. Complete **one** application for both PY2016 and PY2017. Complete and attach **two sets** of Budget Summary and Work Sheet forms – one for each program year.
2. Limit application pages to the 8-1/2"x11" format. Use 11 or 12 point font. Number all pages, including attachments.
3. Limit your answers to the space provided, but answer each question fully. **Limit Sections 2 to 4 to a total of 20 pages or less** (not including budget forms or attachments). Accurate information, detailed budgets, and adequate project descriptions are necessary. When answering questions, keep in mind the threshold and funding criteria.
4. Submit **one unbound copy and one digital copy** of the application and additional required documentation by the application deadline date. For items requiring a signature (e.g., Applicant Certification, Conflict of Interest Questionnaire, letter designating the authorized official(s), etc.), please provide one original and one photocopy.
5. Assemble the application in the following order:
 - a. Applicant Certification
 - b. Application (with budget forms)
 - c. Attachments in checklist order

City of Marysville
Community Development Block Grant Program

Application for Public Service Projects
Program Years 2016 and 2017

Section 1: General

1. Legal Name of Applicant: _____

2. Applicant Address: _____

3. Applicant is: Private, Non-Profit Organization UBI#: _____
 Municipal Corporation
 Unit of Local Government

4. Date of Incorporation: _____ Number of Years in Operation: _____

5. Contact Information:

Executive Director Name: _____
 E-Mail: _____
 Phone: _____

Application Contact Name/Title: _____
 E-Mail: _____
 Phone: _____

Financial Contact Name/Title: _____
 E-Mail: _____
 Phone: _____

Project Manager Name/Title: _____
 E-Mail: _____
 Phone: _____

6. Project Name: _____

7. Project Address: _____

8. Summarize your proposed project in one brief paragraph.

9. Has this project previously received Snohomish County CDBG public service funding to benefit Marysville residents? Yes No

Annual estimated funds previously received: \$ _____

10. Amount of Marysville CDBG funding requested: PY2016 \$ _____
PY2017 \$ _____

11. Total project cost: PY2016 \$ _____
PY2017 \$ _____

12. If funded, the earliest date the project could begin: _____

13. Date that this application for funding was authorized for submittal by the Applicant's legally responsible governing body (e.g., Board of Directors): _____

*Please submit documentation of this authorization. If more than one CDBG public services project is being applied for, the documentation **must** prioritize the applications for funding and indicate how the priorities were assigned. See the Application Checklist for documentation requirements.*

14. List the names and titles of the representatives authorized by the governing body to negotiate for and contractually bind the organization:

Name/Title: _____

Name/Title: _____

Please submit documentation of this authorization. See the Application Checklist for documentation requirements.

15. Provide all required attachments as listed in the [Application Checklist](#).

Section 2: Organizational Capacity

1. What is your organization's mission statement and/or primary focus?

2. Describe the experience your organization has in serving the target population and in providing the type of service in the proposed project. This may include past experience related to the proposed project or a similar project or other experience that indicates the skills, knowledge, and ability to perform and sustain the project successfully.

3. List the positions and qualifications (e.g., education, training, experience) of the staff members who will provide services for the proposed project.

Attach a current organizational chart. Reference the [Application Checklist](#) for required elements.

4. Describe your organization's ability and experience in managing federally funded projects on time, within budget, and in compliance with funding requirements. If your organization does not have experience, then describe the relevant experience of board members or staff.

5. If any answers to (4) or (5) in question No. 5 above are no, please explain.

6. Describe your organization's fiscal management system, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements.

7. Describe whether your organization has written policies and procedures that address personnel and financial management, a process for grievance, and a plan for affirmative action.

Attach evidence of written policies and procedures for personnel and financial management (e.g., Table of Contents from policy manual, summary/list of policies).

8. Has your organization received any audit findings in the past three years? If yes, what were they, and how were they resolved?

Attach a copy of your organization's most recent financial statement and audit.

9. How will your organization monitor progress towards achieving project goals and comply with record-keeping and reporting requirements? Describe the data collection and tracking tools that will be used, and specify the staff member or position responsible for monitoring and reporting progress.

Attach copies of all data collection tools that will be used to verify achievement of program goals and objectives.

10. List any license(s) or certificate(s) your organization needs in order to operate under federal or state law, and whether they are current.

Attach a copy of any required licenses or certificates.

11. State whether your organization has general liability insurance coverage, as well as professional liability for licensed professionals, in what amount, and with what insuring agency.

12. What is your governing body's knowledge and level of involvement with the proposed project?

Attach a list of governing body members. See the [Application Checklist](#) for required information.

13. What are the major sources of support for the organization?

Attach a copy of your organization's current budget.

14. Describe how the proposed project supports your organization's goals and strategies.

Section 3: Project Soundness

Project Description

1. How does the proposed project meet and qualify under a CDBG national objective?

Public service projects must meet the CDBG national objective of principally benefiting LMI. Please specify how the proposed project meets and qualifies for this national objective. (See [Appendix A](#) for a summary of the national objectives.) **Check only one.**

- A. Limited Clientele Presumed Benefit Activity (*project exclusively serves a group of persons generally presumed to be principally LMI*)
- B. Limited Clientele Direct Benefit Activity (*project is limited exclusively to LMI persons*)
- C. Limited Clientele Direct Benefit Activity (*at least 51% of clientele served by the project are LMI persons*)
- D. Limited Clientele Nature and Location (*nature and location of project make it reasonable to conclude that the clientele will be primarily LMI*)
- E. Area Benefit Activity (*Census Tract/Block Group*)

2. How will your project document that it meets the CDBG national objective?

- **If you checked A above**, specify **(1)** the category of persons presumed by HUD to be predominately LMI persons that the proposed project will exclusively serve, **(2)** how the activity is designed to be used exclusively by this category of persons, and **(3)** how your organization will document the presumed benefit status (e.g., client intake form, client homeless verification form).
- **If you checked B above**, **(1)** explain how your project will limit services exclusively to LMI persons, **(2)** describe the process your organization will use to document income eligibility, and **(3)** attach a copy of the client intake form, highlighting the questions regarding family size and income.
- **If you checked C above**, **(1)** document the total number of clients served in the past year, **(2)** specify the percentage of those clients who were LMI, **(3)** describe the income eligibility criteria that was used to determine the percentages of LMI persons, **(4)** describe the process your organization will use to document income eligibility, and **(5)** attach a copy of the client intake form, highlighting the questions regarding family size and income.
- **If you checked D above**, describe how both the **(1)** nature **and** **(2)** location of the services to be provided demonstrate that the persons served will be primarily LMI persons. *Please*

contact Community Development Department staff for technical assistance before applying under this category.

- **If you checked E above, (1)** define the boundaries of your claimed service area, **(2)** provide the basis for determining the boundaries, **(3)** attach a map of the service area and list the census tracts/block groups in your service area, and **(4)** provide the percentage of residents in the service area that are LMI based on Census data. Projects which cannot document that at least 51% of the residents in a service area are LMI at the time of application will not be considered eligible. *Please contact Community Development Department staff for technical assistance.*

3. Specify the City of Marysville 2015-2019 Consolidated Plan priority area, strategy, and objective that the proposed project seeks to address. (See [Appendix C](#) for the priority areas, strategies, and objectives.)

- Priority Area: Affordable Housing Non-homeless Special Needs
 Homeless Community Development (public facilities, infrastructure, public services, and economic development)

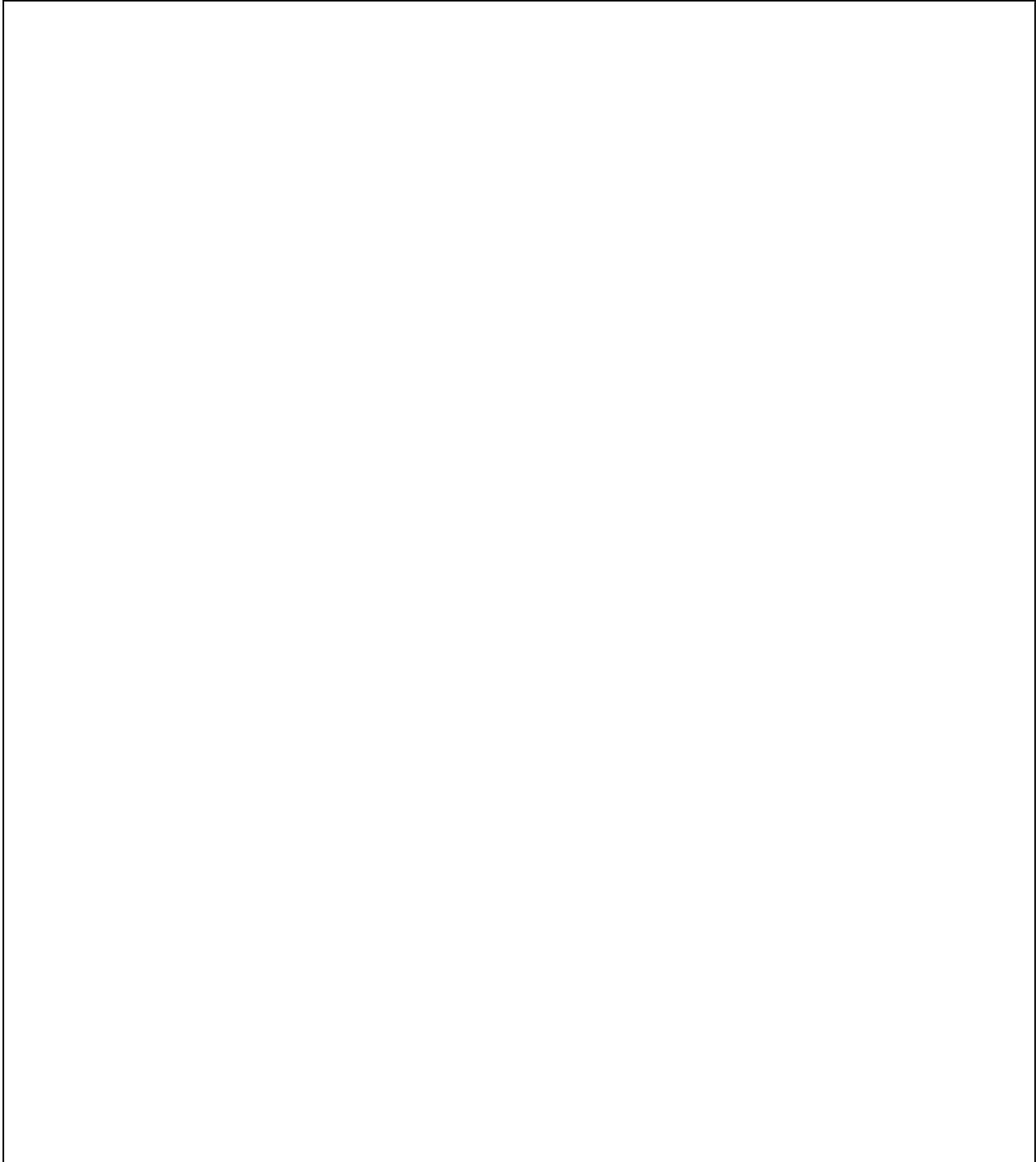
Strategy: _____ Objective: _____

4. Describe the overall goal(s) of the proposed project.

5. Describe the Marysville community need the proposed project seeks to address. Clearly state **(1)** what the need is, **(2)** how the need was identified, and **(3)** the acuteness of the need. Use objective measures in your response (e.g., statistical data from studies, waiting lists, surveys, etc.), and note the sources for the data.

A large empty rectangular box intended for the applicant to provide a detailed response to question 5, including objective measures and data sources.

6. Provide evidence that demonstrates how the proposed project's service delivery model is designed to address the identified Marysville community need and achieve the project's overall goals. Refer to research, third-party program evaluations, or other objective data, and specify whether the service delivery model is considered a best practice. Cite the sources.



7. Will the proposed project provide a new service or a quantifiable increase in the current level of service in Marysville? If the proposed project is a new project or a continuing project that is requesting an increase in funding, **(1)** state what your current level of service is in Marysville, **(2)** and specify in quantitative terms how the new or increased Marysville CDBG funding will be used to provide a new service or quantifiable increase in the current level of service.

Projects must demonstrate that new or increased funding does not merely replace other state or local government funding for an existing service in order to be eligible for funding.

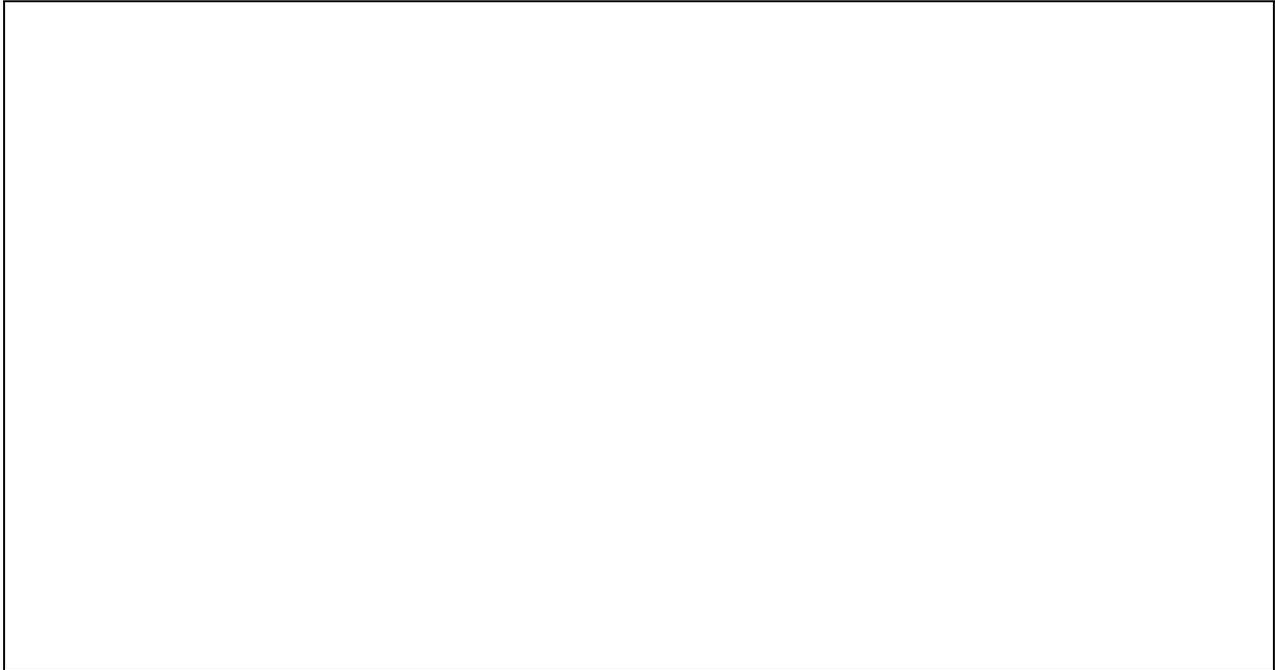
8. Explain how the proposed project will not exceed or overfill the existing gap/need in the Marysville community. Include in your response a brief description of other projects or services that currently exist in Marysville that are similar to the proposed project.

Project Implementation

9. Describe in detail the proposed project’s services or activities. Include in your description **(1)** the target population to be served (e.g., age, gender, race/ethnicity, income level, geographic area, or other defining characteristics), **(2)** the location of the project and/or the area served, and **(3)** the percentage of Marysville residents estimated to benefit from the proposed project.

10. How will you identify clients and solicit their feedback about the value and quality of services or activities? Describe the outreach methods that will be used to make the proposed project services known and accessible to eligible Marysville residents, including non-English speaking residents, persons with disabilities, and persons residing in isolated areas. Describe how any facilities associated with the proposed project comply with Americans with Disabilities Act (ADA) requirements regarding accessibility.

11. Define the project schedule, including major milestones and the frequency that services will be delivered. Demonstrate in the schedule how funds will be expended in a timely manner.



12. Identify other organizations that you will coordinate or collaborate with to implement the proposed project in Marysville. Address both service delivery **and** the nature of the coordination or collaboration. Describe how these partnerships will improve assistance to the clients served by the proposed project.



Outcome Performance Measurement

Review [HUD CPD Outcome Performance Measurement](#) before completing this section.

13. Identify the CPD **objective** that best describes the purpose of the proposed project: *(check one)*

- Creating Suitable Living Environments
 Providing Decent Housing
 Creating Economic Opportunities

14. Specify the **output goals** for the proposed project. Outputs measure the amount of work accomplished.

A. **Persons Assisted.** Complete the table below by specifying numbers of unduplicated Marysville persons to be assisted by the proposed project. Unduplicated means that each person served by the project is counted only once during the program year.

	PY2016	PY2017
1. Marysville persons to be assisted by all funds		
2. Marysville persons to be assisted by Marysville CDBG funds only		
3. Marysville families/households to be assisted by Marysville CDBG funds only (subset of #2)		

Select the group(s) that will be served by the proposed project: *(check all that apply)*

- | | |
|---|--|
| <input type="checkbox"/> Families | <input type="checkbox"/> Homeless persons |
| <input type="checkbox"/> Individuals | <input type="checkbox"/> Elderly persons (ages 62-74) |
| <input type="checkbox"/> Homeowners | <input type="checkbox"/> Frail elderly persons (ages 75 and older) |
| <input type="checkbox"/> Renters | <input type="checkbox"/> Persons with developmental disabilities |
| <input type="checkbox"/> Income less than or equal to 30% of HUD-defined median income | <input type="checkbox"/> Persons with physical disabilities |
| <input type="checkbox"/> Income greater than 30% but less than or equal to 50% of HUD-defined median income | <input type="checkbox"/> Persons with severe mental illness |
| <input type="checkbox"/> Income greater than 50% but less than or equal to 80% of HUD-defined median income | <input type="checkbox"/> Persons with alcohol or other drug addictions |
| | <input type="checkbox"/> Persons with HIV/AIDS and their families |
| | <input type="checkbox"/> Veterans |
| | <input type="checkbox"/> Victims of domestic violence |
| | <input type="checkbox"/> Youth (specify age range: _____) |
| | <input type="checkbox"/> Public housing residents |
| | <input type="checkbox"/> Other: _____ |

B. **Output Units Provided.** Identify and define the output unit(s) to be provided each program year. Examples of units include: emergency shelter bed nights, case management hours, meals, vouchers, medical encounters, housing units, linear feet of sidewalk, etc. Each project must track at least one output unit.

--

Complete the table below for each output unit identified above, for each program year. Specify output units provided to Marysville residents only.

Program Year	Output Unit	Marysville Units Provided by All Funds	Marysville Units Provided by Marysville CDBG Funds Only
PY2016			
PY2017			

15. Select the CPD **outcome** that best reflects what the proposed project is designed to achieve: *(check one)*

- Availability/Accessibility
 Affordability
 Sustainability

16. Describe and quantify the **outcome goals** for the proposed project for each program year. Outcomes are the benefits or impacts that result from the project activities, and they measure a change in knowledge, attitude, skills, behavior, conditions, or status in the persons served.

Examples: (1) 150 youth will have access to after-school tutoring in order to increase math and reading skills, and 50% will make honor roll after 6 months of individual tutoring. (2) 25 homes previously considered substandard will be brought to local city code and pass city housing code inspections. (3) At project completion, 11,400 persons will have access to improved roads, providing ride ability, vehicle and pedestrian safety and improve drainage.

Outcome Goals	
PY2016	
PY2017	

17. Describe the **outcome measures** (i.e., indicators, verifiable information, or data) that you will use to assess whether each outcome goal was actually attained.

Examples: (1) School honor roll records and progress reports for each student. (2) Signed city code inspection record in project files. (3) Before and after photographs.

Section 4: Financial Feasibility

- Complete and attach **two sets** of Budget Summary and Budget Worksheet forms, one for each program year. Attach evidence of other funding commitments, if applicable. For each position for which you are requesting full or partial Marysville CDBG funding, attach a current job description. Reference the [Application Checklist](#) for details.

2. Project Costs

- Cost Per Person.** In the table below, show the cost per person to provide services to Marysville residents under the proposed project.

	PY2016	PY2017
1. Total Marysville project cost (all funds)	\$	\$
2. Total number of Marysville persons to be served (all funds)		
3. Cost per person to be served	\$	\$

- Cost Per Output Unit.** For each output unit identified in the previous section, project the cost per unit.

Program Year	Output Unit	Total Marysville Project Cost (all funds)	Total Marysville Units (all funds)	Cost Per Unit
PY2016		\$		\$
		\$		\$
		\$		\$
PY2017		\$		\$
		\$		\$
		\$		\$

3. Explain **(1)** how you developed your total project cost for each program year, **(2)** why you consider your project costs to be reasonable, and **(3)** any unusual budget expenditures listed in the budget forms.

4. Define the role Marysville CDBG funds will play in developing the project. *Do not describe the importance of the project; describe the need for the Marysville CDBG funding to make the project viable financially.*

5. If funded, will the proposed project leverage additional matching resources? Yes No

Provide any relevant comments below.

6. Specify whether your project will generate program fees or program income, and if so, how (e.g., late fees, counseling fees, transitional housing rent, etc.).

7. Describe how donated goods and services would be used to support the proposed project. Estimate the annual value of donated goods and services that would support the project and how you calculated the value.

8. If the proposed project is funded at a level lower than requested, can your organization still deliver meaningful service? Please describe a reduced level of funding at which effective service can be delivered and the budget reductions that can be made.

9. Describe your organization's efforts to develop **(1)** alternative future sources of funding to support the proposed project and **(2)** a financial contingency plan in preparation for possible funding reductions.

Section 5: Conflict of Interest Questionnaire

Federal, State, and City law prohibits employees and public officials of the City of Marysville from participating on behalf of the City in any transaction in which they have a financial interest. This questionnaire must be completed and submitted by each applicant for Community Development Block Grant (CDBG) funding¹. The purpose of this questionnaire is to determine if the applicant, any of the applicant's staff, or any members of the applicant's governing body would be in conflict of interest.

1. Is/Has any member of the applicant's staff or governing body been a City employee, consultant, or member of the City Council within one year of the date of this application? Yes No

If yes, please list all name(s) below. Include each person's job title or role with respect to the applicant.

2. Will the CDBG funds requested by the applicant be used to pay the salaries of any applicant staff members or to award a subcontract to any individuals or business affiliates who are or have been a City employee, consultant, or member of the City Council within one year of the date of this questionnaire? Yes No

If yes, please list all name(s) below.

3. Are any members of the applicant's staff or governing body business partners or family members of a City employee, consultant, or member of the City Council? Yes No

If yes, please list all name(s) below. Include the name of the City employee, consultant or member of the City Council with whom each person has family or business ties.

On behalf of the applicant, I certify to the best of my knowledge and belief that the data in this questionnaire are true and correct.

The applicant agrees to abide by the provisions of 24 CFR 570.611 with respect to conflict of interest if selected as a recipient of CDBG funding.

Applicant's Name: _____

¹ As a CDBG grantee City departments are only required to complete this form for contracted work.

Authorized Official's Name and Title:

Authorized Official's Signature and Date:

Please submit one original copy and one digital copy of this questionnaire in your application package.

Section 6: CDBG Public Services Application Checklist

Submit **one set** of original and one digital copy of each of the following. For items requiring a signature (e.g., Applicant Certification, Conflict of Interest Questionnaire, letter designating the authorized official(s), etc.), please ensure signatures are original. Incomplete or late applications will not be considered for funding. Check items that are attached.

Authorization

- 1. **Applicant Certification Signed by Authorized Representative** (*submit one original and one digital copy*)

Application

- 2. **Complete Application**
- 3. **Budget Summary for PY2016**
- 4. **Budget Worksheet for PY2016**
- 5. **Budget Summary for PY2017**
- 6. **Budget Worksheet for PY2017**

Attachments – General

- 7. Copy of **Articles of Incorporation and Bylaws**, the documents recognized by the State as formally establishing a private corporation, business, or agency
- 8. Copy of **501(c)(3) tax exemption determination letter** from the IRS (*private non-profit applicants only*)
- 9. **Proof of registration as an active non-profit corporation in Washington State** (*private non-profit applicants only*)
- 10. **List of current Board of Directors**, or other governing body members, which includes the name, phone number, address, and occupation or affiliation of each member and identifies the principal officers of the governing body
- 11. **Governing body's authorization to submit the funding request**, which consists of a copy of the minutes of the meeting in which the governing body's resolution, motion or other official action is recorded; the authorization **must** also include prioritization of applications if more than one is submitted
- 12. **Governing body's action authorizing a representative of the organization to negotiate for and contractually bind the organization**, which consists of a signed letter from the highest principal officer of the governing body providing the name, title, address, and phone number of each authorized individual

- 13. Organizational chart** that describes the organization’s administrative framework and staff positions, indicates where the proposed project will fit into the organizational structure, and identifies any staff positions of shared responsibility
- 14. Resumes** of the President/Executive Director, Chief Fiscal Officer, and Chief Program Administrator
- 15. Job descriptions** for positions to be supported by Marysville CDBG funds, including a list of the duties and minimum qualifications for filling each position
- 16. Evidence of written policies and procedures for personnel and financial management** (Table of Contents or summary/list)
- 17. Current organization budget**, showing projected revenue sources and expenditures
- 18. Most recent financial statement and audit**
- 19. Copy of license(s) or certificate(s)** required to operate *(if applicable)*
- 20. Documentation showing how the proposed project will meet the CDBG National Objective**
- 21. Copies of all data collection tools** that will be used to verify achievement of goals and objectives
- 22. Service area map** *(for area benefit projects)*

Applicant Certification

To the best of my knowledge and belief, the information contained in this application and in the additional required documentation submitted with this application is true and correct.

The submission of this application has been duly authorized by the governing body of the Applicant.

The Applicant agrees that if the project is allocated CDBG funding, it will comply with all federal, state and local statutes, regulations, policies and requirements applicable to CDBG funding.

Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the Applicant.

Signature of Authorized Applicant Representative

Date

Name and Title of Authorized Applicant Representative (Please Print or Type)

Appendices

Appendix A: Summary of CDBG National Objectives

This appendix summarizes the national objectives of the CDBG Program contained in CFR Title 24 Part 570 as taken from [Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight](#). For additional details, please consult the regulations.

Each activity, except planning and administrative activities, must meet one of the CDBG Program's three broad national objectives:

1. Benefit low- and moderate-income persons,
2. Aid in the prevention or elimination of slums or blight, or
3. Meet community development needs having a particular urgency.

At least 70 percent of the grantee's overall expenditures during a one-, two-, or three-year period (specified by the grantee) must be used for activities that benefit low- and moderate-income persons.

1. Activities Benefiting Low- and Moderate-Income Persons

Area Benefit Activities

An activity, the benefits of which are available to **all** the residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. The service area must be primarily residential, and the activity must meet the identified needs of low- and moderate-income persons. Examples include: street improvements, water and sewer lines, neighborhood facilities, and facade improvements in neighborhood commercial districts. Such an activity must meet one of the following qualifying criteria:

- (1) Fifty-one percent of the persons residing in the service area are low and moderate income, supported by the most recently available decennial census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. (HUD provides grantees with information by census tract and block group that may be used to determine this percentage); or
- (2) Fifty-one percent of the persons residing in the service area are low- and moderate-income residents supported by a current survey of the residents of the service area **if** the recipient believes that the census data do not reflect current relative income levels in an area, **or** where census boundaries do not coincide sufficiently well with the service area of an activity. The survey results must meet statistical reliability standards and be approved by HUD; or
- (3) Under the Exception Criteria, a service area that contains less than 51 percent low- and moderate-income residents will be considered to meet this National Objective if the proportion of low- and moderate-income persons in the area is within the **highest quartile** of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose.

Records to be Maintained:

- Boundaries of the service area;
- Data showing the percent of low- and moderate-income persons residing in the service area; and
- Data showing that the area qualifies under the exception rule if the percent of low- and moderate-income persons in the service area is less than 51 percent.

Census Block Group and Census Tract maps can be located online at <https://www.census.gov/geo/maps-data/maps/datamapper.html>

Limited Clientele Activities

- (1) An activity that benefits a limited clientele, at least 51 percent of whom are low- and moderate-income persons. Examples include: construction of a senior center; public services for the homeless; meals on wheels for the elderly; and construction of job training facilities for the handicapped. The activity must meet one of the following qualifying criteria:
 - (a) The activity must exclusively serve a group of persons in any one or a combination of categories generally presumed to be principally low and moderate income: abused children, battered spouses, elderly persons, adults meeting the definition of “severely disabled” in the Bureau of Census’s Current Population Reports, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
 - (b) Information must be required on family size and income to document that at least 51 percent of the clientele are persons whose family income does not exceed Section 8 low- and moderate-income limits; or
 - (c) The activity must have income eligibility requirements that limit the activity exclusively to low- and moderate-income persons; or
 - (d) The activities must be of such nature and in such location that it may be reasonably concluded that the activity’s clientele will primarily be low- and moderate-income persons.
- (2) A special project that serves to remove material and architectural barriers that restrict the mobility and accessibility of elderly persons or of adults meeting the definition of “severely disabled” in the Bureau of Census’s Current Population Reports will qualify if it is restricted, to the extent practicable, to the removal of such barriers by assisting:
 - the reconstruction of a public improvement or facility, or portion thereof, that does not serve an area that is predominantly low and moderate income;
 - the rehabilitation of a privately owned non-residential building or improvement that does not serve an area that is predominantly low or moderate income or create or retain jobs primarily for low- and moderate-income persons; or,
 - the rehabilitation of the common areas of a residential structure that is not principally occupied by low- and moderate-income households.

Records to be Maintained:

One of the following types of documentation must be kept for each activity:

- Documentation showing that the activity is designed for and used by a segment of the population presumed by HUD to be principally low and moderate income; or
- Documentation describing how the nature and, if applicable, the location of the activity establishes that it will primarily benefit low- and moderate-income persons; or
- Date showing the size and annual income of the family of each person receiving the benefit; or
- Data showing that the activity is a special project removing accessibility barriers in the limited cases described above.

Housing Activities

An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be principally occupied by low- and moderate-income households. Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction. The activity must meet the following qualifying criteria:

- (1) One-unit structures must be occupied by low- and moderate-income households.
- (2) Two-unit structures must have at least one unit occupied by a low- and moderate-income household.
- (3) Structures containing more than two units must have at least 51 percent of the units occupied by low- and moderate-income households.
- (4) Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as a single structure.
- (5) For rental housing, occupancy by low- and moderate-income households must be at affordable rents, consistent with standards adopted and publicized by the CDBG grantee for determining “affordable rent” levels.
- (6) Assistance to reduce the development cost of the new construction of non-elderly, multi-unit rental structures may qualify if: (a) at least 20 percent of the units are occupied by low- and moderate-income households; (b) where low- and moderate-income occupancy is between 20 percent and 51 percent, the CDBG proportion of the total development costs (including the costs of all work from design and engineering through completion of the physical improvements and, if integral to the project, the costs of acquisition) is no greater than the proportion of units occupied by low- and moderate-income households.

Records to be Maintained:

- A copy of the written agreement with each landlord or developer receiving CDBG assistance indicating the total number of dwelling units in each multi-unit structure assisted and the number of those units that will be occupied by low- and moderate-income households after assistance.
- The total cost of the activity, including both CDBG and non-CDBG funds.
- For each unit occupied by a low- and moderate-income household, the size, ethnicity, and income of the household.

- For rental housing only:
 - Rent charged (or to be charged) after assistance, for each dwelling unit in each structure assisted; and
 - Information as necessary to show the affordability of units occupied (or to be occupied) by low- and moderate-income households pursuant to criteria established and made public by the grantee.
- For each property acquired on which there are no structures, evidence of commitments ensuring that the above criteria will be met when the structures are built.
- Where applicable, records documenting that the activity qualified under the exception allowed for new construction of non-elderly, multi-unit, rental housing.

Job Creation or Retention Activities

An activity designed to create or retain permanent jobs where at least 51 percent of that, computed on a full-time equivalent (FTE) basis, involve the employment of low- and moderate-income persons. Potentially eligible activities include: construction by the grantee of a business incubator designed to offer space and assistance to new firms to help them become viable small businesses; loans to pay for the expansion of a plant or factory; and assistance to a business to prevent closure and a resultant loss of jobs for low- and moderate-income persons. As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies. However, in certain cases, such as where CDBG funds are used to acquire, develop or improve real property (e.g., a business incubator or an industrial park), the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds. Additionally, where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving loans during each program year. Finally, a job creation/retention activity undertaken pursuant to the strategy for a HUD-approved Neighborhood Revitalization Strategy Area may be considered to meet the low/moderate area benefit National Objective under 570.208(d)(5)(i).

Jobs may be taken by low- and moderate-income persons or made available to such persons. Jobs are only considered to be **available to** low- or moderate-income persons when:

- (1) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
- (2) Local government and/or the assisted business take actions to ensure that low- and moderate-income persons receive **first consideration** for filling such jobs.

Records to be maintained for benefit based on job creation:

Where the grantee chooses to document that at least **51 percent of the jobs will be available to** low- and moderate-income persons, documentation for each assisted business shall include:

- A copy of a written agreement, containing:
 - A commitment by the business that it will make at least 51 percent of the FTE jobs available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education;

- A listing by job title of the permanent jobs to be created, indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time; and,
- A description of the actions to be taken by the grantee and business to ensure that low- and moderate-income persons receive **first consideration** for these jobs; and
- A listing by job title of the permanent jobs filled, and which jobs were available to low- and moderate-income persons, as well as a description of how first consideration was given to any such persons for these jobs. The description shall include what type of hiring process was used; the names of the low- and moderate-income persons interviewed for each such job; and those hired.

or

Where the grantee chooses to document that at least **51 percent of the jobs will be held by** low- and moderate-income persons, documentation for each assisted business shall include:

- A copy of a written agreement, containing:
 - A commitment by the business that at least 51 percent of the jobs created, on a full-time equivalent basis, will be held by low- and moderate-income persons; and,
 - A listing by job title of the permanent jobs to be created (identifying which are part-time, if any).
- A listing by job title of the permanent jobs filled and which jobs were **initially taken by** low- and moderate-income persons; and
- For each low- and moderate-income person hired, information on the size and annual income of the person's family prior to the time the person was hired for the job, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)].

For benefit based on job retention, the following documentation must be kept:

- Evidence that in the absence of CDBG assistance, the jobs would be lost; and,
- For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which are held by low- and moderate-income persons at the time the assistance is provided; and,
- Where applicable, identification of any of the retained jobs (other than those known to be held by low- and moderate-income persons) that are projected to become available to low- and moderate-income persons through job turnover within two years of the time CDBG assistance is provided, and information on how the turnover projections were calculated; and,
- For each retained job claimed to be held by a low- and moderate-income person, information on the size and annual income of the person's family, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)]; and,
- For jobs claimed to be available to low- and moderate-income persons based on job turnover: a description covering the items required for "available to" jobs identified above; a listing of each job that has turned over to date, indicating which of those jobs were either taken by, or made available to low- and moderate-income persons; and a description of how "first consideration" was given to low- and moderate-income persons for those jobs.

2. Activities that Aid in the Prevention or Elimination of Slums or Blight

Activities to Address Slums or Blight on an Area Basis

An activity that aids in the prevention or elimination of slums or blight in a designated area. Examples include: assistance to commercial or industrial businesses, public facilities or improvements, and code enforcement **in a blighted neighborhood**. The activity must meet **all** of the following qualifying criteria:

- (1) The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;
- (2) There must be a substantial number of deteriorated or deteriorating buildings throughout the area, or the public improvements are in a general state of deterioration;
- (3) The activity must address one or more of the conditions that contributed to the deterioration of the area; and
- (4) If rehabilitation of residential buildings not occupied by low- and moderate-income households is undertaken, each such building rehabilitated must be considered substandard under local definition before rehabilitation, and ***all deficiencies making a building substandard must be corrected before less critical work on the building may be undertaken.***

Records to be Maintained:

- Boundaries of the area.
- A description of the conditions that qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the qualifying criteria.
- For each residential rehabilitation activity:
 - A local definition of 'substandard' that must be at least as stringent as the housing quality standards used in the Section 8 Housing Assistance Payment Program - Existing Housing; and
 - A pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
 - Details and scope of CDBG-assisted rehabilitation, by structure

Activities to Address Slums or Blight on a Spot Basis

An activity that aids in the prevention or elimination of slums or blight ***outside of a slum or blighted area***. Examples include: elimination of faulty wiring, falling plaster, or other similar conditions that are detrimental to all potential occupants; historic preservation of a deteriorated public facility; and demolition of a vacant, deteriorated, abandoned building. The activity must meet the following qualifying criteria:

- (1) The activity must be designed to eliminate ***specific conditions of blight or physical decay*** on a spot basis; and
- (2) The activity must be limited to ***acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings***. Rehabilitation is limited to the extent necessary to eliminate specific conditions ***detrimental to public health and safety***.

Records to be Maintained:

- A description of the specific condition of blight or physical decay treated;
- For rehabilitation carried out under this category, a description of the structure, including:
 - The specific conditions detrimental to public health and safety that were identified; and
 - Details and scope of the CDBG-assisted rehabilitation.

Activities to Address Slums or Blight in an Urban Renewal Area

An activity that aids in the elimination or prevention of slums or blight in an urban renewal area. The activity must meet the following qualifying criteria:

- (1) The activity must be located within a Federally designated ***urban renewal project area or Neighborhood Development Program (NDP) action area***; and,
- (2) The activity must be ***necessary to complete the urban renewal plan***, then in effect, including ***initial*** land redevelopment permitted by the plan.

Records to be Maintained:

- A copy of the Urban Renewal Plan, in effect at the time the CDBG activity is carried out, including maps and supporting documentation.

3. Activities Designed to Meet Urgent Community Development Needs

An activity designed to alleviate existing conditions that have a particular urgency. Examples include reconstruction of water and sewer lines destroyed by major catastrophes or emergencies such as floods or tornadoes. The activity must meet the following qualifying criteria:

- a) The existing conditions must pose a ***serious and immediate threat to the health or welfare*** of the community;
- b) The existing conditions are of ***recent origin*** or recently became urgent (generally within the past 18 months);
- c) The grantee is ***unable to finance*** the activity on its own; and
- d) ***Other sources of funding are not available.***

Records to be Maintained:

- Documentation concerning the nature and degree of seriousness of the condition requiring assistance;
- Evidence that the grantee certified that the CDBG activity was designed to address the urgent need;
- Information on the timing of the development of the serious condition; and
- Evidence confirming that other financial resources to alleviate the need were not available.

4. Additional Criteria

- a) According to 24 CFR 570.208(d), where the assisted activity is ***acquisition of real property***, a preliminary determination of whether the activity addresses a National Objective may be based on the planned use of the property after acquisition. The documentation required depends on planned use.

- b) ***Where acquisition is for the purpose of clearance*** that will eliminate specific conditions of blight or physical decay, ***the clearance activity will be considered the actual use of the property.*** However, any subsequent use or disposition of the cleared property is treated as “change of use” under §570.505.

Appendix B: Eligible and Ineligible CDBG Activities

§570.201 Basic Eligible Activities

CDBG funds may be used for the following activities:

- (a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of §570.207.
- (b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in §570.504.
- (c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in §570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in §570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in §570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in §570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in §570.200(b).
- (d) *Clearance and remediation activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. Remediation may include project-specific environmental assessment costs not otherwise eligible under §570.205.
- (e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under §570.207(b)(4)), homebuyer downpayment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by

or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

- (1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in §570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.
- (2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:
 - (i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus
 - (ii) A portion of the grant received for the program year which is the highest of the following amounts:
 - (A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;
 - (B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;
 - (C) The amount of funds it obligated for public services in the 1982 program year; or,
 - (D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.*

- (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:
 - (i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and
 - (ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

- (2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:
- (i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;
 - (ii) The clearance of streets, including snow removal and similar activities, and
 - (iii) The improvement of private properties.
- (3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.
- (g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.
- (h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in §570.801.
- (i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of §570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of §570.606(d).
- (j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.
- (k) *Housing services.* Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).
- (l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.
- (m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.
- (n) *Homeownership assistance.* CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.
- (o) (1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

- (i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;
 - (ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and
 - (iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.
- (2) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.
 - (3) For purposes of this paragraph (o), “persons developing microenterprises” means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.
 - (4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).
- (p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under §570.205.
 - (q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

§570.202 Eligible Rehabilitation and Preservation Activities

- (a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:
 - (1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
 - (2) Low-income public housing and other publicly owned residential buildings and improvements;

- (3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;
 - (4) Nonprofit-owned nonresidential buildings and improvements not eligible under §570.201(c); and
 - (5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.
- (b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.
- (1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
 - (2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;
 - (3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;
 - (4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
 - (5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;
 - (6) Connection of residential structures to water distribution lines or local sewer collection lines;
 - (7) For rehabilitation carried out with CDBG funds, costs of:
 - (i) Initial homeowner warranty premiums;
 - (ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and
 - (iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to §570.605.

- (8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
 - (9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;
 - (10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and
 - (11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.
- (c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.
- (d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.
- (e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.
- (f) *Lead-based paint activities.* Lead-based paint activities pursuant to §570.608.

§570.207 Ineligible Activities

The general rule is that any activity that is not authorized under the provisions of §570.201–570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

- (a) The following activities may not be assisted with CDBG funds:
 - (1) *Buildings or portions thereof, used for the general conduct of government* as defined at §570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under §570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in §570.208.

- (2) *General government expenses.* Except as otherwise specifically authorized in this subpart or under OMB Circular A-87, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.
- (3) *Political activities.* CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.
- (b) The following activities may not be assisted with CDBG funds unless authorized under provisions of §570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of §570.204.
- (1) *Purchase of equipment.* The purchase of equipment with CDBG funds is generally ineligible.
- (i) *Construction equipment.* The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to OMB Circulars A-21, A-87 or A-122 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under §570.201(c).
- (ii) *Fire protection equipment.* Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c).
- (iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with OMB Circular A-21, A-87 or A-122, as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as fire fighting equipment, or when such items constitute all or part of a public service pursuant to §570.201(e).
- (2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under §570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:
- (i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

- (ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.
- (3) *New housing construction.* For the purpose of this paragraph, activities in support of the development of low or moderate income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in §570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:
- (i) As provided under the last resort housing provisions set forth in 24 CFR part 42;
 - (ii) As authorized under §570.201(m) or (n);
 - (iii) When carried out by an entity pursuant to §570.204(a);
- (4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

Appendix C: City of Marysville 2015-2019 Consolidated Plan Strategies and Objectives

Below are the five-year strategies and objectives set forth in the City of Marysville 2015-2019 Consolidated Plan. Objective and outcome categories are defined for each objective.

Strategies and Objectives by Priority Area		Objective Category	Outcome Category
Affordable Housing			
Housing Strategy 1 (AHS-1)	Enable homeowners to remain in their homes, primarily benefiting seniors, persons with disabilities, and very low-income persons		
<i>Housing Objective 1 (AHO-1)</i>	<i>Provide assistance for improving the safety and accessibility of housing units that benefit seniors and persons with physical or developmental disabilities</i>	<i>Decent Housing</i>	<i>Affordability</i>
<i>Housing Objective 2 (AHO-2)</i>	<i>Assist very low-, low-, and moderate-income homeowners improve the safety of their homes, with priority given to very low-income households</i>	<i>Decent Housing</i>	<i>Affordability</i>
Housing Strategy 2 (AHS-2)	Preserve and increase the affordable housing stock		
<i>Housing Objective 3 (AHO-3)</i>	<i>Provide incentives to public, private, and nonprofit partners to retain, maintain, and/or expand the affordable housing stock</i>	<i>Decent Housing</i>	<i>Affordability</i>
Homeless			
Homeless Strategy 1 (HMS-1)	Work to reduce and end homelessness		
<i>Homeless Objective 1 (HMO-1)</i>	<i>Assist persons at risk of becoming homeless by providing support for homeless prevention programs</i>	<i>Decent Housing</i>	<i>Availability/ Accessibility</i>
<i>Homeless Objective 2 (HMO-2)</i>	<i>Assist homeless persons in the transition to self-sufficiency by supporting transitional, permanent supportive, and permanent affordable housing and related services, giving priority to families</i>	<i>Decent Housing</i>	<i>Availability/ Accessibility</i>
<i>Homeless Objective 3 (HMO-3)</i>	<i>Support emergency shelters meeting the needs of homeless Marysville families or runaway youth</i>	<i>Decent Housing</i>	<i>Availability/ Accessibility</i>

Strategies and Objectives by Priority Area		Objective Category	Outcome Category
Homeless Strategy 2 (HMS-2)	Promote production of a local emergency shelter for families		
Non-homeless Special Needs			
Special Needs Strategy 1 (SNS-1)	Support an environment that allows special needs populations to safely live with dignity and independence		
<i>Special Needs Objective 1 (SNO-1)</i>	<i>Provide support for housing and social services programs that enable special needs populations to safely live with dignity and independence</i>	<i>Decent Housing</i>	<i>Availability/Accessibility</i>
Community Development			
Community Development Strategy 1 (CDS-1)	Promote a suitable living environment, dignity, self-sufficiency, and economic advancement for low- and moderate-income persons		
<i>Public Facilities Objective 1 (PFO-1)</i>	<i>Improve the safety and livability of low- and moderate-income neighborhoods by addressing service gaps in public facilities</i>	<i>Suitable Living Environment</i>	<i>Availability/Accessibility</i>
<i>Public Facilities Objective 2 (PFO-2)</i>	<i>Eliminate blighting influences and the deterioration of property and facilities in low- and moderate-income areas by providing funds for rehabilitation</i>	<i>Suitable Living Environment</i>	<i>Sustainability</i>
<i>Public Facilities Objective 3 (PFO-3)</i>	<i>Increase access to quality public and private facilities in low- and moderate-income areas by providing funds for rehabilitation</i>	<i>Suitable Living Environment</i>	<i>Availability/Accessibility</i>
<i>Infrastructure Objective 1 (INO-1)</i>	<i>Improve the safety and livability of low- and moderate-income neighborhoods by addressing service gaps in infrastructure</i>	<i>Suitable Living Environment</i>	<i>Availability/Accessibility</i>
<i>Public Services Objective 1 (PSO-1)</i>	<i>Invest in public services concerned with employment, particularly of low- and moderate-income individuals</i>	<i>Economic Opportunity</i>	<i>Availability/Accessibility</i>
<i>Public Services Objective 2 (PSO-2)</i>	<i>Support programs that provide homeless, special needs, and low-income populations with basic needs and access to essential services such as transportation, health care, childcare, case management, and legal assistance</i>	<i>Suitable Living Environment</i>	<i>Availability/Accessibility or Affordability</i>
<i>Economic</i>	<i>Provide support for the establishment,</i>	<i>Economic</i>	<i>Availability/</i>

Strategies and Objectives by Priority Area		Objective Category	Outcome Category
<i>Development Objective 1 (EDO-1)</i>	<i>stabilization, and expansion of small businesses (including micro-businesses) that benefit low- and moderate-income individuals</i>	<i>Opportunity</i>	<i>Accessibility</i>