




APPLICATION GUIDE
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)



“This application guide is intended to provide potential applicants with information on eligible activities as well as the application process to develop a successful funding proposal. “

Merita Sandoval, Director

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APPLICATION GUIDE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Program Year 2023

(October 1, 2023 – September 30, 2024)

INTRODUCTION

The City of Odessa (City) receives a Community Development Block Grant (CDBG) annually from the U.S. Department of Housing and Urban Development (HUD) to fund activities that primarily benefit low- and moderate-income (LMI) residents of Odessa. Each year, the City, through the Community Development Department, uses a competitive application process to fund both public service and non-public service programs and activities.

In addition to public services funded with CDBG dollars, the City directly administers non-public service CDBG funds to carry out a wide range of community development activities. Both public service and non-public service programs must be an eligible activity under program guidelines and meet a national objective.

To help potential applicants determine whether their project might be eligible for a grant it is important to be familiar with the basic requirements of the CDBG program.

APPLICANT ELIGIBILITY

Eligible applicants are:

- 501(c) (3) non-profit organizations providing services to residents within the City limits of Odessa.
- For previous or current subrecipients to be considered for CDBG funding, the organization must be current on all reporting and in good standing with the City and HUD.

Please note that the City receives their own CDBG funding directly from HUD. Therefore, projects in the City are eligible only to the extent that they serve residents living within the City limits.

HOW TO APPLY FOR FUNDS

Parties interested in applying and have not applied previously are encouraged to contact Thurman “Sonny” Bryant at the Community Development Department. Mr. Bryant is available to answer questions and provide guidance. His contact information is (432) 335-4820, or at tjrbryant@odessa-tx.gov .

An Application Workshop will be conducted at 10:00 a.m. on May 2, 2023. The Workshop will be conducted Virtually, and you may register by emailing tjrbryant@odessa-tx.gov. **The registration deadline is June 24, 2023.** A confirmation will be issued along with the joining information and a copy of the Application.

If you do not attend the workshop, a copy of the Application can be downloaded from the [Community Development web page](#) or you may request a copy by emailing a request to tjrbryant@odessa-tx.gov

The deadline for submitting an application is Monday, May 15, 2023 by 4:00

Failure to submit a complete, signed, and dated application with all required information and attachments will result in your application being rejected.

Applicants submitting a funding request for more than one project must complete a separate application for each.

Applicants requesting funding for administrative costs must supply two budget sheets, one for program delivery costs, and one for administrative costs.

ELIGIBLE & INELIGIBLE ACTIVITIES

The CDBG program offers the City a high level of flexibility in choosing program activities. The following is a representative overview of eligible CDBG activities. In addition, all projects must show consistency with the City’s five-year Consolidated Plan. In general, projects **not** listed below should be considered ineligible. Please contact the Community Development Department with questions on the eligibility of a specific project.

Public Services Activities

Public services are generally eligible under the CDBG Program. Public service activities may include, but are not limited to:

- Food programs
- School age children’s programs
- Crime prevention
- Human Service programs
- Housing & Foreclosure assistance
- Services for senior citizens
- Services for individuals with disabilities
- Services to Veterans
- Recreational services
- Job training programs

- Public service agencies may be funded that are not located within the City, but City CDBG program funds must be used only for the costs associated with serving residents within Odessa.
- CDBG cannot supplant existing funds or replace lost funding. Any public service funded must offer a new type of service to the city's residents or result in a quantifiable increase in existing services.
- The City is limited to allocating 15% of its total CDBG funds to public service projects.

Activities Related to Housing¹

There are many activities related to housing that are eligible under the CDBG program. A few examples include:

- Rehabilitation of homes which are owner-occupied housing for low- and moderate-income households. Rehab includes energy improvements, connection to water and sewer lines, and removal of material and architectural barriers that restrict accessibility, among other activities.
- Lead-based paint testing and abatement.
- Construction of housing (in some cases) and activities that support new rental or owner-occupied housing construction such as acquisition, clearance, site improvements, and street improvements.

Public Facilities and Improvements Activities

CDBG funds may be used for the acquisition, construction, reconstruction, rehabilitation, or installation of public improvements for public facilities.

Public facilities include, but are not limited to, the improvement of:

- Neighborhood/community facilities
- Parks and playgrounds
- Street and road Improvements

Projects must benefit the persons living in the area (For example: A park in a low-income census tract can be developed or improved if it is utilized primarily by the residents of that area, and not the community as a whole).

Improvements cannot be made to buildings used for "conduct of government." There are two exceptions:

- 1) ADA accessibility improvements can be made in these buildings
- 2) Municipal facilities can be improved for accessibility (i.e.: a community center located within a borough hall).

¹ The City Community Development administers a city-wide housing rehabilitation program for owner-occupied units.

Other Real Property Activities

Many other real property activities are eligible to be funded by CDBG, including:

- Acquisition for a public purpose
- Clearance and demolition²
- Rehabilitation of publicly or privately owned commercial or industrial buildings
- Historic preservation
- Renovation of closed buildings
- Interim assistance to arrest severe deterioration or alleviate emergency conditions
- Handicapped accessibility/removal of architectural barriers
- Energy efficiency projects

Ineligible Activities

CDBG funds may **not** be spent on general government expenses, machinery and equipment purchases, and operating and maintenance costs. This section describes activities that are not eligible under the CDBG Program. The general rule is that any activity not specifically authorized under the CDBG regulations and statute is ineligible to be assisted with CDBG funds.

In addition, the regulations stipulate that the following activities may **not** be assisted with CDBG funds:

- × Buildings for the general conduct of government are ineligible. However, the removal of architectural barriers from government buildings is eligible under the category of public facilities and improvements.
- × General government expenses are ineligible.
- × Financing for political activities or to engage in other partisan political activities are ineligible.
- × Purchase of equipment is generally ineligible.
- × Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible.
- × Purchase of personal property, including equipment, fixtures, motor vehicles, furnishings, or other personal property is generally ineligible.
- × Operating and maintenance expenses (of public facilities, improvements, and services) are 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.

² The City Community Development administers a demolition program

MEETING A NATIONAL OBJECTIVE

Title I of the Housing and Community Development Act of 1974 requires any activity funded under the Community Development Block Grant program meet at least one of the three national objectives:

- 1) Provide benefit to low- and moderate-income (LMI) persons;
- 2) Aid in the prevention or elimination of slums and blight; or
- 3) Address an urgent community need.

At a minimum, 70% of Odessa's CDBG funds must be used to address the first national objective, benefit of LMI persons; therefore, most successful applications will meet this objective. The third objective, urgent need, is used rarely and may be used only in consultation with Community Development staff.

Activities considered to benefit low- and moderate-income persons are divided into four categories: area benefit, limited clientele, and housing.

A) **Area Benefit Activities.** An area benefit activity is an activity that meets the identified needs of LMI persons residing in an area. The benefits of this type of activity are available to all persons in the area regardless of income. Examples of potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities, and park renovations.

- 1) Area benefits can be determined based upon census tracts and block groups, when the project serves all residents in a census tract or block group and where at least 51% of the residents were shown to have low or moderate incomes at the time of the most current Census information
- 2) When the project area does not line up with an LMI census block group, applicants can conduct a neighborhood survey on family size and income. The project area qualifies if at least 51% of the residents are persons whose family income does not exceed the LMI limits. Contact Thurman Bryant at tjrbryant@odessa-tx.gov or (432) 335-4820 for assistance.

B) **Limited Clientele Activities.** A limited clientele activity is an activity which benefits a specific group of people (rather than all the residents in a particular area), at least 51% of whom are LMI persons. To qualify under this category, the activity must meet one of two tests:

- 1) Benefit a clientele who are generally presumed to be principally LMI. The following groups are presumed by HUD to meet this criterion:
 - ✓ Seniors;

- ✓ Severely disabled adults;
- ✓ Homeless;
- ✓ Victims of domestic violence;
- ✓ Abused/neglected children and youth;
- ✓ Illiterate adults;
- ✓ Migrant farm workers; or
- ✓ Persons living with HIV/AIDS.

2) Have income eligibility requirements that limit the activity exclusively to LMI persons. To meet this requirement, the applicant would need to verify the income of each program participant once the project is approved.

C) Housing Activities. A housing activity adds or improves permanent, residential structures that will be occupied by LMI persons upon completion. To meet the housing LMI national objective, structures with one unit must be occupied by a LMI household. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must be at least 51% occupied by LMI households.

PROGRAM REQUIREMENTS

Applicants should consider this guide as a supplement of the Community Development Block Grant Program Entitlement Grant Regulations, Title 24 of the Code of Federal Regulations, Part 570.

Projects must comply with all relevant federal regulations throughout the duration of the project. For example, construction projects must meet federal labor standards and other legislative and regulatory requirements for using federal funds.

Not all requirements are described in full here. For example, all grantees will be required to execute a contract with the City and complete and submit required quarterly and annual reports. Once a project is approved, Community Development will provide subrecipients with additional information, technical assistance, and guidance to help meet contract requirements.

SUBRECIPIENT CONTRACTS

Once an application is approved for funding, a grant agreement (Contract) will be prepared by the City. The contract will specify the amount of the award, the period for which the project is approved, the contract term, and administrative provisions. Special conditions attached to the award also will be specified in the contract. Subrecipients will be required to file recurring reports on expenditures, progress toward goals, and beneficiaries.

Contract effective dates are October 1 – September 30.

FUNDING PRIORITIES

Applicants receiving funds in one year are not guaranteed future funding. Funding is dependent on many factors including past performance

Funding priority will be given to activities that:

- provide services that respond to critical, identifiable, and unmet needs within the city limits of Odessa.
- supports the City's five-year Consolidated Plan goals and priorities.
- have a high benefit to low- and moderate-income persons.
- are clearly defined in the application as to scope, location, need, budget, goals, beneficiaries and means for evaluation of program progress, with evaluation criteria that are specific, measurable, and realistic.
- present a reasonable, sound budget and have a clear plan of action that is consistent with the funding and demonstrates the applicant has the capacity and the capability to implement the proposed plan successfully.
- maximize the use of outside funds (non-CDBG or other City funds)

PROJECT SELECTION CRITERIA

To be considered for funding, a project must meet all program requirements described in this packet and at 24 CFR Part 570. In addition, the Community Development Department must determine the applicant has the capacity to undertake and complete the project in an effective and timely manner.