

Exhibit C - CDBG

The Community Development Block Grant (CDBG) Program is established under the Housing and Community Development Act of 1974. The primary objective of the program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Under the CDBG Program an eligible activity must specifically meet at least one of three national objectives:

Low and Moderate Income Benefit: An activity must primarily benefit low and moderate income persons. This is defined as a person from a household whose income is less than 80% of the County's median income. An activity can provide an area benefit; a benefit to a limited clientele, a direct benefit, or a job creation benefit.

- **Area Benefit** - An activity benefits an area or neighborhood which has an income less than 80% of the County's median income. (Examples: Streets, community center)
- **Limited Clientele** - An activity benefits a group of people where at least 51% of the people have incomes less than 80% of the County's median income. (Example: Social service)
- **Direct Benefit** - An activity financially benefits a specific family. Each client must have an income less than 80% of the County's median income. (Example: Housing rehabilitation)
- **Job Creation/Retention** - An activity is designed to create or retain permanent jobs. At least 51% of the jobs must be filled by persons from households having incomes less than 80% of the County's median income. (Example: Assistance to a new industry, commercial rehabilitation)

Slums and Blight: An activity must primarily aid in the prevention or elimination of slums or blight.

- **Blighted Area** - The City must designate the area as blighted. (Note: Redevelopment areas and empowerment zone areas meet this requirement. Each of these areas is located in low and moderate income areas and typically meets the first national objective described above.)
- **Spot Blight** - An instance of blight can be addressed outside a blighted area, but only specific conditions detrimental to public health and safety can be addressed with CDBG funds.

Urgent Need: An activity must address an urgent need where existing conditions pose a serious and immediate threat to the health and welfare of the community. It must be of a recent origin (within the last 18 months), the City must be unable to finance the activity on its own and other funding sources are not available. (Note: This is reserved for major disasters.)

Exhibit C - HOME

The HOME Investment Partnerships Act Program (HOME), created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990, represents a federal commitment to provide decent, safe, and affordable housing for all Americans and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock.

Eligible Activities under the HOME Program are:

1. Meet project development costs, including:
 - Acquisition of property.
 - Construction of new housing for rent or ownership.
 - Moderate or substantial rehabilitation of rental or owner-occupied units.
 - Site improvements for HOME-assisted projects.
 - Demolition of dilapidated housing to make way for a HOME-assisted development.
 - Payment of relocation expenses.
 - Other reasonable and necessary expenses related to the development of non-luxury housing.
2. Administer the HOME program through activities that include:
 - Program planning and administration (up to 10 percent of the PJ's annual allocation).
 - Staff and overhead costs directly related to a HOME-assisted project.
 - Operating costs for community housing development organizations (up to 5 percent of the PJ's annual allocation).
3. Provide home purchase or rehabilitation financing assistance to low income homeowners and new home buyers through:
 - Direct loans.
 - Help with down payments or closing costs.
 - Loan guarantees or other forms of credit enhancement.
4. Assist low income renters through tenant-based rental assistance or payment of security deposits (under specific conditions).

Ineligible Activities under the HOME Program:

- Public and assisted housing modernization, operation, and preservation activities for which HUD already provides other dedicated funding.
- Activities that support the ongoing operation of rental housing.
- Matching funds for other federal programs (except McKinney-Vento Programs)

The Emergency Solutions Grant (ESG) Program supplements State, local, and private efforts to improve the quality and number of emergency homeless shelters. By funding emergency shelter and related social services, ESG provides a foundation for homeless people to begin moving to independent living.

Eligible Activities:

- Street Outreach: funds may cover costs related to essential services for unsheltered persons (including emergency health or mental health care, engagement, case management, and services for special populations), as described at HUD 24 CFR 576.101.
- Emergency Shelter: funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, legal, mental health, substance abuse treatment, transportation, and services for special populations), as described at HUD 24 CFR 576.102.
- Homelessness Prevention and Rapid Re-Housing: both components fund housing relocation and stabilization services (including rental application fees, security deposits, utility deposits or payments, last month's rent and housing search and placement activities). Funds may also be used for short- or medium-term rental assistance for those who are at-risk of becoming homeless or transitioning to stable housing, as described at HUD 24 CFR 576.103 and .104.
- HMIS: funds may be used to pay the costs for contributing data to the HMIS designated by the Continuum of Care for the area. Eligible activities include (computer hardware, software, or equipment, technical support, office space, salaries of operators, staff training costs, and participation fees), as described at HUD 24 CFR 576.107.

The Housing Opportunities for Persons with AIDS (HOPWA) Program was established by HUD to address the specific needs of persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, States, and nonprofit organizations for projects that benefit low income persons medically diagnosed with HIV/AIDS and their families.

Since the beginning of the HOPWA program in 1992, the Federal government has made available over \$ 2.3 billion in HOPWA funds to support community efforts to create and operate HIV/AIDS housing initiatives. HUD estimates that the FY2004 HOPWA appropriation of \$294.75 million will provide housing assistance to about 73,700 households. This number includes family members who reside with the persons living with HIV/AIDS. More than half of those units (approximately 45,000) will involve clients who receive small, short-term payments to prevent homelessness. An additional 25,000 units will involve ongoing rental assistance payments. Approximately 5,000 units in supportive housing facilities, single room occupancy (SRO) dwellings, or community residences also will be developed or operated with HOPWA funds.

HOPWA funding provides housing assistance and related supportive services as part of HUD's Consolidated Planning initiative that works in partnership with communities and neighborhoods in managing Federal funds appropriated to HIV/AIDS programs. HOPWA grantees are encouraged to develop community-wide strategies and form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services, as described at HUD 24 CFR 574.300.