



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
CITIZEN ADVISORY COMMITTEE  
**AGENDA**

**CDBG CITIZEN ADVISORY COMMITTEE  
REGULAR MEETING  
October 20, 2021  
1:30 PM**

**Council Chambers and Zoom  
201 S CORTEZ ST  
PRESCOTT, ARIZONA  
(928) 777-1205**

The following agenda will be considered by the **CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT) CITIZEN ADVISORY COMMITTEE** at its meeting to be held on **October 20, 2021 at 1:30 PM in Person at 201 S. Cortez St., Prescott AZ and Via Zoom**. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

<https://us02web.zoom.us/j/85064336298?pwd=U0FJeDM3V1lYeTNLK2crZ3VFMzgwZDZ09>

**US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099  
Webinar ID: 850 6433 6298  
Pass Code 462478**

- I. CALL TO ORDER** – Housekeeping – Please keep your phone on mute and **speak into the microphone.**
  
- II. ATTENDANCE**

<b>MEMBERS</b>	
Mary Ann Suttles, Chair	Jon Rocha
Sandy Griffis, Vice-Chair	Deborrah Miller
Bob Painter	Tom Benson
Debbie Savoini	<b>Council Liaison</b>
	Clark Tenney

**III. REGULAR AGENDA ITEMS**

- 1. Staff Report: CDBG National Objectives and Eligible Activities
- 2. Question and Answers about potential programs and / or projects
- 3. Staff Report: Update on the 2022 Program Timeline

**IV. ADJOURNMENT**

**CERTIFICATION OF POSTING OF NOTICE**

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall and on the City's website on 10.14.21 at 11:45 am in accordance with the statement filed with the City Clerk's Office.

Sarah Siep, City Clerk *Sarah M. Siep*

**THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 72 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at [www.azrelay.org](http://www.azrelay.org).**



## **2022 Community Development Block Grant (CDBG) Needs Workshop**

**Wednesday October 20, 2021 Time: 1:30pm to 3:00 PM  
City Council Chambers – 201 S. Cortez and Via Zoom**

<https://us02web.zoom.us/j/85064336298?pwd=U0FJeDM3V1lYeTNLK2crZ3VFMzgwdz09>

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6799 or +1 929 205 6099

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The City of Prescott invites representatives of local nonprofit organizations, City Departments, and for profit organizations to attend our 2022 CDBG Needs Workshop

Staff will provide a brief overview of eligible activities and national objectives and allow for question an answer regarding potential projects and programs who would like to apply for federal CDBG funds.

**Please RSVP to: Michelle Chavez - CDBG- Grant Coordinator  
928.777.1205 or [michelle.chavez@prescott-az.gov](mailto:michelle.chavez@prescott-az.gov)**

**Project examples benefitting low to moderate income persons living in Prescott: Infrastructure (neighborhood) improvements, accessibility improvements, support for homeless and highly mobile, support for veterans, seniors and youth, mental health counseling, substance abuse counseling, affordable housing projects and more.**

To learn more visit the CDBG Web Page: <http://www.prescott-az.gov/business-development/community-grants/community-development-block-grants/>



## CDBG Citizens Advisory Committee MEMO

**MEETING DATE: October 20 2021**

**AGENDA ITEM: Report on HUD's National Objectives and Authorized Activities**

Approved By:			Date:
<b>Director:</b>	Bryn Stotler	<i>BS</i>	10/13/21
<b>Planning Manager:</b>	George Worley	<i>GW</i>	10/13/21
<b>CDBG Coordinator:</b>	Michelle Chavez	<i>MC</i>	10/13/21

### Item Summary

This item is to provide a Staff Report on HUD's CDBG National Objectives and Authorized Activities

### Background

The purpose of the 2022 Needs Workshop is to give potential applicants an overview of HUD authorized national objectives and program activities and answer subsequent questions.

There are limited national objectives that can be utilized under the CDBG Entitlement Program. These objective codes and their descriptions are located in this report. Also included in the report is a summary of authorized activities.

In general: The Community Development Block Grant (CDBG) Entitlement 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. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; [42 U.S.C.-530.1](#) et seq.

- [Learn about the CDBG Entitlement Program Eligibility Requirements](#)
- [View CDBG Laws and Regulations](#)

### Eligible Grantees

Eligible grantees are as follows:

- Principal cities of Metropolitan Statistical Areas (MSAs)
- Other metropolitan cities with populations of at least 50,000
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities)

Eligibility for participation as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget. HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

### Eligible Activities

CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures

- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services, within certain limits
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

Each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or 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.

Generally, the following types of activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities
- Certain income payments
- Construction of new housing (with some exceptions)

**Eligible Beneficiaries**

Over a 1, 2, or 3-year period, as selected by the grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons.

<b>City of Prescott Five Year Consolidated Plan Goals 2020-2024</b>			
<b>Activity</b>	<b>Special Population</b>	<b>Priority Level</b>	<b>5-year Goal</b>
<b>Revitalization, Public Facilities &amp; Infrastructure</b>			
Facilities & Infrastructure in Target Areas		High	4,700 people
Facilities & Infrastructure for Housing	X	High	220 people
<b>Public/Human Services &amp; Economic Opportunities</b>			
Services to Meet Basic Needs	X	High	400 people
Health Related Services		High	200 people
Support Services & Shelter for People Experiencing Homelessness	X	High	100 people
Job Creation and/or Retention		Low	40 jobs
<b>Homelessness</b>			
Add Emergency Shelter & Transitional Housing Beds	X	Low	20 beds
<b>Decent Affordable Housing</b>			
Owner-occupied Housing Unit Rehabilitation	X	High	50 units
Renter Services	X	Low	50 people
Direct Assistance to 1 <sup>st</sup> -time Homebuyers		Low	10 households

**Recommended Action:** Receive and File  
**Attachments:** Appendix A and B (Matrix Codes)

# Appendix A

## CDBG MATRIX CODES

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### CDBG Matrix Codes by Category

Matrix codes are listed here by category so you can quickly review the available choices.

#### Acquisition, Disposition, Clearance, Relocation

01	Acquisition of Real Property	04A	Cleanup of Contaminated Sites
02	Disposition of Real Property	08	Relocation
04	Clearance and Demolition		

#### Administration and Planning

20	Planning	21E	Submission of Applications for Federal Programs
20A	Planning (State-Administered CDBG Grantees)	21H	CDBG Funding of HOME Admin
21A	General Program Administration	21I	CDBG Funding of HOME CHDO Operating Expenses
21B	Indirect Costs	21J	State Administration
21C	Public Information	14H	Rehab: Administration
21D	Fair Housing Activities (subject to Admin cap)		

#### Economic Development

14E	Rehab: Publicly or Privately Owned Commercial/Industrial (CI)	17D	CI: Other Improvements
17A	CI: Acquisition/Disposition	18A	ED: Direct Financial Assistance to For-Profits
17B	CI: Infrastructure Development	18B	ED: Technical Assistance
17C	CI: Building Acquisition, Construction, Rehabilitation	18C	ED: Micro-Enterprise Assistance

#### Housing

12	Construction of Housing	14G	Rehab: Acquisition
13	Direct Homeownership Assistance	14H	Rehab: Administration
14A	Rehab: Single-Unit Residential	14I	Lead-Based Paint/Lead Hazards Testing/Abatement
14B	Rehab: Multi-Unit Residential	14J	Housing Services
14C	Rehab: Public Housing Modernization	16A	Residential Historic Preservation
14D	Rehab: Other Publicly Owned Residential Buildings	19E	Operation/Repair of Foreclosed Property
14F	Rehab: Energy Efficiency Improvements		

#### Public Facilities and Infrastructure Improvements

03A	Senior Centers	03L	Sidewalks
03B	Handicapped Centers	03M	Child Care Centers
03C	Homeless Facilities (not operating costs)	03N	Tree Planting
03D	Youth Centers	03O	Fire Stations/Equipment
03E	Neighborhood Facilities	03P	Health Facilities
03F	Parks, Recreational Facilities	03Q	Facilities for Abused and Neglected Children
03G	Parking Facilities	03R	Asbestos Removal
03H	Solid Waste Disposal Improvements	03S	Facilities for AIDS Patients (not operating costs)
03I	Flood Drainage Improvements	03	Other Public Facilities/Improvements
03J	Water/Sewer Improvements		
03K	Street Improvements		

**Public Services**

05A Senior Services	05N Services for Abused and Neglected
05B Handicapped Services	05O Mental Health Services
05C Legal Services	05P Screening for Lead Poisoning
05D Youth Services	05Q Subsistence Payments
05E Transportation Services	05R Homeownership Assistance (not direct)
05F Substance Abuse Services	05S Rental Housing Subsidies
05G Services for Battered and Abused Spouses	05T Security Deposits
05H Employment Training	05U Housing Counseling
05I Crime Awareness/Prevention	05V Neighborhood Cleanups
05J Fair Housing Activities (subject to Public Services cap)	05W Food Banks
05K Tenant/Landlord Counseling	03T Operating Costs of Homeless/AIDS Patients Programs
05L Child Care Services	05 Other Public Services
05M Health Services	

**Repayment of Section 108 Loans**

19F Planned Repayments of Section 108 Loans	19G Unplanned Repayments of Section Loans
---------------------------------------------	-------------------------------------------

**Other**

06 Interim Assistance	19C Non-Profit Organization Capacity Building
07 Urban Renewal Completion	22 Unprogrammed Funds
09 Loss of Rental Income	23 Tornado Shelters Serving Private Mobile Home Parks
11 Privately Owned Utilities	
15 Code Enforcement	
16B Non-Residential Historic Preservation	

Definitions of the matrix codes are provided in the table that follows.

## MATRIX CODE DEFINITIONS

Matrix codes are used to indicate—but do not establish—activity eligibility. An activity must be eligible in accordance with the regulations at 570.201–570.207. Grantees need to refer to the regulations to determine an activity’s eligibility; the codes defined below are used in IDIS OnLine chiefly to categorize activities for reporting purposes.

Code	Definition
<b>01</b>	<p><b>Acquisition of Real Property</b></p> <p>Acquisition of real property that will be developed for a public purpose. Use code 01 for the CDBG-funded purchase of real property on which, for example, a public facility or housing will be constructed.</p> <p><i>When CDBG funds are used to:</i></p> <ul style="list-style-type: none"> <li>• <i>acquire a public facility that will be rehabilitated with CDBG funds and continue to be used as a public facility, assign the appropriate 03* code.</i></li> <li>• <i>acquire housing that will be rehabilitated, use code 14G.</i></li> </ul>
<b>02</b>	<p><b>Disposition of Real Property</b></p> <p>Costs related to the sale, lease, or donation of real property acquired with CDBG funds or under urban renewal. These include the costs of temporarily maintaining property pending disposition and costs incidental to disposition of the property.</p>
<b>03A</b>	<p><b>Senior Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors.</p> <p>03A may be used for a facility serving both the elderly and the handicapped provided it is not intended primarily to serve persons with handicaps. If it is, use 03B instead.</p> <p><i>For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p>
<b>03B</b>	<p><b>Handicapped Centers</b></p> <p>Acquisition, construction, or rehabilitation of centers, group homes, and other facilities (except permanent housing) for the handicapped.</p> <p>03B may be used for a facility serving both the handicapped and the elderly provided it is not intended primarily to serve the elderly. If it is, use 03A instead.</p> <p><i>For the construction of permanent housing for the handicapped, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p>
<b>03C</b>	<p><b>Homeless Facilities (not operating costs)</b></p> <p>Acquisition, construction, or rehabilitation of temporary shelters and transitional housing for the homeless, including battered spouses, disaster victims, runaway children, drug offenders, and parolees.</p> <p><i>For the construction of permanent housing for the homeless, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</i></p>

Code	Definition
03D	<p><b>Youth Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center.</p> <p><i>For the acquisition, construction or rehabilitation of facilities intended primarily for children age 12 and under, use 03M; for facilities for abused and neglected children, use 03Q.</i></p>
03E	<p><b>Neighborhood Facilities</b></p> <p>Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or for multiple purposes (including recreation). Such facilities may include libraries and community centers.</p>
03F	<p><b>Parks, Recreational Facilities</b></p> <p>Development of open space areas or facilities intended primarily for recreational use.</p>
03G	<p><b>Parking Facilities</b></p> <p>Acquisition, construction, or rehabilitation of parking lots and parking garages. Also use 03G if the primary purpose of rehabilitating a public facility or carrying out a street improvement activity is to improve parking.</p> <p><i>If parking improvements are only part of a larger street improvement activity, use 03K.</i></p>
03H	<p><b>Solid Waste Disposal Improvements</b></p> <p>Acquisition, construction or rehabilitation of solid waste disposal facilities.</p>
03I	<p><b>Flood Drainage Improvements</b></p> <p>Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains.</p> <p><i>Use 03J for storm sewers and 03K for street and storm drains.</i></p>
03J	<p><b>Water/Sewer Improvements</b></p> <p>Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.</p> <p><i>For water/sewer improvements that are part of:</i></p> <ul style="list-style-type: none"> <li>• <i>more extensive street improvements, use 03K (assign 03K, for example, to an activity that involves paving six blocks of Main Street and installing 100 feet of new water lines in one of those blocks).</i></li> <li>• <i>a housing rehabilitation activity, use the appropriate 14* matrix code.</i></li> </ul> <p><i>For construction or rehabilitation of flood drainage facilities, use 03I.</i></p>



Code	Definition
03K	<p><b>Street Improvements</b></p> <p>Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs. Also use 03K:</p> <ul style="list-style-type: none"> <li>• for improvements that include landscaping, street lighting, and/or street signs (commonly referred to as “streetscaping”).</li> <li>• if sidewalk improvements (see code 03L) are part of more extensive street improvements.</li> </ul>
03L	<p><b>Sidewalks</b></p> <p>Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</p>
03M	<p><b>Child Care Centers</b></p> <p>Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers.</p> <p><i>For the construction or rehabilitation of facilities for abused and neglected children, use 03Q; for the construction or rehabilitation of facilities for teenagers, use 03D.</i></p>
03N	<p><b>Tree Planting</b></p> <p>Activities limited to tree planting (sometimes referred to as “beautification”).</p> <p><i>For streetscape activities that include tree planting, use 03K; for sidewalk improvement activities that include tree planting, use 03L.</i></p>
03O	<p><b>Fire Stations/Equipment</b></p> <p>Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.</p>
03P	<p><b>Health Facilities</b></p> <p>Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes.</p> <p><i>Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.</i></p>
03Q	<p><b>Facilities for Abused and Neglected Children</b></p> <p>Acquisition, construction, or rehabilitation of daycare centers, treatment facilities, or temporary housing for abused and neglected children.</p>
03R	<p><b>Asbestos Removal</b></p> <p>Rehabilitation of any public facility undertaken primarily to remove asbestos.</p>
03S	<p><b>Facilities for AIDS Patients (not operating costs)</b></p> <p>Acquisition, construction, or rehabilitation of facilities for the treatment or temporary housing of people who are HIV positive or who have AIDS.</p> <p><i>For the construction or rehabilitation of facilities for AIDS education and prevention, use 03P.</i></p>

Code	Definition
03T	<p><b>Operating Costs of Homeless/AIDS Patients Programs</b></p> <p>Costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance.</p> <p>Because payment of operating costs for these programs is a public service under CDBG, all CDBG expenditures for 03T activities are included in the calculation of the Public Services cap.</p>
03	<p><b>Other Public Facilities and Improvements</b></p> <p>Do not use this code unless an activity does not fall under a more specific 03* code. Also, do not use one activity for multiple facilities and then assign it an 03 because the types of facilities are different.</p> <p>One legitimate use of 03 is for activities that assist persons with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).</p>
04	<p><b>Clearance and Demolition</b></p> <p>Clearance or demolition of buildings/improvements, or the movement of buildings to other sites.</p>
04A	<p><b>Cleanup of Contaminated Sites</b></p> <p>Activities undertaken primarily to clean toxic/environmental waste or contamination from a site.</p>
05A	<p><b>Senior Services</b></p> <p>Services for the elderly. 05A may be used for an activity that serves both the elderly and the handicapped provided it is not intended primarily to serve persons with handicaps. If it is, use 05B instead.</p>
05B	<p><b>Handicapped Services</b></p> <p>Services for the handicapped, regardless of age.</p>
05C	<p><b>Legal Services</b></p> <p>Services providing legal aid to low- and moderate-income (LMI) persons.</p> <p><i>If the only legal service provided is for the settlement of tenant/landlord disputes, use 05K.</i></p>
05D	<p><b>Youth Services</b></p> <p>Services for young people age 13 to 19 that include, for example, recreational services limited to teenagers and teen counseling programs. Also use 05D for counseling programs that target teens but include counseling for the family as well.</p> <p><i>For services for children age 12 and under, use 05L; for services for abused and neglected children, use 05N.</i></p>
05E	<p><b>Transportation Services</b></p> <p>General transportation services.</p> <p><i>Transportation services for a specific client group should use the matrix code for that client group. For example, use 05A for transportation services for the elderly.</i></p>

Code	Definition
05F	<p><b>Substance Abuse Services</b></p> <p>Substance abuse recovery programs and substance abuse prevention/education activities. If the services are provided for a specific client group, the matrix code for that client group may be used instead. For example, substance abuse services that target teenagers may be coded either 05D or 05F.</p>
05G	<p><b>Services for Battered and Abused Spouses</b></p> <p>Services for battered and abused spouses and their families.</p> <p><i>For services limited to abused and neglected children, use 05N.</i></p>
05H	<p><b>Employment Training</b></p> <p>Assistance to increase self-sufficiency, including literacy, independent living skills, and job training.</p> <p><i>For activities providing training for permanent jobs with specific businesses, use 18A.</i></p>
05I	<p><b>Crime Awareness/Prevention</b></p> <p>Promotion of crime awareness and prevention, including crime prevention education programs and paying for security guards.</p>
05J	<p><b>Fair Housing Activities (subject to Public Services cap)</b></p> <p>Fair housing services (e.g. counseling on housing discrimination) that meet a national objective.</p> <p><i>For fair housing services activities carried out as part of general program administration (and thus not required to meet a national objective), use 21D.</i></p>
05K	<p><b>Tenant/Landlord Counseling</b></p> <p>Counseling to help prevent or settle disputes between tenants and landlords.</p>
05L	<p><b>Child Care Services</b></p> <p>Services that will benefit children (generally under age 13), including parenting skills classes.</p> <p><i>For services exclusively for abused and neglected children, use 05N.</i></p>
05M	<p><b>Health Services</b></p> <p>Services addressing the physical health needs of residents of the community.</p> <p><i>For mental health services, use 05O.</i></p>
05N	<p><b>Services for Abused and Neglected Children</b></p> <p>Daycare and other services exclusively for abused and neglected children.</p>
05O	<p><b>Mental Health Services</b></p> <p>Services addressing the mental health needs of residents of the community.</p>
05P	<p><b>Screening for Lead Poisoning</b></p> <p>Activities undertaken primarily to provide screening for lead poisoning.</p> <p><i>For lead poisoning testing/abatement activities, use 14I.</i></p>

Code	Definition
05Q	<p><b>Subsistence Payments</b></p> <p>One-time or short-term (no more than three months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service and rent/mortgage payments to prevent eviction.</p>
05R	<p><b>Homeownership Assistance (not direct)</b></p> <p>Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity.</p> <p>Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by a CBDO in an NRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a CBDO in an NRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households).</p> <p><i>For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13.</i></p>
05S	<p><b>Rental Housing Subsidies</b></p> <p>Tenant subsidies exclusively for rental payments for more than three months. Activities providing this form of assistance must be carried out by CBDOS.</p>
05T	<p><b>Security Deposits</b></p> <p>Tenant subsidies exclusively for payment of security deposits.</p>
05U	<p><b>Housing Counseling</b></p> <p>Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).</p>
05V	<p><b>Neighborhood Cleanups</b></p> <p>One-time or short-term efforts to remove trash and debris from neighborhoods. Examples of legitimate uses of this code include neighborhood cleanup campaigns and graffiti removal.</p>
05W	<p><b>Food Banks</b></p> <p>Costs associated with the operation of food banks, community kitchens, and food pantries, such as staff costs, supplies, utilities, maintenance, and insurance.</p>
05	<p><b>Other Public Services</b></p> <p>Do not use this code for public services activities unless an activity does not fall under a more specific 05* code.</p> <p>An example of a legitimate use of this code is referrals to social services.</p>

Code	Definition
06	<p><b>Interim Assistance</b></p> <p>Only for activities undertaken either to:</p> <ul style="list-style-type: none"> <li>• Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements.</li> <li>• Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.</li> </ul>
07	<p><b>Urban Renewal Completion</b></p> <p>Completion of urban renewal projects funded under Title I of the Housing Act of 1949.</p> <p>Do not use code 07 for a downtown renewal, downtown development, or urban renewal activity unless the activity will result in the closing out of a federally-approved urban renewal project.</p>
08	<p><b>Relocation</b></p> <p>Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p>
09	<p><b>Loss of Rental Income</b></p> <p>Payments to owners of housing for loss of rental income due to temporarily holding rental units for persons displaced by CDBG-assisted activities.</p>
11	<p><b>Privately Owned Utilities</b></p> <p>Acquisition, reconstruction, rehabilitation, or installation of distribution lines and facilities of federally regulated, privately owned utilities. This includes placing new or existing distribution lines/facilities underground.</p>
12	<p><b>Construction of Housing</b></p> <p>Construction of housing with CDBG funds must be carried out by CBDOs, in accordance with the regulations at 570.204(a).</p>
13	<p><b>Direct Homeownership Assistance</b></p> <p>Homeownership assistance to LMI households as authorized under 105(a)(24).</p> <p>Forms of assistance include subsidizing interest rates and mortgage principal, paying up to 50% of downpayment costs, paying reasonable closing costs, acquiring guarantees for mortgage financing from private lenders, and financing the acquisition by LMI households of the housing they already occupy.</p> <p>If housing counseling is provided to households receiving direct homeownership assistance, the counseling is considered part of the code 13 activity.</p> <p>All recipients of assistance provided under matrix code 13 must be LMI.</p>
14A	<p><b>Rehab: Single-Unit Residential</b></p> <p>Rehabilitation of privately owned, single-unit homes.</p>

Code	Definition
14B	<p><b>Rehab: Multi-Unit Residential</b></p> <p>Rehabilitation of privately owned buildings with two or more permanent residential units.</p> <p><i>For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p>
14C	<p><b>Rehab: Public Housing Modernization</b></p> <p>Rehabilitation of housing units owned/operated by a public housing authority (PHA).</p>
14D	<p><b>Rehab: Other Publicly Owned Residential Buildings</b></p> <p>Rehabilitation of permanent housing owned by a public entity other than a PHA.</p> <p><i>For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p>
14E	<p><b>Rehab: Publicly or Privately Owned Commercial/Industrial</b></p> <p>Rehabilitation of commercial/industrial property. If the property is privately owned, CDBG-funded rehab is limited to:</p> <ul style="list-style-type: none"> <li>• Exterior improvements (generally referred to as “facade improvements”).</li> <li>• Correction of code violations</li> </ul> <p><i>For more extensive rehabilitation of privately owned commercial/industrial property, use 17C; for infrastructure developments and improvements at commercial/industrial sites, use 17B.</i></p>
14F	<p><b>Rehab: Energy Efficiency Improvements</b></p> <p>Housing rehabilitation with the sole purpose of improving energy efficiency (e.g., a weatherization program).</p> <p><i>For energy efficiency improvements to public housing units, use 14C; for other publicly owned residential buildings, use 14D.</i></p>
14G	<p><b>Rehab: Acquisition</b></p> <p>Acquisition of property to be rehabilitated for housing. 14G may be used whether CDBG funds will pay only for acquisition or for both acquisition and rehabilitation.</p>
14H	<p><b>Rehab: Administration</b></p> <p>All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site and utility plans; application processing; and other fees.</p> <p>Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling).</p> <p><i>For housing rehabilitation administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21.</i></p>
14I	<p><b>Lead-Based Paint/Lead Hazards Testing/Abatement</b></p> <p>Housing rehabilitation activities with the primary goal of evaluating and reducing lead-based paint/lead hazards.</p> <p><i>For lead-based paint/lead hazards screening, use 05P.</i></p>

<b>Code</b>	<b>Definition</b>
<b>14J</b>	<b>Housing Services</b> Housing services in support of the HOME Program, eligible under 570.201(k).
<b>15</b>	<b>Code Enforcement</b> Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes. <i>For the correction of code violations, use the appropriate rehabilitation code.</i>
<b>16A</b>	<b>Residential Historic Preservation</b> Rehabilitation of historic buildings for residential use.
<b>16B</b>	<b>Non-Residential Historic Preservation</b> Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.
<b>17A</b>	<b>Commercial/Industrial: Acquisition/Disposition</b> Land acquisition, clearance of structures, or packaging of land for the purpose of creating industrial parks or promoting commercial/industrial development. 17A activities must be carried out by the grantee or by non-profits.
<b>17B</b>	<b>Commercial/Industrial: Infrastructure Development</b> Street, water, parking, rail transport, or other improvements to commercial/industrial sites. 17B also includes the installation of public improvements, such as the construction of streets to and through commercial/industrial areas. 17B activities must be carried out by the grantee or by non-profits.
<b>17C</b>	<b>Commercial/Industrial: Building Acquisition, Construction, Rehabilitation</b> Acquisition, construction, or rehabilitation of commercial/industrial buildings. 17C activities must be carried out by the grantee or by non-profits.
<b>17D</b>	<b>Commercial/Industrial: Other Improvements</b> Commercial/industrial improvements not covered by other 17* codes. 17D activities must be carried out by the grantee or by non-profits.
<b>18A</b>	<b>Economic Development: Direct Financial Assistance to For-Profits</b> Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants. With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed.
<b>18B</b>	<b>Economic Development: Technical Assistance</b> Technical assistance to for-profit businesses, including workshops, marketing, and referrals. Also use 18B for activity delivery costs eligible under 570.203(c).

Code	Definition
18C	<p><b>Economic Development: Micro-Enterprise Assistance</b></p> <p>Financial assistance, technical assistance, or general support services to owners and developers of micro-enterprises. A micro-enterprise is a business with five or fewer employees, including the owner(s).</p> <p>With one exception, a separate activity must be set up for each micro-enterprise assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed.</p>
19A	Obsolete – use code 21H.
19B	Obsolete – use code 21H.
19C	<p><b>CDBG Non-Profit Organization Capacity Building</b></p> <p>Activities specifically designed to increase the capacity of non-profit organizations to carry out eligible neighborhood revitalization or economic development activities. Such activities may include providing technical assistance and specialized training to staff.</p>
19D	<p><b>CDBG Assistance to Institutes of Higher Education</b></p> <p>Obsolete. Instead of using this matrix code, set the INSTITUTION OF HIGHER EDUCATION field to “yes” on the Add/Edit Subordinate Organization screen to indicate that the activity will be carried out by an institution of higher education. Then assign the appropriate matrix code based on the nature of the activity to be undertaken by the institution.</p>
19E	<p><b>CDBG Operation and Repair of Foreclosed Property</b></p> <p>Activities to prevent the abandonment and deterioration of housing acquired through tax foreclosure. These include making essential repairs to the housing and paying operating expenses to maintain its habitability.</p>
19F	<p><b>Planned Repayments of Section 108 Loans</b></p> <p>Repayments of principal for Section 108 loan guarantees.</p>
19G	<p><b>Unplanned Repayments of Section 108 Loans</b></p> <p>Unplanned repayments of principal for Section 108 loan guarantees.</p>
20	<p><b>Planning</b></p> <p>Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.</p>
20A	<p>Program planning activities for when states award grants to units of general local government in which planning is the only activity, or in which planning activities are unrelated to any other activity funded as part of the grant. These are often referred to as “planning only grants” or “planning-only activities.”</p>



Code	Definition
21A	<p><b>General Program Administration</b></p> <p>Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation.</p> <p>Also use 21A to report the use of CDBG funds to administer federally-designated Empowerment Zones or Enterprise Communities.</p> <p><i>For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I.</i></p>
21B	<p><b>Indirect Costs</b></p> <p>Costs charged under an indirect cost allocation plan.</p>
21C	<p><b>Public Information</b></p> <p>Providing information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of CDBG-assisted activities.</p>
21D	<p><b>Fair Housing Activities (subject to Admin cap)</b></p> <p>Fair housing activities carried out as part of general program administration rather than as a public service. They are subject to the Admin cap, but do not have to meet a national objective.</p> <p><i>For fair housing activities carried out as a public service, use 05J.</i></p>
21E	<p><b>Submission of Applications for Federal Programs</b></p> <p>Preparation of (1) documents that must be submitted to HUD to receive CDBG funds or (2) applications to other federal programs for community development assistance.</p>
21H	<p><b>CDBG Funding of HOME Admin</b></p> <p>CDBG funding of administrative costs for HOME Program activities eligible under 570.206(i)(2).</p>
21I	<p><b>CDBG Funding of HOME CHDO Operating Expenses</b></p> <p>CDBG funding of CHDO operating expenses for HOME Program activities eligible under 570.206(i)(2).</p>
21J	<p>State Program administration, including (but not limited to) salaries, wages, and related costs required for overall program management, coordination, monitoring, reporting, and evaluation. This category includes both the state's costs of administering the CDBG program, as well as units of general local governments' (and their subrecipients') costs of administering grants awarded to them by the state.</p>
22	<p><b>Unprogrammed Funds</b></p> <p>Identification of funds that are not yet programmed for use—e.g., reserve or contingency funds.</p>
23	<p><b>Tornado Shelters Serving Private Mobile Home Parks</b></p> <p>Construction or improvement of tornado-safe shelters for residents of manufactured housing and the provision of assistance (including loans and grants) to nonprofit and for-profit entities, in accordance with Section 105(a)(24). {Note that two pars. 24 have been enacted.}</p>

## Appendix B

### NATIONAL OBJECTIVE CODES

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The national objective codes (NOCs) are listed below with descriptions and applicable CFR citations. The NOCs that may be used with each matrix code are identified in Appendix C.

NOC	Description	24 CFR Citation
LMA	<p><b>Low/mod area benefit</b></p> <p>Activities providing benefits that are available to all the residents of a particular area, at least 51% of whom are low/mod income. The service area of an LMA activity is identified by the grantee, and need not coincide with Census tracts or other officially recognized boundaries.</p>	570.208(a)(1)
LMAFI	<p><b>Low/mod area benefit, community development financial institution (CDFI)</b></p> <p>Job creation and retention activities that are carried out by a CDFI and that the grantee elects to consider as meeting the low/mod area benefit criteria.</p>	570.208(d)(6)(i)
LMASA	<p><b>Low/mod area benefit, neighborhood revitalization strategy area (NRSA)</b></p> <p>Job creation and retention activities that are carried out pursuant to a HUD-approved Neighborhood Revitalization Strategy (NRS) and that the grantee elects to consider as meeting the low/mod area benefit criteria.</p>	570.208(d)(5)(i)
LMC	<p><b>Low/mod limited clientele benefit</b></p> <p>Activities that benefit a limited clientele, at least 51% of whom are low/mod income. LMC activities provide benefits to a specific group of persons rather than to all the residents of a particular area.</p>	570.208(a)(2)
LMCMC	<p><b>Low/mod limited clientele, micro-enterprises</b></p> <p>Activities carried out under 24 CFR 570.201(o) that benefit micro-enterprise owners/developers who are low/mod income.</p>	570.208(a)(2)(iii)
LMCSV	<p><b>Low/mod limited clientele, job service benefit</b></p> <p>Activities that provide job training, placement and/or employment support services in which the percentage of low/mod persons assisted is less than 51%, but the proportion of the total cost paid by CDBG does not exceed the proportion of the total number of persons assisted who are low/mod.</p>	570.208(a)(2)(iv)
LMH	<p><b>Low/mod housing benefit</b></p> <p>Activities undertaken to provide or improve permanent residential structures that will be occupied by low/mod income households.</p>	570.208(a)(3)

NOC	Description	24 CFR Citation
LMHSP	<p><b>Low/mod housing benefit, CDFI or NRSA</b></p> <p>Activities carried out by a CDFI or pursuant to a HUD-approved Neighborhood Revitalization Strategy (NRS) to provide or improve permanent residential structures which the grantee elects to consider as a single structure for purposes of determining national objective compliance. For example, two single-unit homes rehabilitated in an NRS may be considered a single structure; at least one of the units must be occupied by a low/mod household. If ten single-unit homes were assisted, at least six (51%) must be occupied by low/mod households.</p>	570.208(d)(5)(ii) and (d)(6)(ii)
LMJ	<p><b>Low/mod job creation and retention</b></p> <p>Activities undertaken to create or retain permanent jobs, at least 51% of which will be made available to or held by low/mod persons.</p>	570.208(a)(4)
LMJFI	<p><b>Low/mod job creation and retention, public facility/improvement benefit</b></p> <p>Public facility/improvement activities that are undertaken principally for the benefit of one or more businesses and that result in the creation/retention of jobs.</p>	570.208(a)(4)(vi)(F)
LMJP	<p><b>Low/mod job creation, location-based</b></p> <p>Activities where a job is held by or made available to a low/mod person based on the location of the person's residence or the location of the assisted business.</p>	570.208(a)(4)(iv)
SBA	<p><b>Slum/blight area benefit</b></p> <p>Activities undertaken to prevent or eliminate slums or blight in a designated area.</p>	570.208(b)(1)
SBR	<p><b>Slum/blight, urban renewal areas</b></p> <p>Activities authorized under an Urban Renewal Loan and Grant Agreement that are undertaken to prevent or eliminate slums or blight in an urban renewal area and that are necessary to complete an Urban Renewal Plan.</p>	570.208(b)(3)
SBS	<p><b>Slum/blight, spot basis</b></p> <p>Activities undertaken on a spot basis to address conditions of blight or physical decay not located in designated slum/blight areas.</p>	570.208(b)(2)
URG	<p><b>Urgent need</b></p> <p>Activities that alleviate emergency conditions of recent origin which pose a serious and immediate threat to the health or welfare of the community; eligible only if the grantee cannot finance the activity on its own and no other sources of funding are available.</p>	570.208(c)



**CDBG Citizens Advisory Committee MEMO**

**MEETING DATE: October 20, 2021**

**AGENDA ITEM: Report on Prescott timeline for 2022 CDBG Entitlement Funds**

Approved By:		Date:
<b>Director:</b>	Bryn Stotler <i>BS</i>	10/13/21
<b>Planning Manager:</b>	George Worley <i>GW</i>	10/13/21
<b>CDBG Coordinator:</b>	Michelle Chavez <i>MC</i>	10/13/21

**Item Summary**

This item is to provide a Staff Report on the CDBG 2022 Application Timelines.

**Background**

The City of Prescott typically is awarded between \$240,000 and \$250,000 in CDBG dollars via the entitlement formula. These dollars have to be approved and allocated similar to all previous CDBG program years. The City will provide information and assistance to the public on how to apply for the program.

The City's 2022 Annual Action plan is due 45 days before the start of the program year which is July 1, 2022. That means the AAP is due to **HUD no later than May 17, 2022**. In order to meet this deadline, the timeline will need to be moved up. This also benefits the CAC in having a longer time period to review and score applications. It benefits the applicants in having more time to apply.

***The applications for 2022 will open December 1, 2021.***

**CDBG 2022 Application Timeline – (Subject to Change)**

**October 20, 2021** – CDBG Needs Workshop – 1:30pm to 3:00pm Virtual Zoom and In Person in Council Chambers – Publish in Courier Legal Announcements, Facebook Push, and Emails to our Contact List. **(Public Hearing #1)**

**December 1, 2021** – Applications Open for PY22 – (approx. five weeks)

**December 15, 2021** – Application Workshop 1:30pm to 3:00pm Virtual Zoom Webinar and In Person

**January 10, 2022** – Grant Applications due to the City – Apps. Distributed to CAC members

**January 19, 2022** – Applicant Presentations at the CAC Meeting – 1:30pm to 3:00pm Virtual Zoom Webinar and in Person **(Public Hearing #2)**

**January 26 and 28, 2022** – CAC Tours of Project and Program Sites

**February 4, 2022** – Final scores due from CAC Members

**February 9, 2022** – CAC Subcommittee Meets – 1:30pm to 3:00pm

**February 16, 2022** – Full CAC makes final grant decisions at monthly meeting

**March 16, 2022** – CDBG Citizen Advisory Committee Meeting **(Public Hearing #3)** – Present 2022 Annual Action Plan – Publish Notice 15 days before in Courier. Open review and comment period.

**March 16 – April 15, 2022** – 30 day Public Review and Comment on 2022 Annual Action Plan

**April 26, 2022** – Annual Action Plan is presented at City Council, Public Hearing is Closed, Resolution is passed. Publish Notice 15 days before in Courier. **(Public Hearing #4)**

**May 4, 2022-** Action Plan is submitted to HUD

**July 1, 2021** – Funding Year begins (note that funds can only be spent after contracts are finalized)

**Recommended Action:** Receive and File