



CITY OF MADERA

COMMUNITY DEVELOPMENT BLOCK GRANT – NOTICE OF FUNDING

2025/26 PROGRAM YEAR



What is CDBG funding?

Community Development Block Grant (CDBG) is administered by the U.S. Department of Housing and Urban Development (HUD). HUD distributes annual CDBG allocations to entitlement communities such as City of Madera (City). For fiscal year 2025/2026 the City's proposed CDBG allocation is anticipated to be up to approximately \$999,000. Note that all funding amounts are approximates and considering that HUD has not notified the City of the exact funding amount.

This amount allows:

- Up to \$199,800 for Administration proposals (20%)
- \$149,850 for Public Services (15%) proposals to low- and moderate-income households (according to household size by total gross annual income) and
- \$649,350 for Capital Projects/Public Improvements.

Each year, an Annual Action plan is developed by the City. An Action Plan is an assessment of the community needs that are most pressing in the community. It is data and community-based driven, includes extensive input from different groups in as well as individuals, and ultimately provides guidance for City staff on how to utilize these funds to respond to the identified needs in the community. The 2025/26 Action Plan is being developed as follows:

Needs Identification Methods 2025/2026

The Priority Needs are developed after data collection using four complementary methods:

- Secondary Data Analysis
- Interviews
- Group Video Discussions
- Community-wide Quantitative Survey

The community needs that are identified by participants and survey respondents are prioritized based, in part, on approaches supported by The Office of Community Planning and Development of the U.S. Department of Housing and Urban Development (HUD), the Centers for Disease Control and Prevention, the National Community Development Association and others.

Needs Prioritization and Funding Criteria

The prioritization process suggests that on an annual basis, funded projects will:

- Address at least one of the identified Top Need Areas;
- Address one or more of the Target Services; and/or
- Continue services recognized by the community as essential.

Eligible Uses of CDBG Funds

Planning and Administration

CDBG funds may be used for planning activities (§ 570.205). Such activities might include:

1. Comprehensive plans;
2. Community development plans (including the Consolidated Plan);
3. Functional plans (for housing; land use and urban environmental design; economic development; open space and recreation; energy use and conservation; floodplain and wetlands management; transportation; utilities; historic preservation; etc.);
4. Other plans and studies (e.g., small area and neighborhood plans; capital improvements program plans; individual project plans; general environmental; urban environmental design; historic preservation studies; etc.);
5. Policy planning, management, and capacity building activities.

Public Services:

Public services are also generally eligible under the CDBG Program (§ 570.201(e)). These public service activities may include, but are not limited to:

1. Job training and employment services;
2. Health care and substance abuse services;
3. Child care;
4. Crime prevention;
5. Fair Housing counseling.

Housing Activities:

There are many activities related to housing that are eligible under the CDBG Program. The list of eligible activities includes:

1. Housing services in connection with Home Investment Partnerships (HOME) Program activities (§ 570.201(k));
2. Construction of housing assisted under Section 17 of the U.S. Housing Act of 1937 (§ 570.201(m)) or construction of housing by eligible CBDOs (§570.204(a)) or as last resort housing under §570.207(b)(3)(i);
3. Homeownership assistance (such as downpayment assistance and interest subsidies) (§570.201(n) or §570.201(e));
4. Rehabilitation of buildings that are owner-occupied housing (§ 570.202). This also includes conversion of non-residential structures for residential use. The following types of rehabilitation activities may be undertaken:
 - a. Acquisition for rehabilitation and rehabilitation for residential purposes;

- b. Labor, materials, etc. for rehabilitation of properties;
 - c. Loans for refinancing existing secured indebtedness;
 - d. Energy improvements;
 - e. Water efficiency improvements;
 - f. Connection to water and sewer lines;
 - g. Some homeowner warranty, hazard and flood insurance premiums;
 - h. Testing for and abatement of lead-based paint;
 - i. Costs of acquiring tools to be lent for rehabilitation;
 - j. Rehabilitation services;
 - k. Assistance for the rehabilitation of housing under Section 17 of the United States Housing Act of 1937; and
 - l. Removal of material and architectural barriers that restrict accessibility to eligible buildings
5. Lead-based paint testing and abatement as a stand-alone program or included as rehabilitation as noted above (§ 570.202(f));
 6. Activities that support new housing construction such as acquisition (§570.201(a) and (b)), clearance (§570.201(d)), site improvements (§570.201(c)), and street improvements (§570.201(c)).

Other Real Property Activities:

In addition to the housing-related activities outlined above, many other real property activities are eligible to be funded by CDBG such as:

1. Acquisition (§ 570.201(a)); – Disposition (§ 570.201(b));
2. Clearance and demolition (§ 570.201(d));
3. Rehabilitation of publicly- or privately-owned commercial or industrial buildings (§ 570.202);
4. Code enforcement (§ 570.202(c));
5. Historic preservation (§ 570.202(d));
6. Renovation of closed buildings (§ 570.202(e));
7. Interim assistance to arrest severe deterioration or alleviate emergency conditions (§ 570.201(f))—Note: this activity may include some specific types of services, please refer to the regulations for more information;
8. Privately-owned utilities (§ 570.201(l));
9. Completion of urban renewal projects (§ 570.201(h))—Additional information about this activity may be found at § 570.800.

Public Facilities and Improvements:

CDBG funds may be used for the acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or public facilities. (§ 570.201(c))

1. “Public improvements” includes, but is not limited to, streets, sidewalks, water and sewer lines, and parks.

2. "Public facilities" includes, but is not limited to, neighborhood/community facilities and facilities for persons with special needs (e.g. homeless shelters, group homes, and halfway houses).

Economic Development:

CDBG funds may also be used for activities related to economic development. The following are examples of eligible activities that can be funded by CDBG:

1. Microenterprise assistance (§ 570.201(o));
2. Commercial Rehabilitation; and
3. Special economic development activities (§ 570.203)

Community Based Development Organizations:

CDBG recipients may also provide grants or loans to CBDOs to carry out the following types of projects (§ 570.204):

1. Neighborhood revitalization;
2. Community economic development; and
3. Energy conservation.

Other Types of Activities:

Certain other types of activities are also eligible under CDBG, including:

1. Payment of non-Federal share of grants in connection with CDBG-eligible activities (§ 570.201(g));
2. Relocation assistance (§ 570.201(i));
3. Loss of rental income (related to relocation) (§ 570.201(j));
4. Technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities (§ 570.201(p)); and
5. Assistance to institutions of higher education with the capacity to carry out other eligible activities (§ 570.201(q)).

Ineligible Activities

This section describes activities that are not eligible under the CDBG Program.

1. The general rule is that any activity not specifically authorized under the CDBG regulations and statute is ineligible to be assisted with CDBG funds.
2. In addition, the regulations stipulate that the following activities may not be assisted with CDBG funds:
 - a. 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.

- b. General government expenses are ineligible.
 - c. Financing for political activities or to engage in other partisan political activities are ineligible. However, a facility assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, if the building is available to all community organizations on an equal basis.
3. The following activities may **not** be assisted with CDBG funds **unless** authorized as a special economic development activity or when carried out by a CBDO:
 - a. Purchase of equipment is generally ineligible.
 - b. Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible.
 - c. Fire protection considered an integral part of public facilities is eligible. This includes fire engines and specialized tools such as “jaws of life” and life-saving equipment as well as protective clothing worn by fire fighters.
 - d. Purchase of personal property, including equipment, fixtures, motor vehicles, furnishings, or other personal property is generally ineligible.
 - e. Operating and maintenance expenses (of public facilities, improvements, and services) are ineligible.
 - f. 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;
4. New housing construction is ineligible except under certain conditions or when carried out by a CBDO.
5. Income payments made to an individual or family for items such as food, clothing, housing, or utilities are ineligible.
6. One-time grants, emergency type grants, or loans for such purposes may be eligible under the category of Public Services.

CDBG Resources

The following resources are helpful to grantees and subrecipients administering CDBG activities:

1. Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities.
2. “A Guidebook for Grantees on Subrecipient Oversight: Managing CDBG.” (Revised March 2005) Available on HUD web site and via Community Connections.
3. Some of the resources listed above as well as other documents and information may be found on the OneCPD Resources Exchange: <http://www.onecpd.info>.

CDBG Application Submission

Application Deadline:	December 13, 2024 by 5:00 p.m.
Application Delivery:	Applications will only be accepted electronically via City Data Systems - www.citydataservices.net .
Currently Funded Agencies:	Agencies that are currently funded by Madera in FY 2024/25 that wish to apply for FY 2025/26 funding will find a link, Apply for FY25-26 in the "Applications" column when they log in at www.citydataservices.net .
New Applicants	Agencies that are not currently funded should log into www.citydataservices.net and use MAD2022 (case sensitive) as both their Username and Password. Applicants will be prompted to enter basic information to receive a unique Username and Password. By logging in with these new credentials, the FY 2025/26 application will be available as a link in the "Applications" column.
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