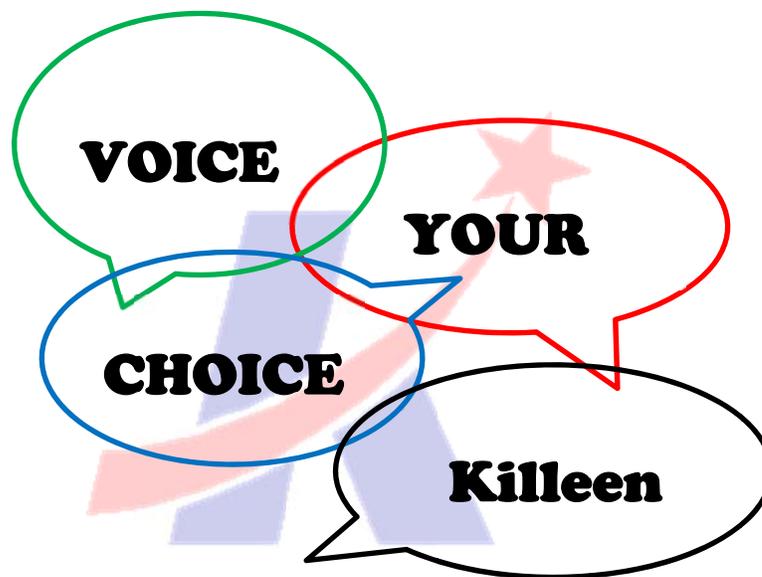




**CITY OF KILLEEN, TEXAS
COMMUNITY DEVELOPMENT DIVISION**

**CITIZEN'S GUIDE
TO
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS ACT (HOME)
PROGRAMS**



**Developed by:
Community Development Department
802 N. 2nd Street, Building E,
Killeen, Texas 76541
(254)501-7845**

The Citizen's Guide describes how all persons, especially low and moderate-income individuals can become involved in the planning, development, implementation of the City's Community Development Department's Five Year Consolidated Strategic Plan and the monitoring of its Annual Action Plans. The Consolidated Strategic Plan is intended to assist communities in developing a collaborative process whereby the community establishes a unified vision for community development actions. This Plan serves the following integrated functions:

- 1.) A planning document for the City which builds on a participatory process at the lowest levels;
- 2.) It serves as an application for federal funds under HUD's formula grant programs to include the Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA); and
- 3.) Provides a strategy to be followed in carrying out HUD programs.

The Annual Action Plan provides a basis for assessing performance and describes activities the City will undertake to address strategies, objectives, and goals described in the Consolidated Strategic Plan. The Citizen's Guide explains how an individual, an organization, or a neighborhood association can be awarded federal grant funds through the Community Development Block Grant (CDBG) program and the HOME Investment Partnership Program (HOME). The Guide also serves to solicit applications from city departments, agencies, and nonprofit organizations to apply for grant funds.

This guide pertains to the fiscal year 2016-17 application process.

INTRODUCTION

HOW DOES KILLEEN RECEIVE FEDERAL GRANT FUNDS?

The City of Killeen Community Development Grant funds are allocated from Congress according to an entitlement allocation formula in which cities with populations over 50,000 are awarded funds by the U. S. Department of Housing and Urban Development (HUD). Congress appropriates funds to HUD for a number of programs including the CDBG and HOME programs. As Federal budget appropriations to HUD increase or decrease, so does the annual allocation to cities. The budget process for community development (CD) programs begins close to a year in advance of the fiscal year. HUD notifies the City as to the level of funding expected, community priorities are established, applications are solicited locally and reviewed by CD staff and the Community Development Advisory Committee (CDAC), and then recommendations are formulated and presented to the Mayor and the City Council. The final step is the submittal of the City's formal application to HUD for the funds allocated to Killeen. The City's application is called the Consolidated Strategic Plan. The Consolidated Plan enables communities to view their HUD programs as an opportunity to develop a comprehensive vision of housing and community development. This vision includes affordable housing, adequate infrastructure, fair housing, environmental justice, enhancement of civic design and economic growth coordinated with human development. The 2016-17 program year marks the beginning of a new five-year plan that will be in effect until September 30, 2020. The City's fiscal year runs from October 1 to September 30. For example, fiscal year 2016-17 will begin October 1, 2016 and end on September 30, 2017.

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LOCAL GOALS AND OBJECTIVES

The City of Killeen seeks to improve and stabilize the living environment in areas of the City showing slum and blight by arresting decline and helping neighborhood residents secure and maintain a better way of life. These objectives include successful monitoring of all projects, performance and compliance to all appropriate regulations. The Community Development Division serves to develop and implement City Council goals, neighborhood improvement plan goals, and goals in accordance with the Consolidated Strategic Plan. This coordination attempts to enhance the City's tax base, increase homeownership, improve economic development and the overall quality of life for City of Killeen residents.

THE CONSOLIDATED STRATEGIC PLAN

The Consolidated Strategic Plan is a collaborative process led by community stakeholders, the Community Development Advisory Committee (CDAC), and the City of Killeen. This Plan establishes a unified vision for community development actions and allows for more effective coordination of efforts by consolidating federal requirements, submissions and planning for CDBG and HOME programs. The purposes of the Consolidated Strategic Plan are:

- To enable communities to view their HUD programs as an invitation to allow for an extensive vision of housing and community development and not as isolated tools to solve narrow functional problems;
- To include in the vision, affordable housing, adequate infrastructure, fair housing, protection of the environment, enhancement of civic design and vigorous economic growth coordinated with the human development;
- To enable communities to help the homeless in a continuum of care approach through which individuals and families move from homeless to permanent housing;
- To reduce the amount of unnecessary paperwork and enable HUD to work creatively with local governments to provide an outlet for planning and a combined approach;
- To improve program accountability and support results-oriented management by

establishing clear priority needs and goals;

- To facilitate a bottom-up planning process and renew citizen participation by enabling all persons to be part of the process;
- To insure that the needs and resources of public housing authorities are included in a comprehensive planning effort to revitalize distressed neighborhoods and help low-income persons; and
- To combine efforts in identifying impediments to fair housing and taking measures to overcome these impediments.

The complete 5- year Consolidated Strategic Plan is available on the Community Development web page (www.killeentexas.gov/communitydevelopment) or in the Community Development offices at 802 N. 2nd Street, Building E, Killeen Arts and Activities Center, downtown Killeen.

City Council and Community Development Department Goals

The Department will operate under goals and policies established by the 5-year plan for fiscal years 2015, 2016, and 2017, 2018 and 2019 which include:

1. Provide community and supportive services for low and moderate-income persons and those with special needs.
2. Revitalize low and moderate-income neighborhoods creating a more healthy and sustainable community.
3. Expand and preserve affordable housing opportunities.
4. Support efforts to develop/complete the Continuum of Care system for the homeless through the provision of emergency shelters, transitional housing, permanent supportive housing, and supportive housing services.
5. Promote self-sufficiency.
6. Promote economic development.

Neighborhood Improvement Plans

To establish a Neighborhood Improvement Plan, a coordinated effort between neighborhood associations, City departments, and other public and private entities must be developed. Detailed and coordinated goals must be developed, as they are the strategies for effective problem and need

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solving at the neighborhood level.

Three basic steps must be taken to establish a Neighborhood Improvement Plan. The first step involves a "neighborhood scan". A "blueprint" for each neighborhood, which identifies, through a neighborhood association, what needs, and strengths exist in a neighborhood and what priority neighborhood residents place on these needs. Gathering general data on the neighborhood such as boundaries, demographics and housing inventory data is essential to developing strategies for effective neighborhood improvement.

The second step includes the assessment and assignment of resources. The third step involves the formal development of a neighborhood improvement plan (NIP). This plan will match the resources with neighborhood priority needs in a written plan of action. Implementation of proposed solutions to neighborhood needs begins at this stage. A final step of the program would be the monitoring and assessment. For a plan to be successful the first step must be completed effectively. The development of a written list of priority needs by neighborhood residents through their neighborhood association will assist the City in basing goals and objectives regarding programs in any one neighborhood.

KILLEEN'S COMMUNITY DEVELOPMENT STRATEGY

The City of Killeen allocates CDBG and HOME program funds for three general purposes: community reinvestment, improvements, public services, and administration.

Community Reinvestment

Community reinvestment activities are comprised of two components: Target Areas and Special Purpose. Community reinvestment includes general activity categories such as housing and public facilities and improvements. Community development funds under community reinvestment projects include street improvements, sewer and water line rehabilitation, neighborhood park improvements and housing, and are concentrated in low-income areas. Census tracts and block

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groups with a low-income designation are considered eligible by HUD, if over 51 percent of the population is below 80 percent of the median income for the City of Killeen. These census tracts are considered as target areas for community reinvestment projects. The evaluation process for community reinvestment projects considers the needs and conditions regarding housing, neighborhood facilities, code enforcement, neighborhood improvements and neighborhood anchors. The interaction between City staff, City Council and existing neighborhood associations allow CDAC members to review information on subjective criteria including neighborhood participation and strength, past year's community development expenditures in the area, demographic and population information, other investors in the area, crime and external area impacts. The rankings and prioritization regarding this subjective criteria are combined with evaluations to produce a final CDAC recommendation regarding funding.

Special Purpose Activities

Special needs can arise within a community. These needs may be addressed by eligible activities that fall outside of the geographical boundaries of the target areas. The activity could be a program that is offered community-wide to low income households such as a transportation program, housing programs, youth and elderly services or it could be a program that addresses an area need such as a neighborhood project that takes place in a non-targeted neighborhood. Special Purpose activities include programs or projects that are city-wide in scope. As with all projects, special purpose activities must meet the guidelines of the particular grant program.

Public Services

Fifteen percent of a CDBG entitlement may be used towards programs provided by public service agencies to low and moderate income persons of Killeen. These programs include activities provided for, but not limited to, youth, the elderly, the homeless, victims of family violence, indigent persons, housing authority residents, and the handicapped. Activities might include crime prevention, employment, drug abuse, education, welfare, recreational needs, health care, food services, transportation services, self-help programs, childcare, housing assistance programs, job training, and placement. Public service activities must meet the guidelines of the CDBG program.

Administration

In order to provide for the administration and planning of all CDBG and HOME projects, regulations allow funding for the general management, oversight and coordination of grant programs. Administrative services such as audits, administration of the housing programs, administration of the transportation program accessibility programs and neighborhood improvement programs, printing, legal advertising, translation services, county filing fees for liens, office supplies, computer services, telephone services and other costs for goods and services are required for program administration. Salaries, wages and related staff costs for eight employees will also be included under this allocation. It should be noted that, the CDBG and HOME programs have regulations regarding the percentage of administration that is allowable. Unused administration funds under the CDBG program are allocated to neighborhood re-investment and other eligible activities.

CITIZEN PARTICIPATION IN THE CONSOLIDATED STRATEGY AND PLAN PROCESS

Citizen participation is emphasized within the City's Consolidated Strategy and Plan process. The process requires citizen involvement from the planning stages through to the actual implementation of the approved projects. Killeen residents have four major ways to participate in the consolidated process:

1. The Community Development Advisory Committee (CDAC)
2. Neighborhood Associations
3. Community and Business Organizations/Groups
4. Direct Public Participation

Community Development Advisory Committee (CDAC)

The CDAC is a committee of ten members, established by the City Council in 1978, and is responsible for advising the Council on policy decisions relating to community development programs, coordinating citizen participation, reviewing and making decisions on community

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development funding requests, and evaluating and responding to the Council regarding the overall effectiveness of community development programs. The CDAC is composed of both public and private sector individuals as well as concerned business and civic group leaders. The Committee consists of a chairperson, a vice-chairperson, both elected by the committee, and eight other general members. Members serve two-year terms starting in the month of October, which is the beginning of the fiscal year, and are eligible for reappointment. Committee meetings are held monthly as needed with meeting dates established by the committee. The first meeting consists of a general orientation to inform new members of their roles and responsibilities. The Community Development Department is responsible for keeping this Committee cognizant of HUD regulations and assists the CDAC in the implementation of CDBG and HOME programs and modifications as determined by community assessment and HUD program requirements. The CDAC's role in the consolidated process occurs during the beginning of the calendar year with attendance and participation in Neighborhood Planning Meetings, regular meetings to determine targeting recommendations, the review of applications for funding, and the attendance of public hearings. The CDAC reviews all proposals for annual funding allocations. In June, the Committee presents the recommendations for the following year's grant programs to the Mayor and City Council for approval. In late July through August, the cumulative approved application is forwarded to HUD for consideration and approval. All CDAC meetings are advertised and all persons are encouraged to attend these meetings. Handicapped accommodations or translation services can be made by contacting the Community Development Department.

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE (CDAC) Members FY 2016-17

Ashley Whitworth	Dr. Alvin Dillard	Ralph Cossey
Ramon Alvarez	Vacant	Eric McConaughy
Angelia Batie	Kim Barr	
Richard Banta	TaNeika Driver-Moultrie	

NEIGHBORHOOD ASSOCIATIONS

Neighborhood associations can be an integral part of the community development process. An association's role is to provide information to the City concerning their neighborhood resident needs through the establishment of Neighborhood Improvement Plans.

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Neighborhood associations can suggest projects that will meet those needs and can participate in the community development process by preparing and/or implementing community projects with the assistance of the City's Community Development staff. An association can represent its neighborhood at Community Development Advisory Committee (CDAC) meetings and can serve to educate the CDAC and Council on neighborhood concerns at public hearings. Neighborhood associations representing areas eligible for community development funds must participate in the development, implementation, and review of projects relating to their neighborhood. Individual neighborhood residents cannot act on behalf of the neighborhood. The neighborhood associations, however, can act on behalf of the residents, if the support of the residents is assured through some public process. In the citizen participation process, special emphasis is given to involving low and moderate-income persons, minorities, and female head of households.

COMMUNITY AND BUSINESS ORGANIZATIONS AND GROUPS

Any non-profit or for-profit group, especially those serving the community development needs of low- and moderate-income persons, the disabled, female heads of households, minorities or the elderly are encouraged to participate in the implementation of the city's community development programs. Community development is not solely the responsibility of neighborhoods. This is typified by the involvement of such entities as the Killeen Housing Authority, the Greater Killeen Chamber of Commerce, and numerous civic organizations. Interested groups are encouraged to attend neighborhood planning meetings, public hearings, and CDAC meetings or to contact the Community Development Department for information on the consolidated plan process.

DIRECT PUBLIC PARTICIPATION

Every citizen is encouraged and invited to become involved in the community development process. CDAC members or Community Development Department staff may be contacted and are available to assist in discussing needs, presenting ideas, submitting a funding request, or for the registration of complaints about the Community Development Program. Meetings and hearings are held expressly for direct public participation and offer

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the opportunity for individuals and residents to voice their concerns or ideas on the City's grant programs. These meetings and public hearings also serve as a tool for evaluating the success or failure of the City's community development efforts.

CONSOLIDATED STRATEGY AND PLAN COMMITMENTS

The Citizen Participation Plan is a required document for the Consolidated Strategy and Plan, which states that it will encourage and allow full citizen participation at every stage of development. The stages of development and participation goals the city has set for itself are as follows:

Planning - Neighborhood meetings will be held to provide appropriate and timely information to residents, public agencies, service providers, nonprofits, neighborhood associations and other interested persons to create public awareness and to solicit input in assessing and identifying community needs.

Development - Public hearings or meetings will be held to receive and consider residents, nonprofits, public agencies or other interested individuals comments and/or proposals during the development of the plan and the proposed use of funds for the various programs.

Amending - Reasonable notice of and opportunity to comment on any substantial change/amendment to an adopted plan, program or activity requiring HUD approval will be provided to residents. Resident input will be solicited and encouraged during any hearing or meeting. Publication of the amendment will be made in a local newspaper and on the city's website.

Implementing - Coordination with interested individuals, service organizations and public agencies on implementation of approved activities will insure full participation by interested persons and/or groups.

Assessment - Public input will be solicited at all meetings and at public hearings allowing
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citizen input on the progress and performance of the CDBG program. Residents will be encouraged to submit comments and the Community Development Department will provide responses to written complaints within fifteen (15) business days. The Citizen Participation Plan is available at the Community Development Department offices located at 802 N. 2nd Street, Building E, Killeen Arts and Activities Center, downtown Killeen.

MAKING CHANGES TO THE PROGRAM

Should any significant changes be made in the Community Development Program, residents will be notified through public notices and given an opportunity to comment on the proposed changes.

REGISTERING COMPLAINTS

During the course of the program year, the Community Development Department will accept citizen complaints regarding the approved Community Development Program or the community development process. Although verbal complaints will be accepted, only written complaints will be responded to in writing. Complaints will be investigated and responses to written complaints will be made within fifteen (15) days. Copies of complaints and any action taken may be submitted to City officials and the CDAC, and will be filed as Community Development Department records. Comments or complaints may be directed to:

**City of Killeen
Community Development Department
P.O. Box 1329
Killeen, Texas 76540**

If a complainant is not satisfied with the City's response, he/she may contact the:

**U.S. Department of Housing and Urban Development
Regional Office- Fort Worth
801 CHERRY STREET
Unit #45 - Suite 2500
FORT WORTH, TX 76102**

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THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

WHAT IS THE PURPOSE OF THE CDBG PROGRAM?

The primary objective of the Community Development Block Grant (CDBG) Program is to develop viable urban communities by providing development of decent housing and suitable living environments and expanding economic opportunities. While the benefits of such activities can be derived by virtually any citizen of the City, either directly or indirectly, the focus of the program is principally for low and moderate-income persons. Therefore, to receive consideration for Community Development Block Grant (CDBG) funding as a sub-recipient, an applicant **must** satisfy **one** of the following National Objectives:

1. Benefit to low and moderate income families;
2. Aid in the prevention or elimination of slums or blight;
3. Meet an urgent need.

Low and moderate-income status is defined by a household income at or below 80% of the City's median income. The eligible income level is adjusted to family size. City CDBG programs must certify that 70% of the City's CDBG funds will be allocated toward activities that will benefit low and moderate-income people. Thus, the dominant national objective is benefiting low and moderate-income families and is the priority of the CDBG program.

Slum and blighted areas are those areas declared as such in accordance with HUD regulation and following state and local designation. For an area to qualify as a slum and blighted area, at least 25% of the structures in the area are in a state of deterioration. Public improvements throughout the area are also in a general state of deterioration, adversely affecting the public health, safety, and welfare of the municipality and its residents. Urgent needs are community development needs declared by the City Council as

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having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community (e.g. natural disasters).

(At the time of printing - the FY 2016 Income Limits were not issued; all programs continue to work under the guideline of the FY 2015 income limits.)



FY 2015 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income Explanation	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Killeen-Temple-Fort Hood, TX HUD Metro FMR Area	\$59,100	Very Low (50%) Income Limits (\$) Explanation	20,700	23,650	26,600	29,550	31,950	34,300	36,650	39,050
		Extremely Low (30%) Income Limits (\$)* Explanation	12,450	15,930	20,090	24,250	28,410	32,570	36,650*	39,050*
		Low (80%) Income Limits (\$) Explanation	33,150	37,850	42,600	47,300	51,100	54,900	58,700	62,450

* The **Killeen-Temple-Fort Hood, TX** metro area contains the following areas: Bell County, TX and Coryell County, TX. Median Income for family of 4 is \$59,100.

WHO CAN RECEIVE CDBG FUNDS?

- Non-profit Organizations
- Local Development Corporations
- City Departments

The City, as the recipient of CDBG funds, can award and disburse funds to non-profit organizations and local development corporations. Low-moderate income individuals may receive CDBG grants and/or loans or services through City-administered programs, such as the Elderly Transportation Program or the Housing Renewal Programs, and through neighborhood-based nonprofit organizations. Through the Economic Development component of the CDBG program, for-profit businesses may receive loans or grants based

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on an eligibility determination process called the "appropriate" determination, which analyzes the need for CDBG funds and the public benefit derived by the City through CDBG funding.

WHAT IS AN ELIGIBLE PROJECT?

Eligible projects can include small self-help grants to special working capital loans for businesses. Given the wide variety of eligible projects, it is easier to respond to individual projects but a general list is included in the next section of this document. Eligible activities are also listed in 24 CFR 570.201 of the Community Development Block Grant Final Rule. To receive CDBG funds, each application or applicant must:

1. Be an eligible sub-recipient;
2. Propose an activity that is eligible to receive CDBG funds;
3. Satisfy the primary objectives of the CDBG program;
4. Meet one of the national objectives;
5. Meet the local priorities of the CDBG and other grant programs.

Given limited funds and program priorities, all eligible activities cannot receive funding. The activities to be considered for funding will be those that clearly address Killeen's Community Development Strategy.

ELIGIBLE CDBG ACTIVITIES

1. ACTIVITIES RELATED TO REAL PROPERTY

- A. Acquisition
- B. Disposition
- C. Public Facilities and Improvements
 1. Acquisition, installation, construction and rehabilitation of infrastructure (e.g. water/sewer lines, streets and sidewalks); and
 2. Acquisition, construction or rehab of neighborhood facilities and facilities for persons with special needs (e.g., homeless shelters, group homes and halfway houses).
- D. Clearance and demolition (not as a stand alone activity)

- E. Interim assistance to arrest severe deterioration or alleviate emergency conditions
- F. Completion of urban renewal projects
- G. Housing services in connection with HOME Investment Partnerships (HOME) Program activities
- H. Privately-owned utilities
- I. Construction of housing assisted under Section 17 of the U.S. Housing Act of 1937
- J. Homeownership assistance (e.g., down payment assistance, interest subsidies)
- K. Rehabilitation activities
 - 1. Activities are generally limited to buildings, which are residential, low-income public housing, or publicly-or privately owned commercial or industrial buildings.
 - 2. 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 lend for rehabilitation;
 - j. Rehabilitation services;
 - k. Assistance for the rehabilitation of housing under Section 17 of the US Housing Act of 1937; and
 - l. Removal of material and architectural barriers
- L. Code Enforcement (limited to salaries)

- M. Historic preservation
- N. Renovation of closed buildings
- O. Lead-based paint testing and abatement

2. ACTIVITIES RELATED TO ECONOMIC DEVELOPMENT

- A. Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extension;
- B. Assisting a private, for-profit business;
- C. Providing economic development services in connection with otherwise eligible CDBG economic development activities;
- D. Assistance directly, or through public and private organizations, agencies, and other subrecipients;
- E. Providing loans and other assistance to persons owning or developing a micro-enterprise that is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. Eligible micro-enterprise activities include the provision of:
 - 1. Grants, loans, loan guarantees and other forms of financial support, for the establishment, stabilization, and expansion of micro-enterprises;
 - 2. Technical assistance, advise and business services to owners of micro-enterprises and persons developing micro-enterprises;
 - 3. General support to owner of micro-enterprises and persons developing micro-enterprises and
 - 4. Training and technical assistance or other support services to increase capacity of recipients or subrecipients to carry out micro-enterprise activities.
- F. Job training, placement and other types of services are also eligible and can be carried out as a separate activity or in conjunction with one of the activities listed above.
- G. Funding for the rehab of publicly and privately owned commercial or

industrial structures, however if the commercial structure is owned by a private, for-profit entity the following limitations apply:

1. Rehab is limited to the exterior of the building and the correction of code violations; and
2. Any other improvements are carried out under the special economic development activities category discussed above.

H. Funding provided to Community Based Development Organizations (CBDOs) to carry out certain activities in connection with neighborhood revitalization, community economic development or energy conservation projects.

3. ACTIVITIES RELATED TO PUBLIC SERVICES

A. CDBG allows the use of grant funds for the following, but not limited to:

1. Employment services (e.g. job training)
2. Crime Prevention
3. Child Care
4. Health services
5. Substance abuse services (e.g. counseling and treatment)
6. Fair housing
7. Energy conservation
8. Welfare services (excluding income payments)
9. Down payment assistance
10. Recreational services

B. Labor, supplies and materials as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the purchase or lease of a facility, equipment and other property needed for the public service

C. To utilize CDBG funds for a public service, the service must be either;

1. a new services; or
2. 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

4. ASSISTANCE TO COMMUNITY BASED DEVELOPMENT ORGANIZATIONS

- A. Assistance to CBDO's to carry out the following types of projects
 - 1. Neighborhood revitalization
 - 2. Community economic development
 - 3. Energy conservation

5 OTHER TYPES OF ACTIVITIES

- A. Payment of non-Federal share of grants in connection with CDBG assisted and -eligible activities
- B. Relocation assistance
- C. Loss of rental income (related to relocation)
- D. Technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities
- E. Assistance to institutions of higher education with the capacity to carry out other eligible activities

Ineligible Activities include:

- 1. Any activity not authorized under the CDBG regulations is ineligible to be assisted with CDBG funds
- 2. Buildings for the general conduct of government (i.e., city hall)
- 3. General government expenses
- 4. Political activities
- 5. New housing construction except under certain conditions or when carried out by a CBDO
- 6. Income payments
- 7. Purchase of construction equipment or furnishings and personal property and operating and maintenance expense of public facilities, improvements and services unless authorized as a special economic development activity or when carried out by a CBDO.
- 8. CDBG funds may be used by religious or faith-based organizations in accordance with 24 CFR 92 et al. Participation in HUD Programs by Faith-Based Organizations; Providing for Equal Treatment of all HUD Program Participants, Final Rule.

PUBLIC SERVICE POLICY STATEMENT

Funding of public service programs or activities will not imply commitment for subsequent year's funding. Requests for additional years' funding will be evaluated based upon subrecipient's demonstrated provision of service to low-income residents resulting from prior CDBG funding and compliance with record keeping requirements.

PUBLIC FACILITIES, HOUSING & ECONOMIC DEVELOPMENT POLICY STATEMENT

Federal funding for any public facility, housing or economic development activity is not intended to substitute for private financing or intended to be a temporary solution to needs in the community.

ASSURANCES AND CONDITIONS

Assurances and conditions are applicable under the CDBG Program. The following assurances and conditions must be met by every subrecipient with whom the Community Development Department contracts. If you need detailed information on the assurances and conditions listed below please contact the office at (254) 501-7845.

~Non-Discrimination Requirements

Title VI of the Civil Rights Act of 1964 - Public Law (PL) 88-352

Section 503 and 504 of the Rehabilitation Act of 1973- PL 93-112

Age Discrimination Act of 1975

Executive Order 11246

Section 3 of the Housing & Urban Development Act of 1968

~Labor Standards

Fair Labor Standards Act

Davis-Bacon Act

Copeland (Anti-Kickback) Act

Contract Work Hours and Safety Standards Act

~Construction and Rehabilitation Activity Requirements

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 - PL 91-646

Architectural Barriers Act of 1968 (42 USC 4151)

Lead Based Paint Poisoning Prevention Act

Cost Effective Conservation Standards (HUD regulations 24 CFR Part 39)

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~Environmental Standards

National Environmental Policy Act (NEPA)

The Clean Air Act of 1963 - PL 90-148

The Federal Water Pollution Control Act - PL 92-500 (Executive Order 11288) Flood Disaster Protection Act of 1973

~Historic Preservation

National Historic Preservation Act of 1966

Archaeological and Historic Preservation Act

~Monitoring

Subrecipients are required to maintain records or access to records demonstrating the use of funds. This also applies to on-going projects. This information is subject to monitoring by the City and HUD staff to insure program compliance.

CONTRACTUAL PROVISIONS FOR RELIGIOUS ORGANIZATIONS

In addition to, and not substitution for, other provisions of this Agreement regarding the provision of public services with CDBG funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the organization:

1. Represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization;
2. During the competitive CDBG funding process, organization will be assessed on merit and performance of eligible activities and not on religious or secular character.
3. Organization shall retain its independence from federal, state, and local governments, and shall continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HUD funds to support any inherently religious activities, such as worship, religious

instruction, or proselytization. Organization may still engage in inherently religious activities provided they are voluntary for participants in HUD-funded activities and activities occur separately in time or location from the HUD-funded activities. Grantee shall retain its authority over internal governance, constitute its board on a religious basis, display religious symbols and icons, and retains its Title VII exemption, which permits it to hire only employees that share its religious beliefs without incurring liability under the Civil Rights Act. Organization must comply with all the statutory requirements of the CDBG program imposing nondiscrimination requirements on all grantees and their recipients, subrecipients, subgrantees, and contractors that no person in the United States shall on the grounds of race, color, religion, sex, handicap, familial status or national be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

4. Organization must serve all eligible beneficiaries without regard to religion and shall not restrict CDBG-funded services or housing to people of a particular religion or religious denomination.
5. Organization shall allocate its costs so that CDBG funds are used only for eligible acquisition, construction, and rehabilitation of buildings or other real property. Grantee shall not use CDBG funds for improvements to sanctuaries, chapels, or any other room that the congregation uses as its principal place of worship.
6. Grantee shall be subject to the government-wide regulations governing real property disposition either after the term of the grant or changes in the use of the real property during the term of the grant.
7. All requirements under the 24 CFR Part 92 participation in HUD Programs by Faith-Based Organizations Providing for Equal Treatment of all HUD Program Participants shall apply to state or local funds if a state or local government chooses to commingle its own funds with the HUD funds covered by the rule.
8. Grantee shall be monitored in accordance by Grantor to assure compliance with program requirements.

THE HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

WHAT IS THE PURPOSE OF THE HOME PROGRAM?

The Home Investment Partnerships (HOME) Program was enacted under Title II (42 USC 12701-12839) of the Cranston-Gonzales National Affordable Housing Act (Pub. L. 101-625, approved November 28, 1990) with most recent regulatory changes effective August 23, 2013. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- HOME's requirement that participating jurisdictions (PJs) match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

There are five general purposes of HOME programs:

- Provide decent affordable housing to lower-income households
- Removal of physical barriers in housing for individuals with disabilities
- Expand the capacity of non-profit community housing providers developing affordable housing.
- Strengthen the ability of State and Local governments to provide housing
- Leverage private-sector participation

More specifically, HOME funds can provide incentives for the acquisition, rehabilitation, reconstruction, or new construction of affordable rental and ownership housing or to provide tenant-based rental assistance that may include security deposits.

WHO CAN RECEIVE HOME FUNDS?

- Nonprofit Organizations
- Local Development Corporations
- For-profit Businesses/Sole Proprietorships
- City Departments
- Qualified and Approved Community Housing Development Organizations (CHDOs)

CHDO HOME SET-ASIDE FUNDS

Under the HOME program, the City of Killeen is required to set aside a minimum of 15% of its allocated HOME funds for investment in housing to be developed, sponsored, or owned by a Community Housing Development Organization (CHDO). The funds must be provided to a qualified and locally approved CHDO. The funds are reserved when a participating jurisdiction enters into a written agreement with the CHDO committing the funds to a specific local project. A qualified and approved CHDO is a nonprofit that has been approved through a formal process with the city resulting in a qualified CHDO status. A CHDO acting as a developer or sponsor must have paid employees with housing development experience who will work on projects assisted with HOME funds.

If you are interested in learning more about existing CHDOs in Killeen or how to become a CHDO, please contact the Community Development Department at 501-7842.

A CHDO is defined as an "owner" of rental housing if it is the owner of a fee simple absolute [title] of multi-family or single family housing for rent to low-income families. Minimally, the CHDO must hire or contract with experience project manager to oversee all aspects of the development and must own the rental housing during development and for the minimum period of affordability. A CHDO is defined as a "developer" if the rental housing,

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multi or single-family, is owned and held by the CHDO by fee simple absolute [title] and is solely in charge of all aspects of the development process. Minimally, the CHOD must own the housing during the development and for the minimum period of affordability. A CHDO is defined as a “sponsor [of affordable housing]” if the rental housing is owned or developed by a subsidiary of the CHDO, is a limited partner of which the CHDO or its subsidiary is the sole general partner, or is a limited liability company of which the CHDO or its subsidiary is the sole managing member.

A CHDO is defined as a “developer [of homeownership housing]” if the CHDO is the owner in fee simple absolute [title] and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families. The CHDO must arrange financing of the project and be in sole charge of construction. If the CHDO provides direct homeownership assistance (e.g., down payment assistance) when it sells the housing, the maximum direct assistance is limited to 10% of the total amount of HOME funds used for development of the housing unit. The sales price or method by which the sales prices are established are determined and set forth in a written agreement between the CHDO and the City of Killeen.

With both rental and ownership housing, the CHDO must provide housing education and organizational support and adhere to an approved tenant participation plan. The City of Killeen determines the form of assistance (e.g., grant or loan) that it will provide to the CHDO. Additional conditions such as market analysis, absorption rate, use of proceeds from the sale or rental of the housing developed, and when the housing no longer meets specified affordability requirements vary depending upon the type of housing assisted with the HOME funding.

WHAT IS AN ELIGIBLE ACTIVITY?

Eligible activities under the HOME Program are varied, with all activities inclusive of either permanent or transitional housing activities. An eligible projects list can be found in 24 CFR Part 92 Section 92.205-92.214. A general list of such activities is provided in the next section of the Citizen's Guide.

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To receive HOME funds each application or applicant must:

1. Be an eligible applicant.
2. Propose an activity that is eligible to receive HOME funds.
3. Meet the local goals and priorities of the CD federal grant programs.

Given that there are limited funds and program priorities, all eligible activities cannot receive funding.

Eligible Activities

Eligible activities include the development and support of affordable rental housing and homeownership affordability through:

- Property Acquisition associated with a specific affordable housing project, including assistance to homebuyers.
- New Construction, Reconstruction or Rehabilitation of non-luxury housing with suitable amenities.
- Site Improvements and Demolition associated with a specific affordable housing project.
- Conversion of an existing structure to affordable housing.
- Financing Costs.
- Relocation and expenses of displaced persons in connection with a federally funded project.
- Tenant-based rental assistance, including security deposits.
- Administrative and Planning Costs.
- Payment of CHDO Operating Expenses while engaged in an eligible HOME activity.

Eligible Costs

1. Actual development (hard) costs for construction or rehabilitation as identified in 24 CFR 92.251 including site improvements and the cost of demolishing existing structures, payment of impact fees charged within a jurisdiction. A HOME single family rehabilitation loan may include the refinancing of existing debt, if the overall housing costs of the borrower will be reduced and made more affordable.
2. Costs for acquiring improved or unimproved real estate.

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3. Soft costs related to the financing, development, or acquisition of housing, including architectural, engineering, or other professional services; financing charges, including loan origination fees, credit reports, appraisal fees, and legal fees; auditing costs; costs for information services, such as affirmative marketing; and, for new construction or substantial rehabilitation, the cost of funding an initial operating deficit reserve not to exceed eighteen months.
4. Relocation costs for temporary relocation of persons displaced by the project including replacement housing, moving expenses, and reasonable out-of-pocket costs incurred in the temporary relocation of persons.
5. Costs related to tenant-based rental assistance.
6. Administrative and planning costs, up to 10 percent of the HOME allocation for any fiscal year. For purposes of this calculation, the HOME allocation includes any amount provided by the state to meet the minimum participation threshold, plus any repayment of HOME funds. Funds transferred by the state must be excluded from the calculation of the jurisdiction's allowable administrative costs.
7. Community housing development organization (CHDO) operating and capacity building expenses identified at 24 CFR 92.208; these funds cannot be used to pay operating costs incurred by a CHDO acting as a subrecipient or contractor under the jurisdiction's HOME program.

Prohibited Uses of Funds

- A project reserve account for replacements or for unanticipated increases in operating costs.
- Operating subsidies.
- Tenant based rental assistance for special purposes of the Section 8 existing housing program, or for preventing displacement from rental rehabilitation projects.
- Nonfederal matching contributions required by any other federal program.
- Public housing modernization activities.
- Assistance under the Emergency Low-Income Housing Preservation Act or the Low-Income Housing Preservation and Resident Homeownership Act.

- Additional assistance (other than tenant-based rental assistance or assistance to a first-time homebuyer) to a project previously assisted with HOME funds during the period of affordability established by the jurisdiction. Additional funds may be provided during the first year after project completion, subject to the overall per unit subsidy limit.
- Acquisition or property owned by the participating jurisdiction (city), except for property acquired with HOME funds or acquired in anticipation of carrying out a HOME project.

ASSURANCES AND CONDITIONS

Assurances and conditions are applicable under HOME. The following assurances and conditions must be met by every recipient with which the Community Development Department contracts. If you need detailed information on the assurances and conditions listed below please contact us at 254-501-7845.

~Fair Housing and Equal Opportunity

Fair Housing Act, 42 USC Section 3601-3619

Executive Order 11063 (Equal Opportunity in Housing)

Title VI of the Civil Rights Act of 1964 - Public Law (PL) 88-352

Section 503 and 504 of the Rehabilitation Act of 1973 - PL 93-112

Age Discrimination Act of 1975

Executive Order 11246 (Equal Employment Opportunity)

Section 3 of the Housing and Urban Development Act of 1968

Executive Orders 11625 and 12432 (Minority Business Enterprises)

Executive Order 12138 (Women's Business Enterprises)

Labor Standards

Fair Labor Standards Act

David-Bacon Act

Copeland (Anti-Kickback) Act

Contract Work Hours and Safety Standards Act

Construction and Rehabilitation Activity Requirements

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 - PL 91-

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24 CFR Section 92.353 (1994), 24 CFR Sections 570.488 (c), 570.606(c) (1994), and 24 CFR Section 92.353(b) (1994) on Displacement and Relocation

Architectural Barriers Act of 1968 (42 USC 4151)

Lead Based Paint Poisoning Prevention Act 1971

Cost Effective Conservation Standards (HUD regulations 24 CFR Part 39)

~Environmental Standards

National Environmental Policy Act (NEPA)

Applicable HUD regulations found at 24 CFR Parts 50 and 58 (1994)

The Clean Air Act of 1963 - PL 90148

The Federal Water Pollution Control Act -PL 92-500 (Executive Order 11288)

Flood Disaster Protection Act of 1973

24 CFR Section 92.358 (1994) Flood Insurance

~Historic Preservation

National Historic Preservation Act of 1966

Archaeological and Historic Preservation Act

Conflict of Interest at 24 CFR Section 92.356 (1994)

~Monitoring

Recipients are required to maintain records or access to records demonstrating the use of funds. This also applies to on-going projects. This information is subject to monitoring by the City and HUD staff to insure program compliance.

FUND MATCHING REQUIREMENTS

Fund matching requirements serve to stimulate cooperation and partnerships between public and private entities. It is generally a reflection of the community support and involvement for the project. Further, it insures some level of sustainability of the project.

General - Each applicant who applies to the City of Killeen for HOME Investment

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Partnership Program (HOME) funds must supplement its request for HOME funds with additional funds from sources other than HOME. Each project considered for funding must provide a minimum of 25% of the total project costs from non-HOME or non-federal sources. Calculating the Matching Amount - In calculating the amount of matching funds, the following may be included: cash provided by the applicant from its own funds or other agencies, donations (for example, professional services, waived fees or the value of state or local taxes, fees, or other charges that are normally and customarily imposed but are waived). The value of the match is subject to the review and approval by the City of Killeen. Items which **may not** be included in the calculation of the matching funds include, but are not limited to, the value of any building or property owned or leased by the entity; any salary paid to the staff of the entity; or donated materials, supplies or furnishings which are not an integral part of the project (i.e. wall hangings, flowers, decorative items, etc.).

Commitment of Other Funds and Matching Funds - The City may not execute a funding agreement with an entity for allocated HOME funds, unless the applicant has provided written proof and/or commitment of the other fund source(s) and the required matching funds.

Failure to Secure Fund Sources and Matching Funds - Should the applicant be unable to secure other fund sources identified or the required HOME-matching funds, those HOME funds will be forfeited by the applicant and returned to the HOME program.

CONTRACTUAL AGREEMENTS FOR RELIGIOUS ORGANIZATIONS - Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Neither the Federal government nor a State or local government receiving funds under HOME programs shall discriminate against an organization because of the organization's religious character or affiliation. However, organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under the HOME Program. If an organization conducts such

activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided. Any faith-based organization that receives HUD funds will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HUD funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, a religious organization retains its authority over internal governance, may constitute its board on a religious basis, may display religious symbols and icons, and retains its Title VII exemption, which permits it to hire only employees that share its religious beliefs without incurring liability under the Civil Rights Act.

HOME funds cannot be used for acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. HOME funds may be used for acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the HOME Program.

ADDITIONAL INFORMATION ON GRANT PROGRAMS DESCRIBED IN GUIDE

The following is an annotated bibliography of material that is used to explain to residents the grant programs described in this guide. Federal regulations are often changed, new requirements added, programs deleted, and a continual stream of transmittals from HUD received. Shelves of material have been produced analyzing grant programs from every possible perspective. Residents are encouraged to use those books, articles or pamphlets that seem pertinent to their role in the process.

LOCAL

These documents are available through the Community Development Department.

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Consolidated Strategy and Plan: Federal regulations require that the City produce a Consolidated Strategy and Plan with a three-year or five-year plan and a one-year strategy. The intent of the Consolidated Strategy and Plan is to coordinate the use of all HUD programs to better meet the community's needs. The lead agency on the consolidated plan is the City of Killeen Community Development Department. The lead board for the consolidated plan is the Community Development Advisory Committee (CDAC).

Consolidated Annual Performance and Evaluation Report (CAPER) - This report summarizes resources available, investment, affordable housing initiatives and accomplishments, geographic areas targeted for implementation, households assisted, household renters assisted by the Public Housing Authority, assisted homeless persons, intergovernmental cooperation, public housing improvements and resident initiatives, public policies, lead based paint hazard reductions, fair housing, institutional structure, assessment of annual performance and summary of citizen. This report also includes an audit of the year's CDBG and HOME program listing projects and expenditures.

Public Notice on Environmental Findings and Requests for Funding: Every project or program that receives federal assistance is subject to the environmental review requirements of the National Environmental Protection Policy Act and HUD regulations. An environmental review of the entire program is done for each project prior to the new fiscal year. A Public Notice is advertised in the local daily newspaper publication showing the Finding of No Significant Impact (FONSI), if applicable and the intent on the City's part to Request for Release of Funds. This notice gives a period of seven days for public comment or objection to findings. The combined notice notifies the public that the City will request the release of federal funds and allows the public to review the request. A fifteen-day comment period is in place for comment to HUD. Following this process, if no objections are received, the funds can be used.

Public Hearing Notices: These are published on the city web page and, if funds permit, in local newspapers, at least seven days prior to the scheduled public hearing.

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These documents are available through the Community Development Department office and on the Internet at the city's web page.

~ 2 CFR 200: This new reference took the place of the previous citation at 24 CFR Part 85 - "Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." The new citation under Title 2 of the Code of Federal Regulations (2 CFR) is associated with the Office of Management and Budget (OMB) guidance to Federal agencies on government-wide policies and procedures for the award and administration of grants and agreements; particularly Chapter II – Office of Management and Budget Guidance 200.0 to 200.52-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This citation presents the guidelines the City must abide by in the allocation and expenditure of funds to subrecipients as well as for procurement related contracts for its federal CDBG and HOME funds.

~Housing and Community Development Act of 1974: This is the Act that created the Community Development Block Grant (CDBG) program and it is from this Act that the national objectives and requirements are derived.

~Federal CDBG Regulations (24 CFR Part 570): These are the guidelines of the CDBG Program as set out in the Housing and Community Development Act of 1974. Contained here are the eligible and ineligible activities and specific guidelines to which CDBG Programs must adhere.

~Cranston-Gonzales National Affordable Housing Act of 1990 -- This is the Act that created the HOME Investment Partnerships Program (HOME) and it is from this Act that the requirements for the projects are derived.

~Consolidated and Further Continuing Appropriations Act of 2012 -- This is the Act that requires specific project underwriting including assessment of developer capacity and
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fiscal soundness, and examination of the neighborhood market conditions ensuring that an adequate market for the project is present, and requires the participating jurisdiction to specify the types of housing, locations, and target populations that will be eligible for funding.

~Federal Register: The Federal Register is published daily, Monday through Friday (except on official holidays) and makes available the public regulations and legal notices issued by federal agencies. These include Presidential proclamations and Executive Orders and federal agency documents having general applicability and legal effect, documents required to be published by Act of Congress and other federal agency documents of public interest. Applicable portions are listed by federal department; therefore, CDBG information would come under Housing and Urban Development.

~Community Development Digest: This publication is published by C.D. Publications and deals with current C.D. issues whether they are Congressional budget deliberations, regulation changes, or opinions made by HUD (Washington, D.C.) that may impact local programs.

COMMUNITY DEVELOPMENT DEPARTMENT

STAFF REFERENCE LIST

If you have further questions or need additional information about CDBG projects or HOME Program projects, please contact any of the following Community Development Department staff or visit the city website at www.killeentexas.gov

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Edward Radeke, Housing Specialist	(254) 501-7841 eradeke@killeentexas.gov
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