



# CITY OF ONTARIO

## HOUSING AND MUNICIPAL SERVICES AGENCY

### Fiscal Year 2015-2016

### CDBG and ESG Funding Application Guidelines

#### INTRODUCTION

These guidelines describe Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) eligibility requirements and the City's public service application process.

The City of Ontario receives an annual entitlement from the U.S. Department of Housing and Urban Development (HUD) for CDBG, HOME, and ESG activities. These funds benefit low and moderate-income persons or areas, and eliminate slum and blighting conditions.

Through the City's Citizen Participation Process, the City is currently developing a One-Year Action Plan for Fiscal Year 2015-2016 that lists local housing and non-housing community development priorities. We encourage citizens to comment on the proposed use of these funds.

Please note that CDBG, ESG, and HOME funds are not intended to replace other funding. The City of Ontario will not reimburse costs involved in applying for funding.

#### Citizen Participation

The City of Ontario encourages citizen participation and input on community needs and priorities. The One-Year Action Plan is a component of the Five-Year Consolidated Plan (2015-2019). The One-Year Action Plan will provide a summary of all CDBG, HOME, and ESG projects to be funded. The City's timeline for developing the One-Year Action Plan is listed below:

#### Fiscal Year 2015-2016 One-Year Action Plan Proposed Time

DATE	ACTIVITY
01/22/2015, 6:00 p.m.	Community Forum/Public Hearing Location: Ontario Housing Agency, 208 W. Emporia St., Ontario
01/22/2015	Applications available for public service activities and non-City capital improvement projects
02/13/2015	Applications due for public service activities and non-City capital improvement projects
04/02/2015, 6:00 p.m.	Community Forum/Public Hearing Location: Ontario Housing Agency, 208 W. Emporia St., Ontario
04/03/2015 – 05/04/2015	One-Year Action Plan published for 30-day public review period
05/05/2015	City Council approval of One-Year Action Plan
05/15/2015	One-Year Action Plan due to HUD

## CDBG ACTIVITIES

### Eligible Activities

The City of Ontario is currently soliciting applications for public service activities and non-City capital improvement projects. Listed below are some examples of public service activities that are eligible for CDBG funding. This list is not all-inclusive and a full list is available in the Code of Federal Regulations (CFR), Part 24, Section 570.201.

Public Services (570.201(e)) **Proposed public service projects must be either: a new or quantifiable increase in the level of a service.** Public services include, but are not limited to: child care, health care, job training, recreation programs, education programs, public safety services, fair housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, homebuyer down payment assistance, etc.

The following public services are **not eligible** under this category: political activities, ongoing grants or non-emergency payments (defined as more than three consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments [570.207(b)(4)].

## CDBG NATIONAL OBJECTIVES REQUIREMENT

### National Objectives Requirement

An activity (or project) must also meet one of three National Objectives:

- Benefits to Low and Moderate Income Persons; or
- Prevention or Elimination of Slums or Blighted Areas as pre-approved by HUD; or
- Other Urgent Needs\* (as in a national disaster declared by the President or state declared disaster).
  - \* **Please be advised that the City of Ontario does not utilize the “Urgent Need” National Objective at this time.**

#### 1. Benefits to Low and Moderate Income Persons

Activities benefiting low- and moderate-income persons (meeting HUD’s income criteria) will be considered to benefit low- and moderate-income persons. Please refer to CDBG regulations 570.208 for more detailed information as this is a brief summary.

##### a. Area Benefit Activities (LMA) – Map and L/M Census Data Attached

- Available to all residents of a particular area – delineate boundaries of service area; and
- At least 51% of the residents of the particular area are low- and moderate-income persons using officially recognized data; and
- Particular area is primarily residential in character.

##### b. Limited Clientele Activities (LMC)

Benefits a limited clientele, at least 51% of whom are low- or moderate-income persons. To qualify under this requirement, the activity must meet one of the following:

- The following groups are presumed by HUD to be principally low- and moderate-income persons: 1) abused children; 2) battered spouses; 3) elderly persons; 4) handicapped adults; 5) homeless persons; 6) illiterate persons; 7) migrant farm workers; or
- The activity requires information on family size and income to document that at least 51% of clientele are persons whose family income does not exceed HUD’s low- and moderate-income criteria; or

- The activity has income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
  - Be of such a nature and be in such a location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.
- c. **Job Creation or Retention (LMJ)** – Contact the City of Ontario Housing and Municipal Services Agency for more information on this requirement.

## 2. **Prevention or Elimination of Slums or Blight**

A slum/blight survey must be completed, adopted locally and approved by the City of Ontario before any activities are undertaken under this National Objective item. Please contact the City of Ontario Housing and Municipal Services Agency for more details.

### **CDBG DEFINITIONS**

Reference Section 570.3 of the CDBG regulations for additional definitions.

**Low-income family** – is defined as a family whose income does not exceed 80% of area median income (AMI) adjusted for family size.

**Very low-income family** – is defined as a family whose income does not exceed 50% of AMI adjusted for family size.

**Extremely low-income family** – is defined as a family whose income does not exceed 30% of AMI adjusted for family size.

**County of San Bernardino Income Limits for Fiscal Year 2014**

<b>Family Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Ext. Low (30%)	12,750	14,600	16,400	18,200	19,700	21,150	22,600	24,050
Very Low (50%)	21,250	24,300	27,350	30,350	32,800	35,250	37,650	40,100
Low (80%)	34,000	38,850	43,700	48,550	52,450	56,350	60,250	64,100

**Subrecipient** – An entity who receives CDBG and/or ESG funding from the City of Ontario. Note that entities receiving CDBG and/or ESG funds from the City are required to execute a Subrecipient Contract.

### **ESG ACTIVITIES**

#### **Eligible ESG Activities**

The City of Ontario is currently soliciting applications for Emergency Solutions Grant (ESG) activities. The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents; (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless.

Pursuant to 24 CFR Part 576.101 – 576.107, eligible ESG activities include:

- Street Outreach – essential services related to reaching out to **unsheltered** homeless individuals and families, connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility based care. Eligible costs include engagement, case management, emergency health and mental health services, and transportation.

- Emergency Shelter –
  - Major rehabilitation, conversion, or renovation of a building to serve as a homeless shelter. Site must serve homeless persons for at least 3 or 10 years, depending on the cost. Note: property acquisition and new construction are ineligible ESG activities.
  - Essential services such as case management, childcare, education services, employment assistance and job training, outpatient health services, substance abuse treatment services, transportation, and services for special populations for those in an emergency shelter.
  - Shelter operations, including maintenance, rent, repair, security, fuel, equipment, insurance, utilities, relocation, and furnishings.

***Please note – a maximum of 60% of any subrecipient allocation may be used for street outreach and emergency shelter activities.***

- Prevention – housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to prevent the individual or family from becoming homeless if (1) household annual income is below 30% of area median income adjusted for family size, and (2) assistance is necessary to help program participants regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing. Eligible costs include utilities, rental application fees, security deposits, last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, tenant legal services, and credit repair.
- Rapid Re-Housing – housing relocation and stabilization services and short- and/or medium term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs also include utilities, rental application fees, security deposits, last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, tenant legal services, and credit repair.
- Data Collection (HMIS) – grant funds may be used for the costs of participating in an existing HMIS of the Continuum of Care where the project is located.

## **ESG PROGRAM REQUIREMENTS**

Subrecipients of ESG funds must comply with the following program requirements:

- Consultation with Continuum of Care – subrecipients must be connected with the San Bernardino County Continuum of Care.
- Coordination with other targeted homeless services – subrecipients must coordinate and integrate, to the maximum extent practicable, with other programs targeted to homeless people in the area covered by the Continuum of Care.
- Coordination with mainstream resources – subrecipients must coordinate and integrate, to the maximum extent practicable, with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible.

- Centralized or coordinated assessment – once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system, subrecipients must use that assessment system. Victim service providers may choose not to use the Continuum’s centralized or coordinated assessment system.
- Written standards for providing ESG assistance – subrecipients must establish and consistently apply written standards for providing ESG assistance.
- Participation in HMIS – subrecipients must enter data on all persons served and activities assisted in the Continuum’s HMIS database, or a comparable database, in accordance with HUD’s standards. Victim service providers and legal service providers may use a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data.

## ESG DEFINITIONS

***At risk of homelessness*** means

- (1) an individual or family who:
  - (a) has an annual income below 30% of area median income as determined by HUD;
  - (b) does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and
  - (c) meets one of the following conditions:
    - (i) has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - (ii) is living in the home of another because of economic hardship;
    - (iii) has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
    - (iv) lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
    - (v) lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 person reside per room, as defined by the U.S. Census Bureau;
    - (vi) is exiting a publicly funded institution or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
    - (vii) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the City of Ontario’s approved consolidated plan;
- (2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
- (3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

**Emergency shelter** means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

**Homeless** means

- (1) an individual or family who lacks a fixed, regular, and adequate nighttime residence meaning
  - (a) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - (b) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - (c) an individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) an individual or family who will imminently lose their primary nighttime residence provided that:
  - (a) the primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - (b) no subsequent nighttime residence has been identified; and
  - (c) the individual or family lacks the resources or support networks, e.g. family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - (a) are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330 (h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - (b) have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application of homeless assistance;
  - (c) have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - (d) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (4) Any individual or family who:

- (a) is fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- (b) has no other residence; and
- (c) lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

## **PROGRAM YEAR**

The City of Ontario's Program Year is July 1 through June 30.

## **CONSOLIDATED PLAN PRIORITIES & STRATEGY**

The City of Ontario is currently developing the Five-Year Consolidated Plan 2015-2019 and the first One-Year Action Plan (FY 2015-2016) required by HUD for the Five-Year Consolidated Plan. The One-Year Action Plan identifies specific programs and projects along with goals and resources that will be implemented in FY 2015-2016. Citizen input and contributions to the development of the One-Year Action Plan are strongly encouraged.

The City of Ontario Five-Year Consolidated Plan 2015-2019 is being developed with community input on local housing, homeless, and community development needs, and outlined a strategy to address those needs. The foundation for each strategy is a list of priorities for both housing and community development activities. The 2010-2014 priorities are listed below for reference. New goals will be established in association with the preparation of the Five-Year Consolidated Plan 2015-2019.

### **FIVE-YEAR CONSOLIDATED PLAN 2010-2014**

#### **HOUSING STRATEGY**

- Goal #1: Preserve and rehabilitate existing rental and owner-occupied housing resources.
- Goal #2: Increase affordable homeownership opportunities, particularly for low- and moderate-income persons.
- Goal #3: Expand affordable rental housing opportunities, particularly for low-income persons.

#### **HOMELESS STRATEGY**

- Goal #1: Preserve and improve the supply of supportive housing and public services for the homeless and homelessness prevention services.

#### **SPECIAL NEEDS STRATEGY**

- Goal #1: Provide supportive services for special needs population.

#### **FAIR HOUSING STRATEGY**

- Goal #1: Continue to implement the Fair Housing laws by providing funding to further fair housing.

#### **PUBLIC HOUSING STRATEGY**

- Goal #1: Continue to support the on-going efforts of the Housing Authority of the County of San Bernardino and the Ontario Housing Authority to maximize the use of Section 8 subsidies and other resources in the City.

#### **LEAD HAZARD STRATEGY**

- Goal #1: Reduce the number of housing units with lead paint hazards through education, inspection, and rehabilitation.

**COMMUNITY DEVELOPMENT STRATEGY**

- Goal #1: Provide needed public infrastructure and neighborhood improvements in target lower- and moderate-income neighborhoods.
- Goal #2: Provide for new community facilities and improve the quality of existing community facilities to serve lower- and moderate-income neighborhoods.
- Goal #3: Provide needed community services to serve lower and moderate income residents.
- Goal #4: Expand the City's economic base and promote greater employment opportunities.



