

City of Moreno Valley
**Community Development Block Grant (CDBG),
HOME Investment Partnerships Program (HOME) &
Emergency Service Grant (ESG)**

**Objectives and Policies
FY 2025-2026**

The City of Moreno Valley (“City”) has established the following Objectives and Policies to give maximum priority to projects and activities that will benefit low-to-moderate income residents. Proposed programs for the upcoming year should fit into one of the categories of Program Objectives.

The Housing and Urban Development (“HUD”) CDBG programs must also fit into one of the listed National Objectives. Staff will abide to the given policies when reviewing proposed programs for potential funding.

CDBG NATIONAL OBJECTIVES

For an activity or program to be eligible for CDBG funding, it must qualify as meeting one or more of the following three national objectives identified below as well as one of the general program objectives as identified later in this document:

- 1) Activities Benefiting Low- and Moderate-income Persons and/or Households:
A low-to-moderate income person or household is one having an income equal to or less than the Section 8 lower income limits established by HUD. This objective includes direct services to the low-to-moderate income, services benefiting a low-income area, or ‘limited clientele’, who are designated groups presumed by HUD to automatically qualify as low-to-moderate income.
- 2) Activities Which Aid in the Prevention or Elimination of Slums or Blight:
This objective can be achieved on a spot basis, area basis, or address blight in a designated urban renewal area.
- 3) Activities Designed to Meet Community Development Needs Having a Particular Urgency: This objective is given priority under formally declared state of emergencies and is normally used to alleviate urgent conditions caused by major catastrophes, natural disasters, or other emergencies that presents a serious and immediate threat to the health and welfare of the community.

ESG COMPONENTS

ESG funding must qualify as meeting a component that will assist, protect, and improve living conditions for the homeless.

- 1) **Street Outreach**: Meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services.
- 2) **Emergency Shelter**: Increase the quantity and quality of temporary shelters provided to homeless people, through the renovation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services.
- 3) **Rapid Re-Housing**: Move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium-term rental assistance.
- 4) **Homelessness Prevention**: Prevent an individual or family from moving into an emergency shelter or living in a public or private place not meant for humans through housing relocation and stabilization services and short- and/or medium-term rental assistance.
- 5) **Homeless Management Information System (HMIS)**: Fund ESG recipients' and subrecipients' participation in the HMIS collection and analyses of data on individuals and families who are homeless and at-risk of homelessness.

HOME ELIGIBLE ACTIVITIES

HOME funds are to develop and support the supply of affordable rental housing and homeownership affordability through acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing (including manufactured housing).

- Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing.
- Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction for purposes of this part.

GENERAL PROGRAM OBJECTIVES

(listed alphabetically)

Capital Improvement Activities (CDBG)

Acquisition, design, construction, and installation of needed public facilities and improvements located in CDBG income eligible Census Tracts (“Target Areas”) within the City where infrastructure is missing or substandard. Public facilities and improvements may include the Americans with Disabilities Act (ADA) compliant ramps and sidewalk improvements, storm drains, and water and sewer lines. Improvements shall facilitate pedestrian activity, eliminate flooding, and provide for safer streets within the Target Areas.

Economic Development Activities (CDBG)

Expanded economic opportunities through micro-enterprise loan programs and counseling as well as employment and job skills programs to create and retain jobs for low-and-moderate persons.

Fair Housing Activities (CDBG)

The promotion of housing choice and support of state and federal fair housing laws to ensure that all residents have access to a decent home in a suitable living environment in the City. Fair Housing activities are met by promoting and affirmatively furthering equitable housing opportunities through education, counseling, enforcement, and training.

This objective also includes the prevention of foreclosure through counseling, mediation, and case management for homeowners facing mortgage delinquency, default, or any stage of foreclosure, thereby maintaining safe, stable neighborhoods and community.

Health, Safety, and Public Welfare (CDBG)

Eliminating conditions that are detrimental to health, safety, and public welfare through interim rehabilitation, community policing, abused child advocacy services, etc.

Historic Preservation (CDBG)

Restoring and preserving properties formally designated as historic structures.

Homelessness/Homeless Prevention Activities (CDBG, ESG)

Improve the quality of life for the city’s homeless and those threatened with homelessness by extending emergency services aimed at assisting, protecting, and improving the living conditions and ultimately stabilizing the housing situation of those individual(s).

Housing and Neighborhood Improvement Activities (CDBG and HOME)

Conserving and improving housing stock through rehabilitation of units occupied by low-and-moderate income households. Activities are designed to: (1) improve existing substandard or deteriorated housing stock that does not meet building, safety, or fire code and (2) achieve the goals identified in the City's Consolidated Plan.

Public Service Activities & Priorities (CDBG)

Improving the quantity and quality of public services, principally for low-and-moderate income persons, including the homeless, elderly, and disabled. The following services are identified by order of priority:

- (1) 'Basic Needs' Related Social Services Programs such as, but not limited to, emergency food and shelter (homelessness), abused children advocacy and utility assistance
- (2) Community Public Safety Programs
- (3) Programs offering Low-Cost Transportation
- (4) Free/Low-Cost programs for School-Aged Youth
- (5) Fair Housing Activities
- (6) Employment Services/Programs and Job (Skills) Training

Slum or Blight Activities (CDBG)

Elimination of slums and blight to prevent the deterioration of City neighborhoods, principally in the CDBG Target Areas.

Planning and Administration (CDBG, ESG, HOME)

Overall program management, coordination, monitoring, and evaluation of projects funded by CDBG, ESG, and HOME funds.

POLICIES

To meet the objectives and ensure efficient use of CDBG, HOME, and ESG funds, the following policies have been established:

City Projects and Programs

Certain public improvements, such as storm drains, curb, gutter, and sidewalks that provide long-term benefits to improve low-and-moderate income CDBG Target Areas may, at the Council's discretion, be given priority. Additional examples of these City sponsored programs include Community Policing and Neighborhood Clean-ups.

Provider Collaboration

Providers (local applicants) that intend to provide similar services and programs to Moreno Valley's low-and-moderate residents shall be given funding priority for combining resources and efforts into a single program. Providers should complete and submit a single CDBG, ESG and/or HOME application on behalf of the collaborating group. Funding priority would be given at the time of the application review based on critical factors such as goals and service area/persons benefited that align with those of the City's, prior accomplishments with similar grant programs for the City, completeness of the application, organizational and technical competency, etc.

Local Services

Providers that are in the City will be given funding priority when they are providing services equivalent to those offered by providers located outside the City.

The goal is to have services available and accessible within the City limits to serve all residents, especially those of low-and-moderate income. Prior to final selection of projects, other factors such as record of accomplishments and experience may also be considered.

Minimum Grant Level

A minimum grant level of \$15,000 for CDBG, \$25,000 for HOME, and \$50,000 for ESG (excluding Homelessness Management Information Systems) has been established for the purpose of ensuring the most efficient use of these funds.

Project and Program Funding

Pre-existing Projects and Programs having other funding sources will be given priority. Grant funding is intended to supplement a project or a program and not be its full and only funding source.

Federal funding varies from year to year, as do the needs of the community. Therefore, it is important for a project or program to sustain itself should City funding not be available. Such an approach will also provide for maximum leveraging and impact.

Minimal Applicant Requirements

To ensure an applicant is adequately qualified to administer an activity per the federal statutes and regulations, a set of minimal applicant requirements shall be established for inclusion in the grant application. The requirements shall be reasonable and comply with HUD regulations and best practice recommendations. It is preferred that an applicant have a minimum of three years of successful grant management experience. This may be supported by written documentation, for example, an unqualified audit opinion letter.

Multi-Year Agreements

The City shall carry out a standard subrecipient agreement and offer the possibility of multi-year agreements when deemed reasonable. Extensions shall be issued only in instances where funding and time restrictions are allowed.

ESG Match Requirements

Federal regulations require a 100% match for the ESG program. The City shall require the subrecipient to be responsible for the full match. The match may be met with a combination of cash or in-kind services. Additionally, HUD regulations allow for the match to come from other grant sources.

Proof of 100% match is required prior to a notice to proceed and the execution of a contract with the City. Initial documentation of proof of match shall be provided with the application for evaluation. Final verifiable third-party documentation providing proof of award and availability of funds shall be provided before entering into an agreement with the City. If proof of award cannot be provided, then any award of ESG funds will be adjusted as necessary based on the available verified match.

Program Costs

The City must ensure that all costs charged to its grants are allowable, allocable, and reasonable for the proper performance and administration of the award. Direct and indirect project costs should be reasonable relative to the total costs of the project/program. An approved indirect cost rate must be provided to recover indirect costs.