

# MEMORANDUM

## COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

TO: Thomas Thomas, City Manager

SUBJECT: 2014-2015 CDBG Allocation Policies

DATE: August 20, 2013

The process for allocating Community Development Block Grant (CDBG) Entitlement funds started on Thursday, August 1, 2013 where applications are available for those seeking funding for fiscal year 2015 (April 1, 2014-March 31, 2015). As part of this process, the Citizen's Advisory Committee (CAC) looks to the City Council to provide policy direction on the allocation of CDBG funds.

The change in funding in the past five years has been the following:

FY2009	1,149,213.00	--
FY2010	1,167,221.00	2%
FY2011	1,265,462.00	8%
FY2012	1,059,009.00	-16%
FY2013	904,514.00	-15%
FY2014	952,980.00	5%

The CDBG program experienced a net increase in funding for HUD in FY2014. The following excerpt from a HUD e-newsletter explains this increase:

*The Community Development Block Grant Program (CDBG) experienced a net increase in funding from FY 2012 to FY 2013. The FY 2012 HUD appropriations law directed that \$300 million of the CDBG funding appropriation be allocated for disaster recovery; this reduced the funding available for formula distribution in FY 2012 to \$2.94 billion. That set-aside for disaster recovery grants did not carry over to the FY 2013 Continuing Resolution, which provided \$3.07 billion for CDBG formula funding. After the mandatory reductions due to sequestration and an across-the board recession, the result is a 4.4% increase in CDBG formula national funding levels from FY 2012 to 2013.*

\*Please note that HUD's FY2013 is the same as the City of Rock Island's FY2014.

Going forward, City staff anticipates a 15% reduction in funding for FY2015. This would result in an allocation amount of \$810,033. The lowest allocation ever received by the City in the 38 year history of the Community Development Block Grant. The actual amount available will not be known until the Spring or Fall of 2014 and is subject to Congressional action.

No major policy changes were made. The introduction has been expanded to add clarity to terms and concepts. Redundant sections have been eliminated or consolidated for a more logical flow. Appendices were added to include more information on eligible activities. Also, policy in regards to Neighborhood Partners receiving funding were eliminated due to recent findings from the HUD monitoring visit

which determined Neighborhood Partners as an ineligible activity when classified as Planning and Administration.

Copies of the proposed 2014-2015 Policies for Allocating CDBG Funds and the CAC schedule are both attached.

The CAC will refer to the approved policies when making funding recommendations for fiscal year 2015. The CAC will make its allocation decisions on Thursday, September 19, 2013. The City Council will then conduct a public hearing on the proposed CDBG allocations during the October 7, 2013 Council meeting. City Council will make final funding decisions for CDBG funds on October 14, 2013.

Recommendation: City Council to approve the fiscal year 2015 (April 1, 2014-March 31, 2015) Community Development Block Grant Allocation Policies.

---

Submitted by: Dena Haag, Budget and Grants Manager  
Jeff Eder, Community and Economic Development Director

Approved: Thomas Thomas, City Manager



*City of Rock Island - Community & Economic Development*  
**CDBG & GAMING GRANT SCHEDULE\***  
**Fiscal Year 2014 – 2015\*\***

<b>DATE</b>	<b>TIME</b>	<b>ACTIVITY</b>
June / July 2013		<b>Confirm CAC member participation and have Mayor / Council appoint new members</b>
Thursday, August 1		<b>CDBG &amp; Gaming Applications Available</b>
Monday, August 26	6:45 p.m.	<b>City Council:</b> <i>Reviews and approves CDBG &amp; Gaming Allocation policies</i>
Friday, August 30	5:00 p.m.	<b>CDBG &amp; Gaming Applications Deadline</b>
Thursday, September 5	7:00 p.m.	<b>CAC Orientation:</b> <i>Explanation of CDBG &amp; Gaming programs and election of officers.</i>
	7:15 p.m.	<b>Review Meeting – CDBG (City, Non-Social Service Agencies) &amp; Gaming (Social Service Agencies):</b> <i>Presentation of proposals</i>
Tuesday, September 10	7:00 p.m.	<b>Review Meeting – CDBG (City, Non-Social Service Agencies) &amp; Gaming (Social Service Agencies):</b> <i>Presentation of proposals</i>
Thursday, September 12	7:00 p.m.	<b>Review Meeting – CDBG (City, Non-Social Service Agencies) &amp; Gaming (Social Service Agencies):</b> <i>Presentation of proposals</i>
Tuesday, September 17	7:00 p.m.	<b>Allocation Meeting:</b> <i>Development of CAC allocation recommendations for CDBG and Gaming funds</i>
Monday, October 7	6:45 p.m.	<b>City Council Public Hearing of CAC Allocations:</b> <i>This public hearing provides an opportunity for citizens and others to give feedback to City Council on the allocation amounts and programs recommended by the CAC.</i>
Monday, October 14	6:45 p.m.	<b>City Council Allocation Decisions</b>
Monday, January 6, 2014 – Tuesday February 4, 2014		<b>30-day Comment period for Annual Action Plan</b>
Thursday, January 23, 2014	5:30 p.m.	<b>Public Hearing of Housing &amp; Community Development Needs &amp; One-Year Action Plan:</b> <i>This public hearing provides opportunity for Citizens to give comments on Housing &amp; Community Development needs as well as development of the proposed activities. This meeting also will provide a final opportunity for residents and others to provide feedback on the Draft Annual Action Plan before it is submitted to HUD.</i>

Friday, February 14, 2014

**Annual Action Plan due to HUD**

Monday, June 2, 2014 –  
Tuesday, June 17, 2014

**15-day Comment period for Consolidated  
Annual Performance Evaluation Report  
(CAPER)**

Thursday, June 12, 2014

5:30 p.m.

**Performance and Evaluation Public Hearing &  
CAPER:** *During this public hearing, prior year  
CDBG funding sub-recipients describe their  
annual performance to the CAC. The CAC then  
has the opportunity to ask further questions about  
program performance. This process assists CAC  
members in making recommendations about  
future funding. Also, any feedback on the CAPER  
will be obtained at this meeting.*

Monday, June 30, 2014

**Consolidated Annual Performance  
Evaluation Report (CAPER) due to HUD**

*\*All CAC meetings and City Council meetings will be conducted in the City Council Chambers, 3<sup>rd</sup> Floor, City Hall, 1528 3<sup>rd</sup> Avenue, Rock Island, Illinois 61201 unless otherwise noted.*

*\*\*Schedule will be modified based on number of applications received. Notice will be given to public about schedule changes. Any modifications to this schedule or process will be posted online at [www.rigov.org](http://www.rigov.org).*

---

1528 Third Avenue/Rock Island, Illinois 61201-8678

[www.rigov.org](http://www.rigov.org)

phone: (309) 732-2920

fax: (309) 732-2930

# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

---

**CITY OF ROCK ISLAND**

---

**FY 2014-2015 POLICIES FOR ALLOCATING CDBG FUNDS**

---



# INTRODUCTION

As an Entitlement Community for Community Development Block Grant (CDBG) funds from the Federal Department of Housing and Urban Development (HUD), the City of Rock Island must establish a process for distributing CDBG dollars. This process allows funds to be allocated in a way that includes local residents, meets various community needs, and targets community development objectives set forth in the City's 2013-2017 Consolidated Plan.

Each year, Rock Island City Council approves a set of policies for allocating CDBG funds. Approval of these policies creates guidelines for the Citizens Advisory Committee (CAC) to make recommendations on the types of programs to fund, as well as recommended amounts. Upon careful consideration of CAC recommendations, City Council then has the discretion to adjust recommendations based on available funding and community needs.

Eligible applicants for CDBG funding include not-for-profit corporations, neighborhood organizations, and units of local government.

In addition, there are three criteria that must be met in order to be eligible for funding consideration:

**1) The activity must meet at least one of three National Objectives established by HUD:**

- a) Benefit to low- and moderate- income Rock Island City residents
- b) Aid in the prevention or elimination of slums or blight within Rock Island City limits
- c) Meet a need having a particular urgency (referred to as urgent need)

**2) The activity must fall into one of six categories of expenses that are eligible for CDBG assistance:**

- a) Acquisition, Disposition, Clearance &/or Relocation
- b) Administration & Planning (subject to 20% cap)
- c) Economic Development
- d) Housing
- e) Public Facilities & Infrastructure Improvements
- f) Public Services (subject to 15% cap)

*\*\*\*Further detail and information on what is eligible under each of these categories and the respective accomplishments to report are included in Appendices A, B, & C.*

**3) The activity must meet at least one of the five priorities within the City of Rock Island's 2013-2017 Consolidated Plan:**

- a) Promote, Increase, and Maintain Homeownership
- b) Provide Safe, Affordable, Decent Housing to Renters
- c) Economic Development, Revitalization, Job Creation
- d) Transitional & Permanent Support Housing & Service
- e) Non-Homeless Persons with Special Needs

Applicants are required to fill out an application and provide supporting documentation. After the applications are reviewed by City staff and the CAC committee, recommendations will be presented to City Council who will approve funding awards.

**FOR HELP OR TECHNICAL ASSISTANCE WITH THE  
APPLICATION, PLEASE CONTACT:**

Dena Haag at [haag.dena@rigov.org](mailto:haag.dena@rigov.org) or (309) 732-2904

Based on previous experience, HUD guidance, and Council priorities the remainder of this document addresses allocation for four broad policy areas and related subcategories including:

**1. Housing**

- a. City Housing Rehabilitation Programs
- b. Use of Housing Rehabilitation Program Income
- c. Use of Housing Rehabilitation Carry-Over Funds
- d. CDBG Allocation to Outside Agencies For Housing Activities
- e. Housing Rehabilitation Allocation Adjustments
- f. Demolition
- g. Code Enforcement

**2. Economic Development Activities**

- a. Administrative Activities
- b. CIRLF
- c. Allocation to Outside Agencies

**3. Social Services**

- a. Allocation Amounts
- b. The Martin Luther King Center

**4. Allocations**

- a. CAC Recommendations

**HOUSING ACTIVITIES**

---

**POLICY 1: CITY HOUSING REHABILITATION PROGRAMS**

---

- 1a. City housing rehabilitation programs will be funded at a level adequate to support programs meeting local needs;
- 1b. Housing rehabilitation programs should be flexible, meet the needs of various income groups, and focus on improving the quality of the housing stock in the City of Rock Island;

---

**POLICY 2: USE OF HOUSING REHABILITATION PROGRAM INCOME**

---

- 2a. Program income generated by City Housing Rehabilitation programs will be reserved for City housing and neighborhood redevelopment activities and shall be approved by City Council as part of the annual budget process;
- 2b. Principal and interest payments generated from the City's rehab programs should be used as a source that provides additional revenue to reinvest in neighborhoods. When impacted by cuts in federal funding, the program income generated from these loans can be a critical source for keeping rehabilitation programs in operation;
- 2c. The City's loan programs may be made available to residents who are not eligible for other housing programs, or who cannot obtain one-hundred-percent financing from other financial institutions. The City and local lenders work together, in this regard, to leverage funds and produce more home repairs.

---

**POLICY 3: USE OF HOUSING REHABILITATION CARRY-OVER FUNDS**

---

- 3a. Budgeted but unspent funds (carry-over funds) committed to City housing rehabilitation activities will remain available to those activities;

---

## **POLICY 4: CDBG ALLOCATION TO OUTSIDE AGENCIES FOR HOUSING ACTIVITIES**

---

- 4a. CDBG funds may be allocated to agencies other than the City that have demonstrated the willingness, capacity, and ability to conduct housing rehabilitation and related housing assistance programs. Such outside agencies must also have the capacity to leverage additional resources;
- 4b. CDBG funds may be used for program and administrative expenses associated with housing and neighborhood activities;
- 4c. The Citizens Advisory Committee (CAC) will make recommendations to City Council on which agencies to allocate CDBG funds for purposes of carrying out rehabilitation and neighborhood activities. Decisions of the CAC and subsequent action by City Council will consider the past performance, capacity, and ability of applicant agencies to bring additional funding resources into the Rock Island community to leverage additional projects.

---

## **POLICY 5: HOUSING REHABILITATION ALLOCATION ADJUSTMENTS**

---

- 5a. Community and Economic Development Staff working with the CDBG program may exercise discretion to adjust dollars among Council approved housing and neighborhood programs to meet actual demands. Staff should have flexibility to re-allocate City funds from areas of less prevalent need to areas of more prevalent need (*e.g. shifting funds from an existing or underutilized housing program to meet an emergency homeowner repair*);
- 5b. Shifting or reallocation of funds to meet needs may only occur within the City's housing rehabilitation programs.

---

## **POLICY 6: DEMOLITION**

---

- 6a. Where eligible, the City should first use Tax Increment Financing (TIF) or Gaming funds to remove vacant, dilapidated structures, when it is unlikely that the owner will provide for the demolition. CDBG funds may be used for this purpose, if funding from TIF or Gaming is unavailable.
- 6b. TIF, Gaming or CDBG funds should only be used for demolition in cases where there is little likelihood that the private owner will undertake the demolition and when the structure cannot be rehabilitated. Where a structure has sustained damage such that it is a total loss, the City will move to have the structure demolished;
- 6c. TIF, Gaming, and/or CDBG funds may be used for the removal of burned out and secondary structures, such as garages, when deemed appropriate by City Staff.

---

**POLICY 7: CODE ENFORCEMENT**

---

- 7a. CDBG funds should be used to support code enforcement activities (including the Rental Inspection Program), in an effort to bring substandard dwellings into compliance with minimum housing standards;
- 7b. The court system will be used as a last resort for gaining code compliance; code enforcement staff will respond on a complaint basis only;
- 7c. The Code Hearing Officer will be used to facilitate compliance from property owners who have not responded to routine notices. Code enforcement efforts will continue to focus on investor owned properties.

**ECONOMIC DEVELOPMENT ACTIVITIES**

---

**POLICY 8: ECONOMIC DEVELOPMENT ADMINISTRATIVE ACTIVITIES**

---

- 8a. A portion of CDBG administrative funds will be used to support staff work on economic development activities. City staff administer multiple economic development activities including its Commercial Industrial Revolving Loan Fund program (*funded through CDBG*) and working with businesses to help increase job opportunities, expand the tax base, and revitalize the economy's commercial, office, and industrial sectors.

---

**POLICY 9: COMMERCIAL INDUSTRIAL REVOLVING LOAN FUND (CIRLF)  
PROGRAM INCOME**

---

- 9a. Program Income generated by CIRLF principal and interest repayments will be returned to the CIRLF Revolving Loan Fund.

---

**POLICY 10: ALLOCATION TO OTHER AGENCIES FOR ECONOMIC DEVELOPMENT ACTIVITIES**

---

- 10a. CDBG funds may be allocated to agencies outside the City that share a similar economic development strategy. Decisions of the CAC and subsequent action by Council should consider the performance, capacity, and ability of applicant agencies to bring additional revenue into the Rock Island Community;
- 10b. CDBG funds may be used for program and administrative expenses associated with carrying out economic development activities,

**SOCIAL SERVICE ACTIVITIES**

---

**POLICY 11: ALLOCATION AMOUNTS**

---

- 11a. No more than 15 percent of the City's total CDBG entitlement shall be allocated to social service agencies. This is consistent with federal regulations;
- 11b. No social service agencies shall receive an amount that exceeds the amount of funds requested.

---

**POLICY 12: THE MARTIN LUTHER KING COMMUNITY CENTER**

---

- 12a. Due to variable CDBG funding, increasing costs at the Martin Luther King Center, and the City's responsibility to operate and maintain the Center, The Martin Luther King Community Center shall be allocated all CDBG social service dollars available to help meet operating and maintenance expenses.

**CAC AND FUNDING RECOMMENDATIONS**

---

**POLICY 13: CAC AND FUNDING RECOMMENDATIONS**

---

- 13a. The CAC will review agency requests and make funding recommendations to City Council. Recommendations will take into consideration the performance, cost effectiveness, capacity, and objectives of the applicant agency;
- 13b. The CAC shall have the discretion to not recommend funding of an agency, based on an assessment of the most cost effective commitment of CDBG funds. If it is determined

that a small allocation to an agency shall be more productively used by another agency, or if the request does not meet a significant need in Rock Island, the CAC can recommend no funding.

# Appendix A

## CDBG MATRIX CODES

### CDBG Matrix Codes by Category

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

#### Acquisition, Disposition, Clearance, Relocation

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

#### Administration and Planning

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

#### Economic Development

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

#### Housing

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

#### Public Facilities and Infrastructure Improvements

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

**Public Services**

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

**Repayment of Section 108 Loans**

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

**Other**

- |                              |   |
|------------------------------|---|
| 06 Interim Assistance        | 16B Non-Residential Historic Preservation     |
| 07 Urban Renewal Completion  | 19C Non-Profit Organization Capacity Building |
| 09 Loss of Rental Income     | 22 Unprogrammed Funds                         |
| 11 Privately Owned Utilities |   |
| 15 Code Enforcement          |   |

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

## MATRIX CODE DEFINITIONS

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

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

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

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

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

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

Code	Definition
<b>05Q</b>	<p><b>Subsistence Payments</b></p> <p>One-time or short-term (no more than three months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service and rent/mortgage payments to prevent eviction.</p>
<b>05R</b>	<p><b>Homeownership Assistance (not direct)</b></p> <p>Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity.</p> <p>Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by a CBDO in an NRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a CBDO in an NRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households).</p> <p><i>For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13.</i></p>
<b>05S</b>	<p><b>Rental Housing Subsidies</b></p> <p>Tenant subsidies exclusively for rental payments for more than three months. Activities providing this form of assistance must be carried out by CBDOs.</p>
<b>05T</b>	<p><b>Security Deposits</b></p> <p>Tenant subsidies exclusively for payment of security deposits.</p>
<b>05U</b>	<p><b>Housing Counseling</b></p> <p>Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).</p>
<b>05</b>	<p><b>Other Public Services</b></p> <p>Do not use this code for public services activities unless an activity does not fall under a more specific 05* code.</p> <p>Examples of legitimate uses of this code are referrals to social services, neighborhood cleanup, graffiti removal, and food distribution (community kitchen, food bank, and food pantry services).</p>
<b>06</b>	<p><b>Interim Assistance</b></p> <p>Only for activities undertaken either to:</p> <ul style="list-style-type: none"> <li>• Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements.</li> <li>• Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.</li> </ul>

<b>Code</b>	<b>Definition</b>
<b>07</b>	<p><b>Urban Renewal Completion</b></p> <p>Completion of urban renewal projects funded under Title I of the Housing Act of 1949.</p> <p>Do not use code 07 for a downtown renewal, downtown development, or urban renewal activity unless the activity will result in the closing out of a federally-approved urban renewal project.</p>
<b>08</b>	<p><b>Relocation</b></p> <p>Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p>
<b>09</b>	<p><b>Loss of Rental Income</b></p> <p>Payments to owners of housing for loss of rental income due to temporarily holding rental units for persons displaced by CDBG-assisted activities.</p>
<b>11</b>	<p><b>Privately Owned Utilities</b></p> <p>Acquisition, reconstruction, rehabilitation, or installation of distribution lines and facilities of federally regulated, privately-owned utilities. This includes placing new or existing distribution lines/facilities underground.</p>
<b>12</b>	<p><b>Construction of Housing</b></p> <p>Construction of housing with CDBG funds must be carried out by CBDOS, in accordance with the regulations at 570.204(a).</p>
<b>13</b>	<p><b>Direct Homeownership Assistance</b></p> <p>Homeownership assistance to LMI households as authorized under 105(a)(24).</p> <p>Forms of assistance include subsidizing interest rates and mortgage principal, paying up to 50% of downpayment costs, paying reasonable closing costs, acquiring guarantees for mortgage financing from private lenders, and financing the acquisition by LMI households of the housing they already occupy.</p> <p>If housing counseling is provided to households receiving direct homeownership assistance, the counseling is considered part of the code 13 activity.</p> <p>All recipients of assistance provided under matrix code 13 must be LMI.</p>
<b>14A</b>	<p><b>Rehab: Single-Unit Residential</b></p> <p>Rehabilitation of privately-owned, single-unit homes.</p>
<b>14B</b>	<p><b>Rehab: Multi-Unit Residential</b></p> <p>Rehabilitation of privately-owned buildings with two or more permanent residential units.</p> <p><i>For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p>
<b>14C</b>	<p><b>Rehab: Public Housing Modernization</b></p> <p>Rehabilitation of housing units owned/operated by a public housing authority (PHA).</p>

Code	Definition
<b>14D</b>	<p><b>Rehab: Other Publicly Owned Residential Buildings</b></p> <p>Rehabilitation of permanent housing owned by a public entity other than a PHA.</p> <p><i>For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.</i></p>
<b>14E</b>	<p><b>Rehab: Publicly or Privately Owned Commercial/Industrial</b></p> <p>Rehabilitation of commercial/industrial property. If the property is privately-owned, CDBG-funded rehab is limited to:</p> <ul style="list-style-type: none"> <li>• Exterior improvements (generally referred to as "facade improvements").</li> <li>• Correction of code violations</li> </ul> <p><i>For more extensive rehabilitation of privately owned commercial/industrial property, use 17C; for infrastructure developments and improvements at commercial/industrial sites, use 17B.</i></p>
<b>14F</b>	<p><b>Rehab: Energy Efficiency Improvements</b></p> <p>Housing rehabilitation with the sole purpose of improving energy efficiency (e.g., a weatherization program).</p> <p><i>For energy efficiency improvements to public housing units, use 14C; for other publicly owned residential buildings, use 14D.</i></p>
<b>14G</b>	<p><b>Rehab: Acquisition</b></p> <p>Acquisition of property to be rehabilitated for housing. 14G may be used whether CDBG funds will pay only for acquisition or for both acquisition and rehabilitation.</p>
<b>14H</b>	<p><b>Rehab: Administration</b></p> <p>All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site and utility plans; application processing; and other fees. Also use 14H for housing services related to the HOME Program, eligible under 570.201(k).</p> <p>Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling).</p> <p><i>For housing rehabilitation administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21.</i></p>
<b>14I</b>	<p><b>Lead-Based Paint/Lead Hazards Testing/Abatement</b></p> <p>Housing rehabilitation activities with the primary goal of evaluating and reducing lead-based paint/lead hazards.</p> <p><i>For lead-based paint/lead hazards screening, use 05P.</i></p>
<b>15</b>	<p><b>Code Enforcement</b></p> <p>Salaries and overhead costs associated with property inspections and follow-up actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes.</p> <p><i>For the correction of code violations, use the appropriate rehabilitation code.</i></p>

<b>Code</b>	<b>Definition</b>
<b>16A</b>	<b>Residential Historic Preservation</b> Rehabilitation of historic buildings for residential use.
<b>16B</b>	<b>Non-Residential Historic Preservation</b> Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.
<b>17A</b>	<b>Commercial/Industrial: Acquisition/Disposition</b> Land acquisition, clearance of structures, or packaging of land for the purpose of creating industrial parks or promoting commercial/industrial development. 17A activities must be carried out by the grantee or by non-profits.
<b>17B</b>	<b>Commercial/Industrial: Infrastructure Development</b> Street, water, parking, rail transport, or other improvements to commercial/industrial sites. 17B also includes the installation of public improvements, such as the construction of streets to and through commercial/industrial areas. 17B activities must be carried out by the grantee or by non-profits.
<b>17C</b>	<b>Commercial/Industrial: Building Acquisition, Construction, Rehabilitation</b> Acquisition, construction, or rehabilitation of commercial/industrial buildings. 17C activities must be carried out by the grantee or by non-profits.
<b>17D</b>	<b>Commercial/Industrial: Other Improvements</b> Commercial/industrial improvements not covered by other 17* codes. 17D activities must be carried out by the grantee or by non-profits.
<b>18A</b>	<b>Economic Development: Direct Financial Assistance to For-Profits</b> Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants. With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed.
<b>18B</b>	<b>Economic Development: Technical Assistance</b> Technical assistance to for-profit businesses, including workshops, marketing, and referrals. Also use 18B for activity delivery costs eligible under 570.203(c).
<b>18C</b>	<b>Economic Development: Micro-Enterprise Assistance</b> Financial assistance, technical assistance, or general support services to owners and developers of micro-enterprises. A micro-enterprise is a business with five or fewer employees, including the owner(s). With one exception, a separate activity must be set up for each micro-enterprise assisted. The exception is an activity carried out under 570.208(a)(4)(vi), for which job aggregation is allowed.
<b>19A</b>	Obsolete – use code 21H.
<b>19B</b>	Obsolete – use code 21H.

Code	Definition
<b>19C</b>	<p><b>CDBG Non-Profit Organization Capacity Building</b></p> <p>Activities specifically designed to increase the capacity of non-profit organizations to carry out eligible neighborhood revitalization or economic development activities. Such activities may include providing technical assistance and specialized training to staff.</p>
<b>19D</b>	<p><b>CDBG Assistance to Institutes of Higher Education</b></p> <p>Obsolete. Instead of using this matrix code, set the INSTITUTION OF HIGHER EDUCATION field to "yes" on the Add/Edit Subordinate Organization screen to indicate that the activity will be carried out by an institution of higher education. Then assign the appropriate matrix code based on the nature of the activity to be undertaken by the institution.</p>
<b>19E</b>	<p><b>CDBG Operation and Repair of Foreclosed Property</b></p> <p>Activities to prevent the abandonment and deterioration of housing acquired through tax foreclosure. These include making essential repairs to the housing and paying operating expenses to maintain its habitability.</p>
<b>19F</b>	<p><b>Planned Repayments of Section 108 Loans</b></p> <p>Repayments of principal for Section 108 loan guarantees.</p>
<b>19G</b>	<p><b>Unplanned Repayments of Section 108 Loans</b></p> <p>Unplanned repayments of principal for Section 108 loan guarantees.</p>
<b>20</b>	<p><b>Planning</b></p> <p>Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.</p>
<b>21A</b>	<p><b>General Program Administration</b></p> <p>Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation.</p> <p>Also use 21A to report the use of CDBG funds to administer federally-designated Empowerment Zones or Enterprise Communities.</p> <p><i>For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I.</i></p>
<b>21B</b>	<p><b>Indirect Costs</b></p> <p>Costs charged under an indirect cost allocation plan.</p>
<b>21C</b>	<p><b>Public Information</b></p> <p>Providing information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of CDBG-assisted activities.</p>

Code	Definition
<b>21D</b>	<p><b>Fair Housing Activities (subject to Admin cap)</b></p> <p>Fair housing activities carried out as part of general program administration rather than as a public service. They are subject to the Admin cap, but do not have to meet a national objective.</p> <p><i>For fair housing activities carried out as a public service, use 05J.</i></p>
<b>21E</b>	<p><b>Submission of Applications for Federal Programs</b></p> <p>Preparation of (1) documents that must be submitted to HUD to receive CDBG funds or (2) applications to other federal programs for community development assistance.</p>
<b>21H</b>	<p><b>CDBG Funding of HOME Admin</b></p> <p>CDBG funding of administrative costs for HOME Program activities eligible under 570.206(i)(2).</p>
<b>21I</b>	<p><b>CDBG Funding of HOME CHDO Operating Expenses</b></p> <p>CDBG funding of CHDO operating expenses for HOME Program activities eligible under 570.206(i)(2).</p>
<b>22</b>	<p><b>Unprogrammed Funds</b></p> <p>Identification of funds that are not yet programmed for use—e.g., reserve or contingency funds.</p>

## Appendix B

# NATIONAL OBJECTIVE CODES

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

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

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

## Appendix C

# MATRIX CODE/NATIONAL OBJECTIVE/ ACCOMPLISHMENT TYPE COMBINATIONS

The matrix code and national objective that are assigned to an activity determine which accomplishment type may be used.

Allowing only certain accomplishment types for a matrix code and national objective combination enables HUD to obtain more uniform data for reporting and for assessing program performance.

Matrix Code	National Objective	Accomplishment Type
01 Acquisition of Real Property	LMA, LMC	01 People 08 Businesses 11 Public Facilities
	SB*, URG	01 People 08 Businesses 10 Housing Units 11 Public Facilities
	LMH*	10 Housing Units
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
02 Disposition of Real Property  When the property is used for the purpose it was acquired for, use the accomplishment type that was or should have been used for acquisition of the property.  When it is disposed of for a use other than for which it was acquired, use the accomplishment type that corresponds to the new use.	LMA, LMC, SBA, SBR, URG	01 People 08 Businesses 11 Public Facilities
	LMH*	10 Housing Units
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
03 Other Public Facilities and Improvements	LMA, LMC, SB*, URG	01 People 11 Public Facilities
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03A Senior Centers	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03B Handicapped Centers	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03C Homeless Facilities (not operating costs)	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs

Appendix C: Matrix Codes/National Objectives/Accomplishment Types

<b>Matrix Code</b>	<b>National Objective</b>	<b>Accomplishment Type</b>
03D Youth Centers	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03E Neighborhood Facilities	LMA, LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03F Parks, Recreational Facilities	LMA, LMC, SB*, URG	11 Public Facilities
	LMJFI	13 Jobs
03G Parking Facilities	LMA, LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03H Solid Waste Disposal Improvements	LMA, LMC, SB*, URG	11 Public Facilities
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03I Flood Drainage Improvements	LMA, LMC, SB*, URG	11 Public Facilities
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03J Water/Sewer Improvements	LMA, LMC, SB*, URG	01 People
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03K Street Improvements	LMA, LMC, SB*, URG	01 People
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03L Sidewalks  When the sole purpose of an activity is to create curb cuts, use the Public Facilities accomplishment type and report the number of curb cuts.  When curb cuts are carried out along with other improvements, report the number of People.	LMA, LMC, SB*, URG	01 People 11 Public Facilities
	LMH*	10 Housing Units
	LMJ*, LMAFI, LMASA	13 Jobs
03M Child Care Centers	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03N Tree Planting	LMA, LMC, SB*, URG	11 Public Facilities
03O Fire Stations/Equipment	LMA, SB*, URG	11 Public Facilities
	LMJFI	13 Jobs
03P Health Facilities	LMA, LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs

*Appendix C: Matrix Codes/National Objectives/Accomplishment Types*

<b>Matrix Code</b>	<b>National Objective</b>	<b>Accomplishment Type</b>
03Q Facilities for Abused and Neglected Children	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03R Asbestos Removal	LMA, LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03S Facilities for AIDS Patients (not operating costs)	LMC, SB*, URG	11 Public Facilities
	LMJ*, LMAFI, LMASA	13 Jobs
03T Operating Costs of Homeless/AIDS Patients Programs	LMC, SBA, URG	01 People
04 Clearance and Demolition Use the accomplishment type that most accurately describes what is being cleared or demolished.	LMA, LMC, SB*, URG	08 Businesses 10 Housing Units 11 Public Facilities
	LMH*	10 Housing Units
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
04A Cleanup of Contaminated Sites Report the number of sites cleaned based on the primary use of the site (not the number of businesses).	LMA, LMC, SB*, URG	08 Businesses 11 Public Facilities
	LMH*	10 Housing Units
05 Other Public Services	LMA, LMC, SBA, URG, LMCSV	01 People
05A Senior Services	LMC, SBA, URG, LMCSV	01 People
05B Handicapped Services	LMC, SBA, URG, LMCSV	01 People
05C Legal Services	LMA, LMC, SBA, URG, LMCSV	01 People
05D Youth Services	LMC, SBA, URG, LMCSV	01 People
05E Transportation Services	LMA, LMC, SBA, URG, LMCSV	01 People
05F Substance Abuse Services	LMA, LMC, SBA, URG, LMCSV	01 People
05G Services for Battered and Abused Spouses	LMC, SBA, URG, LMCSV	01 People
05H Employment Training	LMA, LMC, SBA, URG, LMCSV	01 People
05I Crime Awareness/Prevention	LMA, LMC, SBA, URG, LMCSV	01 People
05J Fair Housing Activities (subject to Public Services cap)	LMA, LMC, SBA, URG, LMCSV	01 People
05K Tenant/Landlord Counseling	LMC, SBA, URG, LMCSV	01 People
05L Child Care Services	LMC, SBA, URG, LMCSV	01 People

Appendix C: Matrix Codes/National Objectives/Accomplishment Types

<b>Matrix Code</b>	<b>National Objective</b>	<b>Accomplishment Type</b>
05M Health Services	LMA, LMC, SBA, URG, LMCSV	01 People
05N Services for Abused and Neglected Children	LMC, SBA, URG, LMCSV	01 People
05O Mental Health Services	LMA, LMC, SBA, URG, LMCSV	01 People
05P Screening for Lead Poisoning	LMC, SBA, URG, LMCSV	01 People
05Q Subsistence Payments	LMC, SBA, URG, LMCSV	01 People
05R Homeownership Assistance (not direct)	LMH*, SBA, URG, LMCSV	04 Households
05S Rental Housing Subsidies	LMH*, SBA, URG, LMCSV	04 Households
05T Security Deposits	LMH*, SBA, URG, LMCSV	04 Households
05U Housing Counseling	LMC	04 Households
06 Interim Assistance	LMA, SBA, SBS, URG	01 People 08 Businesses 10 Housing Units 11 Public Facilities
07 Urban Renewal Completion	LMA, LMC	08 Businesses 11 Public Facilities
	LMH*	10 Housing Units
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
08 Relocation	LMA, LMC, SB*, URG	01 People 04 Households 08 Businesses 09 Organizations (non-profits)
	LMH*	04 Households
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
09 Loss of Rental Income Report the number of owners to whom payments are made.	LMA, LMC, LMH*, LMJ, SB*, URG, LMJP, LMAFI, LMASA	01 People
11 Privately Owned Utilities Report the number of private utilities assisted.	LMA, LMC, LMH*, LMJ, SB*, URG, LMJP, LMAFI, LMASA	08 Businesses
12 Construction of Housing Construction of new housing with CDBG entitlement funds must be carried out by CBDOs, in	LMH*, SBA, SBR, URG	10 Housing Units

*Appendix C: Matrix Codes/National Objectives/Accomplishment Types*

<b>Matrix Code</b>	<b>National Objective</b>	<b>Accomplishment Type</b>
accordance with the regulations at 570.204(a).		
13 Direct Homeownership Assistance	LMH*	04 Households
14A Rehab: Single-Unit Residential	LMH*, SB*, URG	10 Housing Units
14B Rehab: Multi-Unit Residential	LMH*, SB*, URG	10 Housing Units
14C Rehab: Public Housing Modernization	LMH*, SB*, URG	10 Housing Units
14D Rehab: Other Publicly Owned Residential Buildings	LMH*, SB*, URG	10 Housing Units
14E Rehab: Publicly or Privately Owned Commercial/Industrial	LMA, LMC, SB*, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
14F Rehab: Energy Efficiency Improvements	LMH*, SB*, URG	10 Housing Units
14G Rehab: Acquisition	LMH*, SB*, URG	08 Businesses 09 Organizations 10 Housing Units
14H Rehab: Administration  Report accomplishments for a 14H activity if CDBG funds are used to run a rehab program but not to perform the actual rehab.  If CDBG money is also used to perform the rehab (which should be set up as a separate activity), then be sure to enter <b>Y</b> in the Accomplishments Reported at Another Activity field on CDBG Setup Detail (Page 1) for the 14H activity.	LMA, LMC, LMJ, SB*, URG, LMJP, LMAFI, LMASA	08 Businesses 09 Organizations
	LMH*	10 Housing Units
14I Lead-Based Paint/Lead Hazards Testing/Abatement  In proposed and actual units, report the number of housing units tested/abated. When applicable, use the Accomplishment Narrative to report the number of children screened.	LMH*, SB*, URG	10 Housing Units

Matrix Code	National Objective	Accomplishment Type
<p>15 Code Enforcement</p> <p>If the activity consists of inspecting privately-owned vacant lots and/or tagging abandoned vehicles, report People.</p> <p>If it includes inspection of multiple types of property including housing units, report the number of Housing Units inspected in the units fields; report the number of People, Businesses, and/or Organizations, as appropriate, in the Accomplishment Narrative.</p>	LMA, SBA, SBR, URG	01 People 08 Businesses 09 Organizations 10 Housing Units
16A Residential Historic Preservation	LMH*, SB*	10 Housing Units
16B Non-Residential Historic Preservation	LMA, LMC, LMJ, SB*, LMJP, LMAFI, LMASA	08 Businesses 09 Organizations
17A Commercial/Industrial: Acquisition/Disposition	LMA, LMC, SB*, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
17B Commercial/Industrial: Infrastructure Development	LMA, LMC, SBA, SBR, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
17C Commercial/Industrial: Building Acquisition, Construction, Rehabilitation	LMA, LMC, SB*, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
17D Commercial/Industrial: Other Improvements	LMA, LMC, SB*, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
<p>18A Economic Development: Direct Financial Assistance to For-Profits</p> <p>Report accomplishments for an 18* activity if CDBG funds are used to run a loan/grant program but not to make the loans/grants.</p> <p>If CDBG money is also used to make the loans/grants (which should be set up as a separate activity), then be sure to set the Accomplishments Reported at Another Activity field to Yes on CDBG Setup Detail (Page 1) for the 18* activity.</p>	LMA	08 Businesses  Report the number of businesses assisted, <u>not</u> the number of persons in the service area.
	SBA, SBR, URG	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs

*Appendix C: Matrix Codes/National Objectives/Accomplishment Types*

<b>Matrix Code</b>	<b>National Objective</b>	<b>Accomplishment Type</b>
<b>18B Economic Development: Technical Assistance</b>  Please see the note for 18A above.  Report the number of businesses assisted. When applicable, report the number of people trained and/or support services provided in the Accomplishment Narrative.	LMA, SBA, SBR, URG, LMCSV	08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
<b>18C Economic Development: Micro-Enterprise Assistance</b>  Please see the note for 18A above.  If the activity provides training to assist people in developing and operating a micro-enterprise, report People.  If the activity assists a micro-enterprise (including assistance in creating a micro-enterprise), report Businesses.  If the activity undertakes both of these functions, report only the number of Businesses assisted in the units fields. Report the number of People trained in the Accomplishment Narrative.	LMA, LMC, SBA, SBR, URG, LMCMC	01 People 08 Businesses
	LMJ, LMJP, LMAFI, LMASA	13 Jobs
<b>19C CDBG Non-Profit Organization Capacity Building</b>	All	09 Organizations
<b>19D CDBG Assistance to Institutes of Higher Education</b>	N/A – matrix code is obsolete	N/A – matrix code is obsolete
<b>19E CDBG Operation and Repair of Foreclosed Property</b>	LMA, LMH*	10 Housing Units
<b>19F Planned Repayments of Section 108 Loans</b>	None	None
<b>19G Unplanned Repayments of Section 108 Loans</b>	None	None
<b>20 Planning</b>	None	None
<b>21A General Program Administration</b>	None	None
<b>21B Indirect Costs</b>	None	None
<b>21C Public Information</b>	None	None
<b>21D Fair Housing Activities (subject to Admin cap)</b>	None	None
<b>21E Submission of Applications for Federal Programs</b>	None	None