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# GUIDE TO UNDERSTANDING THE HUD CDBG PROGRAM

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Cherry Hill Township  
CDBG Program  
820 Mercer Street  
Cherry Hill, NJ 08002

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Administered by Cherry Hill Township  
Department of Community Development

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Cherry Hill Township is a participant in the Department of Housing & Urban Development's (HUD) Community Development Block Grant (CDBG) Entitlement Cities Program. The Township receives a formula grant annually as participants in the Entitlement Cities Program. The primary objective of the CDBG Program is the preservation and development of viable communities by providing decent housing, a suitable living environment, economic development opportunities, public services and public facilities principally for low- and moderate-income persons.

The Community Development Block Grant staff administers the CDBG Program for the Township. Our fiscal year is July 1 through June 30. The Township operates under five (5) general program areas under the CDBG Program:

1. **Administration:** Administration of the grant itself, this program is managed in-house by CDBG staff.
2. **Planning Services:** Provide planning and administration within the Cherry Hill Township limits. The Township provides general management, oversight, and coordination of the CDBG Program and other related activities, and utilizes a majority of these funds for development of the Consolidated Plan (CP), the Annual Action Plan (AAP), and Consolidation Annual Performance & Evaluation Report (CAPER). Funding in this category is limited by HUD to a maximum of 20% of the Township's total annual CDBG Entitlement Grant.
3. **Housing Services:** Provide housing rehabilitation and emergency repairs on single-family owner-occupied dwellings within Cherry Hill Township limits. Single-family homeowners/occupants may apply for funding if their homes are in need of housing rehabilitation and/or emergency repairs. The Township operates intermediate and substantial Housing Rehabilitation programs.
4. **Public Facilities:** Governmental agencies and non-profit agencies, including faith-based organizations may apply for funding from the CDBG Program if their building provides a public service to low- and moderate-income citizens. Services include but not limited to: child care, health care, recreation, education, homeless persons, senior citizens. This program also includes parks, playgrounds, streets, sidewalks, infrastructure, upgrades and improvements to public facilities that provide a service to low- and moderate-income individuals and/or families.
5. **Public Services:** Governmental agencies and non-profit agencies, including faith-based organizations may apply for funding from the CDBG Program if, they provide a public service including but not limited to: child care, health care, recreation, education, homeless persons, senior citizens, etc. and/or to low- and moderate-income individuals and/or families. The Public Service Program has a cap of 15% of the total grant amount annually.

Communities develop their own programs and funding priorities based on local needs. HUD has established guidelines to define the types of projects and activities that may be undertaken and to ensure each project or activity meets one of the national objectives of the CDBG Program. Examples of eligible projects and activities include:

- Acquisition and disposition of real property;
- Acquisition, construction, reconstruction, and rehabilitation of public facilities such as community, senior and health centers. Public facilities also include streets, sidewalks, parks, playgrounds, and infrastructure (water and sewer or flood and drainage improvements);
- Provisions of public services such as child care, health care, recreation or education programs, services for senior citizens, and services for homeless persons; and
- Residential housing rehabilitation.

## NATIONAL OBJECTIVES

Each project or activity must carry out one of the three national objectives of the program:

1. **Benefit low and moderate income persons** either individually, such as housing rehabilitation, or area-wide, such as improvements to streets, sidewalks, and parks. Activities that benefit special populations that are presumed to be low and moderate income such as elderly persons, abused spouses or children, homeless persons, and developmentally or physically disabled/handicapped persons;
2. **Aid in the prevention or elimination of slums and blight;**
3. Meet **urgent community development needs** that pose a serious and immediate threat to the health or welfare of the community (i.e., natural disasters).

## GOALS

The Community Development Block Grant Program will partner with other agencies to accomplish their short and long term goals and at the same time meet the goals set by the U.S. Department of Housing & Urban Development. These goals include:

**Decent Housing** - including: assisting homeless persons obtain affordable housing; assisting persons at risk of becoming homeless; retention of affordable housing stock; increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability; increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and providing affordable housing that is accessible to job opportunities.

**A Suitable Living Environment** - including: improving the safety and livability of neighborhoods; increasing access to quality public and private facilities and services; reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conserving of energy resources.

**Expanded Economic Opportunities** - including: job creation and retention; establishment, stabilization and expansion of small businesses (including microbusinesses); provision of public services concerned with employment; provision of jobs to low-income persons living in areas affected by those programs and activities, or job resulting from carrying out activities under programs covered by the plan; availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

## ELIGIBLE ACTIVITIES

A wide variety of projects or activities are eligible for CDBG funding. Eligible activities that may be requested to be funded will fall into one of the following categories:

1. Public services such as (a) shelter for abused women and children (b) health care and substance abuse services, (c) activities to help prevent or address homelessness, (d) fair housing counseling, (e) job training, and/or (f) services for the elderly, disabled, or disadvantaged youths, etc. Funding in this category is limited by HUD to a maximum of 15% of the Township's total annual CDBG Entitlement Grant amount.
2. Public facilities and improvement activities such as (a) acquisition, installation, construction, and rehabilitation of infrastructure (e.g. - water/sewer lines, streets, and sidewalks) and (b) acquisition, construction or rehabilitation of neighborhood facilities, and facilities for persons with special needs, (e.g. - homeless shelters, group homes and halfway houses), etc.
3. Activities such as (a) code enforcement and/or (b) historic preservation.
4. Planning and administration which is the general management, oversight, and coordination of the CDBG Program and other related activities. Funding in this category is limited by HUD to a maximum of 20% of the Township's total annual CDBG Entitlement Grant.
5. Housing activities such as (a) rehabilitation and preservation, (b) lead-based paint testing and abatement, (c) energy conservation projects, and/or (d) emergency repairs.

## **INCOME LIMITS**

In order for a project or activity to be eligible for CDBG funding, 51% of the beneficiaries must be low-to moderate-income, adjusted for family size, as defined by the Department of Housing & Urban Development (HUD) for the Philadelphia–Camden–Wilmington Metropolitan Statistical Area (MSA).

## **PROGRAM REQUIREMENTS**

CDBG funds are federal funds and therefore, there are a number of significant rules and regulations, which must be followed in order to comply with federal requirements. Some of these are:

- A minimum of 70% of the annual grant must support activities that benefit low- and moderate-income persons. Some activities meeting this requirement are those which: (a) serve all residents in a particular area, where at least 51% of residents are low- to moderate-income, (b) benefit a limited clientele, as long as at least 51% are low- to moderate-income, (c) improve permanent single family residential structures which are owned and occupied by low- to moderate-income persons;
- CDBG funds generally may not be used for religious activities or provided to primarily religious entities for activities. CDBG funds may be used for eligible public services to be provided through a primarily religious entity, provided that the religious entity enters into an agreement with the Township stating it will not discriminate on the basis of religion and it will not provide any sort of religious services or other types of influential activities;
- Agencies selected to receive CDBG funds are known as sub-grantees or sub-recipients and will be required to enter into an agreement with the Township before receiving any CDBG funds;
- Sub-grantees and sub-recipients must be prepared to begin their proposed activity on or about July 1st of each year;
- Monthly programmatic reports with supporting documentation will be required, as well as monitoring visit(s) to ensure compliance with appropriate rules and regulations;
- Income must be documented and verified for each client or household;
- A maximum of 15% of the total annual grant can be used for public service activities;
- A maximum of 20% of the total annual grant can be used for administrative activities; and
- Administrative, Public Service, and Public Facility project records must be maintained for 5 years from the completion of the project.

## **REQUEST FOR FUNDS**

Applications for Funding are made available to agencies January of each year. Agencies requesting funding from the CDBG Program must return their completed application no later than the last week of March. The CDBG Committee and staff will review every Application for Funding it receives. All agencies submitting an Application for Funding will be notified by the CDBG staff on the status of their Application at the completion of the review. The CDBG staff will submit a proposed budget including recommendations for funding to the Township Council in June. The Township must adopt the CDBG Annual Action Plan before it can be submitted to the HUD Regional Field Office no later than May 17th of each year. HUD will notify the Township whether it has approved the Township's Annual Action Plan or HUD may request the Township to amend its Action Plan due to reduced funding or HUD may request additional information before it approves the Action Plan.

The Township cannot award any funds to sub-grantees or sub-recipients until the HUD Regional Field Office approves the Action Plan and an agreement is signed between HUD and the Township.

Funding awards are effective on the date Federal funds are awarded to the Township. Requests for funding must conform to the guidelines enclosed so that all requests may be evaluated fairly.

Agencies or entities that serve multi-Township or multi-county clientele must provide documentation of the number of clients that have been served within the past 12 months and their place of residence. CDBG funds will be awarded based upon the percentage of clients who reside in Cherry Hill. In the case of activities that have multiple funding sources, CDBG funds will not be released until all funding to complete the activity is secured. *The priority will be organizations that provide a service to the homeless or aid in the prevention of homelessness.*

### **Citizen Participation**

Cherry Hill Township encourages all of its residents to participate in the development of its Annual Action Plan (AAP) and Consolidated Plan (CP). The CDBG staff places display ads in the Courier Post Newspaper announcing when public hearings and meetings will be held. Citizens are also encouraged to review and comment on the CAPER. Any and all comments received will be inserted into or attached to the Plans or CAPER before submission to the HUD Regional Field Office.

### **Consolidated Annual Performance & Evaluation Report (CAPER)**

HUD requires the Township to complete and submit a Consolidated Annual Performance & Evaluation Report (CAPER) to the HUD Regional office within 90 days after the calendar year ends. This report is completed by September 28th of each year. The report is posted on the Township's website [www.cherryhill-nj.com](http://www.cherryhill-nj.com) under Community Development. The report includes projects/activities completed, funds committed and expensed and other accomplishments completed during the prior CDBG calendar year. The report is available for citizen comments for 15 days in early September. Hard copies of the report are made available at the Township Municipal Building.

### **Annual Action Plan (AAP)**

HUD requires the Township to complete and submit an Annual Action Plan to the HUD Regional Field Office no later than May 17th each year, for the next HUD funding cycle.

The planning process for this report begins with a public hearing in April for citizens to provide input in developing the plan. The plan is made available for citizen comments for 30 days beginning in April and ending in May with another public hearing. Hard copies of this proposed report are made available at the Township Municipal Building. The report is posted on the Township's website

[www.cherryhill-nj.com](http://www.cherryhill-nj.com) under Community Development. The report includes proposed projects/activities, proposed funding request, and other information required by HUD.

### **5-Year Consolidated Plan (CP)**

HUD requires the Township to complete and submit a Consolidated Plan every three to five years to the HUD Regional Field office. The planning process for this report begins with a public hearing in April of each year to solicit citizens' input in developing the plan. This Plan is available for citizen comments for 30 days beginning in April and ending in May with another public hearing. Hard copies of this proposed report are made available at the Township Municipal Building. This report is completed on May 17th each year. The report is posted on the Township's website [www.cherryhill-nj.com](http://www.cherryhill-nj.com) under Community Development. The report includes the Township's priorities and proposed projects for a 5-year period.