

Attachment D

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Attachment D

CDBG & HOME Funding for Homeless Activities

Objectives Related to Homelessness

<u>Program</u>	<u>Statutory Authority</u>	<u>Primary Objective Related to Homelessness</u>
CDBG	Title I of the Housing and Community Development Act of 1974	Provide decent housing, a suitable living environment, and expand economic opportunities, principally for low- and moderate-income (LMI) persons—including persons experiencing homelessness.
HOME	Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990	Expand the supply of decent and affordable housing, particularly for very low-income and low-income households, including those experiencing homelessness.

Definition of Homelessness

The CDBG program does not provide a standalone regulatory definition of “homelessness.” For purposes of activity eligibility and beneficiary determination, grantees generally apply the HUD Continuum of Care (CoC) definition at 24 CFR 578.3 to ensure consistency across federal housing programs. CDBG-funded activities serving such individuals are presumed to benefit low- and moderate-income persons, provided income documentation or categorical eligibility standards are maintained.

The HOME Program aligns with the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11302) as interpreted by HUD for the Continuum of Care and Emergency Shelter Grant (ESG) programs.

Under these standards, a “homeless person” is an individual or family who:

- 1) Lacks a fixed, regular, and adequate nighttime residence, including those:
 - a) Residing in places not meant for human habitation (e.g., cars, parks, abandoned buildings);
- 2) Living in emergency shelters or transitional housing; or
- 3) Exiting an institution where they temporarily resided and previously met the above conditions.
- 4) Is imminently losing housing within 14 days and lacks resources or support networks to obtain new housing.
- 5) Is fleeing or attempting to flee domestic violence or similar threats and lacks other housing or resources.

Eligible Uses

<u>Activity Category</u>	<u>CDBG – Eligibility and Limitations</u>	<u>HOME – Eligibility and Limitations</u>
Homeless Facilities (shelters, transitional housing)	Eligible under Public Facilities and Improvements for acquisition, construction, or rehabilitation if serving primarily low- and moderate-income persons, including homeless populations.	Eligible for acquisition, rehabilitation, or new construction if units will serve HOME-eligible low-income households. Not eligible for emergency shelter facilities unless converted to permanent housing.
Supportive Services (case management, counseling, job training)	Eligible under Public Services, subject to 15% cap of grant plus program income; must primarily benefit low/mod-income persons, including homeless individuals.	Generally ineligible except as part of project-related soft costs or operating assistance for CHDO-owned rental projects.
Operating Costs of Shelters	Ineligible as general operating expenses. Limited exceptions under Public Service category if directly tied to service delivery.	Ineligible. HOME funds may not be used for ongoing operations or maintenance of shelters or housing units.

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Activity Category	CDBG – Eligibility and Limitations	HOME – Eligibility and Limitations
Tenant-Based Rental Assistance (TBRA)	Generally ineligible under CDBG except in disaster recovery or specific waivers.	Eligible under HOME for up to two years, renewable; may assist formerly homeless households transitioning to permanent housing.
Homeless Prevention (short-term rental / mortgage assistance)	Ineligible except under certain waivers or CDBG-CV funds related to COVID-19.	Eligible as Tenant Based Rental Assistance (TBRA) if meeting income and affordability criteria, typically not used for short-term emergency assistance.
Housing Development for Homeless Populations	Eligible for acquisition, clearance, or site improvements associated with affordable housing development. Cannot fund new housing construction except under special authorities.	Fully eligible for construction, acquisition, or rehabilitation of affordable housing restricted to low-income households, including homeless individuals/families.
Administrative Costs	Eligible up to 20% of the annual grant plus program income for planning and administrative expenses.	Eligible up to 10% of annual HOME allocation and program income for administrative and planning costs.

Cross Jurisdictional Benefit

Based on the 2024 Point in Time County by Jurisdiction, the unhoused population of the Urban County (cities of Gonzales, Greenfield, Marina, and Sand City and unincorporated areas) was 629 people, or roughly 26% of the countywide total. The other entitlement jurisdictions of Monterey, Salinas, and Seaside accounted for 1,656 people or 68% of the countywide unhoused population. Based on this information, the County could use CDBG or HOME funds to cover approximately 26% of eligible homeless facilities and services. Note, the Point in Time survey is jurisdiction based and not on the last place of residence, which could alter the distribution some.