

**CITY OF MESA**  
**POLICY GUIDELINES FOR USE OF CDBG/HOME FUNDING**

1. Funding will be primarily used for capital projects. For example:
  - A. Neighborhood improvement projects such as new or refurbished parks, streets, streetlights, sidewalks, handicap ramps, and crosswalks, which may be built by the City to upgrade older low income neighborhoods.
  - B. Properties constructed or purchased by the City for use by nonprofit organizations. Typically the buildings are owned by the City and leased to the agency at a nominal cost for twenty years with two five-year renewable options. (In some situations, at the City's discretion, property ownership may be transferred to nonprofit agencies earlier subject to applicable federal guidelines and the City's Criteria for the Transfer of Federally Funded Properties to Nonprofit Agencies.)
  - C. Housing construction or rehabilitation projects which use CDBG/HOME funding primarily to acquire tangible items such as building lots, construction materials, houses requiring rehabilitation, etc.
2. Economic development activities will also be considered for funding. For example:
  - A. Job creation or retention for low and moderate income people through business retention, expansion, or development. Such activities may use CDBG funds for loans, grants, loan guarantees, interest reduction, or other types of business incentives as allowed under the federal regulations.
  - B. Facade improvements and limited improvements to correct code violations as necessary for properties that are considered "slum and blight" or are located in an area so designated.
3. When assistance is given to a nonprofit agency the agency must demonstrate that:
  - A. It is a viable, stable, agency with the administrative capacity to complete the project successfully.
  - B. The service to be provided is needed by a significant number of lower income Mesa residents.
  - C. The service will not duplicate or overlap an existing service.
  - D. The agency has other sources of funding to match the CDBG/HOME funding to complete the project.
  - E. The funding will provide interim funding until another funding source can be

found.

- F. The agency has a process in place to measure the amount of assistance provided to Mesa residents and that this percentage of the total bears a relationship to their funding request.
- 4. Where CDBG funding is provided to a social service agency, it is to be used for client services, not to cover on-going administrative expenses.
- 5. When funding is given to any agency, or for any project, there is not a commitment or an obligation of any sort created that would obligate the City to continue to fund the project in subsequent years.
- 6. Projects should be designed in discrete units that could be funded independently, so that any unit would be completed and stand alone without the need for additional funding in a subsequent year.
- 7. Projects funded under the CDBG/HOME program should not result in the displacement of families from their homes.

CD Policy Revisions  
Adopted 4/7/03