



## Administrative Procedure

**Subject:**  
**ALLOCATION AND REALLOCATION OF  
COMMUNITY DEVELOPMENT BLOCK  
GRANT FUNDS**

**A.P. Number: 95-02A**  
**Effective Date: April 14, 2000**

### **I. PURPOSE**

To define the process used in the allocation of CDBG Funds.

Note: **This procedure replaces A.P. No. 95-02 Allocation and Reallocation of Community Development Block Grant Funds**

### **II. SCOPE**

This policy applies to all City of Odessa CDBG Allocations.

### **III. GENERAL**

The Department of Community Development utilizes Community Development Block Grants (CDBG) to assist the needs of Odessa citizens. This is accomplished by allocating grants to worthwhile projects which are of benefit to citizens of low/moderate incomes. These grants can be to non-profit community groups or City Departments.

### **IV. RESPONSIBILITY**

It is the responsibility of the Community Development Department to implement and monitor this policy. It is also the responsibility of any Department Head whose department receives CDBG Funds to implement the guidelines in this Administrative Procedure.

### **V. DEFINITIONS**

#### **A. GRANTEE**

For the purpose of this policy, "Grantee" shall be defined as any person, entity, or City department (other than the Community Development Department) receiving CDBG Funds.

#### **B. CDBG FUNDS**

"CDBG Funds" shall mean Community Development Block Grant Funds.

## VI. PROCEDURE

### A. REQUEST FOR FUNDS BY GRANTEE

Grants will follow the City of Odessa's fiscal year, from the time the funds are released from HUD (after October 1st) through September 30th of the following year. Funds will not be advanced; all funds will be given to Grantees on an invoice basis. Any additional funding requests will require City of Odessa City Council approval.

Any funds not expended or contractually encumbered by September 30th will be put into an unprogrammed fund account for reallocation unless the Grantee has requested an extension from the City Council. All extension requests must be submitted by September 1st or the final date of a prior extension. If a Grantee fails to expend or encumber CDBG funds by the end of the extension granted, all remaining funds will be returned to the unprogrammed fund account for reallocation. Unless an extension is granted, Grantees will be given 15 days (until October 15th) to submit a final reimbursement request including activities up to September 30th to Community Development. All requests after October 15th will be denied reimbursement. On October 16th, all projects will be considered closed and all contractually unencumbered funds will revert to the unprogrammed fund account for reallocation.

Non-profit community groups receiving CDBG funds shall agree to a contract between the City of Odessa and the Grantee, describing scope of service, deliverables, implementation schedule, approved budget, and any other pertinent information. City Departments receiving CDBG funds should sign an Agreement Letter, describing scope of service, deliverables, implementation schedule, approved budget, and any other pertinent information. Contracts and Agreement Letters should be similar in nature, thus demanding the same accountability for City Departments and non-profit community groups.

### B. REALLOCATION OF FUNDS

Community Development will analyze available unprogrammed fund amounts and reallocate these funds as necessary. Current Grantees and New Grantees are eligible to receive these funds. These funds must be spent within twelve (12) months from the date of allocation and will be subject the same guidelines as the funds allocated during the initial allocation process.

### C. EXCEPTIONS

#### **Grantee wishes to utilize CDBG funds for a new project which is still in the planning stage.**

Funds may be allocated for new projects which are still in the planning stage. However, this planning stage must be completed by June 30th of the year following the allocation or funds will be not be released to the Grantee. If Grantee has not completed the project planning stage by June 3rd, the funds shall be returned to the unprogrammed fund account for reallocation. Regardless of the Planning stage length, projects shall be completed by September 30th or by the last day of an extension.

**Grantee wishes to utilize CDBG funds for a capital project.**

Funds may be allocated for capital projects which utilize CDBG funds. However, implementation schedules must be set by Community Development and followed by the Grantee. This ensures the project is made a priority by Grantees and minimizes unnecessary reallocations.

**D. IMPLEMENTATION SCHEDULE COMPLIANCE**

The Community Development Department will monitor on a quarterly basis the Grantee's Implementation Schedule thus ensuring scope of service and deliverables are being met. Failure to meet implementation schedules can cause forfeited funding; reimbursements to Grantees may be frozen and if necessary, funds may be transferred to the unprogrammed fund account for reallocation.