

# CDBG QUICK GUIDE



## The Community Development Block Grant (CDBG) Program was authorized by the Housing and Community Development Act of 1974.

- The CDBG program consolidated several categorical grants (urban renewal, neighborhood development and model cities) into a single “block” grant program.
- The primary objective of the program is the development of viable urban communities by providing:
  - Decent housing;
  - A suitable living environment; and
  - Expanded economic opportunities.
- A primary goal of the program is to benefit people of low and moderate income.
- To ensure conformance, the US Dept. of HUD lists eligible activities and national objectives that each activity must meet. These key requirements appear as Federal regulations at 24 CFR 570.

### Key CDBG Requirements

#### Activities Related to Real Property

- Acquisition
- Disposition
- Public facilities and improvements, including:
  - Acquisition, installation, construction and rehabilitation of infrastructure (water/sewer lines, streets, sidewalks)
  - Acquisition, construction or rehab of neighborhood facilities for persons with special needs (homeless shelters, group homes and halfway houses)
- Clearance and demolition
- Interim assistance to prevent severe deterioration or alleviate emergencies
- Rehabilitation activities, including:
  - Acquisition for rehab and rehab for residential purposes (labor/materials)
  - Other related improvements, costs and services
  - Code enforcement
  - Historic preservation
  - Renovation of closed buildings
  - Lead-based paint testing and mitigation

#### Activities Related to Economic Development

- Microenterprise assistance (financial support, technical assistance, related services)
- Special economic development assistance activities that produce certain public benefits jobs or retail services) through:
  - Acquisition, construction, rehabilitation or installation of commercial or industrial buildings, equipment and other improvements
  - Financial and technical assistance and related services

#### Activities Related to Public Services

- Public services, including:
  - Job training and employment services; health care and substance abuse services; child care; crime prevention; fair housing counseling; and other types of services.

#### Other Types of Activities

- Relocation assistance and related loss of rental income
- Technical assistance to public or non-profit entities for capacity building

#### Planning and Administration Activities

- Planning activities including plans; studies; and policy-planning, management and capacity building activities
- Program administration activities including general management, oversight and coordination; public information; fair housing activities





## National Objectives

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CDBG grantees are responsible for assuring that each eligible activity meets one of three national objectives:

- Benefits low- and moderate-income persons
- Aids in the prevention or elimination of slums or blight
- Meets a need having a particular urgency (referred to as urgent need).

For an activity to meet a national objective, it must satisfy one set of criteria for that national objective.

Each set of criteria offers a possible way to qualify an otherwise eligible activity. The three national objectives and criteria appear in the following sections:

### Low- and Moderate-Income (LMI) Benefit

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**Area Benefit:** Activity provides benefit to area where at least 51% of residents receive low- to moderate-incomes

- Area is primarily residential and activity meets LMI needs.
- Income levels are documented by Census or an approved substitute.
- Exceptions apply under special circumstances.

**Limited Clientele:** Activity benefits a limited number of persons who are at least 51% LMI

- Persons are presumed to be LMI (abused children, elderly, homeless).
- Assistance is for LMI persons owning or developing microenterprises.
- Activity is a job training or placement activity (conditions apply).

**Housing:** Activity provides or improves residential structures to be occupied by LMI persons

- At least 51% of units must be occupied by LMI (exceptions to the 51% rule are possible under limited circumstances).

**Jobs:** Activity creates or retains jobs

- At least 51% of the jobs must be held by or available to LMI persons

### Slums/Blight

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**Area Basis:** Activity addresses slums and blight in area designated under state or local law

- Area must have a substantial number of deteriorated buildings.
- Activity must address one or more conditions contributing to deterioration.

**Spot Basis:** Activity eliminates specific condition of blight in particular instance

- Condition is not located in a slums and blight area.
- Activity is acquisition, clearance, relocation, historic preservation, or rehabilitation (conditions do apply to rehabilitation).

**Urban Renewal Area:** Activities located in urban renewal area or Neighborhood Development Program area

- Activity must be necessary to complete the urban renewal plan.