GUIDE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROPOSALS

All CDBG projects must (1) benefit low and moderate-income people and (2) prevent or eliminate slums and blight.

For an activity to meet the first national objective, or to benefit low and moderate income people, it must meet income eligibility requirements that limit the benefits of the project to low and moderate income persons or the project must be located in an area that is predominately inhabited by residents who are persons of low and moderate income. Under the regulations pertaining to the CDBG program, facilities that serve the elderly or adults with disabilities are usually considered to benefit low and moderate-income persons.

HUD INCOME LIMITS*Effective February 2009

Family Size	Low	Moderate
1	$35,950	$44,800
2	$41,100	$51,200
3	$46,200	$57,600
4	$51,350	$64,000
5	$55,450	$69,100
6	$59,500	$74,250
7	$63,650	$79,350
8	$67,800	$84,500

* All income figures have been rounded off to the nearest $50.

For an activity to meet the second national objective, the removal of blight, it must be designed to address the conditions causing the slums and blight. Generally, the City determines areas of slums or blight, although activities designed to remove a specific blighting condition can be considered. Historic preservation activities can also be undertaken.

There is a third national objective, that is, to meet an urgent community need. In order to meet that objective, it must be demonstrated that the project will address an immediate threat to the health or welfare of the community such as a natural disaster. Because the third national objective addresses a very narrow range of activities, applicants should consult with the CPDS staff before selecting them.

Activities that do not meet one of the national objectives cannot be undertaken with CDBG funds.

Block Grant funds can be used for the following:

- To buy property for public uses (recreation, public facilities, historic preservation, neighborhood conservation).
- To build public facilities (roads, curbs, sidewalks, parks, neighborhood facilities, sewerage collection systems, water distribution systems, flood and drainage systems).

- To demolish or to rehabilitate blighted buildings.
- To provide public services.
- To remove architectural barriers for the handicapped and elderly (widen doors, install wheelchair ramps).
- To provide loans and grants to rehabilitate houses and apartments.
- To provide programs to preserve and restore public or private historic properties.
- To implement economic development activities (training programs, energy conservation programs, commercial revitalization).
- To pay for planning and administrative costs (studies, staff salaries).

Block Grant funds cannot be used for the following:

- To build facilities for the general conduct of government business.
- To purchase equipment.
- To purchase construction equipment.
- To purchase equipment, fixtures, motor vehicles, furnishings or other items that are not an integral structural fixture.
- To incur any expense associated with repairing, operating, or maintaining public facilities and services (i.e. maintenance of streets, parks, water and sewer facilities, senior centers, centers for the handicapped, parking, etc.).
- To construct new permanent residential housing except when carried out by a non-profit organization.
- To make income payments for housing (i.e. payments for housing maintenance, housing allowances, and down payments). Mortgage subsidies are not allowed except when funded through a nonprofit organization as second trusts.
- To pay for the salaries of trainees in training programs unless the work performed in that training program serves an eligible public purpose.
- To fund active churches or church-affiliated organizations, unless a clear separation of purpose, mission and organizational relationship can be established between an active church and any ancillary buildings it may own or affiliated organizations it may set up.