

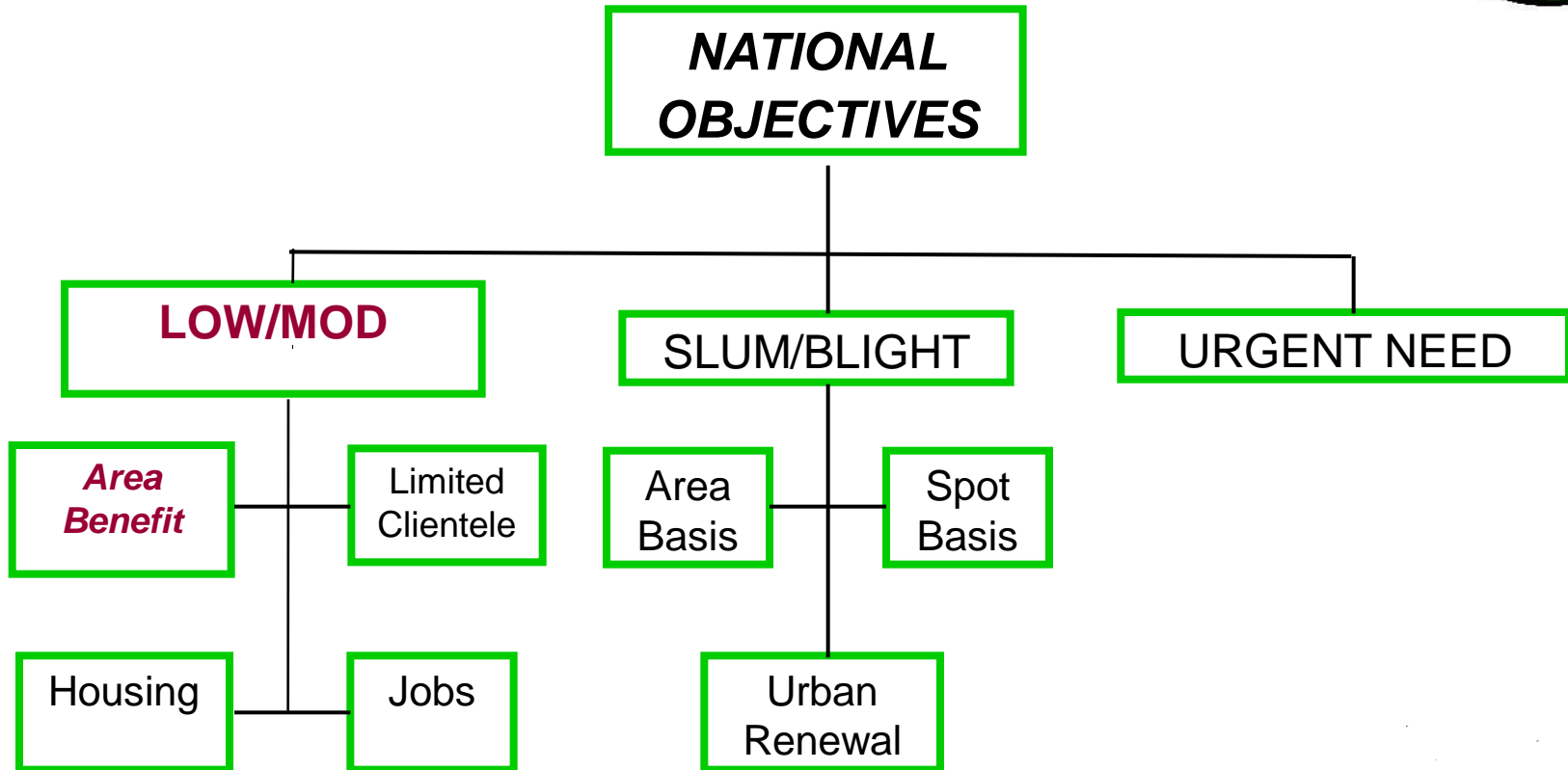
NATIONAL OBJECTIVES



- ❑ Reg cite §570.208, 570.480

- ❑ All CDBG activities must result in one of the following:
 - ◆ Benefit low/mod income persons
 - ◆ Prevent or eliminate slums and blight OR
 - ◆ Meet an urgent need

LMI AREA BENEFIT



❖ Urban renewal objective not allowed in state program

LOW/MOD BENEFIT AREA BENEFIT



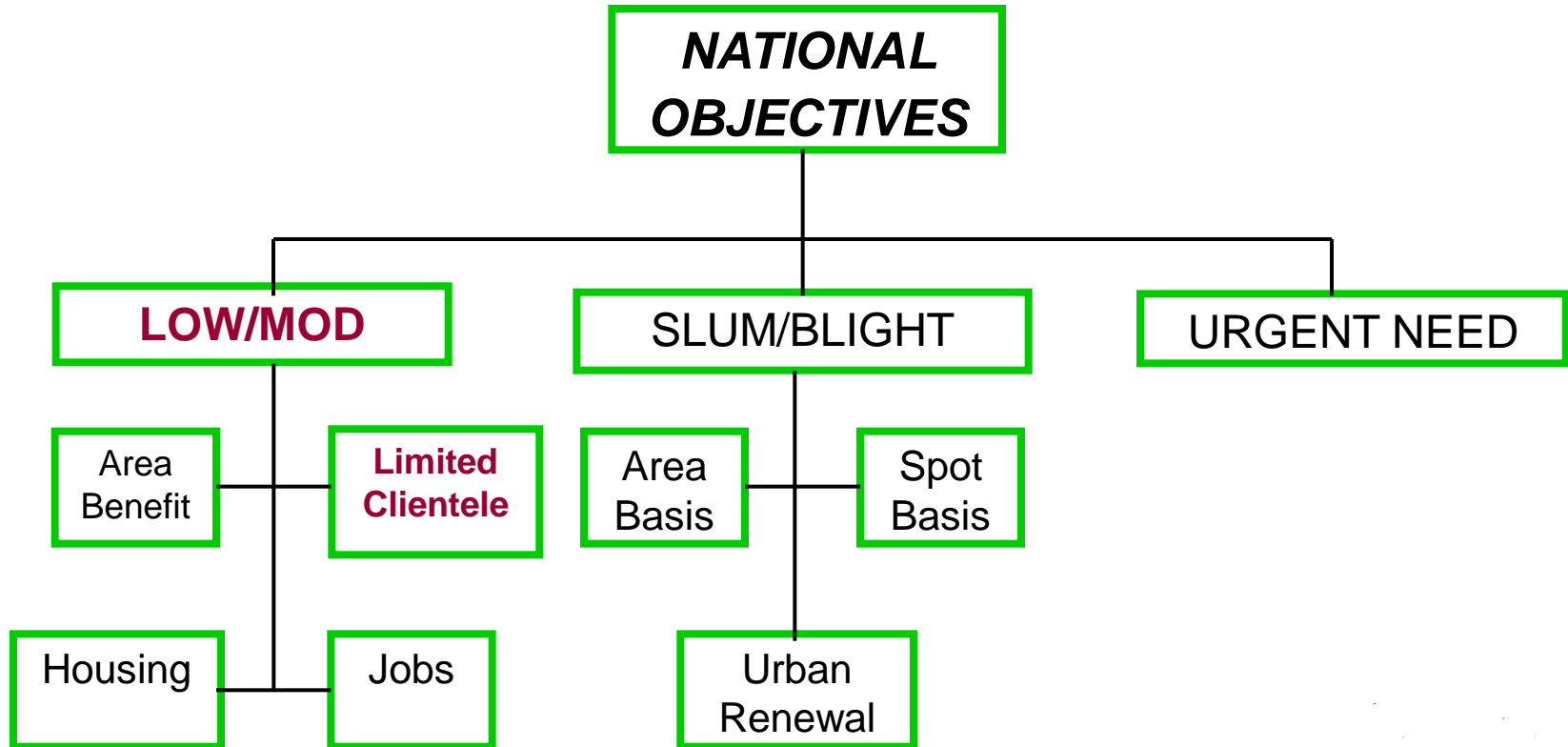
- ❑ Activities that benefit all residents of area
- ❑ Typical activities: water/sewer, parks, community centers
- ❑ Must determine service area of activity
 - ◆ Based on reasonable assumptions as to who would access the facility, service, etc.
- ❑ Area must be primarily residential

LOW/MOD BENEFIT AREA BENEFIT (cont)



- ❑ Area must be at least 51% LMI persons
 - ◆ Typically use annual Census data (July 1)
 - ◆ Some entitlement grantees are “exception communities” (these grantees are allowed to go below 51%)
 - ◆ Can conduct survey using HUD approved methodology
 - See guidance at Notice CPD-05-06

LMI LIMITED CLIENTELE



❖ Urban renewal objective not allowed in state program

LOW/MOD BENEFIT LIMITED CLIENTELE



- ❑ Activities that benefit specific populations (e.g., services for seniors, homeless shelters, micro loan programs)
- ❑ Options for meeting limited clientele:
 - ◆ 51% of participants are documented as LMI
 - ◆ Participation limited to LMI only
 - ◆ Presumed clientele
 - Activity must exclusively serve: elderly, severely disabled adults, homeless persons, illiterate adults, migrant farm workers, abused children, persons with AIDS, or battered spouses
 - ◆ Nature and location indicate low/mod benefit

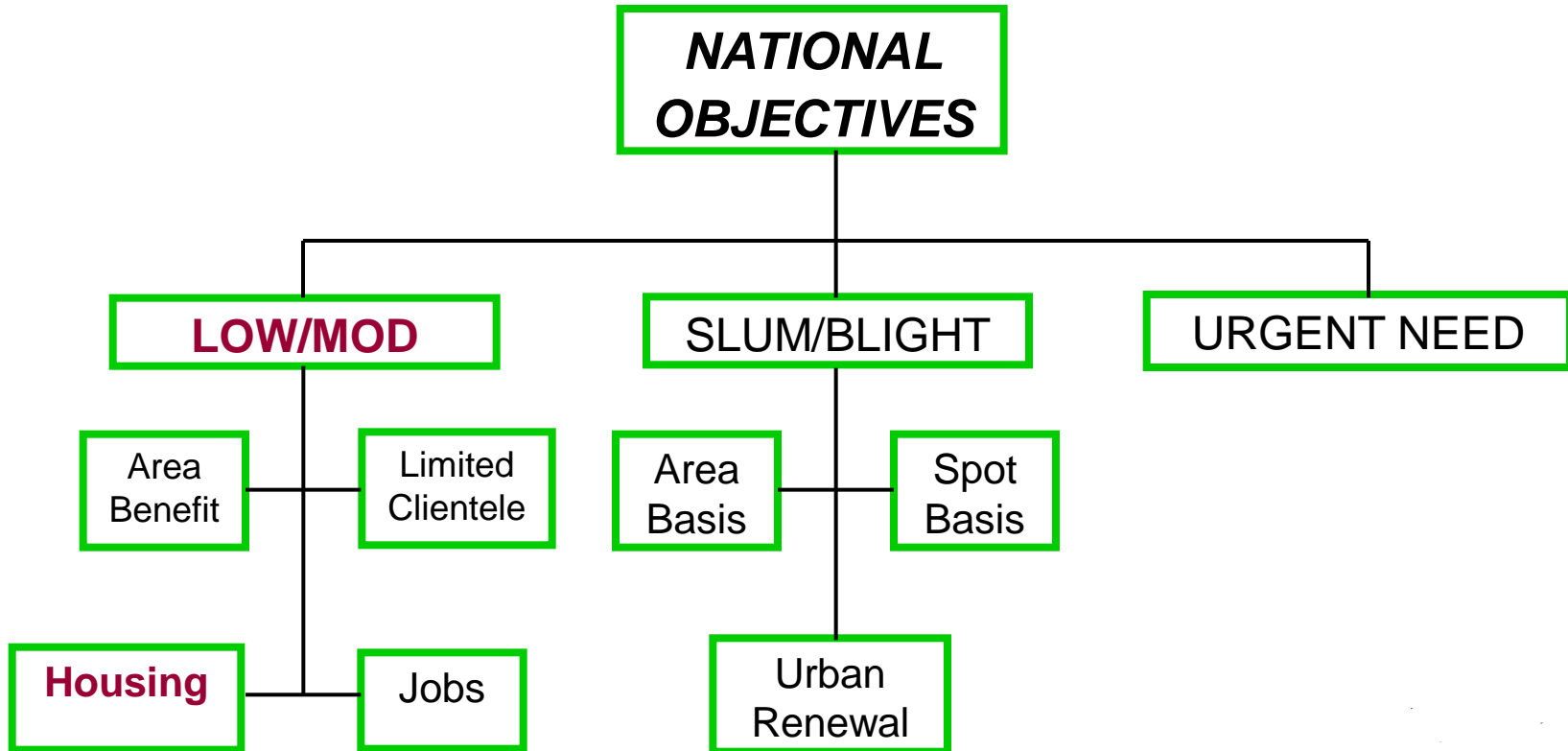
LIMITED CLIENTELE

(cont)



- Some specific activities are unique
 - ◆ Removal of architectural barriers (some activities); or
 - ◆ Microenterprise activities with LMI owners; or
 - ◆ Certain types of job training efforts

LMI HOUSING



❖ Urban renewal objective not allowed in state program

LOW/MOD BENEFIT HOUSING



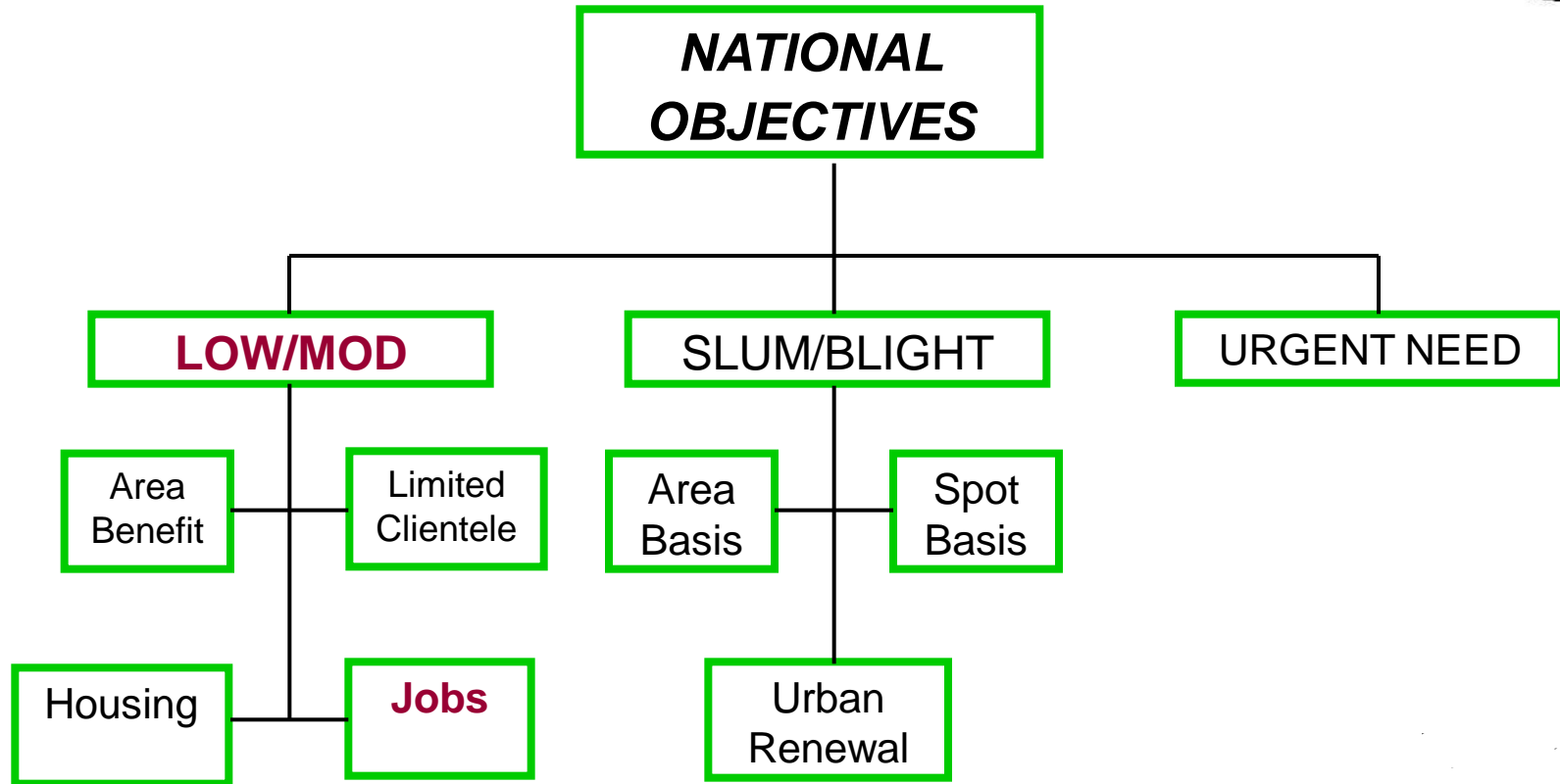
- ❑ This is the only L/M national objective for housing activities
- ❑ To meet the housing national objective, structures must be occupied by low/mod **households**
- ❑ Typical activities: homeowner unit rehab, rental acquisition and rehab, homebuyer assistance
- ❑ Documented based on unit occupancy:
 - ◆ One-unit structures occupied by LMI
 - ◆ One unit of duplex occupied by LMI
 - ◆ 51% of 3+ units LMI occupied by LMI

LOW/MOD BENEFIT HOUSING (cont)



- ❑ May have less than 51% LMI occupancy only under certain circumstances
 - ◆ Assist the development cost of multifamily non-elderly new construction AND
 - ◆ At least 20% of the units LMI occupied AND
 - ◆ Portion of CDBG cost is no greater than LMI occupancy

LMI JOBS



❖ Urban renewal objective not allowed in state program

JOB CREATION & RETENTION



- ❑ Activities related to economic opportunity
- ❑ Typical activities: business loans, commercial rehabilitation, infrastructure to a business
- ❑ In order to meet this criteria, activities must ***create or retain*** permanent jobs

AND

- ❑ 51% of the jobs created/retained must be ***available to or held by*** LMI persons
 - ◆ Jobs counted on full-time equivalent (FTE) basis

JOB CREATION & RETENTION (cont)



- ❑ For jobs ***created***, 51% of the jobs must be available to or held by LMI persons
- ❑ For jobs to be considered ***retained***, document that jobs would be lost without CDBG and that job
 - ◆ Is currently held by LMI person OR
 - ◆ Is expected to turn over in 2 years and will be filled by/available to LMI person.

JOBS AVAILABLE TO



- ❑ For jobs to be considered *available to* LMI persons:
 - ◆ No special skills, training, or education required
 - ◆ LMI persons must receive first consideration
 - ◆ Must have a written agreement with business

JOBS *HELD BY*



□ For jobs to be considered *held by* LMI persons:

- ◆ 51% of the actual FTE jobs filled must be held by LMI
- ◆ Must document income of LMI persons hired or have evidence of a qualifying presumption
- ◆ Must have a written agreement with the business

JOBS MET PRESUMPTIONS



□ May be presumed LMI for jobs if:

- ◆ Reside in Census tract/block numbering area (BNA) with 20% poverty and general distress;
- ◆ Reside in Census tract/BNA with 30% poverty, CBD, and general distress;
- ◆ Reside in EZ/EC area;
- ◆ Reside in Census tract/BNA with 70% LMI;
- ◆ Business and job located in Census tract/BNA with 20% poverty and general distress;
- ◆ Business and job in Census tract/BNA with 30% poverty, CBD, and general distress; or
- ◆ Business and job in EZ/EC area.

LMI INCOME DOCUMENTATION



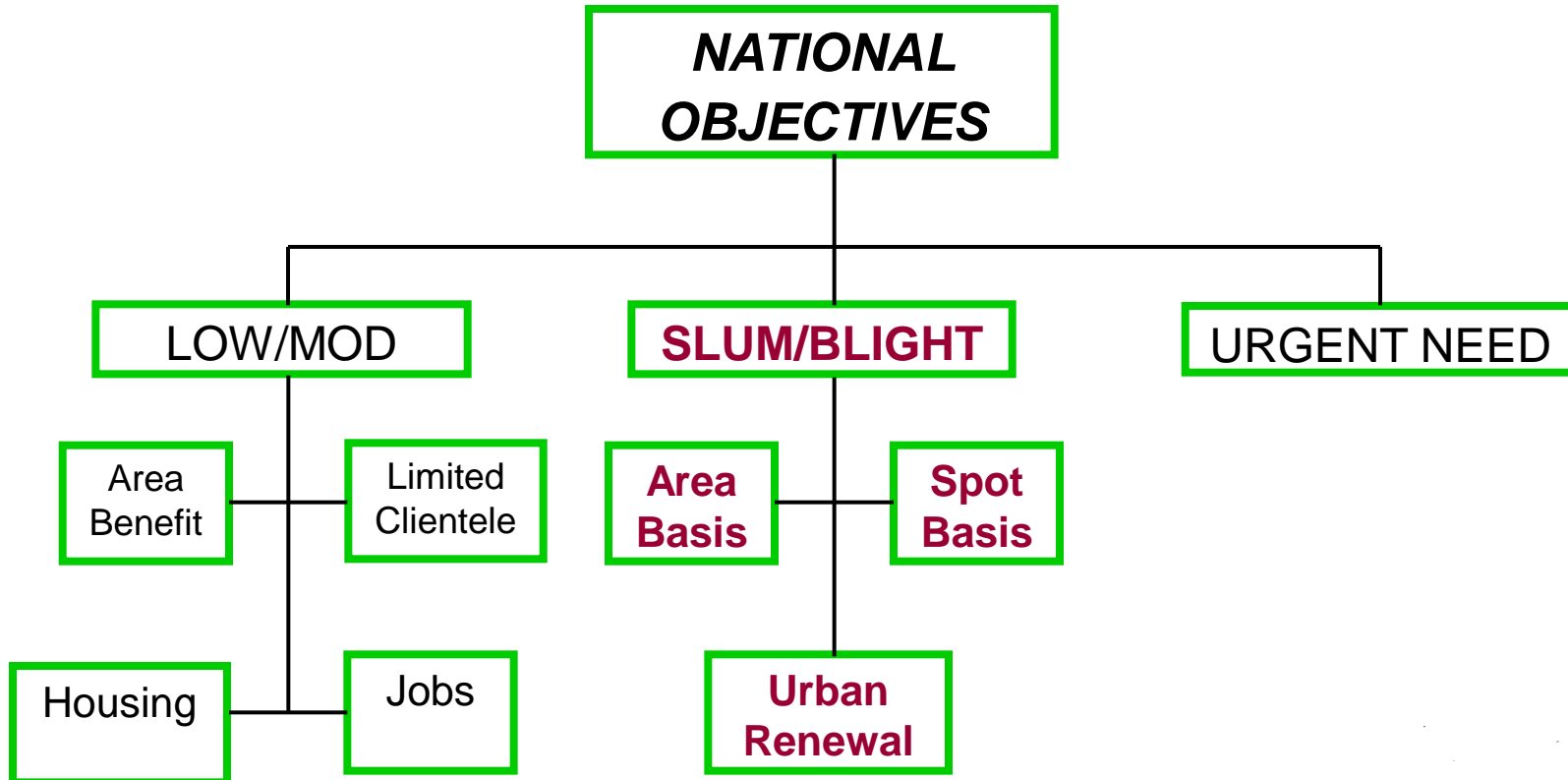
- ❑ Annual income definitions, options:
 - ◆ Section 8 Annual Income (24 CFR Part 5)
 - ◆ Census Long Form
 - ◆ IRS 1040 Series (Long Form)
- ❑ Same definition must be used within programs or activities
- ❑ Income is that of all family or household members for upcoming 12-month period

LMI INCOME DOCUMENTATION (cont)



- ❑ Several options for documentation:
 - ◆ Full third-party documentation (e.g., an employer)
 - ◆ Evidence of qualification under another program at least as restrictive as CDBG (e.g., public housing, JTPA, etc.)
 - ◆ Evidence that assisted person is homeless
 - ◆ Verifiable self-certification from assisted person
 - **WARNING** on using this method: If self-certification determined to be incorrect or fraudulent, project may be ineligible
 - ◆ Referral from state, county, or local employment agency or other entity that agrees to determine income and maintain documentation for grantee

SLUM & BLIGHT



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SLUM AND BLIGHT AREA BASIS



- ❑ Activities designed to address dilapidated physical environment
 - ◆ Not based on income of residents
- ❑ Typical activities: code enforcement, infrastructure, commercial rehabilitation
- ❑ Must be defined area & meet definition of slum/blighted area under state/local law
AND

SLUM AND BLIGHT AREA BASIS (cont)



☐ Meet either (A) or (B) below:

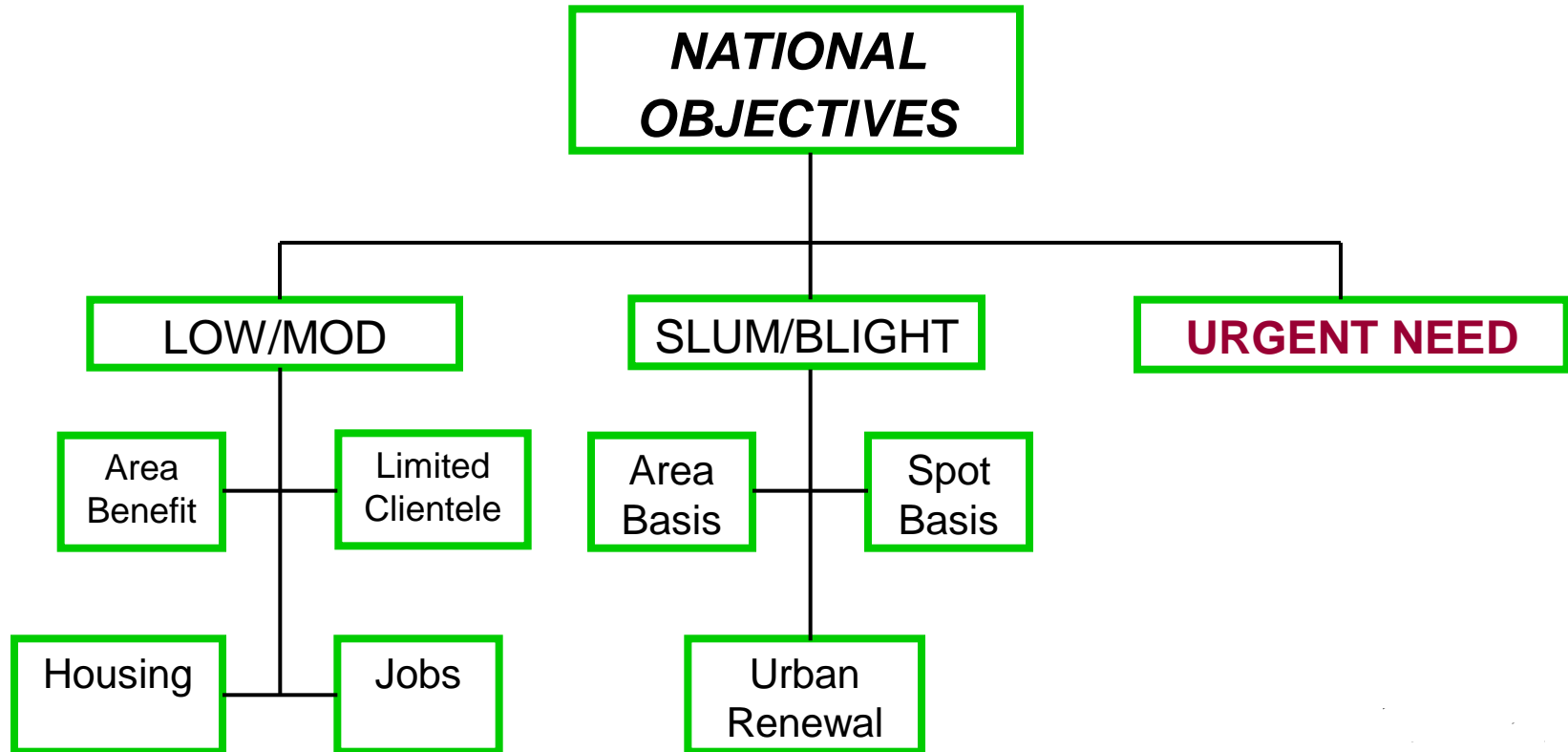
- ◆ (A) The public improvements in the area are in a general state of deterioration
- ◆ (B) At least 25% of properties throughout the area experience one or more of the following conditions:
 - Physical deterioration of buildings or improvements;
 - Abandonment of properties;
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial/industrial buildings;
 - Significant declines in property values or abnormally low property values relative to other areas in community; or
 - Known or suspected environmental contamination.

SLUM AND BLIGHT SPOT BASIS



- ❑ Activities that address specific conditions of blight, physical decay, or environmental contamination not in slum/blight area
- ❑ Activities limited: acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, or building rehab
 - ◆ Acquisition & relocation must be precursor to another eligible activity that addresses slum/blighted conditions
 - ◆ Rehab limited to elimination of conditions detrimental to public health & safety

URGENT NEEDS



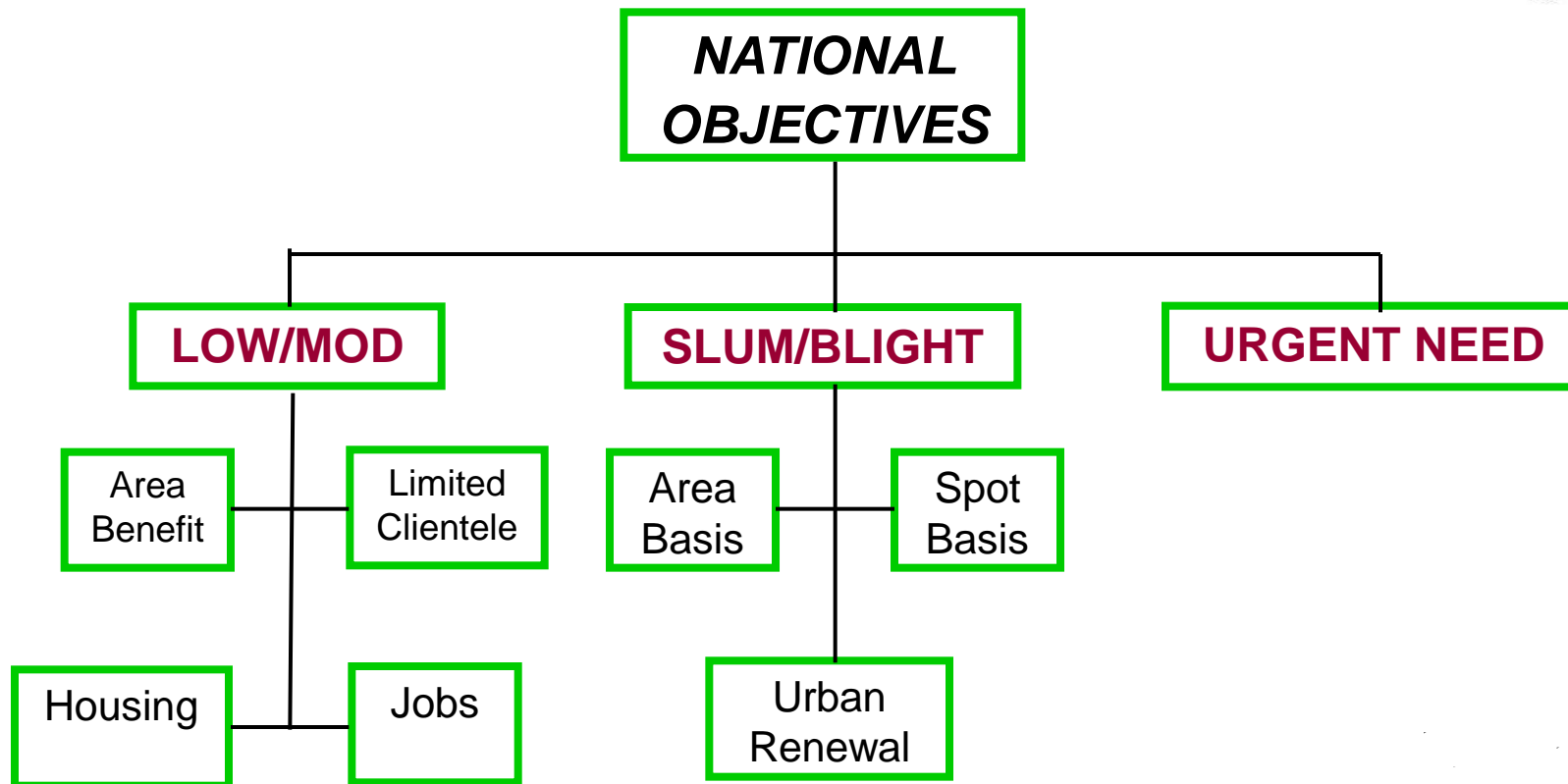
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URGENT NEED NATIONAL OBJECTIVE



- ❑ Used to address emergency situations
- ❑ Typical activities: infrastructure, interim assistance, rehab of community facilities
- ❑ To meet the urgent need test:
 - ◆ Existing conditions pose serious & immediate threat to health/welfare of community
 - ◆ Existing conditions are recent or recently became urgent
 - Generally 18 months
 - ◆ Recipient cannot finance on its own
 - ◆ Other funding sources not available

THE THREE N.O.s



❖ Urban renewal objective not allowed in state program