

## **CDBG FUNDING ELIGIBILITY**

**Community Development Block Grant (CDBG)** – to provide housing, improve living conditions, improve community facilities, and expand economic opportunities, principally for low-to moderate-income persons.

### **Spartanburg County 2019-2023 Consolidated Plan Goals:**

The three (3) PRIORITY NEEDS of the Consolidated Plan and GOALS to provide for the needs are:

1. Affordable Housing Opportunities
  - a. Preservation of Existing Affordable Housing
  - b. Development of New Affordable Housing
  - c. Increase Homeownership Opportunities
  - d. Provide for Rental Assistance
2. Non-Housing Community Development
  - a. Increase & Expand Public Services for LMI
  - b. Increase & Expand Public Services for Special Needs
  - c. Promotion of Fair Housing
3. Community Revitalization
  - a. Increase & Improve Access to Public Facilities
  - b. Increase & Expand Capacity of Public Infrastructure

### **Community Development Block Grant Program**

#### **A. National Objectives of the CDBG Program**

CDBG funding is restricted to activities that meet one of three primary national objectives:

1. To benefit low-and-moderate-income persons. Projects under this objective must either directly or primarily benefit low- and moderate-income,
2. To eliminate slum and blight by directly addressing slum and blight in individual facilities or to directly address blighted conditions,
3. To meet urgent needs (serious and immediate threat to the health and welfare of the community).

## **B. Who is eligible to receive CDBG funding?**

- Grantees must have a DUNS number prior to receiving any federal funds.
- Grantees must either be a registered 501c3, a municipality, a nonprofit, an unincorporated community group/association, or a special purpose district. Grants may be provided to special purpose districts to aid in capital improvement projects that meet basic human health and safety needs (water & sewer lines).
- Grants cannot be given directly to for-profit organizations or businesses. However, funds could be used for infrastructure development to enable the creation of LMI jobs. If the project does not result in the creation of LMI jobs, the grant must be returned in full to Spartanburg County.

## **C. What Activities Are Eligible for CDBG Funding?**

See 24CFR 570-201-206 for complete information regarding these categories.

- Acquisition in whole or in part by purchase, long-term leases, donation, or otherwise, of real property for any public purpose subject to the limitations of 570.207
- Disposition of real property acquired with CDBG funds through sale, lease, donation, or otherwise; or its retention for public purposes, including reasonable costs of temporarily managing such property
- Acquisition, construction, or renovation of public or private facilities, (e.g. parks, sewers, neighborhood centers, and street improvements)
- Demolition and clearance
- Public services, including but not limited to: job training and placement activities, crime prevention, child care, health, drug abuse, education fair housing counseling, energy conservation, welfare, homebuyer downpayment assistance or recreational needs (including labor, supplies, and materials), subject to the limitations of 570.207
  - A service must be either new or be a quantifiable increase in the level of an existing services above that which has been provided with State or Local funds in the previous twelve calendar months.
- Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities.
- Interim assistance (snow removal, special clean-up, etc.) in emergency conditions
- Completion of urban renewal activities (included in approved U.R. plans)
- Relocation payments and assistance
- Loss of rental income
- Housing services as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21))
- Acquisition, construction, installation of utility lines and facilities

- Assistance with housing constructed or rehabilitated under the Housing Development Grant or Rental Rehabilitation programs
- Direct ownership assistance for low-and moderate-income home buyers in the form of interest rate subsidies; financing acquisition of owner-occupied housing; purchase guarantees for mortgage financing obtained by low and moderate income home buyers; payment of 50% of any required down payments; and reasonable closing costs
- Microenterprise assistance
- Technical assistance to public or nonprofit entities to increase their capacity to carry out eligible neighborhood revitalization or economic development activities
- Assistance to institutions of higher education
- Eligible rehabilitation and preservation activities including:
  - Acquisition for the purpose of rehabilitation
  - Funding labor and/or materials
  - Refinancing existing debt in conjunction with rehabilitation
  - Improving energy and water conservation
  - Connecting housing units to water or sewer lines
  - Providing support services such as counseling, work write-up, loan processing, and inspections
  - New construction of residential rental property for low-income households
  - Improvements needed to remove architectural barriers for persons with disabilities
  - Code enforcement
  - Preservation or restoration of historic properties
  - Renovation of closed buildings such as schools for eligible reuse
  - Lead-based paint activities
- Special Economic Development activities which provide:
  - Commercial or industrial improvements carried out by grantee or non-profit group. Assistance to private for-profit entities for any activity determined to be “appropriate” to carry out an economic development project that:
    - 1) creates or retains jobs for low- and moderate-income persons;
    - 2) creates or retains businesses owned by community residents;
    - 3) assists businesses that provide goods or services needed by and affordable to low- and moderate-income residents; or
    - 4) provides technical assistance to promote such activities.
- CBDOs (Community-Based Development Organization)
- Eligible planning, urban environmental design and policy-planning–management–capacity building activities
- Program Administrative Costs

#### **D. What Activities Are Ineligible for CDBG Funding?**

See 24CFR 570-207

- Assistance for: buildings used for the general conduct of government, general government expenses, and political activities
- Assistance for:
  - Purchase of construction equipment, fires protection equipment, furnishings and personal property
  - Repairing, operating and maintaining public facilities, improvements and services
  - New housing construction
  - Income payments

#### **E. There are Some Limitations on the Use of CDBG Funds:**

1. At least 70% of the grant must be expended for activities primarily benefiting low-and moderate-income persons; and at least 51% of the beneficiaries of individual activities must be low-and moderate- persons. See Agency Report on Beneficiaries Form for LMI limits.
2. No more than 15% of annual grant resources can be expended on “public services.”
3. No more than 20% of the grant can be expended on program administration costs, which includes planning, management and technical assistance to citizens, and fair housing programs.

#### **F. Geographic Areas Covered by CDBG:**

All funded activities must benefit residents of the unincorporated area of Spartanburg County. If Census data does not show that resident income is low enough, beneficiaries must be individually surveyed. (See Beneficiary Information Form).

*For more information concerning the CDBG program, access the following HUD web site:*

<https://www.hudexchange.info/programs/cdbg-entitlement>

<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4>