

HUD Requirements for CDBG Funding

- I. Must meet a HUD National objective (at least 51% of the people helped are LMI)**
 - a. Benefit low-to-moderate income persons
 - 1. Low to moderate income area benefit activities
 - 2. Low to moderate income limited clientele activities
 - 3. Low to moderate income persons or households
 - 4. Low to moderate income housing activities
 - 5. Low to moderate income job creation or retention activities
 - b. Aid in the prevention or elimination of slums or blight
 - c. Meet a need having a particular urgency, i.e. disaster issues

- II. Must meet a RC Five Year (2003-2007) Consolidated Plan High Priority Need**
 - a. Infrastructure
 - a. Water/sewer improvements
 - b. Street improvements
 - c. Removal of architectural barriers
 - b. Planning and Administration
 - a. Program planning and administration
 - c. Public facilities
 - a. Overall (H)
 - b. Public facilities and improvements (general)
 - c. Neighborhood facilities
 - d. Parks and recreational facilities
 - d. Public services
 - a. Overall (H)
 - b. Public services (general)
 - c. Handicapped services
 - d. Legal Services
 - e. Substance Abuse Services
 - e. Senior Programs
 - a. Overall (H)
 - b. Senior Centers
 - c. Senior Services – Low
 - f. Youth Programs
 - a. Overall (H)
 - b. Youth services
 - g. Other
 - a. CDBG assistance to Institutes of higher education
 - h. Homeless and Special Needs Populations
 - a. Emergency Shelter (M)
 - b. Transitional Housing
 - c. Permanent Housing
 - d. Case Management
 - e. Life skills training
 - f. Chronic substance abusers
 - g. Dually-diagnosed
 - h. Victims of domestic violence

- i. Housing
 - a. Rentals for < 50% of median family income (Small related)
 - b. Rentals for < 50% of median family income (Large related)
 - c. Elderly for < 50% of median family income
 - d. All other for < 50% of median family income
 - e. Homeowner < 80% of median family income (Existing)
 - f. Homeowner > 31% & < 80% of median family income (Purchasers)
 - g. Special populations < 80% of median family income
 - h. Low Income Rental for single persons – efficiency apartments
 - i. Low income rentals for single persons – one bedroom apartments
 - j. Handicap accessibility modifications – owner occupied homes
 - k. Handicap accessibility modifications – rental units
 - l. Low income home owners and mobile homeowners
 - m. Homeowner <80% of median family income – acquisition cost assistance
 - n. Homeowner <80% of median family income – establishment of scattered site land trust
- j. Economic Development and Job Creation
 - a. Micro Enterprise Loans for low income people
 - b. Job Training programs for low income people

III. It must be an eligible activity

- a. Activities related to real property
- b. Activities related to economic development
- c. Activities related to public services
- d. Assistance to community based development organizations
- e. Other types of activities
 - a. Relocation assistance
 - b. Loss of rental income related to relocation
 - c. Technical assistance to increase the capacity to carry out neighborhood revitalization or economic development activities
 - d. Assistance to institutions of higher education with capacity to carry out other eligible activities.
- f. Planning and administration

IV. It must not be an *ineligible* activity under an eligible activity classification.

- a. Purchase of equipment
- b. Purchase of furnishings & personal property
- c. Operating, repair or maintenance expenses; public streets; parks; playgrounds; water or sewer facilities; neighborhood facilities; senior or disability centers; parking; mowing parks.

V. It must benefit primarily low-to-moderate income people

- a. A minimum of 51% of the participants or recipients must be low-to-moderate income people

VI. Must be a cost effective program

- a. Number of people served per dollar expended
- b. Agency must be able to expend funds within the fiscal year
- c. Agency should show how additional program costs will be covered, if applicable
- d. Agency should show how they will sustain the program after CDBG funds are expended

e. Agency should show financial stability

VII. Agency must show ability to quantify and track results of the program or service to meet reporting requirements

VIII. Public Service Programs

- a. City may not allocate more than 15% of total grant allocation plus program. income to Public Service Programs (estimated at \$90,000 maximum for FY 2006)
- b. Public Service must be new program or a significant increase over previous year's program.

IX. Funds may not be used for:

- a. Buildings for the general conduct of government;
- b. General government expenses;
- c. Political activities;
- d. New housing construction except under certain conditions or when carried out by a Community Building Development Organization
- e. Income payments,
- f. Purchase of furnishings or personal property
- g. Purchase of fire protection or construction equipment;
- h. Operating or maintenance expenses (of public facilities, improvements and services) Exceptions – some exceptions exist for program delivery costs for public service activities and office space for program staff carrying out CDBG program.
- i. Religious activities or provided primarily to religious entities for activities.

(This list is not all inclusive – please refer to HUD CDBG Regulations or contact the Rapid City Community Development Specialist)