



HOUSING & REDEVELOPMENT AUTHORITIES
OF CUMBERLAND COUNTY

Better Places, Better Lives



CDBG Eligible Activities

CDBG allows for a wide range of activities to be federally funded. Please note that all activities you choose to apply for must meet one of the national objectives of the program:

- Benefit to low- and moderate- income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

Housing

- Housing services in connection with Home Investment Partnerships (HOME) Program activities (§ 570.201(k));
- Construction of housing assisted under Section 17 of the U.S. Housing Act of 1937 (§ 570.201(m)) or construction of housing by eligible CBDOs (§570.204(a)) or as last resort housing under §570.207(b)(3)(i);
- Homeownership assistance (such as downpayment assistance and interest subsidies) (§570.201(n) or §570.201(e));
- Rehabilitation of buildings that are owner-occupied housing (§ 570.202). This also includes conversion of non-residential structures for residential use. The following types of rehabilitation activities may be undertaken:
 - Acquisition for rehabilitation and rehabilitation for residential purposes;
 - Labor, materials, etc. for rehabilitation of properties;
 - Loans for refinancing existing secured indebtedness;
 - Energy improvements;
 - Water efficiency improvements;
 - Connection to water and sewer lines;
 - Some homeowner warranty, hazard and flood insurance premiums;
 - Testing for and abatement of lead-based paint;
 - Costs of acquiring tools to be lent for rehabilitation;
 - Rehabilitation services;
 - Assistance for the rehabilitation of housing under Section 17 of the United States Housing Act of 1937; and
 - Removal of material and architectural barriers that restrict accessibility to eligible buildings
- Lead-based paint testing and abatement as a stand-alone program or included as rehabilitation as noted above (§ 570.202(f));

- Activities that support new housing construction such as acquisition (§570.201(a) and (b)), clearance (§570.201(d)), site improvements (§570.201(c)), and street improvements (§570.201(c)).

Other Real Property Activities

- Acquisition (§ 570.201(a));
- Disposition (§ 570.201(b));
- Clearance and demolition (§ 570.201(d));
- Rehabilitation of publicly- or privately-owned commercial or industrial buildings (§ 570.202);
- Code enforcement (§ 570.202(c));
- Historic preservation (§ 570.202(d));
- Renovation of closed buildings (§ 570.202(e));
- Interim assistance to arrest severe deterioration or alleviate emergency conditions (§ 570.201(f))
- Privately-owned utilities (§ 570.201(l));
- Completion of urban renewal projects (§ 570.201(h))

Public Facilities and Improvements

- Acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or public facilities. (§ 570.201(c))
 - “Public improvements” includes, but is not limited to, streets, sidewalks, water and sewer lines, and parks.
 - “Public facilities” includes, but is not limited to, neighborhood/community facilities and facilities for persons with special needs (e.g. homeless shelters, group homes, and halfway houses).

Public Services

- Job training and employment services;
- Health care and substance abuse services;
- Child care;
- Crime prevention; and
- Fair Housing counseling

Economic Development

- Microenterprise assistance (§ 570.201(o));
- Commercial Rehabilitation; and
- Special economic development activities (§ 570.203)

Community Based Development Organizations

- Grants or loans may also be made available to CBDOs for neighborhood revitalization projects, community economic development projects, and energy conservation.

Other Types of Activities

- Payment of non-Federal share of grants in connection with CDBG-eligible activities (§ 570.201(g));
- Relocation assistance (§ 570.201(i));
- Loss of rental income (related to relocation) (§ 570.201(j));
- Technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities (§ 570.201(p)); and
- Assistance to institutions of higher education with the capacity to carry out other eligible activities (§ 570.201(q)).

Planning and Administration

- Comprehensive plans;
- Community development plans (including the Consolidated Plan);
- Functional plans (for housing; land use and urban environmental design; economic development; open space and recreation; energy use and conservation; floodplain and wetlands management; transportation; utilities; historic preservation; etc.);
- Other plans and studies (e.g., small area and neighborhood plans; capital improvements program plans; individual project plans; general environmental; urban environmental design; historic preservation studies; etc.); and
- Policy planning, management, and capacity building activities

Ineligible Activities

The general rule is that any activity not specifically authorized under the CDBG regulations and statute is ineligible to be assisted with CDBG funds. In addition, the following may not be assisted with CDBG funds:

- Buildings for the general conduct of government are ineligible. However, the removal of architectural barriers from government buildings is eligible under the category of public facilities and improvements.
- General government expenses are ineligible.
- Financing for political activities or to engage in other partisan political activities are ineligible. However, a facility assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, if the building is available to all community organizations on an equal basis.

The following activities may not be assisted with CDBG funds unless authorized as a special economic development activity or when carried out by a CBDO:

- Purchase of equipment is generally ineligible.
 - Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible.

- Fire protection considered an integral part of public facilities is eligible. This includes fire engines and specialized tools such as “jaws of life” and life-saving equipment as well as protective clothing worn by fire fighters.
- Purchase of personal property, including equipment, fixtures, motor vehicles, furnishings, or other personal property is generally ineligible.
- Operating and maintenance expenses (of public facilities, improvements, and services) are ineligible.
 - Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program;
- New housing construction is ineligible except under certain conditions or when carried out by a CBDO.
- Income payments made to an individual or family for items such as food, clothing, housing, or utilities are ineligible.
- One time grants, emergency type grants, or loans for such purposes may be eligible under the category of Public Services.

Application Evaluation

Keep the following factors in mind when developing your CDBG application. These are the considerations Authority staff will make when scoring applications for eligibility and fundability.

- Eligibility of the activity under CDBG;
- Compliance with a CDBG national objective;
- Consistency with the priorities and specific objectives established in the Consolidated Plan;
- Prior experience with CDBG and/or other grant programs;
- Prior experience in the community;
- Prior experience in the type of project/activity being proposed;
- Organization’s administrative and financial capacity to carry out the proposed activity; and
- Appropriateness of the design of the proposed project or program delivery approach.