

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

What is CDBG?

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The CDBG program grew out of the consolidation of eight categorical programs under which communities competed nationally for funds.

Local governments participate in either the Entitlement Program (for cities over 50,000 in population or urban counties with more than 200,000 people) or the States and Small Cities Program (communities with populations of 50,000 or less). In Harris County, there are four CDBG entitlement jurisdictions: City of Houston, City of Baytown, City of Pasadena, and unincorporated Harris County.

Participating local governments automatically receive an annual allocation of CDBG funds. The regulations implementing the CDBG Program are found at 24 CFR Part 570 (To review 24 CFR 570 in its entirety, visit HUD's website at www.hud.gov).

CDBG Objectives

The *primary* objective of the CDBG program is the development of viable urban communities, principally for low-income persons through the provision of the following:

- decent housing
- a suitable living environment
- economic opportunity

CDBG applicants must choose one of the HUD **national** objectives under which to apply for funding. CDBG grantees are responsible for assuring that each eligible activity meets one of the following three objectives.

1. **Directly benefit low-income persons:** The project must be located in a Harris County target area or serve an area within Harris County's service area where at least 51 percent of the residents are low income persons (**Area Benefit**), or must provide a direct benefit to Harris County individuals or families, the majority of whom are considered low income based on the median area income figures (**Limited Clientele Benefit**).
2. **Aid in the prevention of slum or blight:** The applicant must supply proof that the area meets the State or local government's definition of slums and blight.

3. **Meet an urgent need:** The activity provides a remedy to a serious and immediate health or welfare problem, such as a natural disaster; *and* there are no other funds available; *and* the problem is of a recent origin.

CDBG Public Service projects must meet the National Objective regarding benefit to low-income persons in order to apply for funding. Under this objective, CDBG-assisted public service activities must benefit low-income persons using the **Limited Clientele** category (see below).

Limited clientele – Limited clientele activities benefit a limited number of people rather than everyone in a defined area. At least 51 percent of persons served must be low-income persons. These activities must meet one of the following criteria:

- Benefit a clientele generally presumed by HUD to be principally low-income, i.e. abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, or migrant farm workers; or
- Require information and documentation on family size and income in order to show that at least 51 percent of the clientele are low-income; or
- Have income eligibility requirements limiting the activity to low-income persons; or
- Be of such nature and in such location that it can be reasonably concluded that activity's clientele will primarily be low-income; or
- Be an activity that provides job training and placement and/or other employment support services when the percentage of persons assisted is less than 51 percent. Examples include, but are not limited to, peer support programs, counseling, childcare, transportation, and other similar services. [Note: Some restrictions apply to these activities. See §570.208(a)(2)(iv).]

Examples of limited clientele activities include:

- Public services for the homeless
- Meals on Wheels for the elderly
- Job training services for severely disabled adults

To classify a CDBG General Activities project under the national objective as an area benefit, the project must be located in a target area where at least 51 percent of the residents are low income.

Documentation of Client Eligibility

All service providers assisting clients must demonstrate in writing that the client is eligible. Harris County requires the use of the Individual Eligibility Form to document eligibility. These forms are required for all individuals and households receiving services and provide documentation according to Harris County Monitoring and Recordkeeping Guidelines.

For each activity, *one* of the following types of documentation must be kept:

1. Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be low-income persons
2. Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by low-income persons
3. Data showing the size and annual income of the family for each person receiving the benefit

Match Requirements/Leveraging

Unlike some other federal grant programs, CDBG regulations do not require matching funds on behalf of the Grantee. While there are no federal match requirements for CDBG funds, Harris County highly recommends that organizations provide leverage funds. Leverage fund sources include contributions derived from other federal and nonfederal sources and the value of third party in-kind contributions, (i.e. volunteers, personnel, office space, materials, equipment and supplies). ***Harris County will not consider applications requesting greater than 90 percent of funding. In addition, applications will receive favorable scoring based on higher leveraging funds.***