



# CDBG PROGRAM OVERVIEW



# AGENDA

- Overview of CDBG program
- Requirements associated with CDBG grants
- Website Resources

## OVERVIEW OF CDBG PROGRAM

The primary objective of the CDBG program is the development of viable urban communities through the provision of **decent housing, a suitable living environment and expanded economic opportunities** principally for persons of **low-moderate income**, defined as a person residing in a household with income at or below 80% of area median income.

## OVERVIEW OF CDBG PROGRAM

- As a CDBG entitlement jurisdiction, the City receives an annual allocation of funding based upon a five-part formula that factors for population, poverty, and housing conditions. The City's most recent annual allocation was \$339,200, with amounts decreasing in recent years.
- In order to achieve the national objectives, the City awards money through a competitive process to subrecipients. The subrecipient is a public or private nonprofit agency, authority, or organization, which receives CDBG funds from the City to undertake eligible activities.

## CDBG NATIONAL OBJECTIVES

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National Objective #1 - Benefit low and moderate-income individuals.

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National Objective #2 - Aid in the prevention or elimination of slum and blight.

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National Objective #3 - Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available. (Unlikely in Albany.)

## MORE ON NATIONAL OBJECTIVE #1

The Low-Moderate Income National Objective contains four subcategories:

- Limited Clientele (LMC)- The project benefits a specific group of people at least 51% of whom are LMI income persons
  - Presumed Benefit- people who are presumed low income because of some other status (i.e. seniors, people who are homeless, abused children, etc.)
  - Low or moderate income based on household size according to HUD income eligibility standards
- Low-Mod Housing (LMH)
- Low-Mod Job Creation and Retention (LMJ)
- Low-Mod Area (LMA)

# CDBG PROGRAM REQUIREMENTS AND RESPONSIBILITIES

Recipients of federal CDBG funds must agree to not only provide specified services, but also to comply with the CDBG program requirements and responsibilities established by the U.S. Department of Housing and Urban Development (HUD), authorized by Title I of the Housing and Community Development Act of 1974, as amended (Act).

# ELIGIBLE ACTIVITIES

- Acquisition of real property
- Disposition of real property acquired with CDBG funds
- Code enforcement
- Public improvements or facilities
- Clearance, demolition, and removal of buildings and improvements
- Rehabilitation and Preservation activities
- Homeownership assistance
- Housing services
- Interim assistance
- Microenterprise assistance such as financial support, technical assistance, and related services
- Economic development assistance activities that produce certain public benefits (jobs or retail services)
- Other economic development activities including financial and technical assistance
- Activities by CBDOs
- Relocation payments and other assistance
- Technical assistance to public or non-profit entities for capacity building
- Public Services\*



# INELIGIBLE ACTIVITIES

- Political or religious activities
- Lobbying activities
- Acquisition, construction, reconstruction, or use of buildings or portions thereof used for the general conduct of government.
- General government expenses
- Stadiums, sports arenas, auditoriums, museums, schools, public transportation stations, schools, hospitals or other medical facilities
- Purchase of equipment, furnishings, or fixtures, motor vehicles, and other personal property
- Direct income payments beyond more than three consecutive months to individuals for items such as food, clothing, and rent. (When less than 3 months, payments must be made to providers.)
- Operating and maintenance expenses unless associated with providing a public service
- Construction of new housing, unless as a special activity by a qualified Community Based Development Organization per 24 CFR 570.504(a)
- Treatment works for liquid industrial wastes or sewage

# ELIGIBLE AND INELIGIBLE COSTS

Examples of **eligible costs** but not limited to:

- Personnel/staff (salary and benefits)
- Overhead
- Indirect Costs
- Office/facility rental or lease costs
- Materials or supplies (e.g. file folders and/or file cabinets used for filing records for CDBG clients.)
- Communications
- Travel/mileage

Examples of **ineligible costs** but not limited to:

- Programs that do not serve primarily low-moderate income persons
- Programs that promote religion
- Political activities
- Marketing, incentives, or fundraising
- Payment of debt or expenses incurred prior to agreement
- Entertainment, furnishings, or personal property

# ENVIRONMENTAL REVIEW

- Environmental review is required for all CDBG-funded projects per 24 CFR Part 58. There are different levels of review depending on the complexity and impact a project may have on the environment.
- The HUD environmental review process must be completed before CDBG agreements are signed, and before the purchase of any land or buildings, or start of any work on a proposed project, even with non-HUD funds.
- Applicants proposing projects that are Subject to the 58.5 statutes in C - E above must complete the Environmental Review Checklist to assess the ability of a project to “pass” the environmental review and determine what information will need to be collected for the ER record (ERR).

Level of Environmental Review	Example Activities
A. Exempt (24 CFR Part 58.34)	Administration, many public services, technical assistance, engineering or design costs, equipment purchases, technical assistance
B. Categorically Excluded NOT Subject to the §58.5 Statutes	Supportive services (housing, rent and utility assistance, counseling, etc.), homebuyer assistance, predevelopment costs, operating costs including maintenance, staff training, economic development activities excluding construction and rehab,
C. Categorically Excluded <u>Subject to Part 58.5</u> (may or may not require mitigation)	Acquisition, repair, improvement, reconstruction, or rehab of public facilities and improvements to existing infrastructure/facilities when retained for same use and no change in size/ capacity of more than 20%; Rehab of residential buildings <= 4 units when no increased density, no building in floodplain or wetland, and no change of use
D. Environmental Assessment (24 CFR Part 58.36)	New construction, acquisition of vacant land, converting a property to a new use, and activities not categorically excluded or exempt
E. Environmental Impact Statement (24 CFR Part 58.37)	Projects having a regional and/or long/term impact or that will pose potentially significant impacts on resources (e.g. a power plant or landfill)

# FEDERAL REQUIREMENTS

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URARAP) and Section 104(d) of the Housing and Community Development Act
- Environmental Assessment
- The Architectural Barriers Act of 1968
- The Americans with Disabilities Act
- The Fair Housing Act
- HUD Housing Quality Standards (24 CFR 982.401)
- Contracting and Procurement Requirements
- Davis-Bacon Labor Standards
- Section 3 Requirements of the Housing and Urban Development Act

# CDBG PROGRAM ELEMENTS

- 5-year Consolidated Plan
- Annual Action Plan
- Annual Performance Report (CAPER)
- Analysis of Impediments to Fair Housing and Recommended Actions

## WEBSITE RESOURCES

- <https://www.cityofalbany.net/cd/blockgrant>
  - Reports and Plans
  - Forms
  - Information on requirements
  - Training
- <https://www.cityofalbany.net/council/groups/cdc>
  - Meeting agenda and materials



# QUESTIONS?

CONTACT: [CDBG@CITYOFALBANY.NET](mailto:CDBG@CITYOFALBANY.NET)

