

## Community Development Block Grant (CDBG)

Following is a summary of regulations regarding CDBG eligible activities and national objectives at 24 CFR 570, which may be found at

[http://www.access.gpo.gov/nara/cfr/waisidx\\_08/24cfr570\\_08.html](http://www.access.gpo.gov/nara/cfr/waisidx_08/24cfr570_08.html)

The primary objective of the CDBG program is development of viable communities through provision of decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income.

### 570.201 Basic eligible activities:

- (a) Acquisition of real property for any public purpose subject to limitations of 570.207
- (b) Disposition of real property acquired with CDBG funds
- (c) Public facilities and improvements
- (d) Clearance and remediation activities
- (e) Public services
- (f) Interim assistance for alleviation of emergency conditions threatening public health and safety, where permanent improvements will be carried out as soon as practicable
- (g) Payment of non-federal share of federal grants-in-aid as part of CDBG activities
- (h) Urban Renewal completion (Muncie has no Urban Renewal projects)
- (i) Relocation assistance required under 570.606
- (j) Loss of rental income to housing owners holding units to be used for relocation activities
- (k) Housing services
- (l) Privately-owned utilities
- (m) Construction of housing assisted under section 17 of U.S. Housing Act of 1937
- (n) Homeownership assistance
- (o) Assistance to facilitate economic development
- (p) Technical assistance to public or non-profit entities to increase capacity to carry out eligible neighborhood revitalization activities
- (q) Assistance to institutions of higher education

### 570.202 Eligible rehabilitation & preservation activities:

- (a) Types of buildings & improvements: privately- or publicly-owned residential properties; commercial or industrial buildings, but when property is owned by a for-profit, rehabilitation is limited to exterior improvements of the building and the correction of code violations; other non-profit, non-residential buildings and improvements that are not considered to be public facilities or improvements under CDBG regulations.
- (b) Types of assistance: assistance to profit or non-profit private individuals or entities to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes; improvements to increase the efficient use of energy and water; connection of residential structures to water distribution lines or local sewer collection lines; initial homeowner warranty premiums and, where needed to protect the grantee's interest in properties securing a rehabilitation loan, hazard insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, as amended; costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation; rehabilitation services; rehab of housing under section 17 of U.S. Housing Act of 1937; removal of material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements.

- (c) Code enforcement
- (d) Historic preservation
- (e) Renovation of closed buildings
- (f) Lead-based paint activities

570.203 Special economic development activities

570.204 Special activities by Community Based Development Organizations (CBDOs)

570.205 Planning, urban environmental design & policy-planning-management-capacity building activities

570.206 Program administrative costs

570.207 Ineligible Activities:

(a) The following activities may not be assisted with CDBG funds:

- (1) Buildings or portions thereof, used for the general conduct of government
- (2) General government expenses
- (3) Political activities

(b) Generally ineligible:

- (1) Purchase of equipment
- (2) Operating and maintenance expenses for public facilities, except as associated with public service activities, interim assistance, or office space for CDBG staff
- (3) New housing construction, except as provided under last resort housing provisions of 24 CFR 42, or as authorized under 570.201(m) or (n), or when carried out by an entity pursuant to 570.204(a)
- (4) Income payments (subsistence-type payments to an individual or family)

570.208 Criteria for national objectives:

- (a) Activities benefitting low- and moderate-income persons
- (b) Prevention/elimination of slums or blight
- (c) Activities designed to meet community development needs having a particular urgency