

SUMMARY OF NATIONAL OBJECTIVES

This document summarizes the National Objectives of the Community Development Block Grant Program contained in the Code of Federal Regulations, Title 24, Part 570, Section 570.200(a)(2) and (3), 570.208(a) (d), and 570.506. For a more complete description, the regulations should be consulted.

NATIONAL OBJECTIVES

Each activity, except planning and administrative activities, must meet one of the CDBG program's three broad National Objectives:

1. To benefit low- and moderate-income persons,
2. To aid in the prevention or elimination of slums or blight,
3. To meet community development needs having a particular urgency.

At least 70 percent of the grantee's overall expenditures during a specific reporting period must be used for activities that benefit low- and moderate-income persons; individual activities designed to benefit low- and moderate-income persons must assist at least 51 percent low- and moderate-income persons.

1. **Activities benefiting low- and moderate-income persons**

a) Area benefit activities

An activity, the benefits of which are available to all the residents in a particular area, where at least 51% of the residents are low- and moderate-income persons. The service area must be primarily residential, and the activity must meet the identified needs of low- and moderate-income persons. *Examples include: street improvements; water and sewer lines; neighborhood facilities; and facade improvements in neighborhood commercial districts.* The activity must meet one of the following qualifying criteria:

- (1) A determination that there is a sufficiently large percentage of low- and moderate-income persons residing in the service area by using the most recently available decennial census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau; or
- (2) A determination of the percent of low- and moderate-income residents by means of a current survey of the residents of the service area if the recipient believes that the census data do not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity. The survey results must meet statistical reliability standards and be approved by HUD.

b) Limited clientele activities

An activity which benefits a limited clientele, at least 51% of whom are low- and moderate-income persons. *Examples include: construction of a senior center; public services for the homeless; meals on wheels for the elderly; and construction of job training facilities for the handicapped.* The activity must meet one of the following qualifying criteria:

- (1) The activity must benefit a clientele that is generally presumed to be principally low- and moderate-income such as abused children, battered spouses, elderly persons, handicapped persons, homeless persons, illiterate persons, and migrant farm workers; or
- (2) Information must be required on family size and income to document that at least 51% of the clientele are persons whose family income does not exceed Section 8 low- and moderate-income limits; or
- (3) The activity must have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
- (4) The activities must be of such nature and in such location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.

c) Housing activities

An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. *Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction.* The activity must meet the following qualifying criteria:

- (1) One-unit structures must be occupied by low- and moderate-income households.
- (2) Two-unit structures must have at least one unit occupied by a low- and moderate-income household.
- (3) Structures containing more than two units must have at least 51 % of the units occupied by low- and moderate-income households.
- (4) Rental buildings under common ownership and management which are located on the same or contiguous properties may be considered as a single structure.
- (5) For rental housing, occupancy by low- and moderate-income households must be at affordable rents, consistent with the standards adopted and publicized by the CDBG grantee for determining "affordable rent" levels.

d) Job creation or retention activities

An activity designed to create or retain permanent jobs where at least 51% of which, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. *Potentially eligible activities include: construction by the grantee of a business incubator designed to offer space and assistance to new firms to help them become viable small businesses; loans to pay for the expansion of a plant or factory; and assistance to a business to prevent closure and a resultant loss of jobs for low- and moderate-income persons.* As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies. Jobs are only considered to be available to low- or moderate-income persons when:

- (1) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

- (2) Local government and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

2. Activities which aid in the prevention or elimination of slums or blight

According to Section 24 CFR 570.208(d), where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a National Objective may be based on the planned use of the property after acquisition. The documentation required depends on planned use.

(a) Activities to address slums or blight on an area basis

An activity which aids in the prevention or elimination of slums or blight in a designated area. *Examples include: assistance to commercial or industrial businesses; public facilities or improvements; code enforcement.* The activity must meet all of the following qualifying criteria:

- (1) The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law.
- (2) There must be a substantial number of deteriorated or deteriorating buildings throughout the area, or the public improvements are in a general state of deterioration.
- (3) The activity must address one or more of the conditions which contributed to the deterioration of the area.
- (4) If rehabilitation of residential buildings not occupied by low- and moderate-income persons is undertaken, each such building rehabilitated must be considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard must be corrected before less critical work on the building may be undertaken.

b) Activities to address slums or blight on a spot basis

An activity which aids in the prevention or elimination of slums or blight outside of a slum or blighted area. *Examples include: elimination of faulty wiring, falling plaster, or other similar conditions which are detrimental to all potential occupants; historic preservation of a public facility; and demolition of a vacant, deteriorated, abandoned building.* The activity must meet the following qualifying criteria:

- (1) The activity must be designed to eliminate specific conditions of blight or physical decay on a spot basis.
- (2) The activity must be limited to acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings. Rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

c) Activities to address slums or blight in an urban renewal area

An activity which aids in the elimination or prevention of slums or blight in an urban renewal area. The activity must meet the following qualifying criteria:

- (1) The activity must be located within an urban renewal project area or Neighborhood Development Program (NDP) action area; and,
- (2) The activity must be necessary to complete the urban renewal plan, as then in effect, including initial land redevelopment permitted by the plan.

3. Activities designed to meet community development needs having a particular urgency

An activity designed to alleviate existing conditions that have a particular urgency. *Examples include major catastrophes or emergencies.* The activity must meet the following qualifying criteria:

- a) The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- b) The existing conditions are of recent origin or recently became urgent (generally within the past 18 months);
- c) The grantee is unable to finance the activity on its own; and,
- d) Other sources of funding are not available.