

CDBG Rules and Regulations

The Authorizing statute of the CDBG program requires that each activity or project funded must meet one of three national objectives.

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

The most commonly used national objective is to benefit low and moderate income (LMI) persons. HUD defines low and moderate income persons as anyone earning less than 80% area median income. In Spokane, this is the primary national objective used for CDBG.

Neighborhood Councils will not have the ability to qualify a project (as eligible) based on slum and blight or urgent need (hurricane, tornado, earthquake, etc.).

Eligible Activities

In addition to the CDBG national objectives, HUD has also identified a variety of eligible activities. The City of Spokane limits the number of eligible activities Neighborhood Councils can fund with their CDBG allocations. Neighborhoods are encouraged to partner with local non-profit organizations to carry out most activities.

The following list of activities is not comprehensive; however it does represent the eligible activities neighborhoods can support.

Housing

- Acquisition for rehabilitation and rehabilitation for residential purposes
- Labor and materials for rehabilitation activities
- Energy improvements
- Connection to water and sewer lines
- Testing for and abatement of lead-based paint
- Removal of architectural barriers that restrict accessibility

Other Real Property Activities

- Acquisition
- Disposition
- Clearance and demolition
- Rehabilitation of publicly or privately owned commercial or industrial buildings
- Historic preservation

- Renovation of closed buildings

Public Facilities and Improvements

- 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).

Economic Development

- Microenterprise assistance
- Commercial rehabilitation
- Special economic development activities

Neighborhood Councils are encouraged to work in cooperation with the City of Spokane to determine project eligibility. HUD has multiple subsets to each of the three national objectives listed above. For the purposes of the Neighborhood CDBG program the most applicable subsets fall under the first national objective: “Benefit to low and moderate income persons.” Below is a list of each applicable national objective subset and a definition.

- **Low and Mod Area Benefit (LMA)**

The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area (census block group, parks service radius, street improvements, etc.), where at least 51% of the residents are LMI (earning less than 80% AMI) persons.

- **Low and Mod Limited Clientele (LMC)**

The limited clientele category is the second way to qualify specific activities under the LMI benefit national objective. Under this category, 51% of the beneficiaries of an activity have to be LMI persons (community center programs, youth programs, senior programs, etc.).

- **Low and Mod Housing Activities (LMH)**

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households (SNAP Essential Home Repair Program).

- **Low and Mod Job Creation or Retention Activities (LMJ)**

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51% of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons (SNAP Microenterprise Loan Program).

Neighborhood Councils are not expected to become experts in determining the most appropriate national objective. Community, Housing and Human Services Department staff will provide technical support to each neighborhood Council regarding project eligibility. Please consult with George Dahl (gdahl@spokanecity.org or 509.625.6036) before submitting any application(s).