

NAME OF FUND: Community Development Block Grant (CDBG)

SOURCE: U.S. Department of Housing & Urban Development

ELIGIBLE USES: CDBG is a flexible funding program provided to cities, with a primary objective of *"the development of viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income."*

CDBG is primarily a "bricks and mortar" program, however funds may be used for a variety of activities in accordance with program regulations. Included are:

- * acquisition
- * relocation
- * accessibility
- * administration²
- * disposition
- * clearance
- * rehabilitation
- * public improvements
- * public services¹
- * economic development

All CDBG programs and projects must meet *eligibility* and *national objective* requirements. *Eligibility* means the activity must be specifically listed as eligible in the regulations. *National objective* means the activity must either: 1) benefit low and moderate income persons; 2) eliminate slums and blight; or 3) meet a particular urgent need.

As a general rule, CDBG funds may not be used as a substitute for city supported programs. In addition, listed as specifically ineligible are:

- * buildings used for the general conduct of government.
- * general government expenses, including those required to carry out regular government responsibilities.
- * purchase of equipment/general operating maintenance expenses.
- * political activities.
- * purchase of furnishings, personal property.
- * new housing construction³
- * income payments, mortgage subsidies, down payments.

For additional information on the city's participation in the CDBG program, please contact Bob Hammer (651-266-6693) or Ron Ross (651-266-6692).

- 1 - Public services must be a new, or quantifiable increase in the level of services provided.
- 2 - Program administration is an eligible CDBG activity when expended in accordance with a HUD approved cost allocation plan. Only those costs associated with the administration of the CDBG program are allowed.
- 3 - Cities may not construct new housing, but may participate in projects with neighborhood non-profits which meet specific requirements, as provided for in the program regulations.