

CITY OF HOLLAND FUNDING REQUEST PROPOSAL GUIDANCE DOCUMENTS

BACKGROUND INFORMATION AND CDBG REGULATIONS

(January 1997 - see web for updated regulations)

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Community Development Block Grant Funding Requests must be eligible under federal regulations, contribute toward meeting the primary objective, and meet one of the three national objectives. The following regulations provide this information and should be reviewed by applicants for CDBG funding.

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CDBG Primary and National Goal Regulations ----- pages 32 - 44

- HIGH (H) = 3 points** The City of Holland will endeavor to fund programs that address the activity with Community Development Block Grant (CDBG) or Community Social Services Assistance (CSSA) funding during the five-year period covered by this plan.
- MEDIUM (M) = 2 points** If funds are available, activity may be funded by the City of Holland CDBG or CSSA programs during the five-year period covered by this plan. Also, the City of Holland will take other actions to help locate other sources of funds.
- LOW (L) = 1 point** The City of Holland will not fund activity for the five-year period covered by the plan, however, the City of Holland will consider certification of consistency for other entities' application for Federal assistance.
- NO SUCH NEED (N) = 0 points** The City of Holland finds there is no such need for CDBG or CSSA funding or that this need is already substantially addressed by other funding sources. No certification of consistency will be considered.

Consolidated Plan (CP)

STRATEGY

JULY 1, 2000 TO JUNE 30, 2005

CDC Proposed Edits and ~~Strikeouts~~

CDC proposed edits resulting from agency consultation and public hearing on 1/10/2003.

Housing Missions:	
<i>Homeownership - There will be increased opportunities for City residents to own a residence.</i>	
ACTIVITY	2003 City Funding Priority
<u>Activity 1:</u> Support and promote down-payment assistance programs that are conditional on participation in or successful completion of homeownership training and budgeting programs.	2.28
<u>Activity 2:</u> Provide support to non-profits seeking to develop scattered-site new and rehabilitated, low-cost owner housing with utilizing volunteers, donated materials, and assistance from builders, real estate and banking sectors to reduce the cost and sell such properties at an affordable price to City residents.	2.39
<u>Activity 3:</u> Encourage new programs that facilitate homeownership including: employer assisted homeownership program, tenant housing purchase/rehabilitation program, promotional campaigns to highlight flexible financing offered by local banks and mortgage brokers, and ongoing regular Community Education classes on homeownership financing, and budgeting, and maintenance.	2.44
<i>Housing Conditions - The residents of the City of Holland will live in safe, decent housing, which, at a minimum, meets local codes.</i>	
ACTIVITY	2003 City Funding Priority
<u>Activity 4:</u> Continue support for housing rehabilitation programs through local funding and pursuit of state and federal funds provided for this purpose.	2.67
<u>Activity 5:</u> Continue support for the City's rental housing inspection programs to enforce the City's housing codes	2.78
<u>Activity 6:</u> Support education of property owners about the value of proactive code compliance for their property and neighborhood.	2.44

<u>Activity 7:</u> Use the Ourstreet Program to provide target existing housing and housing-supportive programs in particularly deficient areas targeted neighborhoods of the City, and develop and fund new programs to meet needs that are identified in those areas.	2.50
<u>Activity 8:</u> Continue to develop lead-based paint and asbestos education programs that help owners of older homes recognize potential lead and asbestos hazards and learn effective strategies to manage or eliminate the hazards.	2.06
<u>Activity 8:</u> Facilitate non-profit organizations experienced in housing to purchase scattered-site vacant properties and work with building suppliers and contractors to rehabilitate them at a lowered cost allowing sale of such properties at an affordable price to City residents. (note: Activity 8 combined into Activity 2)	Activity Deleted
<i>Affordability</i> – Residents of the City of Holland will have the opportunity to live in housing which costs 30 percent or less, including utilities, of the household's gross income.	
ACTIVITY	2003 City Funding Priority
<u>Activity 9:</u> Improve housing affordability by assisting housing owners to utilize energy conservation programs provided by utility companies and to make wise investments in energy conservation measures that reduce the housing cost for the residents.	2.44
<u>Activity 10:</u> Explore the formation of an areawide housing authority as a way to address the affordability of quality rental housing on an areawide basis.	2.00
<u>Activity 11:</u> Promote affordable scattered-site housing development through partnerships involving financial institutions, non-profit organizations, corporate sponsors, state and federal funding programs, and the City of Holland.	2.22
<u>Activity 12:</u> Monitor state and federal programs and legislation for affordable housing and maintain contact with state and federal legislators to inform them of successful programs that should be maintained to meet housing needs in the community.	2.56
<u>Activity 13:</u> Continue and promote housing education programs that inform the community of the needs for housing, solutions that the community can be involved in, and the programs and resources currently available to help low-income residents obtain and maintain housing.	2.44
<i>Housing Options</i> – There will be an adequate opportunity for all residents of the City to live in housing sized to meet their needs in a variety of neighborhoods.	
ACTIVITY	2003 City Funding Priority
<u>Activity 14:</u> Develop incentives for incorporating an affordable housing component in every development over 10 units. Publicize the benefits of the policy to educate the public and gain their support for the regulations.	1.44
<u>Activity 15:</u> Support housing developments that provide a mix of unit sizes and cost ranges. Put emphasis on adding small efficiency units and large family units to address identified shortfalls in those areas of the housing stock.	1.89
<u>Activity 16:</u> Work with developers to identify areas and incentives in the downtown neighborhoods that would be appropriate for housing development that brings a diverse mix of incomes and in particular, attract upper and middle income households into the downtown neighborhoods.	2.33
<u>Activity 17:</u> Support fair housing education and training, testing, and enforcement to assure access to all available housing options by all residents of the City.	2.44

Homelessness - There will be an adequate number of housing units and services available to residents of the City experiencing an emergency housing crisis.

ACTIVITY	2003 City Funding Priority
<u>Activity 18:</u> Support existing emergency housing shelter programs and help establish a system for providing unduplicated counts of homeless shelter use. Ask agencies to provide intake information showing where shelter users are coming from and why households are becoming homeless.	2.11
<u>Activity 19:</u> Work with non-profits to meet the need for more transitional housing services on a city and area-wide basis.	2.33
<u>Activity 20:</u> Continue support for existing homeless prevention programs that provide security and utility deposits, rent needed to prevent eviction and other short term needs that could render a household homeless. Provide additional services and training programs such as credit counseling and job training and placement assistance that seek to break the cycle of homelessness.	2.33
<u>Activity 21:</u> Assist in the development of an area-wide youth runaway shelter/halfway house.	1.78

Non-Housing Missions:

Special Needs – There will be adequate services available for those residents of the City with special needs involving housing, health, safety or welfare.

ACTIVITY	2003 City Funding Priority
<u>Activity 22:</u> Support substance abuse programs and upgrade existing services and facilities and assist program development to address unmet needs for women, seniors, and youth.	2.00
<u>Activity 23:</u> Work with MACC community-based organizations to facilitate the provision of scattered-site, area-wide special needs housing including group homes, independent living, transitional housing and chronic long-term care housing.	2.44
<u>Activity 24:</u> Assist organizations serving special need populations to develop and/or expand home-based services as an alternative to institutionalization to reduce the overcrowding at institutions, save money and provide a better environment for several special needs populations.	2.22
<u>Activity 25:</u> Continue support for advocacy programs that connect minorities and other limited English-speaking households with services they need.	2.44
<u>Activity 26:</u> Continue support for senior services that improve the quality of life, assist with daily needs, and enrich the leisure time of seniors.	2.67
<u>Activity 27:</u> Encourage the development and operation of programs, services and facilities to meet the needs of abused and neglected children.	2.78
<u>Activity 28:</u> Support programs which help released prisoners re-enter society through services such as substance abuse treatment and prevention, life skills training, job training and other assistance.	1.72

Financial Assistance & Economic Development - There will be adequate short-term assistance available for residents of the City with financial needs that threaten health, safety or welfare and long-term assistance to upgrade household earned income to an adequate level.

ACTIVITY	2003 City Funding Priority
<u>Activity 29:</u> Encourage the cooperation of local businesses, the Chamber of Commerce, HEDCOR, existing job training agencies, non-profit organizations, and the City local governments to consider small business development opportunities for residents and to promote existing job training that will connect low-income residents with higher paying skilled jobs. that are currently available and to fill jobs resulting from future economic development.	2.56

Activity 30: Identify critical short-term financial needs of low-income households, identify and potential funding sources for low-income households and coordinate improve grant writing and program delivery through regular coordination meetings.	1.61
Commercial Assistance/ Economic Development - There will be adequate assistance and incentives provided for rehabilitation of deteriorated downtown and neighborhood commercial and historic properties to improve and enhance the viability of that area and the surrounding neighborhoods.	
ACTIVITY	2003 City Funding Priority
Activity 31: Support commercial revitalization programs that maintains or improves infrastructure requirements, the availability and visual impact of needed commercial areas and historic buildings both downtown and in neighborhoods through infrastructure and storefront building improvement programs.	2.67
Community Services - There will be adequate public services, facilities and infrastructure to meet the needs of the residents of the City and provide for a quality living environment.	
ACTIVITY	2003 City Funding Priority
Activity 32: Encourage and provide assistance to neighborhood initiated planning to identify gaps in community services and develop plans and funding to address those issues.	2.50
Activity 33: Work with all schools located within the City of Holland to develop quality neighborhood schools that also function as neighborhood centers.	2.44
Activity 34: Develop plans to improve existing school playgrounds and/or acquire additional park and recreational facilities needed in underserved areas of the City with particular attention given to areas with large amounts numbers of children.	2.56
Activity 35: Work with the MACC area to enhance the MAX transportation system to provide a viable alternative to automobile usage.	2.56
Activity 36: Continue support for youth services such as mentoring, athletic activities, educational assistance and other youth development programs. Encourage coordination among youth service agencies and determine the need for development of a youth services facility with expanded programs and services.	2.44
Activity 37: Continue support for existing child care programs that provide latch-key child care and with educational support before and after school; and provide assistance to cover start-up costs for neighborhood child care centers that offer infant day-care. and/or	2.44
Activity 38: Support the operation and development of adequate health care facilities and services in the downtown neighborhoods.	2.33
Activity 39: Continue support for programs which strengthen families through the provision of by improving parenting skills, and providing counseling and other supports assistance.	2.67
Activity 40: Support the operation of dispute resolution programs to promote good relations within neighborhoods, families and community.	2.28
Activity 41: Support the identification and remediation of existing barriers that prohibit or discourage persons with disabilities from accessing private and public facilities, businesses and residences.	2.22
Activity 42: Support the provision of food and emergency assistance to Holland City residents experiencing food insecurity.	2.17

Priority Note:

When reviewing goals and objectives that have been prioritized, point values of 2.5 or greater indicate an activity would likely be funded; point values ranging from 1.5 to 2.5 indicates the activity could be funded if dollars are available; and point values below 1.5 generally indicate activities are unlikely to be funded by the City.

City Council Goals and Objectives

ACTIVITY	CITY \$ PRIORITY (Average of City Council points)
A. NEIGHBORHOODS/HOUSING To continue to strengthen and encourage the City's neighborhoods through the following:	
1) Neighborhood Watch - consult with Neighborhood Liaison and Steering Committee to encourage City-wide expansion.	2.75
2) Encourage neighborhood-centered schools.	1.86
3) Continue to develop and expand OURSTREET and the HOMECOR public/private partnership, for neighborhood improvement programs.	2.875
4) To better utilize Holland Area Beautiful in the core city.	2.125
5) To explore the concept of Preservation Districts.	2.125
6) To implement the action plans in the Consolidated Plan and Housing Advisory Plans	2.75
7) To develop Walk-to-Work homeownership program - both public and private.	2.375
8) To promote home ownership opportunities where possible and feasible, and to review down payment assistance incentives.	2.625
9) To address staffing and concerns of duplication among City departments and outside non-profit agencies involved with housing issues, programs and policies.	2.625
10) To encourage the involvement of the court in dealing with persons convicted of crimes in neighborhoods.	2.125
ACTIVITY	CITY \$ PRIORITY (Average of City Council points)
B. CONTINUE AND INCREASE CITY SUPPORT NEEDED TO STRENGTHEN THE FAMILY AND ENCOURAGE PARENTAL RESPONSIBILITY - Action:	
* To carefully review City programs which impact the strength of the family, and offer the support of City services where appropriate, including the following:	
1) Evaluate tax abatement programs and impact on the wage structure.	1
2) Review growth and employment plans with the Chamber of Commerce and HEDCOR.	2.14
3) Additional community education and outreach by Council and staff.	2.14
4) To implement the recommendations of the Youth and Family Task Force Report.	2.67
5) To continue to work closely with the school systems in developing positive programs which support the decisions made by the youth of the community through the Partnership and Community Service Programs.	2.125
6) To work with the schools and churches to encourage the use of their facilities for youth activities.	2.5

7)	To continue to deal with the family issues in the areas of gangs, drugs, crime, recreational/multi-cultural opportunities, upgrading of neighborhood parks, and funding for social service activities.	2.75
8)	To review youth activities and the need for transportation associated with such activities.	2.125
9)	To increase family recreation opportunities.	2
10)	To promote and participate in cultural diversity and ethnic awareness programs through joint efforts of the City's HRC and school programs.	2.14
11)	To develop more youth winter activities and facilities.	2.375
12)	To continue to evaluate the performance of agencies receiving funding through the Community Social Services budget.	2.75
C. AREA COOPERATION - Action:		
* To continue membership in the Macatawa Area Coordinating Council and to pursue intergovernmental cooperation between the City and its neighboring governmental units in the following areas:		
1)	Financial support for area-wide services.	2.375
3)	Youth and Family issues.	2.625

Youth and Family Activities

<i>For preschool children and their families:</i>	
ACTIVITY	CITY \$ PRIORITY (Average of City Council points)
YFTF Activity #1: Begin a Success By Six program in Holland.	2
YFTF Activity # 2: Work with the hospital, local pediatricians, human service agencies, and others who come into contact with families of preschoolers to expand significantly the number of new parents who complete parenting education classes such as the Bavolek program.	2.125
YFTF Activity # 3: Develop a greater awareness of the needs of families, and promote awareness of the resources available to them by organizing an annual "Family Week".	1.875
<i>For elementary school children and their families:</i>	
YFTF Activity # 4: Bring together all those who offer programs for elementary school children in order to eliminate barriers that often exclude precisely those children who would benefit most from participating.	1.875
YFTF Activity # 5: Offer financial and other supports to the "School-Linked Services" model and should work with social service agencies and the Holland Public Schools to implement programs in each of our elementary schools.	2
<i>For middle school students and their families:</i>	
YFTF Activity # 6: Bring together all those in Holland who currently are involved in programs for middle school students.	1.86
YFTF Activity # 7: Ensure that <i>all</i> middle school students have access to programs in sports, music, art, drama, dance, academic assistance (e.g., help with homework), and computer-based instruction. Such programs need to be available after school during the school year and as part of a comprehensive summer program for young adolescents.	1.57
YFTF Activity # 8: Include service projects as an important part of any systematic program developed for middle school students.	2.29

YFTF Activity # 9: Build a youth center in Holland.	1.71
<i>For high school students and their families:</i>	
ACTIVITY	CITY \$ PRIORITY
YFTF Activity # 10: Help high school students find summer jobs in the private sector.	1
YFTF Activity # 11: Work with local schools, colleges, and businesses to provide every high school student an opportunity to explore a variety of educational and vocational options.	1.25
YFTF Activity # 12: Expand opportunities for community service.	2.29
YFTF Activity # 13: Bring together a wide variety of local groups to assist them in including high school students in appropriate projects and activities.	2.25
YFTF Activity # 14: Bring together parents, churches, schools, and youth organizations to design and support effective programs to help high school students learn how to develop healthy interpersonal relationship skills.	1.87
<i>For young people no longer in school:</i>	
YFTF Activity # 15: Sponsor a study of recent high school graduates to learn whether Holland affords them appropriate opportunities to work and establish themselves in the community.	1.875
YFTF Activity #16: Bring together all those who work with adolescents in Holland and explore the possibility of a significantly expanded alternative education program for students at risk for dropping out.	2
<i>General considerations:</i>	
YFTF Activity # 17: Approach each of the recommended endeavors with sensitivity to the fact that we live in a diverse community, but we have not yet come to grips with the many implications of our diversity.	2.25
YFTF Activity #18: Strengthen existing ordinances regarding the upkeep of residential property and ensure that they are enforced.	3
YFTF Activity # 19: Ensure that the police department has sufficient personnel and adequate resources to implement community-based law-enforcement procedures so that Holland's families can live without fear of crime.	3

Housing Goals and Policies

ACTIVITY	CITY \$ PRIORITY (Average of City Council points)
Objective 1: Stabilize and Improve Existing Neighborhoods	
2. Neighborhood Organizing and Planning	
a. Support Neighborhood Watch and Neighborhood organizing activities	2.875
b. Support OurStreet in creating Good Neighborhoods	2.875
c. Provide City assistance in organizing neighborhood associations	2.25
d. Assist neighborhood-initiated planning, development of specific plans	2.375
e. Develop funding sources for planning & making neighborhood improvements	2.25
f. Implement Geographic Information Systems and relational databases	2.125
g. Implement a neighborhood design assistance program with financial incentives	2.25
3. Property Values and Housing Cost	
a. Develop conservation district program for non-historic neighborhoods	1.75
b. Evaluate historic character, initiate additional historic distinct designation	1.875
c. Amend zoning ordinance to allow flexibility, home improvements, maintain community character	2.5
d. Develop "shared-risk" financial assistance program to facilitate basic property improvements for all homeowners	2.143
4. Homeownership	
a. Provide incentives for conversion of rental property to owner occupied	2.625
b. Assist tenants to purchase and rehabilitate properties in which they live	2.125
c. Promote the 1031 Property Exchange program as a method to encourage targeted improvements.	2
d. Revise ordinances/standards to allow quality development at reduced cost	2

ACTIVITY	CITY \$ PRIORITY
e. Develop low-interest acquisition and improvement loans	1.875
f. Provide downpayment assistance coupled with budget & ownership counseling	1.875
g. Develop, promote model employer-assisted housing programs	1.75
5. Rental Housing	
a. Target rental rehab assistance to properties not readily convertible to owner occupied single family	2.5
b. Support/facilitate rental inspection/certification programs	2.875
c. Facilitate improved rental management	2.25
d. Empower neighborhoods to impact poorly managed or maintained "problem" properties	2.75
e. Continue tenant/landlord rights & responsibilities program	2.75
6. Geographic Income Distribution	
a. Attract diverse income base in all neighborhoods. In particular, increase middle and upper income households in Downtown Neighborhoods	2.375
b. Provide affordable housing choices in new housing outside Downtown Neighborhoods, encouraging deconcentration of low income through increased and distributed housing choices.	2.375
c. Research and pursue other innovative programs that foster deconcentration of low income households	2.5
7. Fair Housing Standards and Enforcement	
a. Support the Human Relations Commission to educate the community and enforce fair housing standards	2.5
b. Study housing discrimination throughout MACC, evaluate effect on city housing programs	2.125
c. Promote uniform standards/enforcement of fair housing throughout MACC	2.5
ACTIVITY	CITY \$ PRIORITY
8. Property Condition and Quality	

a. Code Compliance (1) Review Basic Property Maintenance Code to determine if minimum standards are adequate to meet expectations for safe, decent housing	2.625
(2) Support rental inspection program/expedite enforcement follow through	2.75
(3) Initiate Owner-occupied inspection program	1.625
(4) Secure occupants for or eliminate "terminally-vacant" structures	2
(5) Support/expand civil infraction program	2.875
(6) Support hearing officer program	2.625
(8) Develop education and abatement assistance programs for dealing with Hazardous Materials	2.143
b. Assistance (1) Assist repair & maintenance of owner-occupied/targeted rental prop.	2
(2) Develop program to encourage owners of rental properties to sell properties they are unable to maintain to owner-occupants	2.857
(3) develop program to condemn/acquire derelict properties for subsequent improvement	2.625
c. Compatibility and design character (1) Maintain architectural integrity, consider conservation district program	2
(2) Assure design compatibility, consider in-fill design standards (see 3a)	1.625
(3) Offer design assistance, rebates, favorable financing (see 2g)	2
d. Education (1) Develop bilingual handbook detailing ordinances and policies regarding maintenance, neighborhood quality and character	1.625
(2) Support on-going property maintenance/improvement education programs	2.375
9. Alleviate Over-crowding	
a. Review standards for unit occupancy, monitoring and enforcement procedures	2.625
b. Review policies for number of occupants within student housing	2.625
ACTIVITY	CITY \$ PRIORITY
c. Solicit landlord participation in establishing, monitoring occupancy limits	2.625
10. Promotion	

a. Create community handbook to promote good neighborhoods	2.25
b. Make targeted assistance more accessible, available to eligible residents	2
c. Promote neighborhood activities, events	2.25
d. Establish comprehensive neighborhood marketing program	1.429
1).Preferred agent/broker program with special training	
2).Establish housing location assistance office	.75
3).Develop affirmative marketing program targeting diverse residents in each neighborhood	1
4).Develop positive public relations program	1.75
e. Develop neighborhood promotional and informational materials	1.714
11. Holistic Planning	
a. Consider housing & neighborhood improve. as the highest priority when considering decisions in related areas (schools, transp. & traffic, recreation & open space, comm. develop., comm. & social services, & public infrastructure improvements)	2.667
12. Zoning Ordinance Revision	
a. Consider three-tier zoning approach	2.5
1).Base level of requirements	
2).Flexibility through performance standards	2.5
3).Detailed new Planned Neighborhood Development Zoning	2.333
Objective 2: Create Good Neighborhoods	
2. Mixed-use Development	
a. Integrate housing of various sizes into mixed-use development	1.875
b. Review/revise ordinances where necessary to allow and encourage mix of uses	2.167
ACTIVITY	CITY \$ PRIORITY
3. Building re-use	
a. Consider residential uses in the redevelopment of existing non-residential buildings	2.375
4. Affordable housing as a component of new development	

a. Integrate affordable housing as 10-15% of new residential construction	2
b. Develop policy statement/commitment in City/MACC that prohibits further development segregating low/moderate income residents	2.25
5. Rental housing	
a. Educate developers/property owners about expectations for appropriate mix of housing	2.429
b. Develop strategies/zoning changes to assure consistency with policies of appropriate mix	2.167
c. Examine rental management policies for new development to assure proper management	2.5
6. New housing and large scale in-fill housing developments	
a. Assure compatible character of new housing through development standards	2
b. Encourage innovation and creativity in achieving "good neighborhoods"	2.5
c. Encourage attractive mixed-income "small city" densities	2.333
7. Expanding city boundaries	
a. Where City boundaries expand, include residential uses where possible	2.857
b. Incorporate transportation-orientated development where possible	2.429
c. Integrate housing with neighborhood-supportive commercial and recreational uses	2.857
8. Related concerns see Objective 1: 11a2.5	
9. Environmental contamination	
a. Develop an aggressive policy and supportive funding source to improve contaminated sites	2.5
10. Zoning ordinance revision, see Objective 1: 12a, with emphasis on (3)	
ACTIVITY	CITY \$ PRIORITY
Objective 3: Promote Area-Wide Responsibility	
1. Regional Responsibility	
a. City aggressively support, participate in, and provide leadership to area-wide	2.714

planning effort.	
b. Advocate for more formal and permanent area-wide coordination, cooperation in developing "good neighborhoods"	2.571
c. Participate in educating the community regarding housing and "good neighborhood" issues	2.429
2. Growth management policies	
a. Develop area-wide land use & transportation policies which provide diverse housing opportunities, prevent sprawl, reduce reliance on automobile, develop more cohesive neighborhoods	2.429
b. Develop area-wide housing authority to provide scattered site assistance for low and moderate income and special needs residents	1.429
c. Develop area-wide "fair share" housing policy: (1) Integrate low/mod at scattered sites throughout area	2
(2) Distribute cost and location of special-needs housing	2
d. Develop a model Planned Residential Development ordinance - goal oriented toward "good neighborhoods"	2.143
e. Assure fair housing standards and enforcement are consistent	2.286
3. Mixed-use Development	
a. Review land use, zoning, building codes and other regulations to assure integration of housing into mixed-use developments is facilitated.	2.429
4. Emergency Housing	
a. Establish system for providing counts of homeless shelter use and need	1.625
b. Address need for more transitional housing units on area-wide basis	2.5
c. Support existing emergency housing shelter programs and encourage provision on area-wide basis	2.5
ACTIVITY	CITY \$ PRIORITY
d. Support homeless prevention programs. Provide additional services/programs to break cycle of homelessness	2.25
5. Special needs housing	
a. Support programs to enable those with special needs to remain in homes	2.375

b. Address need for additional housing units for individuals with special needs on area-wide basis	2.375
c. Develop area -wide transportation services	2.25
6. Related issues - See Objective 1: 11a for issues which must be considered at the area-wide level	

STATEMENT REGARDING FUNDING FOR OUTSIDE AGENCIES FROM THE CITY OF HOLLAND GENERAL FUND BUDGET

The City of Holland will provide General Fund financial support and encouragement for the social, economic, and cultural wellbeing of the community at the discretion of City Council. Such requests for funding shall be evaluated against the following guidelines:

I. Community Social Services Assistance

Support and encouragement to enhance the social wellbeing of the community will be provided to organizations whose application program objectives are compatible with and help to advance the goals and objectives contained in the Consolidated Plan, Youth and Family Task Force Report, and the goals and objectives established by the Holland City Council during their annual retreat. Such objectives will be included as a part of the application process, and agencies will be asked to define the relationship of their program to these objectives. Agencies who provide direct service to local residents, which might otherwise have to be provided by the City of Holland, will have priority consideration in this category.

Applications in this category will be part of an integrated process with the Community Development Block Grant (CDBG) program. A single application form will be available for agencies requesting either CDBG funds or Community Social Services Assistance through the City General Fund. The City of Holland will reserve the right to determine the source of funds utilized to better allocate funding resources and comply with regulations and record keeping required. The applications will be reviewed by a subcommittee of members of the City Council. Final approval of the allocations will rest with the City Council.

II. Provision of Matching Funds – *The provision of matching funds does not apply to awards for capital projects unless specifically provided during the award process.*

The City of Holland will provide an additional allocation of funds, up to the amount of the annual allocation approved by the City Council, as a match to financial contributions received by the Agency from any neighboring townships. The match will be available to social/human service agencies and cultural organizations, unless otherwise specified and determined by the City Council. The match will be provided on a two-to-one basis (i.e., \$2.00 will be provided by the City for each \$1.00 contributed by a township) up to the amount of the initial appropriation. In no event, however, shall the total funds paid by the City, including the original appropriation and any matching funds, exceed the amount of the agency's request for that year.

NOTE: This policy does not address either Cultural Activities nor Economic Development Assistance. Cultural Activities Assistance applications will be made to and considered by the Leisure and Cultural Services Commission. Economic Development applications for assistance will be made to and considered by the City Council.

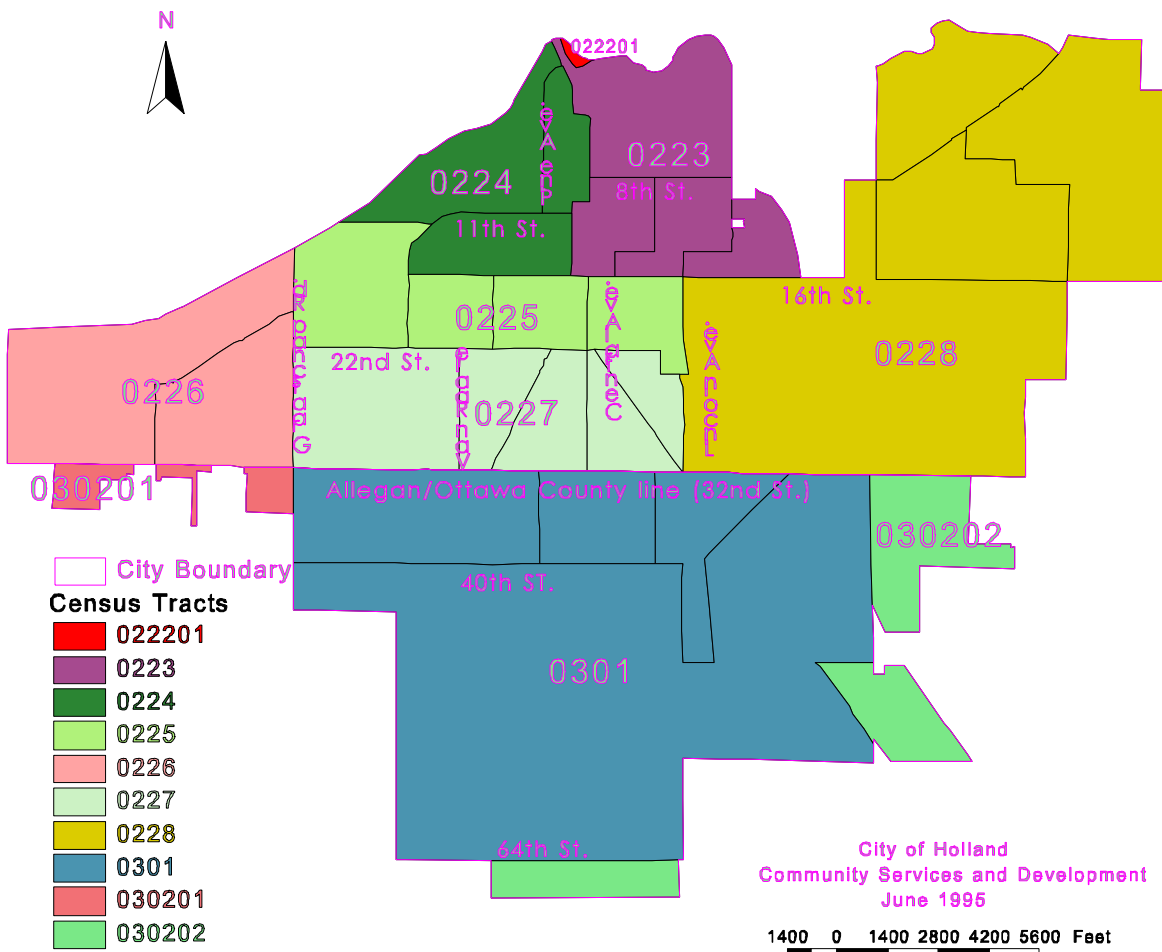
Community Development Block Grant Program (CDBG)

HOUSEHOLD INCOME GUIDELINES

Prepared 12-10-01

<u>Family Size</u>	<u>VVLI</u> <u>30%</u>	<u>VI</u> <u>50%</u>	<u>LI</u> <u>80%</u>
1	\$12,850	\$21,450	\$34,350
2	\$14,700	\$24,500	\$39,250
3	\$16,550	\$27,600	\$44,150
4	\$18,400	\$30,650	\$49,050
5	\$19,850	\$33,100	\$52,950
6	\$21,350	\$35,550	\$56,900
7	\$22,800	\$38,000	\$60,800
8+	\$24,250	\$40,450	\$64,750

City of Holland Census Tracts



COMMUNITY DEVELOPMENT BLOCK GRANT REGULATIONS GOVERNING ELIGIBILITY FOR FUNDING
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§ 570.201 **Basic eligible activities.**

CDBG funds may be used for the following activities:

- (a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207.
- (b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in § 570.504.
- (c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in § 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in § 570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in § 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals; nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in § 570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in § 570.200(b).
- (d) *Clearance activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.

(e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer downpayment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in § 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

- (i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus
- (ii) a portion of the grant received for the program year which is the highest of the following amounts:
 - (A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;
 - (B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;
 - (C) The amount of funds it obligated for public services in the 1982

program year; or,

- (D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.*

- (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:
 - (i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and
 - (ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.
- (2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:
 - (i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;
 - (ii) The clearance of streets, including snow removal and similar activities, and
 - (iii) The improvement of private properties.
- (3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under Title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in § 570.801.

(i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations

where the assistance is

- (1) required under the provisions of § 570.606 (b) or (c); or
 - (2) determined by the grantee to be appropriate under the provisions of § 570.606(d).
- (j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.
- (k) *Housing services.* As provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).
[Statutory text: housing services, such as housing counseling in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.]
- (l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.
- (m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.
- (n) *Homeownership assistance.* Until October 1, 1995, CDBG funds may be used to provide direct homeownership assistance to low- and moderate-income households to:
- (1) Subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers;
 - (2) Finance the acquisition, by low- and moderate-income homebuyers, of housing that is occupied by the homebuyers;
 - (3) Acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that CDBG funds may not be used to guarantee such mortgage financing directly, and grantees may not provide such guarantees directly);
 - (4) Provide up to 50 percent of any downpayment required from a low- or moderate-income homebuyer; or
 - (5) Pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low- or moderate-income homebuyer.

(o) *Microenterprise Assistance**

- (1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:
 - (i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;
 - (ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and
 - (iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.
- (2) Services provided under this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.
- (3) For purposes of this paragraph (o), "persons developing microenterprises" means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.
- (4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

**Jan. 5, 1995, published regulation inadvertently omitted the paragraph heading.*

(p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under § 570.205.

(q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

[53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 17, 1988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995]

§ **570.202 Eligible rehabilitation and preservation activities.**

- (a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:
- (1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
 - (2) Low-income public housing and other publicly owned residential buildings and improvements;
 - (3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations (further improvements to such buildings may be undertaken pursuant to § 570.203(b));
 - (4) Nonprofit-owned nonresidential buildings and improvements not eligible under § 570.201(c); and
 - (5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.
- (b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.
- (1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
 - (2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security

devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;

- (3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;
- (4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
- (5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;
- (6) Connection of residential structures to water distribution lines or local sewer collection lines;
- (7) For rehabilitation carried out with CDBG funds, costs of:
 - (i) Initial homeowner warranty premiums;
 - (ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and
 - (iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to § 570.605.
 - (iv) Procedures concerning inspection and testing for and abatement of lead-based paint, pursuant to § 570.608.
- (8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
- (9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;
- (10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

- (11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.
- (c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.
- (d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.
- (e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.
- (f) *Lead-based paint hazard evaluation and reduction.* Lead-based paint hazard evaluation and reduction as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851b).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995]

§ 570.203 Special economic development activities.

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart which may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

- (a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

- (b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.
- (c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995]

§ 570.204 Special Activities by Community-Based Development Organizations (CBDOs).

- (a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:
 - (1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;
 - (2) Community economic development project includes activities that increase economic opportunity, principally for persons of low and moderate income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii);
 - (3) Energy conservation project includes activities that address energy

conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

- (4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.
- (b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:
- (1) Carrying out an activity described as ineligible in § 570.207(a);
 - (2) carrying out public services that do not meet the requirements of § 570.201(e), except that:
 - (i) services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and
 - (ii) services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in § 570.201(e)(1) or (2), as applicable;
 - (3) Providing assistance to activities that would otherwise be eligible under § 570.203 that do not meet the requirements of § 570.209; or
 - (4) Carrying out an activity that would otherwise be eligible under § 570.205 or § 570.206, but that would result in the recipient's exceeding the spending limitation in § 570.200(g).
- (c) *Eligible CBDOs.*
- (1) A CBDO qualifying under this section is an organization which has the following characteristics:
 - (i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

- (ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and
 - (iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and
 - (iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and
 - (v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and
 - (vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and
 - (vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and
 - (viii) Is free to contract for goods and services from vendors of its own choosing.
- (2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:
- (i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or
 - (ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

- (iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

- (3) A CBDO that does not qualify under paragraphs (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying paragraph (c)(1) or (c)(2) of this section.

[60 FR 1944, Jan. 5, 1995]

NATIONAL AND PRIMARY OBJECTIVES

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Compliance with national objectives. Grant recipients under the Entitlement and HUD-administered Small Cities programs must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight; the projected use of funds may also include activities which the recipient certifies are designed to meet 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 where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement and HUD-administered Small Cities programs must ensure, and maintain evidence, that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are contained at § 570.208.

Compliance with the primary objective. The Act establishes as its primary objective 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. Consistent with this objective, Entitlement, HUD-administered Small Cities, and Insular area recipients must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or § 570.208(d)(5) or (6) for benefiting low- and moderate-income persons.

§ 570.208 **Criteria for national objectives.**

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under § 570.200(a)(2):

- (a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a)(1), (2), (3), or (4) of this section as applicable, will be considered to benefit low- and moderate-income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate-income persons to the exclusion of low-income persons.)

- (1) *Area benefit activities.*

- (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.
- (ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under § 570.208(a)(1)(i) except that the area served contains less than 51 percent low- and moderate-income residents will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of low and moderate-income persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose as follows:
 - (A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low- and moderate-income persons to the block group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.
 - (B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.
 - (C) The proportion of low- and moderate-income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low- and moderate-income persons at or above this level shall be considered to be within the highest quartile.
 - (D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.
- (iii) An activity to develop, establish, and operate for up to two years after the establishment of a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient

obtains prior HUD approval. To obtain such approval, the recipient must:

- (A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;
- (B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, enumeration districts, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;
- (C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and
- (D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or enumeration districts), the total

number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

- (iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in § 570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.
- (v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.
- (vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraphs (a)(1)(i), (ii), or (vii)* of this section, the most recently available decennial census information shall be used to the fullest extent feasible, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does 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, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.
- (vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but

in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

* Nov. 9, 1995, published regulation inadvertently failed to change the reference from (v) to (vii).

(2) *Limited clientele activities.*

- (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:
 - (A) Benefit a clientele who are generally presumed to be principally low- and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
 - (B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or
 - (C) Have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
 - (D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.
- (ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it

is restricted, to the extent practicable, to the removal of such barriers by assisting:

- (A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;
 - (B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or
 - (C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.
- (iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.
- (iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:
- (A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and
 - (B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.
- (3) *Housing activities.* An eligible 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. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing

construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of § 570.208(d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low- and moderate-income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining "affordable rents" for this purpose. The following shall also qualify under this criterion:

- (i) When less than 51 percent of the units in a structure will be occupied by low- and moderate-income households, CDBG assistance may be provided in the following limited circumstances:
 - (A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;
 - (B) Not less than 20 percent of the units will be occupied by low- and moderate-income households at affordable rents; and
 - (C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low- and moderate-income households.
 - (ii) When CDBG funds are used to assist rehabilitation eligible under § 570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low- and moderate-income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low- and moderate-income persons.
 - (iii) When CDBG funds are used for housing services eligible under § 570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.
- (4) *Job creation or retention activities.* An activity designed to create or retain

permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

- (i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.
- (ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:
 - (A) The job is known to be held by a low- or moderate-income person; or
 - (B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.
- (iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:
 - (A) 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
 - (B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.
- (iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:
 - (A) He/she resides within a census tract (or block numbering area) that either:
 - (1) Meets the requirements of paragraph (a)(4)(v) of this section; or
 - (2) Has at least 70 percent of its residents who are low- and

moderate-income persons; or

- (B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.
- (v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)(1) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:
 - (A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;
 - (B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and
 - (C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:
 - (1) All block groups in the census tract have poverty rates of at least 20 percent;
 - (2) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or
 - (3) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.
- (vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:
 - (A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

- (B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.
- (C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.
- (D) Where CDBG funds are used for activities meeting the criteria listed at § 570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.
- (E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.
- (F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.
 - (1) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, **provided** that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.
 - (2) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)(1) of this section) is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation

must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at § 570.209(b).

- (b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:
- (1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:
 - (i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
 - (ii) Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
 - (iii) Documentation is maintained by the recipient on the boundaries of the area and the condition which qualified the area at the time of its designation; and
 - (iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).
 - (2) *Activities to address slums or blight on a spot basis.* Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

- (3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:
- (i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to Title I of the Housing Act of 1949; and
 - (ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b)(1) and (2) of this section, any rehabilitation activity which benefits low- and moderate-income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

- (c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.
- (d) *Additional criteria.*
 - (1) 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. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under § 570.505.
 - (2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may

qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low- and moderate-income persons.

- (3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low- and moderate-income persons.
- (4) CDBG funds expended for planning and administrative costs under § 570.205 and § 570.206 will be considered to address the national objectives.
- (5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of § 91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:
 - (i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and,
 - (ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.
- (6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:
 - (i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and
 - (ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.
- (7) Where an activity meeting the criteria at § 570.209(b)(2)(v) may also meet the

requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraph (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

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