

UNDERSTANDING THE CDBG PROGRAM

FACT SHEET

FY 2020/22

The Community Development Block Grant (CDBG) program is funded by the federal government through the Department of Housing and Urban Development (HUD). The **primary objective** of this program is to help develop viable urban communities through the provision of **decent housing, a suitable living environment, and economic opportunity, principally for low- and moderate-income persons.**

ANY activity you propose to accomplish with CDBG funds **MUST** meet one of three **National Objectives**:

- 1. Benefit low and moderate income persons**— (typically, all applications fall under this category)
- 2. Aid in the prevention or elimination of slums and blight** — These are activities that help to prevent or eliminate slums or blighted conditions in a designated area, on a spot basis, or within an urban renewal area. There are restrictions on what specific activities are permitted.
- 3. Urgent need**— These involve activities that meet other community development needs having a particular urgency because existing conditions pose a serious threat to the health and welfare of the community and other financial resources are not available to meet such needs. This is very rarely used and only applies in an extreme emergency.

A minimum of **seventy percent (70%) of CDBG funds, not including administrative costs, must support activities that benefit lower income persons.** Activities meeting this requirement are those which:

- Serve all residents in a particular **area**, where at least **51percent** of residents are low/mod income;
- Those, which benefit a **limited clientele**, as long as at least 51 percent are low/mod income. Under this category, income and family size must be clearly documented or else the income eligibility requirements must limit the activity to low/mod income persons or be of a nature and location that it can be concluded that primary clients are low/mod income. In addition, certain clientele are presumed by HUD to be low/mod income. They are: senior citizens, severely disabled adults, persons living with AIDS, battered spouses, abused children, the homeless, illiterate adults, or migrant farm workers.
- **Housing activities** which provide or improve permanent residential structures which will be occupied by low/mod income persons (if structure contains more than one unit, at least 51 percent must be low/mod income occupied); or
- **Job creation or retention activities** that create or retain permanent jobs, at least 51 percent of which will be made available to or held by low-mod income persons.

Cities over 50,000 in population, such as Antioch, Concord, Pittsburg, Richmond and Walnut Creek, participate in the CDBG Entitlement grant program, which is non-competitive. Entitlement grant amounts are based on: age of housing or amount of overcrowded housing, population, and poverty levels. The County also receives an entitlement grant on behalf of the cities within its boundaries that number less than 50,000 in population and which do not receive CDBG funds directly.

INCOME LIMITS

In order for a project or program to qualify for Community Development Block Grant (CDBG) funds, 51 percent of the program beneficiaries must be low and moderate income as defined by the U.S. Department of Housing and Urban Development (HUD). The following table reflects the HUD income limits for low and moderate-income families. The amounts listed in the Moderate-Income category are 80 percent of the Area Median Income for Contra Costa County.

Number in Household	1	2	3	4	5	6	7	8
30% AMI (extremely low-income)	\$26,050	\$29,750	\$33,450	\$37,150	\$40,150	\$43,100	\$46,100	\$49,050
50% AMI (very low-income)	\$43,400	\$49,600	\$55,800	\$61,950	\$66,950	\$71,900	\$76,850	\$81,800
80% AMI (low-income)	\$69,000	\$78,850	\$88,700	\$98,550	\$106,450	\$114,350	\$122,250	\$130,100

*U.S. Department of Housing and Urban Development, April 4, 2019.

PRIORITIES FOR CDBG PROGRAM

Localities identify pressing needs for their communities in their **Consolidated Plan** and through the Public Hearing process. Jurisdictions are free to select those activities to fund with CDBG monies that best meet the needs of their community in accordance with their Consolidated Plan, the national objectives, and requirements of the CDBG program and their local objectives.

ELIGIBLE ACTIVITIES FOR FY 2020/22

A wide variety of activities are eligible for CDBG funding. Please review the Application Review and Evaluation Procedures for each individual jurisdiction in the FY 2020/22 CDBG/ESG Application Guidelines