

**CITY OF BEND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Eligible and Ineligible Activities

Eligible Activities

In order to meet local needs within the national objectives, the CDBG Program provides a great deal of flexibility in the eligible uses of CDBG funds. The following is a summary of the range and types of activities that may be funded through the CDBG Program. The summary is not a complete list of eligible activities.

Basic Eligible Activities

According to federal CDBG regulations outlined at 24 CFR 570, the basic eligible activities include a variety of uses including homeownership activities, rental housing activities, public facilities, and public services. The following is a list of some of the types of uses that may be funded with CDBG dollars.

- Acquisition of real property by purchase, long-term lease, or donation
- Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Clearance, demolition, and removal of buildings and improvements
- Provision of public services, including but not limited to those concerned with drug abuse, crime prevention, drug abuse, education, homebuyer downpayment assistance, energy conservation and recreational needs
- Repairs to sidewalks, parks, playgrounds, publicly owned utilities and public buildings (in areas showing physical deterioration)
- Relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, non-profit organizations, and farm operations
- Housing services, including housing counseling, loan processing, and inspections
- Direct homeownership assistance to low- or moderate-income households

Rehabilitation and Preservation

- Rehabilitation of:
 - Privately owned buildings
 - Low-income public housing
 - Publicly or commercially owned industrial buildings
 - Non-profit owned non-residential buildings
 - Manufactured housing
- Code enforcement, including costs incurred for inspection for code violations and enforcement of codes in deteriorating or deteriorated areas.
- Historic preservation, including rehabilitation, preservation or restoration of publicly and privately owned historic properties.

Economic Development Activities

- The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings or real property.
- The provision of assistance (such as loans, grants, and technical assistance) to private non-profit business.
- Microenterprise assistance to facilitate economic development, including financial support (such as grants and loans), technical assistance, and counseling.

Activities by Community-Based Development Organizations (CBDOs)

- CDBG funds may be provided as grants or loans to any CBDO qualified to carry out neighborhood revitalization, community economic development, or energy conservation projects. CBDOs qualifying under HUD criteria are organizations organized under state or local laws to engage in community development activities in specific geographic areas within communities. The complete list of HUD criteria for qualifying as a CBDO can be found at 24 CFR 570.204.

Planning, Urban Environmental Design and Policy-Planning-Management-Capacity Building Activities

- Planning activities which consist of data gathering, studies, analysis, preparation of plans and the identification of actions that will implement such plans.
- Policy-planning-management-capacity building activities which enable a recipient to determine its needs, set goals and objectives, and devise, evaluate, and carry out projects and activities.

Ineligible Activities

In general, activities that are not specifically identified as eligible are considered by HUD to be ineligible. The following activities are specifically identified by HUD as activities that are not eligible for CDBG funding.

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- General government expenses
- Political activities
- Purchase of construction equipment, fire protection equipment, furnishings and personal properties
- Operating and maintenance expenses
- Income payments
- Construction of new housing

HUD Income Limits

HUD requires that at least 51% of those benefited by any activity funded with CDBG dollars must meet low- or moderate-income guidelines for the CDBG Program, as determined by HUD. HUD defines low-income households as those earning equal to or less than 50% of Area Median Income (AMI) and moderate-income households as those earning equal to or less than 80% AMI.

The current income limits for Deschutes County are shown below. Updated City of Bend income limits may be released in early 2005. Recipients of CDBG funding must meet the income guidelines at the time the funds are utilized. City staff will be able to provide funding recipients with updated income limits information.

Income threshold	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Area Median Income (AMI)	\$40,450	\$46,250	\$52,000	\$57,800	\$62,450	\$67,100	\$71,700	\$76,300
Moderate Income (80% AMI)	\$32,350	\$37,000	\$41,600	\$46,250	\$49,950	\$53,650	\$57,350	\$61,050
Low Income (50% AMI)	\$20,250	\$23,100	\$26,000	\$28,900	\$31,200	\$33,500	\$35,850	\$38,150
Extremely Low Income (30% AMI)	\$12,150	\$13,850	\$15,600	\$17,350	\$18,750	\$20,100	\$21,500	\$22,900