

Eligible Uses for Federal Funds: Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME)

CDBG

Each activity must meet one of the following national objectives for the program:

1. Benefit low- and moderate-income persons* ,
2. Prevention or elimination of slums or blight, or
3. Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

*At least 70% of total allocation must be used for activities benefitting low- and moderate-income persons.

Eligible Activities

CDBG funds may be used for activities which include, but are not limited to:

- Acquisition, relocation or demolition of real property for any public purpose;
- Rehabilitation of residential and non-residential structures;
- Construction or improvement of public facilities, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- Public services, within certain limits
 - Examples: child care, health care, recreation and education programs, public safety services, services for homeless, drug abuse counseling, etc.;
- Activities relating to energy conservation and renewable energy resources; and
- Economic development activities
 - Examples: assistance to for-profit and nonprofit businesses to carry out economic development and job creation/retention activities, job training programs, etc.
- Planning and program management activities
 - Examples: Neighborhood or comprehensive planning, historic preservation, program administration

HOME

HOME funds may be used to provide incentives to development and support of affordable housing:

- Homebuyer Down Payment Assistance Programs
- Programs and costs related to the development of non-luxury, affordable homeownership or rental housing. (Eligible costs could include site acquisition, demolition, site improvement, construction hard costs/soft costs, rehabilitation.)
- Homeowner Rehabilitation Assistance Programs

Note: 15 % of the Annual Grant must be allocated for housing development activities to be carried out by Community Housing Development Organizations.

HOME funds can also be used for tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their **Consolidated Plan** and justified under local market conditions. (Renter households currently assisted through the City's Housing Choice Voucher and Public Housing Programs.)