

**County of Union
Community Development Block Grant
Program Year 46**

September 1, 2020 to August 31, 2021

**General Requirement
Instruction Criteria for
Eligibility Ineligible Activities**



**Application Deadline
December 6, 2019
9:30AM**

**Please submit One (1) Original and Four (4) Copies
County of Union
Department of Economic Development
Division of Community Services
Administration Building, 3rd Floor
Elizabeth, New Jersey 07207**

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County Manager

Amy C. Wagner
Director, Economic Development

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Community Development Block Grant Program General Requirements

The Community Development Block Grant (CDBG) program, established by Title I of the Housing and Community Development Act of 1974, is a federal grant program of the Department of Housing and Urban Development (HUD), which provides funds to communities for neighborhood revitalization and improvement. A consortium of nineteen municipalities (not including the entitlement communities of the Township of Union and City of Elizabeth) have joined with the County in allocating monies for housing rehabilitation, public improvements, facility improvements, and social services for more than thirty years, accomplishing many diverse and successful programs and projects.

INSTRUCTIONS

1. All CDBG funded projects must **benefit low to moderate income persons, OR eliminate or prevent slums or blight.**
2. Each municipality **must conduct a public hearing** on applications being considered to receive citizen input on the proposed projects and to establish municipal priorities for the projects. Copies of the public notice and minutes of the public hearing must be submitted to the County- Department of Economic Development, Bureau of Community Development- no later than ten (10) days following the meeting. The priority listing of projects should be submitted along with proposals.
3. The **deadline** for receiving applications is Friday, December 6, 2019 at 9:30 a.m.
4. Applicants **must complete the Outcome Performance Measurement System**, which can be found in the application. The White House and Congress are seeking better justification for the use of HUD funds. This performance measurement system is designed to demonstrate the positive impact and success of HUD programs in clear and measurable terms. The ability to clearly demonstrate program results at a national level can have serious consequences on program budgets.
5. Please return **one original (1) and four (4) copies** of your completed applications to:

**County of Union
Department of Economic Development
Division of Community Services
Administration Building, 3rd Floor
10 Elizabethtown Plaza
Elizabeth, New Jersey 07207
Attn: Grace Minas**

6. Each application must be submitted in its own envelope. The original application and four copies of it must be placed inside this envelope. Please fill out the enclosed label and attach it to the back of the envelope. If submitting more than one application, the applications must be submitted in separate envelopes.
 7. **Non-Profits** must submit documentation of their legal status as a 501(C)(3) Corporation, a listing of their Board of Directors/Trustees or equivalent, and a copy of their latest audit. Failure to provide this information may result in your application being rejected.
 8. All Applicants must submit their **DUNS Number**.
 9. Complete the **"checklist"** to ensure that you have submitted all requested information. The checklist **MUST** be submitted with the application.
 10. Applicants may combine certain types of proposals. For example, if the applicant is requesting funding for a senior social service program and a senior bus program, one application can be submitted. Additionally, if an application is for performing several improvements to a senior center, it is okay to submit one application that includes all the activities rather than submitting separate applications for each activity.
 11. **This is a reimbursement program. Applicants who receive funding must provide proof of payment prior to receiving CDBG funds.**
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CRITERIA FOR ELIGIBILITY

The primary goal of the CDBG program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for persons of low and moderate income. This is to be achieved by ensuring that each funded activity meets one of three named **national objectives: benefiting low and moderate income (L/M) persons; preventing or eliminating slums or blight;** and meeting urgent needs. Before submitting an application, review the following detailed explanation of the three criteria so that you may better understand the guidelines which pertain to the funding of activities.

An activity that fails to meet one or more of the applicable tests for meeting a national objective is in *noncompliance* with CDBG rules.

1. ACTIVITIES BENEFITING L/M INCOME PERSONS

The criteria for how an activity may be considered to benefit L/M income persons are divided into four subcategories:

A. L/M Income Area Benefit

An area benefit activity is an activity which is **available to benefit all the residents of an area that is primarily residential**. In order to qualify as addressing the national objective of benefiting L/M income persons on an area basis, an activity must meet the identified needs of L/M income persons residing in an area where at least 45.8% of the residents are L/M income persons. The benefits of this type of activity are available to all residents in the area regardless of income. Typical area benefit activities include:

- Street improvements
- Water and sewer lines
- Neighborhood facilities

An activity may not qualify as meeting the area benefit objective on any other basis. For example, if the assisted activity is a park that serves an area having a L/M income concentration that falls below the required percentage, the activity may not qualify even if there is reason to believe that the park will actually be *used primarily* by L/M income persons.

For purposes of determining whether a particular area contains a sufficient percentage of L/M income persons to qualify an activity under these criteria, available information from the latest Census shall be used to the fullest extent feasible. The County has distributed census maps and information to each participating municipality showing low income census tracts/block groups and the percentage of persons who are L/M income.

Records to be Maintained:

- Boundaries of service area.
- Data showing the percentage of low and moderate income persons residing in the service area.
- Census data showing the tract/block group is eligible (45.8%).

B. L/M Income Limited Clientele

A L/M income limited clientele activity is an activity which provides benefits to a *specific* group of persons rather than everyone in an area. At least 51% of the beneficiaries of the activity must be L/M income persons. Activities that would be expected to qualify under this subcategory include:

- Rehabilitation of a senior center.
- Public services for the homeless.
- Meals on wheels for the elderly.
- Construction of job training facilities for severely disabled adults.

To qualify under this subcategory, a limited clientele activity must meet **one** of the following tests:

1. Exclusively benefit a clientele who are generally **presumed by HUD to be principally L/M income persons**, such as abused children, elderly persons,

battered spouses, homeless persons, adults meeting the Bureau of the Census definition of severely disabled persons, illiterate adults, and persons living with AIDS.

2. Provide **information on family size and income** so that it is evident that at least 51% of the clientele are persons whose family income does not exceed L/M income limit.
3. Be of such **nature** and in such **location** that it may reasonably be concluded that the activity's clientele will primarily be L/M income persons (e.g., a day care center designed to serve residents of a public housing complex).
4. Be 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 definition of "severely disabled"** (persons are classified as having a severe disability if they used a wheelchair or had used another special aid for six months or longer; are unable to perform one or more functional activities or need assistance with an activity of daily living or instrumental activity of daily living; are prevented from working at a job or doing housework; or have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or mental retardation; are under 65 year of age and are covered by Medicare or receive SSI).

Records to be Maintained:

One of the following types of documentation must be kept for each activity:

- Documentation showing that the activity is designed for and used by a segment of the population presumed by HUD to be principally low and moderate income.
- Documentation describing how the nature and, if applicable, the location of the activity establishes that it will primarily benefit low and moderate income persons.
- Data showing the size and annual income of the family of each person receiving the benefit.
- Data showing that the activity is a special project removing accessibility barriers in the limited cases described above.

C. L/M Income Housing

An activity which assists in the acquisition, construction, or improvement of permanent, residential structures may qualify as benefiting L/M income persons only to the extent that the housing is occupied by L/M income persons. The housing can be either owner- or renter-occupied and can be either one family or multi-unit structures. Activities that would qualify under this subcategory include:

- Acquisition of property to be used for permanent housing.
- Rehabilitation of permanent housing.
- Conversion of nonresidential structures into permanent housing.
- Homeownership assistance.

Records to be Maintained:

- Current Section 8 Income Limits.

D. L/M Income Jobs

Most job creation or retention activities emanate from special economic development activities which may meet the L/M Income Benefit objective only in the following three ways: (a) be located in a predominantly L/M income neighborhood and serve the L/M income residents (e.g., a grocery store serving a L/M income neighborhood qualifies as area benefit); or (b) involve facilities designed for use predominantly by L/M income persons (e.g., a for-profit hospital that is designed to serve patients on Medicaid or welfare qualifies as limited clientele); or (c) involve the employment of persons, the majority of whom are L/M income persons (e.g., a retail clothing store creates or retains jobs principally for L/M income persons).

A L/M income jobs activity is one which creates or retains permanent jobs, at least 51% of which, on a full time equivalent basis, are either *held* by L/M income persons or considered to be *available* to L/M income persons. Activities that could be expected to create or retain jobs include:

- Loans to help finance the expansion of a plant or factory.
- Financial assistance to a business which has announced its intention to close and to help it update its machinery and equipment instead.
- Improvement of public infrastructure as needed by a company to comply with environmental laws to avoid closure.

2. PREVENTION/ELIMINATION OF SLUMS OR BLIGHT

Activities that qualify under this objective either clearly eliminate objectively determinable signs of slums or blight in a designated slum or blighted area, or are strictly limited to eliminating specific instances of blight outside such an area (spot blight). The completion of a project that had been approved under the former Urban Renewal program is also allowed. The subcategories under this objective are:

A. Addressing Slums or Blight on an Area Basis

To qualify under this subcategory, an activity must meet **all** of the following criteria: (a) the area must be officially designated and must meet the definition of a slum/blight, deteriorated or deteriorating area under State law; (b) there must be a substantial number of deteriorated or deteriorating buildings throughout the area; (c) there must be documentation on the boundaries of the area and the conditions which qualified the area at the time of its designation; and (d) activities must be limited to those that address one or more of the conditions which contributed to the deterioration of the area.

Typical activities designed to address blight on an area basis include:

- Acquisition and clearance of blighted properties.
- Installation of a park or playground.
- Commercial revitalization through façade improvements.

B. Addressing Slums or Blight on a Spot Basis

To comply with the objective of elimination or prevention of slums or blight on a spot basis, an activity must meet the following criteria: (a) the activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and (b) the activity must be limited to acquisition, clearance, relocation, historic preservation, or rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Typical activities designed to address blight on a spot basis include:

- Elimination of faulty wiring, falling plaster, or other similar conditions from a residential building which are detrimental to all potential occupants.
- Historic preservation of a blighted public facility.
- Demolition of a vacant, deteriorated, abandoned building.

C. Addressing Slums or Blight in an Urban Renewal Area

To qualify under this objective, an activity must be located within an Urban Renewal project area and be necessary to complete the Urban Renewal plan pursuant to Title I of the Housing Act of 1949.

3. URGENT NEED

To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community, are of recent origin or recently became urgent (developed or became critical within the last 18 months), the applicant is unable to finance the activity on its own, AND other resources of funding are not available to carry out the activity.

INELIGIBLE ACTIVITIES

The general rule is that any activity that is not authorized under the provisions of Sec. 570.201 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may NOT be assisted with CDBG funds:

1. **Buildings or portions thereof, used for the general conduct of government.** This does not include, however, the removal of architectural barriers involving any such building.
 2. **General government expenses.**
 3. **Political activities.**
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