

## **PY2009 Community Development Block Grant - Program Overview**

### **What is CDBG?**

CDBG is the Community Development Block Grant Program funded by the U.S. **Department of Housing and Urban Development (HUD)**. The CDBG Program provides, on an annual basis, an allocation of funds to local governments for a wide-range of eligible housing and community development activities. The stated purpose of the Program is:

*“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.”*

The complete rules and regulations for the CDBG Program are found at the following consolidated federal regulation citation: **24 CFR 570**.

CDBG funds are allocated each year to cities and urban counties with populations in excess of 50,000. The City of Kalamazoo, along with over 1,100 other cities in the country, is an **entitlement community**, which means it receives CDBG based on a formula that considers community needs, including the extent of poverty, population, housing overcrowding, age of housing stock, and population growth lag in relationship to other metropolitan areas. For PY2009, the City has been awarded \$1,846,466 of CDBG. In addition, for PY2009, the City of Kalamazoo will also receive HOME Investment Partnership Grant Program (HOME) funding in the amount of \$736,860, and Emergency Shelter Grant (ESG) funding in the amount of \$81,270.

CDBG funds must be used to address one of **three National Objectives**:

- Benefit Low-to-Moderate Income Persons;
- Prevent or eliminate slums and blighted conditions;
- Meet an Urgent Need.

In addition, **70% of the total CDBG expenditures** must be used for activities that benefit low-to-moderate income persons.

While the CDBG Program funds are awarded to the City of Kalamazoo, which is ultimately responsible for the funds, the City regrants the funds to local agencies to accomplish the goals and objectives of importance to this community as defined in the **City of Kalamazoo Consolidated Plan**. (See Also, [www.kalamazoo.org](http://www.kalamazoo.org), Departments/Community Planning and Development/ Neighborhood and Economic Development). Private 501(c)(3) nonprofits, private for-profits, and Community-Based Development Organizations (CBDOs) may receive CDBG funds as subrecipients of the City of Kalamazoo for eligible activities – See Also, **24 CFR 570.201**. Ineligible activities are listed at **24 CFR 570.207**.

### **What is Low-to-Moderate Income?**

The programs and services supported by CDBG must primarily serve lower income persons. As of March 2009, the median family income in the Kalamazoo area for a family of four was defined by HUD as approximately \$62,875. Therefore, the CDBG

recipients of most services may not earn more than 80% of the **area median income**, adjusted for family size. For 2009, that breakdown follows:

**U.S. Department of Housing and Urban Development Income Limits: 2008**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Low Income</b>	\$35,200	\$40,250	\$45,250	\$50,300	\$54,300	\$58,350	\$62,350	\$66,400

**What other federal requirements apply to CDBG?**

- Environmental Review
- Davis-Bacon Labor Standards
- Equal Opportunity
- Drug Free Workplace
- Accessibility for disabled people
- Record-keeping and reporting
- Purchasing standards
- Acquisition and relocation regulations
- Lead Based Paint elimination
- Avoiding Conflicts of Interest

**Outcome Performance Measurement System**

In response to Congressional and OMB calls for more accountability, HUD has mandated that, beginning October 1, 2006, all funded activities will be reported in the **Integrated Disbursement and Information System (IDIS)** using an outcome performance measurement system. The new reporting system will enable HUD to better collect information and report on the activities of CDBG to Congress. The outcome measurements consist of four main components: **Goals, Objectives, Outcomes, and Indicators.**