

## **FUNDING ELIGIBILITY**

- 1. Community Development Block Grant (CDBG)** – to provide housing, improve living conditions, improve community facilities, and expand economic opportunities, principally for low and moderate-income persons.
  
- 2. Home Investments Partnerships Program (HOME)** – to expand the supply of decent, safe, sanitary and affordable housing with primary attention to rental housing for very low-income families, and to strengthen the County’s ability to assist the financing and development of low and very-low income housing. In this program, housing units must be produced.

Each of these funding sources has a different purpose and different eligible activities that can be funded.

## **Spartanburg County Consolidated Plan Goals**

The three (3) goals of the Consolidated Plan are:

1. Provide decent, safe and sanitary affordable housing with a special emphasis on low-to-moderate income and special needs citizens;
  
2. Improve the quality of life for low-to-moderate income and special needs citizens; and
  
3. Improve physical sustainability, economic vitality and social well being as a foundation for systematic and comprehensive revitalization of low and moderate income communities.

# Community Development Block Grant Program

## A. National Objectives of the CDBG Program

CDBG funding is restricted to activities that meet one of three primary national objectives:

1. To benefit low-and-moderate-income persons. Projects under this objective must either directly or primarily benefit low- and moderate-income,
2. To eliminate slum and blight by directly addressing slum and blight in individual facilities or to directly address blighted conditions,
3. To meet urgent needs (serious and immediate threat to the health and welfare of the community).

## B. Who is eligible to receive CDBG funding?

- Grantees must have a DUNS number prior to receiving any federal funds.
- Grantees must either be a registered 501c3, a municipality, a nonprofit, an unincorporated community group/association, or a special purpose district. Grants may be provided to special purpose districts to aid in capital improvement projects that meet basic human health and safety needs (water & sewer lines).
- Grants cannot be given directly to for profit organizations or businesses. However, funds could be used for infrastructure development to enable the creation of LMI jobs. If the project does not result in the creation of LMI jobs, the grant must be returned in full to Spartanburg County.

## C. What Activities Are Eligible for CDBG Funding?

- Acquisition of real property
- Disposition of real property acquired with CDBG funds
- Acquisition, construction, or renovation of public or private facilities, e.g. parks, sewers, neighborhood centers, and street improvements
- Demolition and clearance
- Public services, job training and placement activities.
- Interim assistance (snow removal, special clean-up, etc.) in emergency conditions
- Completion of urban renewal activities (included in approved U.R. plans)

- Relocation payments and assistance
- Improvements needed to remove architectural barriers for persons with disabilities
- Acquisition, construction, installation of utility lines and facilities
- Assistance with housing constructed or rehabilitated under the Housing Development Grant or Rental Rehabilitation programs
- Rehabilitation of private or public residential units, including:
  - Acquisition for the purpose of rehabilitation
  - Funding labor and/or materials
  - Refinancing existing debt in conjunction with rehabilitation
  - Improving energy and water conservation
  - Connecting housing units to water or sewer lines
  - Providing support services such as counseling, work write-up, loan processing, and inspections
  - New construction of residential rental property for low-income households
  - Assistance to micro-enterprises
  - Code enforcement
  - Preservation or restoration of historic properties
  - Renovation of closed school buildings for eligible reuse
- Special Economic Development activities which provide:
  - Commercial or industrial improvements carried out by grantee or non-profit group. Assistance to private for-profit entities for any activity determined to be “appropriate” to carry out an economic development project that:
    - 1) creates or retains jobs for low- and moderate-income persons;
    - 2) creates or retains businesses owned by community residents;
    - 3) assists businesses that provide goods or services needed by and affordable to low- and moderate-income residents; or
    - 4) provides technical assistance to promote such activities.
- Planning, management, and program administration activities, including fair housing.
- Direct ownership assistance for low and moderate home buyers in the form of interest rate subsidies; financing acquisition of owner occupied housing; purchase guarantees for mortgage financing obtained by low and moderate income home buyers; payment of 50% of any required down payments; and reasonable closing costs.

**D. There are Some Limitations on the Use of CDBG Funds:**

1. At least 70% of the grant must be expended for activities primarily benefiting low- and moderate-income households.
2. No more than 15% of annual grant resources can be expended on “public services”.
3. No more than 20% of the grant can be expended on program administration costs, which includes planning, management and technical assistance to citizens, and fair housing programs.

**Geographic Areas Covered by CDBG**

- E.** All funded activities must benefit residents of the unincorporated area of Spartanburg County. If Census data does not show that resident income is low enough, beneficiaries must be individually surveyed. (See Beneficiary Form).

*For more information concerning the CDBG program, access the following HUD web site:*  
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/>