

ELIGIBLE ACTIVITIES AND NATIONAL OBJECTIVES

Each proposed project must be both an Eligible Activity and meet a National Objective, as defined by Federal Regulation. Please review the lists of each below and select one Eligible Activity and one National Objective that best matches your project. Include this completed attachment with your application. If you are unsure which category your project best fits into, please contact staff at the Fitchburg Department of Community Development for assistance.

General Policies - §570.200

The primary objective of the CDBG 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.

In order to qualify for CDBG funding, a project must be considered an Eligible Activity, defined by the governing Code of Federal Regulations, Title 24, part 570, Sections 570.200-570.207

Each activity, except planning and administrative activities, must meet one of the CDBG program's three National Objectives:

- To benefit low- and moderate- income persons,
- To aid in the prevention or elimination of slums or blight, or
- To meet community development needs having a particular urgency.

In addition, at least 70% of the total CDBG funds must be used for activities that benefit low- and moderate-income persons over a one-, two-, or three-year period; and at least 51% of the beneficiaries of individual activities designed to benefit low -and moderate-income persons must be shown to be of low- and moderate- income.

Income Limits are updated annually and are based on the number of people in a household. The chart below is effective July 1, 2021:

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Low-Moderate (80% of median income)	\$50,200	\$57,400	\$64,550	\$71,700	\$77,450	\$83,200	\$88,950	\$94,650
Very Low (50% of median income)	\$31,400	\$35,850	\$40,350	\$44,800	\$48,400	\$52,000	\$55,600	\$59,150
Extremely Low (30% of median income)	\$18,850	\$21,550	\$24,250	\$26,900	\$29,100	\$31,250	\$33,400	\$35,550

IMPORTANT CONSIDERATIONS

A microenterprise is a business comprising five (5) or fewer employees, *including* the owner(s). To qualify as a microenterprise, the *business owner(s)* must be low-to-moderate income, as defined by the income limits from HUD. The most recent income limits are in Appendix B, and are updated annually. A program that serves microenterprises must certify clients at the start of services, and for continuing clients, annually, if the initial certification is more than six (6) months old.

Construction projects will be subject to Prevailing Wage Rates and additional project monitoring by Community Development Staff.

Construction projects may not begin until after:

1. the grant agreement between the City and HUD is executed, and
2. The Contract between the City and subrecipient is executed
3. City staff review construction bid and contract documents to ensure required CDBG related language is in the contract and the City issues a notice in writing that you may proceed.

The Community Development staff work to ensure this is completed before the program year begins on July 1, unforeseen delays are possible.

All projects are subject to Environmental Review, and construction projects may face delays as local, state, and federal agencies are contracted to complete this review, as required by HUD. Construction projects may not proceed until the City has notice in writing that the Environmental Review is complete and you may proceed.

Housing repair projects over \$5,000 must perform lead inspections on each property prior to the repairs and should coordinate with the City prior to proceeding.

ELIGIBLE ACTIVITIES

Below is a summary of the activities that are eligible and ineligible for assistance under the Community Development Block Grant (CDBG) Program. Please refer to this list and select one that best describes your project, and note your selection on Page 1 of the application.

Basic Eligible Activities	
24 CFR 570.201	Eligible Activity
(a)	Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property for any public purpose
(b)	Disposition of real property acquired with CDBG funds through sale, lease or donation, or otherwise; or its retention for public purposes.
(c)	Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements , except buildings for the general conduct of government. Activities may include: <ul style="list-style-type: none"> • Design features and improvements which promote energy efficiency; and • Architectural design features and treatments intended to enhance the aesthetic quality of facilities and improvements. Eligible facilities include those serving persons having special needs (e.g. shelters; hospitals; nursing homes; halfway houses; group homes), and must be open for use by the general public during all normal hours of operation.
(d)	Clearance, demolition, removal of buildings and improvements, and movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.
(e)	Provision of public services (including labor, supplies and materials) such as those concerned with child care, health care, education, job training, public safety, fair housing counseling, recreation, senior citizens, homeless persons, drug abuse counseling and treatments, and energy conservation counseling and testing. A service must either be new or be a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the previous twelve calendar months before submission of the action plan.
(g)	Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as a part of CDBG activities.
(h)	Completion of urban renewal projects funded under Title I of the Housing Act of 1949, as amended.
(i)	Relocation payments and assistance to displaced individuals, families, businesses, non-profit organizations, and farm operations.
(j)	Payment to housing owners for losses of rental income incurred in holding units for persons displaced by relocation activities.
(k)	Removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons to publicly- and privately-owned buildings, facilities and improvements.
(l)	Acquisition, construction, reconstruction, rehabilitation or installation of the distribution lines and facilities of privately-owned utilities .
(m)	Construction of housing assisted under Section 17 of the United States Housing Act of 1937.
(n)	Direct assistance to facilitate and expand low-and moderate-income home ownership by subsidizing mortgage rates and principal amounts, financing the acquisition of housing occupied by low- and moderate-income persons, acquiring guarantees of financing obtained from private lenders, providing up to 50 percent of down payment, or paying reasonable closing costs.
(o)	The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

	<ul style="list-style-type: none"> • Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises; • Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and • Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises. <p>Assistance under this paragraph may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph.</p>
(p)	Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under §570.205.
(q)	Assistance to institutions of higher education . Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.
Eligible Rehabilitation and Preservation Activities - §570.202	
24 CFR 570.202	Eligible Activity
(a)	<p>Rehabilitation assistance for:</p> <ul style="list-style-type: none"> • Privately-owned residential buildings and improvements; • Low-income public housing and other publicly-owned residential buildings and improvements. • Publicly - and privately - owned commercial or industrial buildings; • Manufactured housing, when such housing is considered part of the community's permanent housing stock.
(b)	<p>Financing assistance through grants, loans, loan guarantees, interest supplements, or other means for:</p> <ul style="list-style-type: none"> • Private individuals and entities, including profit-making and non-profit organizations, to acquire for the purposes of rehabilitation, and to rehabilitate properties for use or resale for residential purposes • Labor, materials, and other rehabilitation costs, including repair, replacement of principal fixtures and components, installation of security devices, and renovation of existing structure • Loans for refinancing existing indebtedness secured by a property being rehabilitated, if the grantee determines that the financing is appropriate to achieve its community development objectives; • Improvements to increase the efficient use of energy and/or water; • Connection of residential structures to water distribution or local sewer collection lines; • Initial homeowner warranty premiums, hazard insurance premiums, flood insurance premiums and lead-based paint testing and abatement, for rehabilitation carried out with CDBG funds; • Acquisition of tools to be lent to carry out rehabilitation; • Rehabilitation services related to assisting participants in CDBG-funded rehabilitation activities (such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, and inspection), and; • Rehabilitation of housing under Section 17 of the U.S. Housing Act of 1937.
(c)	Code enforcement in deteriorating or deteriorated areas where such enforcement together with public improvements, rehabilitation, and services to be provided, may be expected to arrest the decline of

	such areas.
(d)	Rehabilitation, preservation or restoration of publicly- or privately- owned historic properties, except for buildings used for the general conduct of government.
(e)	Renovation of closed schools or other buildings for use as an eligible public facility or housing.
Special Economic Development Activities - §570.203	
24 CFR 570.203	Eligible Activity
(a)	Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient, or public or private non-profit subrecipients.
(b)	<p>The provision of assistance to private for-profit businesses, (e.g. grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support), for any other activity where the assistance has been determined appropriate to carry out an economic development project.</p> <p>Economic development projects must create or retain jobs for low- and moderate-income persons, prevent or eliminate slums or blight, meet urgent needs, create or retain businesses owned by community residents, assist businesses that provide goods or services to low- and moderate-income residents, or provide technical assistance to promote any of the above activities. To the extent practicable, economic development projects must minimize displacement of existing businesses and jobs.</p>
Special Activities by Community Based Development Organizations - §570.204	
24 CFR 570.204	Eligible Activity
(a)	Assistance may be provided to certain eligible subrecipients who are CBDOs to carry out a neighborhood revitalization, community economic development, or energy conservation project, including activities listed as eligible; and activities not otherwise listed as eligible elsewhere- except for assistance to buildings for the general conduct of government, general government expenses, and political activities-if the recipient determines that these are appropriate to achieve its community development objectives. Please refer to 24 CFR570.204 (b) for a list of ineligible activities. CBDO's are generally non-profit development entities, see 24 CFR 204 (c) for details on eligible CBDOs.
Eligible Administrative Costs - §570.206*	
24 CFR 570.205	Eligible Activity *Planning and Administrative costs are limited to 20% of the total allocation in that year.
(a)	Reasonable costs of overall program management, coordination, monitoring, and evaluation, including: <ul style="list-style-type: none"> • Staff salaries, wages, and related costs; • Travel costs; • Administrative services such as general legal, accounting and audit services performed under third-party contracts; and • Other goods and services required for administration of the program.
(b)	Provision of information and other resources to residents and citizen organizations.
(c)	Provision of fair housing counseling services and activities.
(e)	Indirect costs.
(f)	Preparation of applications for Federal programs.
(g)	Overall program management of any active Rental Rehabilitation Program or Housing Development Grant Program grants.

Ineligible Activities, as specified under §570.207

The following is a general list of ineligible activities.

Assistance for:

- Buildings used for the general conduct of government;
- Government expenses; and
- Political activities.
- Assistance for:
 - Purchase of construction equipment; purchase of furnishings and personal property, unless part of public services are necessary for use by a grantee in the administration of the CDBG program;
 - Repairing, operating and maintaining public facilities, improvements and services, except expenses associated with eligible public service activities, interim assistance, and office space for CDBG program staff; New housing construction, except under the special provisions provided at §570.207(b)(3)(i)-(iii); and
 - Income payments.

SUMMARY OF NATIONAL OBJECTIVES

The Three National Objectives are outlined below, and are further divided into detailed subcategories based on activities and measurements. Of these, please select one that best describes the outcome you aim to achieve with this project, and note your selection on Page 1 of the application.

Activities benefitting low-and-moderate-income persons			
Area Benefit Activities			
Code	Detailed National Objective	24 CFR Citation	Data needed
LMA	<p>Low Mod Area: Activities providing benefits that are available to all the residents of a particular area, at least 51% of whom are low/mod income.</p> <p>The service area must be primarily residential, and the activity must meet the identified needs of low- and moderate- income persons.</p> <p>Examples include: street improvements; water and sewer lines; neighborhood facilities; and facade improvements in neighborhood commercial districts.</p>	570.208(a)(1)	<p>Census Tract:</p> <p>% Low/Mod Income:</p> <p>Source of Data:</p>

Limited Clientele Activities			
Code	Detailed National Objective	24 CFR Citation	Data needed
LMC	<p>Low/Mod Limited clientele benefit: Activities that benefit a limited clientele, at least 51% of whom are low/mod income. LMC activities provide benefits to a specific group of persons rather than to all the residents.</p> <p>Examples: construction of a senior center; public services for the homeless; meals on wheels for the elderly; and construction of job training facilities for the handicapped.</p>	570.208(a)	<p>Household size and income documentation, or</p> <p>Presumed benefit documentation*, or</p> <p>Is architectural barrier project**</p>
LMCMC	<p>Low/mod limited clientele, micro-enterprises: Activities carried out under 24 CFR 570.201(o) that benefit micro-enterprise owners/developers who are low/mod income</p>	570.208(a)(2)(iii)	<p>Microenterprise business income documentation</p> <p>Jobs created/retained</p>
LMCSV	<p>Low/mod limited clientele, job service benefit: Activities that provide job training, placement and/or employment support services in which the percentage of low/mod persons assisted is less than 51% but the proportion of total cost paid by CDBG does not exceed the proportion of low/mod persons assisted</p>		<p>Documentation of income for persons assisted</p> <p>Eligible persons assisted does not exceed portion of budget funded</p>
<p>*Presumed benefit: eligibility by nature of population or program presumed to be principally low- and moderate-income includes abused children, battered spouses, elderly persons, handicapped persons, homeless persons, illiterate persons, and migrant farm workers</p>			

**Architectural Barrier Project is a special project directed for removal of material and architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons to publicly- and privately-owned non-residential buildings, facilities and improvements and the common areas of residential structures containing more than one dwelling unit.

Housing Activities			
Code	Detailed National Objective	24 CFR Citation	Data needed
LMH	Low/Mod housing benefit: Activities undertaken to provide or improve permanent residential structures that will be occupied by low/mod income households. Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction.	570.208(a)(3)	Household size and income documentation Project scope of work Documentation of affordable rents

Job Creation or Retention Activities			
Code	Detailed National Objective	24 CFR Citation	Data needed
LMJ	Low/Mod job creation and retention*: An activity designed to create or retain permanent jobs where at least 51 percent of which, computed on a full time equivalent basis, involve the employment of low and moderate-income persons.	570.208.(a)(4)	FTE job count Documentation of employee's pre-job household income
LMJFI	Low/mod job creation and retention,* public facility improvement benefit: Public facility improvement activities undertaken principally for the benefit of one or more business; resulting in creation/retention of jobs.	570.208(a)(4)(vi)(F)	FTE job count Documentation of employee's pre-job household income
LMJP	Low/mod job creation, location based: Activities where a job is held by or made available to a low/mod person based on the location of the person's residence or the location of the assisted business.	570.208(a)(4)(vi)	FTE job count Documentation of employee's pre-job household income Census tract data

*Job retention requires documentation that, but for the assistance provided, the job would have been lost.

Jobs are only considered to be available to low- and moderate- income persons when Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and Local government and the assisted business take actions to ensure that low- and moderate- income persons receive first consideration for filling such jobs.

Activities which aid in the prevention or elimination of slums or blight			
Code	Detailed National Objective	24 CFR Citation	Data needed
SBA	Slum/Blight area benefit: Activities undertaken to prevent or eliminate slums or blight in a designated area.	570.208(b)(1)	Documentation of area designated by Mayor
SBS	Slum/Blight, spot basis: Activities undertaken on a spot basis to address condition of blight or physical decay not located in	570.208(b)(2)	Documentation of slum/blight at

	designated slum/blight areas.		address.
Funding for Slum/blight removal activities is limited			

Activities designed to meet an urgent community development need			
The City does not expect to fund activities under Urgent Need.			
Code	Detailed National Objective	24 CFR Citation	Data needed
URG	Urgent Need: Activities that alleviate emergency conditions of recent origin and pose a serious and immediate threat to the health or welfare of the community; eligible only if the grantee cannot finance the activity on its own and no other sources of funding are available.	570.208(c)	Documentation of disaster