



## Community Development Block Grant

The Housing and Community Development Act of 1974 created the Community Development Block Grant (CDBG) Program. CDBG merged seven categorical programs into a block of flexible community development funds distributed each year by a formula that considers population and measures of distress including poverty, age of housing, housing overcrowding, and growth lag. Grantees now determine what activities they will fund as long as certain requirements are met, including that each activity is eligible and will meet one of the three broad national objectives of the program:

- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight; or
- Meet other community development needs having a particular urgency.

## Laws and Regulations

The rules and regulations governing the activities of the CDBG Program include the Laws as enacted by Congress and the Regulations created by HUD to achieve the result prescribed by the Laws. The U.S. Department of Housing and Urban Development (HUD) provides guidance on the CDBG Program through CPD Notices and Policy Memoranda. Visit [CDBG Laws and Regulations](#) to view the current rules and regulations.

## Objectives and Outcomes

The primary goal of Sherman’s CDBG program is to provide opportunities for persons of low- to moderate-income to improve their living environments. To determine the City’s objectives for the 2020-2024 Consolidated Plan, the Neighborhood Services office sought input from residents and consulted community organizations that serve low- and moderate-income populations. Sherman’s CDBG program is consistent with HUD’s national strategy to provide decent housing opportunities, a suitable living environment, and economic opportunities—particularly for low- and moderate-income people. The following objectives support the primary goals of both Sherman and HUD. Over the next five years, Sherman will strive to:

- Create opportunities for decent housing;
- Increase the safety and livability of neighborhoods; and
- Support resilience-building and self-sufficiency programs.

### **Create opportunities for decent housing**

**Objective:** The CDBG program will support the demolition and clearance of substandard structures to prevent and eliminate slums and blight. The clearance of these lots aids in the prevention or elimination of slums or

blight by removing unsafe buildings that can be attractive nuisances and providing cleared vacant lots that can be utilized for new buildings to help revitalize neighborhoods.

**Outcome:** Over the next five years, the City of Sherman will utilize CDBG funds to demolish 75 substandard structures at an average rate of 15 structures annually. Following demolition, the lots will be cleared to ready them for new construction.

### **Increase the safety and livability of neighborhoods**

**Objective:** The CDBG program will improve parks and infrastructure in low- and moderate-income areas to increase public safety and livability.

**Outcome:** Sherman will utilize CDBG funds to complete 5 park or infrastructure improvement projects in low- and moderate-income areas during the next 5 years. Each project is expected to benefit 50 individuals by improving the livability of their neighborhood for a total impact of 250 individuals.

### **Support resilience-building and self-sufficiency programs**

**Objective:** The CDBG program will improve the quality of life for low- and moderate-income Sherman residents by providing a range of public services to respond to residents in crisis situations and to promote resilience-building and self-sufficiency. These services include victim's assistance, shelter, addiction recovery, job skills, crime prevention, organized youth activities, and mental-health counseling.

**Outcomes:** For program years, 2020-2024, Sherman will utilize CDBG funds to provide public services to over 5,000 residents, providing support to over 1,000 residents annually.

## **Rules and Record Keeping Requirements**

The following will apply to all subrecipients:

1. Written records to justify all expenditures and client eligibility must be retained for the longer of 3 years after the expiration or termination of the subrecipient agreement under [24 CFR 570.503](#), or 3 years after the submission of the annual performance and evaluation report in which the specific activity is reported on for the final time. Records will be reviewed by the City and also may be reviewed by HUD.
2. Subrecipients will be required to maintain the City's minimum insurance standards and comply with the bonding and insurance requirements outlined in [2 CFR 200](#).
3. Subrecipients must agree to administer the CDBG program in accordance with [2 CFR Subpart E - Cost Principles](#).
4. Subrecipients will be required to provide quarterly reports stating the total number of persons served including their race, ethnicity, and whether they are female heads of household. These figures are required to be reported by HUD.
5. Subrecipients will be required to obtain written proof of income for each person or household whom subrecipients assist unless the clients are abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, or elderly.
6. Subrecipients must have a written policy in place designed to ensure that their facilities are free from the illegal use, possession, or distribution of drugs or alcohol.
7. If any income is derived from the activities funded by CDBG, that income must be accounted for and returned to the City or used according to requirements stated in the subrecipient agreement.

8. In the event that HUD or the City should determine that CDBG funds were improperly spent and that money should be reimbursed to the U.S. Treasury, the subrecipient organization will be responsible for this reimbursement.

## Community Development Block Grant Eligible Activities

The following activities may be funded by the CDBG Program, so long as they meet one or more of the National Objectives (benefit to low- and moderate-income (LMI) persons; aid in the prevention or elimination of slums or blight; and meet a need having a particular urgency):

- **Senior Services** - Services that will be provided to elderly persons (e.g., meals-on-wheels, transportation).
- **Services for the Disabled** - Services for persons with disabilities, regardless of age.
- **Legal Services** - Includes programs that provide legal aid to low- and moderate-income persons.
- **Youth Services** - Services for youth that include, for example, recreational services or a teen counseling program. If a counseling program is targeted for youth, but includes counseling for the family as well, it may still be classified as a youth service if the focus is on counseling the youth.
- **Transportation Services** - Services provided to low- and moderate income persons.
- **Substance Abuse Services** - Services for substance abuse recovery programs as well as prevention and education activities.
- **Services for Battered and Abused** - Services for programs serving adults or families.
- **Employment Training** - Services for assistance that increases self-sufficiency. This includes literacy, independent living skills, job training, and employment service activities.
- **Crime Awareness and Prevention** - For any program that promotes these goals, including crime prevention education and pay for security guards.
- **Fair Housing Activities (subject to Public Service cap)** - For fair housing services (e.g., counseling on housing discrimination).
- **Tenant/Landlord Counseling** - For counseling provided to help prevent or settle disputes that occur between tenants and landlords.
- **Child Care Services** - For services that will benefit children (generally under age 13), including parenting skills classes.
- **Health Services** - Health services activities include the operation of neighborhood clinics, post-rape counseling, vermin abatement service (also known as "vector control"), and other activities designed to serve the health needs of residents.
- **Services for Abused and Neglected Children** - For daycare or other services exclusively for abused and neglected children.
- **Mental Health Services** - For activities designed to address the mental health needs of residents of the community.
- **Screening for Lead Poisoning** - For activities designed primarily to provide screening for (not removal of) lead-based paint and other lead poisoning hazards.
- **Subsistence Payment** - For activities designed to provide one-time or short-term (no more than three months) emergency grant payments on behalf of an individual or family, generally for the purpose of preventing homelessness.

## Public Service Ineligible Activities

The following activities may not be assisted with Community Development Block Grant Funds:

- The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.
- The construction of new permanent residential structures is not eligible, unless done by a HUD-qualified non-profit organization. Purchase of land on which to build affordable homes, however, is an eligible activity.
- CDBG funds may not be used for political purposes, to engage in partisan political activities, or for lobbying of local, state, and federal legislators.
- Long term subsistence payments (longer than three months) for such needs as rent and utilities are not eligible.
- Landscaping and tree trimming are not eligible expenses.

## Income Limits

For an activity to qualify as benefiting low- and moderate-income persons, at least 51% of clients served must have low, very low, or extremely low income. HUD defines low income as 80% of the area median family income (AMFI) adjusted for family size, very low income as 50% of the AMFI, and extremely low income as 30% of the AMFI. The income limits for the Sherman–Denison Metropolitan Statistical Area are established by HUD and revised annually. The [HUD Income Guidelines](#) are available on the City website.

## Explore CDBG

For more information about the Community Development Block Grant Program, visit [Explore CDBG](#), HUD's online technical assistance page.

## Grant Deadlines

Quarter 1: October 1 - December 31

Q1 Payment Request and Outcomes Report due January 30

Quarter 2: January 1 - March 31

Q2 Payment Request and Outcomes Report due April 30

Quarter 3: April 1 - June 30

Q3 Payment Request and Outcomes Report due July 30

Quarter 4: July 1 - September 30

Q4 Payment Request and Outcomes Report due October 30

Final Report due October 30

All grant funds should be spent within the program year, October 1 to September 30.