



Community Development Block Grant Program

A summary of the major purposes and provisions of Title I of the Housing & Community Development Act of 1974, as amended, and how they apply to the Village of Oak Park.

Community Planning & Development
Village of Oak Park
2012

GENERAL INFORMATION

The Community Development Act of 1974, Title I, as amended, consolidated a number of previous federal categorical grant programs into a more workable and flexible "block grant" approach. The Village of Oak Park is eligible for an annual Community Development Block Grant to be used for a variety of locally-determined programs.

Oak Park is an "entitlement" community. This means that, upon submission of a satisfactory funding package to the U.S. Department of Housing and Urban Development (HUD), and assuming all federal requirements are met, the Village is entitled to receive a pre-determined amount of funds, based on a set formula. Past funding levels were as follows:

1st year ('75)	\$156,000	20th year ('94)	\$2,117,000
2nd year ('76)	\$347,000	21st year ('95)	\$2,372,000
3rd year ('77)	\$562,000	22nd year ('96)	\$2,300,000
4th year ('78)	\$1,733,000	23rd year ('97)	\$2,262,000
5th year ('79)	\$1,919,000	24 th year ('98)	\$2,251,000
6th year ('80)	\$2,104,000	25 th year ('99)	\$2,265,000
7th year ('81)	\$2,072,000	26 th year ('00)	\$2,201,000
8th year ('82)	\$1,825,060	27 th year ('01)	\$2,283,000
9th year ('83)	\$1,802,518	28 th year ('02)	\$2,312,000
10th year ('84)	\$1,842,048	29 th year ('03)	\$2,345,000
11th year ('85)	\$1,831,020	30 th year ('04)	\$2,327,000
12th year ('86)	\$1,557,098	31 st year ('05)	\$2,212,949
13th year ('87)	\$1,529,411	32 nd year ('06)	\$1,986,037
14th year ('88)	\$1,464,482	33 rd year ('07)	\$1,988,676
15th year ('89)	\$1,521,994	34 th year ('08)	\$1,868,131
16th year ('90)	\$1,450,743	35 th year ('09)	\$1,834,406
17th year ('91)	\$1,642,980	36 th year ('10)	\$1,946,130
18th year ('92)	\$1,712,999	37 th year ('11)	\$1,725,877
19th year ('93)	\$1,949,223		

In addition, the Village occasionally receives program income and de-obligated funds, which may be re-used, thereby increasing the level of funding available. The Village invests part of its annual allocation of grant funds in Oak Park by allowing agencies, organizations, groups and businesses that are certified by the State an opportunity to apply for a portion of these funds.

The information contained in this brochure is in summary form and is based on the Community Development Block Grant (CDBG) Program Regulations. In some cases, regulations that are not applicable to the Village of Oak Park have been omitted for simplification. Copies of the complete text of the regulations are available at the Community Planning and Development (CPD) Department of the Village of Oak Park, Village Hall. Also, for more detailed information, please see the following site: <http://www.hud.gov/offices/cpd/communitydevelopment/library/deskguid.cfm>

The primary objective of Title I of the CD Act is "the development of viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income."

Specific objectives of the Act include the following:

- (1) The elimination of slums and blight and the prevention of blighting influences;
- (2) The elimination of conditions which are detrimental to health, safety, and public welfare;
- (3) The conservation and expansion of housing stock;
- (4) The expansion and improvement of the quantity and quality of community services;
- (5) The alleviation of physical and economic distress through the stimulation of private investment and community revitalization in areas with population out migration or a stagnating or declining tax base.

I. GENERAL REQUIREMENTS

Each project or activity funded with CDBG monies must meet one of three broad National Objectives; that is, each must: (A) principally benefit low- and moderate income persons, (B) help prevent or eliminate blight, or (C) meet urgent local needs. Federal regulations place primary emphasis on benefit to low- and moderate-income persons, requiring that at least 70% of the Village's grant must be spent for activities that principally benefit low- and moderate-income persons.

A. Principal Benefit to Low- and Moderate-Income Persons.

A project or activity is considered to benefit principally low- and moderate persons in one of two ways:

- I. Area Benefit. This includes any activity (except residential rehabilitation) that serves an area where at least 51% of the residents are low- and moderate-income persons. Oak Park, having so few such areas, may use areas that are in the top one-fourth of all areas in terms of numbers of low- and moderate-income persons, which effectively creates a 37.7 percentage base. A map of such eligible areas is available from the Community Development Division of the CPD Department, depicting eligible block groups. Eligible block groups may be combined with adjacent ineligible block groups to define a service area, as long as the total area meets the 37.7 % test. Each activity must clearly meet the needs of low- and moderate persons in the area, and must benefit them at least in proportion to their share of population in the area the activity serves.

Examples of activities that may meet the area-benefit criterion are street resurfacing and playground improvements.

Area-benefit activities may also include general improvements to a neighborhood business area, or assistance to a specific business, which services primarily a qualifying residential area.

2. Direct Benefit. This includes activities, which, by their design, directly benefit low- and moderate persons. The following activities qualify:
 - a. A facility that is designed for and principally used by low- and moderate income persons. An example is a day-care center for children primarily of lower-income families.
 - b. An activity that has income-eligibility requirements that limit the benefits to low-and moderate-income persons.
 - c. Economic development activities designed to create or retain permanent jobs, at least 51% of which are, or will be, available to low- and moderate-income persons.
 - d. Rehabilitation of residential buildings that will be occupied after rehabilitation by low- and moderate-income persons at affordable rents. In buildings of more than one dwelling unit, at least 51% of the units must so qualify; for two flats, however, only one unit need qualify.
 - e. Any facility designed for and used by senior citizens or persons with disabilities is presumed to meet the direct-benefit criterion.
 - f. Special projects directed to removal of material and architectural barriers that restrict the mobility and accessibility of the elderly or persons with disabilities.
 - g. Activities that benefit clientele who are generally presumed to be principally lower-income persons. These groups of clientele include abused children, the elderly, homeless persons, victims of domestic violence, persons with HIV/AIDS, illiterate adults, and adults with disabilities.

B. Projects Eliminating or Preventing Blight

This section is included for general information, as the Village of Oak Park does not have any areas that HUD considers slum and blighted.

Two types of activities qualify under this criterion:

- I. Activities Within a Designated Area. These must be within a delineated

area that meets a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law; and the area must contain a substantial number of deteriorating or dilapidated buildings throughout. Activities must address conditions that qualified the designated area. Residential rehabilitation qualifies only when each structure rehabilitated is considered substandard, by local definition, prior to rehab.

2. Spot Blight Removal. Outside of a designated area, activities designed to eliminate specific conditions of blight or physical decay on a spot basis are allowed for other than low- and moderate-income persons only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Note: Any rehabilitation that benefits low- and moderate-income persons as described in Section A, above, may be undertaken without regard to location or extent of rehabilitation.

- C. Projects Meeting Urgent Needs. In order to be considered a project necessary to meet an urgent need, the activity must be: designed to alleviate a serious and immediate threat to the health or welfare of the community, of recent origin (18 months or less), and unable to be financed by the recipient and for which other funding sources are not available.

II. ELIGIBLE ACTIVITIES

Note: Although all of the following activities are eligible for CDBG funding, they are allowable only if they meet one of the three national objectives noted in Section I above – i.e., benefit to lower-income persons, slum and blight prevention or removal, or urgent needs. Moreover, as mentioned in the first section, all applicants must be certified by the State in order to receive CDBG funds. Although many types of activities are listed below, the Village prioritizes certain types of activities. Refer to the “Instructions for Completing the CDBG Application” (and the Priority-Objective Handout Number 1 and the General Eligible Activity Handout Number 2) for guidance.

- A. Acquisition of Real Property

Real property may be acquired publicly or privately, in whole or in part, by purchases, lease, donation, or otherwise, for public purposes.

- B. Disposition of Any Real Property Acquired With CDBG Funds

This activity may also include reasonable costs of temporarily managing the property.

- C. Public Facilities and Improvements

This includes acquisition, construction, rehabilitation, or installation of public facilities and improvements by public or private nonprofit agencies. Parking, fire protection, and waste disposal facilities are allowed only when serving areas where other CDBG activities have been or are being carried out.

D. Clearance

CDBG funds may be used for clearance, demolition, removal of buildings and improvements and for the movement of structures to other sites provided such activities meet a national objective of the CDBG program.

E. Public Services

Eligible public services include those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, fair housing counseling, welfare, or recreational needs.

They must be either a new service or a quantifiable increase in the level of service above that which had been provided by or in behalf of the Village (through funds raised or received by the Village) in the twelve months prior to submission of the Village's funding package to HUD.

Not more than 15% of the Village of Oak Park's grant may be used for public services.

F. Interim Assistance

In deteriorating areas, or in emergency situations, cleanup activities are allowed on an interim basis.

G. Payment of the Non-Federal Share required in connection with a federal grant-in-aid program undertaken as part of the block grant (eligible) activities.

H. Relocation Activities

I. Payments to Housing Owners For Loss of Rental Income incurred in temporarily holding housing units for the relocation of individuals/families displaced by program activities.

J. Privately-Owned Utilities: acquisition, construction, reconstruction, rehabilitation, or installation of distribution facilities and lines of privately-owned utilities.

III. ELIGIBLE REHABILITATION AND PRESERVATION ACTIVITIES

A. Types of Building. CDBG funds may be used to finance the rehabilitation of

privately-owned or publicly-owned residential or non-residential buildings and improvements when the applicant has a long-term lease for the property.

B. Types of Assistance. CDBG funds may be used to finance the following rehabilitation activities, and related costs, through the use of grants, loans, loan guarantees, interest supplements, or other means:

- assistance to private individuals or entities, profit or non-profit, to acquire for rehabilitation, and to rehabilitate for use or resale for residential purpose;
- labor, materials and other costs of rehabilitation;
- loans for refinancing, if necessary or appropriate;
- costs of various improvements, premiums and tools; and
- rehabilitation services to assist owners, tenants, and others seeking participation in authorized rehabilitation activities.

C. Code Enforcement in deteriorated or deteriorating areas where such enforcement, together with public improvements, rehabilitation, and services may be expected to arrest decline of the area.

D. Historic Preservation, either public or private.

E. Renovation of Closed School Buildings.

IV. SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

These are additional activities that may be funded if necessary or appropriate to carry out an economic development project. They are:

- A. Acquisition, construction, reconstruction, or installation of commercial or industrial buildings and improvements; and
- B. Assistance to businesses, including loans, loan guarantees, grants, interest supplements, technical assistance, and other support.

V. SPECIAL ACTIVITIES BY SUB-RECIPIENTS

The Village may grant CDBG funds to three types of subrecipients in order to carry out neighborhood revitalization, community economic development, or energy conservation.

The subrecipients' activities may include activities not otherwise eligible (except for

specifically ineligible activities listed in Section IX below) when the Village determines that such activities are necessary or appropriate to achieve community development objectives.

Three types of subrecipients are eligible:

- (1) Local Development Corporations, of which there are four types:
 - (a) an entity organized pursuant to either Title VII of the Headstart, Economic Opportunity and Community Partnership Act of 1974, or the Community Economic Development Act of 1981;
 - (b) an SBA 502 or 503 Corporation;
 - (c) other entities incorporated under local or State law, having representative membership, and which are similar to those specified in (a) and (b) above;
or
 - (d) a state development entity eligible for 501 assistance.
- (2) Section 310 (b) SBA Investment Companies;
- (3) Neighborhood-Based Non-Profit Organizations -- those duly incorporated and organized with the majority of its membership or clientele or governing body being residents of the neighborhood where CDBG-assisted activities are to take place. The neighborhood must be designated in an official Village document.

VI. ELIGIBLE PLANNING AND RELATED COSTS

- A. Planning Activities: Data gathering, studies, analysis, preparation of plans, and implementing actions, including:
 1. comprehensive plans;
 2. community development plans;
 3. functional plans, in such areas as housing, land use, economic development, open space and recreation, energy, transportation, utilities, and historic preservation;
 4. other plans, such as neighborhood plans, capital improvement programs, project plans, (but working drawings are considered project, rather than planning, costs), environmental and historic preservation studies;
 5. strategies and actions to implement plans including development of codes;
and

6. clearinghouse functions.

- B. Policy, Planning Management and Capacity Building Activities which help determine needs, set goals, and objectives, devise programs, evaluate, and carry out management, coordination and monitoring for effective planning implementation.

Note: Eligible planning activities are assumed to meet the three national objectives criteria in the same percentages as project activities. Planning and administrative costs (see Section VIII below), in the aggregate, may not exceed 20% of the total annual CDBG grant (plus program income) for that program year.

VII. ELIGIBLE ADMINISTRATIVE COSTS

Reasonable costs of overall program management, coordination, monitoring, and evaluation.

- A. General Management, Oversight, and Coordination.
- B. Provision of Information and Resources to Citizens.
- C. Fair-Housing Services and other activities designed to further fair housing objectives. A fair-housing activity may be classified as either administration or a public-service activity.
- D. Administrative Expenses to Facilitate Housing. CDBG funds may be used for necessary administrative expenses in planning or obtaining funding for houses.

VIII. INELIGIBLE ACTIVITIES

The following are examples of projects that are ineligible under most circumstances. (Some activities used as examples of ineligible activities in this section may elsewhere be cited as exceptions that are eligible under specific circumstances.)

- A. Buildings used Predominantly for General Conduct of Government, except for the removal of architectural barriers.
- B. General Governmental Expenses, i.e., those carrying out the regular responsibilities of general government.
- C. Political Activities.
- D. Certain Unauthorized Activities. The following activities are ineligible unless authorized as either a special economic development activity (see Section IV) or a special activity by subrecipients (see Section V):

- I. Purchase of Equipment
 - a. Construction Equipment
 - b. Furnishings and Personal Property, with exceptions, including public services.
2. Operating and Maintenance Expenses, with exceptions.
3. New Housing Construction.
4. Income Payments.

IX. ANNUAL ACTION PLAN

After the annual proposal process has been completed, the awarded projects are identified in the Consolidated Plan's Annual Action Plan, which is prepared and submitted to HUD for approval by November 15th of each year. The Action Plan informs HUD how the Village of Oak Park intends to allocate that year's funding throughout the community, what results will be achieved, and what priorities will be addressed.

HUD must approve the Annual Action Plan annually before CDBG funds are released to the Village.

X. CERTIFICATIONS

The following are some of the assurances submitted annually as part of the application:

- A. The Village met citizen-participation requirements.
- B. The Village has prepared and made available a plan for minimizing displacement and for assisting persons actually displaced as a result of CDBG activities.
- C. The CD program has been developed to give maximum feasible priority to activities that will benefit low-and moderate-income families or aid in the prevention or elimination of slums or blight, and at least 70% of CDBG funds will be used for activities that principally benefit low- and moderate-income persons.
- D. The Village will comply with all applicable federal regulations regarding: the use of federal funds, nondiscrimination, equal opportunity, fair housing, payment of prevailing wages for certain construction projects, employment and training opportunities for lower income residents, property acquisition and relocation, limitation of employees' political activities, specific responsibilities regarding historical/architectural significance, and environmental and other considerations.
- E. The Village is following a current Consolidated Plan that has been approved by

HUD.

- F. The Village will not recover any capital costs of public improvement assisted in whole or in part by CDBG funds by assessing against properties owned and occupied by low- and moderate-income persons.
- G. The Village will comply with Davis-Bacon and Related Acts, which require, for most construction projects, that federally-established prevailing wage rates will be paid.
- H. The Village will provide a drug-free workplace.
- I. No federal funds will be expended for lobbying a representative of the federal government.

INFORMATION AND TECHNICAL ASSISTANCE

Further information regarding all aspects of this program, as well as technical assistance in the formulation of program proposals, may be obtained at Village Hall. Telephone inquiries should be addressed to Janis Akerstrom, Community Development Manager, at (708) 358-5419.

Copies of documents related to this program, as well as additional copies of this brochure, are available at Village Hall from 8:30 a.m. to 5:00 p.m. any business day. Also, for more detailed information on CDBG national objectives and eligible activities, please see the following site: <http://www.hud.gov/offices/cpd/communitydevelopment/library/deskguid.cfm>

MEETING SCHEDULE

The Meeting Schedule of the Community Development Citizens' Advisory Committee is available upon request to the Community Planning and Development Department.

ADA STATEMENT

The Village of Oak Park intends to comply with the Americans with Disabilities Act by making reasonable accommodations for people with disabilities.