

## **National Objectives of Community Development Legislation**

Congress established the Community Development program in 1974 by consolidating a number of grant programs into one “block grant”. The primary objective is:

“development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunity, principally for persons of low and moderate-income.” (Housing and Community Development Act of 1974)

To receive future Community Development Block Grant funds, Chapel Hill must certify that its overall program carries out this primary objective. In addition, each Community Development Block Grant activity must:

1. Benefit low- and moderate-income persons (80% of median income and below); or
2. Aid in the prevention or elimination of slums and blight; or
3. Treat urgent needs posing an immediate threat to public health and welfare.

### Eligible activities for Community Development Block Grant funding (from Federal Regulations)

Community Development Block Grant funds may be used for the following types of activities (provided national objectives are also met):

- acquisition of property
- disposition of property
- public facilities and improvements
- clearance, demolition and removal of buildings
- site improvements
- some public services (subject to some limits in regulations)
- relocation
- housing rehabilitation, preservation and code enforcement
- economic development activities
- planning and administrative costs (subject to a cap of total funds spent on these activities)

### Alternatives that are generally not eligible include:

- buildings used for the general conduct of government
- new housing construction (allowed in special circumstances)
- general government expense
- political activities
- purchase of equipment and personal property
- operating and maintenance expenses