

# COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION INSTRUCTIONS

This document is intended to serve as a resource to you as you complete your application for East Lansing's Community Development Block Grant (CDBG) Application. In this document, we discuss what organizations and activities may be eligible for CDBG funding, and then go through each question on the application and provide insights, context, and/or examples to hopefully clarify any ambiguities and make this application more accessible.

Grant application processes can be confusing and stressful, so our team strives to do whatever possible to provide you with the resources and information to succeed. If you need any additional technical support on this application, please feel free to email [grants@cityofeastlansing.com](mailto:grants@cityofeastlansing.com), call (517)319-6859, or attend one of the open office hour sessions detailed on the application and we would be happy to answer any questions you may have. Additionally, please let us know if there is any way that this instruction document can be improved, as we hope for this to be a living document that effectively addresses the actual needs of applicants. Thank you and we look forward to working with you!

## WHAT IS CDBG FUNDING FOR?

According to the U.S. Department of Housing and Urban Development, the primary objective of the Community Development Block Grant program is to provide for “the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.”

In order for a project to receive CDBG funding, it must qualify as an “eligible activity” and qualify as being in pursuit of one of three “national objectives.”

Three national objectives:

- Benefitting low- and moderate-income persons
- Preventing or eliminating slums or blight
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.<sup>1</sup>

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<sup>1</sup> Due to the nature of this national objective, we will not be accepting applications for activities that seek to fulfill this national objective. If you have any questions about this, you may contact our office at [grants@cityofeastlansing.com](mailto:grants@cityofeastlansing.com).

There is a wide array of activities considered eligible for CDBG funding. Below are a few examples:

- Acquiring, constructing, rehabilitating, or improving public facilities (neighborhood centers, sidewalks, public parks, etc.).
- Providing public services (e.g., organizations that provide childcare, health care, job training, services for senior citizens, etc.).
- Financing rehabilitation costs for low-to moderate-income households.
- Supporting the establishment, stabilization, and establishment of local microenterprises (businesses with five or fewer employees, one or more of whom owns the business).
- Financing down payment assistance for low-to moderate-income households.

**For more comprehensive information about the national objectives and eligible activities for CDBG funding, please see the following:**

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

## **WHO IS ELIGIBLE TO APPLY FOR CDBG FUNDING?**

There are a variety of businesses, organizations, and other groups that are eligible to apply for CDBG funding through this application. Some examples include:

- Departments of the City of East Lansing who work with contractors to do public facilities/improvements such as sidewalk and park improvements.
- Public or private non-profit agencies that provide public services to low-to moderate-income communities, housing rehabilitation, or other activities that qualify for CDBG funding.
- Microenterprise business owners in East Lansing or individuals developing a microenterprise in East Lansing (microenterprises are businesses with five or fewer employees, one or more of whom owns the business).

If you have questions about your potential eligibility as an applicant for CDBG funding, please contact the Department of Planning, Building and Development via email at [grants@cityofeastlansing.com](mailto:grants@cityofeastlansing.com) or call (517)319-6859 to discuss further.

## APPLICATION INSTRUCTIONS

For each question on the East Lansing's CDBG grant application, this document serves to provide additional context to help you answer them to the best of your ability. We also encourage you to read through the information on the grant application itself for additional information about the program and potential insights for filling out the application.

### I. APPLICANT INFORMATION

For this section, you will write down the name, street address, zip code, website, fiscal year, and DUNS Number (if applicable) **for your organization.**

### II. APPLICANT CONTACT PERSON

For this section, you will write down the name, title, email, and phone number for your organization's primary contact person regarding this funding. This is not required to be your organization's Executive Director or other signatory officer.

### III. NATIONAL OBJECTIVE

For this section, you will need to specify which national objective subcategory your activity(ies) will meet. When filling out this section, **be sure to only select one national objective subcategory.**

To help you discern what national objective subcategory your activity(ies) would qualify under, below we provide summarized information about each subcategory.

#### **National Objective: Benefit to Persons of Low-Moderate Income (LMI)**

##### *LMI Area Benefit:*

An area benefit activity is an activity which is available to benefit all the residents of an area which is primarily residential. This activity must meet the needs of Low-to Moderate-Income (LMI) persons in an area where at least 51% of the residents are LMI, however, the activity's benefits are available to all residents regardless of income.

Some examples of LMI Area Benefit activities include street improvements, building neighborhood facilities, and park improvements.

### *LMI Limited Clientele:*

A limited clientele activity is an activity that provides benefits to a specific group of people rather than everyone in an area generally. This doesn't need to be area specific, but it can be. Similar to area benefit activities, 51% of beneficiaries of this activity must be Low-to Moderate-Income persons.

An activity can qualify as a limited clientele activity if it meets one of the following tests:

- It can exclusively benefit a group that is presumed by HUD to be principally LMI, including:
  - abused children,
  - elderly persons,
  - battered spouses,
  - homeless persons,
  - adults meeting Bureau of Census' definition of severely disabled persons,<sup>2</sup>
  - illiterate adults,
  - persons living with AIDS, and
  - migrant farm workers.
- It can require information on family size and income to prove that at least 51% of the activity's beneficiaries are LMI.
- It can be located in such an area that it can be reasonably concluded that the activity will be serving LMI persons.
- It is an activity that removes physical barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census Population Reports definition of "severely disabled."
- It is a microenterprise assistance activity for LMI individuals who own microenterprises or are developing a microenterprise (microenterprises are businesses with five or fewer employees, one or more of whom owns the business).
- It is an activity designed to provide job training and placement and/or other employment support services to LMI persons.

Some examples of LMI Limited Clientele activities include the construction of a senior center, public services for the homeless, assistance to LMI income persons developing a microenterprise, or the construction of job training facilities for severely disabled adults.

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<sup>2</sup> Persons are classified as having a severe disability if they: (a) used a wheelchair or had used another special aid for six months or longer; (b) are unable to perform one or more "functional activities" or need assistance with an "ADL or IADL"; (c) are prevented from working at a job or doing housework; or (d) have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

### *LMI Housing:*

An LMI housing activity is an activity that assists in the acquisition, construction, or improvement of permanent residential structures that will be occupied by Low-to-Moderate-Income persons. This housing can be either owner-occupied or renter-occupied and can be single family or multi-unit. If it is a rental unit, the unit must be rented out per the regulatory requirements for LMI affordable rents.

In terms of occupancy, here are the general guidelines:

- All assisted single unit structures must be occupied by LMI households.
- An assisted two-unit structure (duplex) must have at least one unit occupied by a LMI household.
- An assisted structure containing more than two units must have at least 51% of the units occupied by LMI households.

For exceptions to these rules and other specific uses that fall under LMI Housing, please see “Chapter 3: Meeting a National Objective” (p. 3-20 & 3-21) of the guide linked on page one (1) of this resource guide.

Some examples of LMI Housing activities include the acquisition of property to be used for permanent housing, the rehabilitation of permanent housing, the conversion of nonresidential structures into permanent housing, and assistance to a household to enable it to acquire ownership of a home (homeownership assistance).

### *LMI Job Creation:*

An LMI job creation activity is an activity that creates or retains permanent jobs, at least 51% of which, on a full time equivalent (FTE) basis, are either held by LMI persons or considered to be available to LMI persons.

Jobs are considered to be “available to” LMI persons only when:

- Neither special skills that can only be acquired with substantial (1+ years) training or work experience nor education beyond high school is a prerequisite to fill such jobs (or the business nevertheless agrees to hire unqualified persons and train them); and
- The grantee and/or the assisted business takes actions to ensure that LMI persons receive “first consideration” for filling such jobs. In order to meet the “first consideration” standard:

The business must use hiring practices that would, under usual circumstances, result in over 51% of LMI persons interviewed for a job to be hired,

The business must seriously consider a sufficient number of LMI job applicants, and

The distance from residence and availability of transportation to the job site must be reasonable before an LMI person may be considered a serious applicant for the job.

In order for jobs to be retained by CDBG assistance, there must be clear and objective evidence that permanent jobs would be lost without CDBG assistance.

To meet the LMI jobs standard, 51% or more of the retained jobs must be either:

- Known to be held by LMI persons at the time CDBG assistance is provided, or
- Be reasonably expected to turn over to LMI persons within two years.

Some examples of LMI Jobs activities include the construction of a business incubator designed to offer both space and assistance to new, small businesses, loans to help finance the expansion of a factory, and assistance to a business that has publicly announced its intention to close.

### **National Objective: Prevention or Elimination of Slums or Blight**

#### *Area Benefit:*

An LMI slum/blight area benefit activity is an activity that eliminates objectively determinable signs of slums or blight in a designated slum or blighted area.

In order to qualify as a slum/blight area benefit, an activity must meet all of the following criteria:

- An area must be officially designated by the grantee and must meet a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law.<sup>3</sup>
- The area must exhibit physical signs of blight or decay, with a substantial number of deteriorated or deteriorating buildings throughout the area. This test is met if at least 25% of all the buildings in the area are deteriorated or deteriorating, or if the public improvements throughout the area are in a general state of deterioration.
- Activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions which contributed to the deterioration of the area.

If a CDBG funded activity involves the rehabilitation of residential structures, two additional criteria must be met:

- Each building must be considered substandard under local definition.
- All deficiencies making the building substandard must be corrected before less critical work on the building may be undertaken.

Some examples of LMI slum/blight area benefit activities include the acquisition and clearance of blighted properties, the installation of a park or playground, façade

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<sup>3</sup> State Law:

[http://www.legislature.mi.gov/\(S\(dcs00qkfolipolwgqppjrbxc\)\)/mileg.aspx?page=getobject&objectname=mcI-125-72&highlight=blight](http://www.legislature.mi.gov/(S(dcs00qkfolipolwgqppjrbxc))/mileg.aspx?page=getobject&objectname=mcI-125-72&highlight=blight)

improvements in a commercial area, or the treatment of toxic materials on property to enable it to be redeveloped for a specific use.

*Spot Blight:*

A LMI spot blight activity is an activity that eliminates objectively determinable instances of blight in an area not included in a specifically designated slum or blighted area.

In order to qualify as a LMI spot blight activity:

- The activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area, and
- The activity must be limited to one of the following:
  - Acquisition
  - Clearance
  - Relocation
  - Historic Preservation, or
  - Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Some examples of LMI spot blight activities include the historic preservation of a blighted public facility, the elimination of conditions detrimental to all potential occupants on a residential building, or the demolition of a vacant, deteriorating, abandoned building.

**For more information on these subcategories, please see “Chapter 3: Meeting a National Objective” of the guide linked on page one (1) of this resource guide.**

#### **IV. PROJECT TYPE**

For this section, you will select what type of eligible activity(ies) your activity falls under.

The listed activities were selected based on the City of East Lansing’s goals listed in our 2021-2025 Consolidated Plan for Community Development Block Grant.

**For more information on the City’s strategic goals, please see p. 124-130 of the 2021-2025 Consolidated Plan here:**

<https://www.cityofeastlansing.com/DocumentCenter/View/737/Consolidated-Plan-2021-2025-PDF?bidId=>

There are eligible activities for CDBG funding that are not listed as goals on East Lansing’s 2021-2025 Consolidated Plan. Here is a list of all eligible activity categories for CDBG funding:

Acquisition of Real Property  
Disposition  
Public Facilities and Improvements  
Clearance  
Public Services  
Interim Assistance  
Relocation  
Loss of Rental Income  
Privately-Owned Utilities  
Rehabilitation  
Construction of Housing  
Code Enforcement  
Special Economic Development Activities  
Microenterprise Assistance  
Special Activities by CBDOs  
Homeownership Assistance  
Planning and Capacity Building  
Program Administration Costs  
Miscellaneous Other Activities

If you are interested in applying for an eligible activity that does not fall under one of the City of East Lansing’s goals from the East Lansing 2021-2025 Consolidated Plan, please select the “Other” option and write in the eligible activity you are applying for.

Example of what this would look like:  
Other (Microenterprise Assistance)

**For more information on these individual categories, please see “Chapter 2: Categories of Eligible Activities” of the guide linked on page one (1) of this resource guide.**

## **V. PROJECT INFORMATION**

In this section, you will provide detailed information on the activity(ies) you are seeking CDBG funding for.

### **1. Long Description of Proposed Activities and Services**

For this subsection, you will:

- a. Describe the location of each proposed activity.
- b. Describe the population (e.g., low-mod income children, East Lansing residents) that will be served and benefit from each proposed activity.

- c. Describe each specific service (e.g., shelter/counseling) that will be provided for each activity.
  - d. Describe the activities (e.g., staff salary/operating needs) to be funded with the proposed funding request. The description should describe and align with the activities identified in the project budget.
  - e. Describe how your organization will evaluate and measure success of the proposed activity(ies).
2. Describe the community need for your proposed activities & how your organization will partner with other providers/community entities to administer the proposed activities?
3. Please describe how the services you provide will meet a specific community need or goal identified in a local or regional plan. Examples of local or regional plans include:
  - East Lansing 5-Year Consolidated Plan:  
<https://www.cityofeastlansing.com/DocumentCenter/View/737/Consolidated-Plan-2021-2025-PDF?bidId=>
  - East Lansing Master Plan:  
<https://www.cityofeastlansing.com/DocumentCenter/View/7403/Final-Master-Plan-2018-PDF>
  - East Lansing City Council Strategic Priorities:  
<https://www.cityofeastlansing.com/185/Strategic-Priorities>
4. Was your agency funded by the City of East Lansing during the FY 2021-2022 (current) grant cycle?
5. If your answer is “Yes” to #4 above, what funds were you awarded during the FY 2021-2022 CDBG grant year?

## **VI. PREVIOUS FUNDING HISTORY**

In this section, you will report whether you have received CDBG funding from the City of East Lansing for any completed fiscal years since 2018 (FY 18-19, FY 19-20, and FY 20-21). You will include the name of each activity funded, the CDBG award amount, your targeted number of East Lansing residents served, and your actual number of East Lansing residents served. To accurately report this information, we recommend reviewing your organization’s Scope of Service located in each fiscal year contract as well as your quarterly performance report forms for each fiscal year.

If you received CDBG funding for the current fiscal year (FY 21-22), you do not need to include this information here, as you already included this information in “Section V: Project Information.”

This section is only concerned with CDBG funding you received from the City of East Lansing. If you have received CDBG funding from a different source during these given timeframes, this information does not need to be included.

## **VII. PROJECT LINE-ITEM BUDGET**

For this section, you will write down the line-item budget for your proposed activity, including how you will be spending the CDBG grant award as well as private or other funding going towards your proposed activity under each line item.

You do not need to include your entire organization’s budget.

The numbers included in this section should match the numbers included in Section V, Subsection 1(d).