

Boys and Girls Club Eligibility for CDBG Funding

March 31, 1993

Honorable Herb Klein
House of Representatives
Washington, DC 20515-3008

Dear Mr. Klein:

Thank you for your letter of March 4, 1993, to the Department of Housing and Urban Development (HUD) regarding concerns raised by your constituent, Ms. Dolores Colucci, Executive Director of the Boys' and Girls' Club of Clifton, New Jersey, relating to the Club's eligibility for funding under the Community Development Block Grant (CDBG) program.

Ms. Colucci recommends that the CDBG program regulations be amended to include all children, rather than just those who are abused, in the categories of persons that may be presumed to be primarily low and moderate income. Based on the information in your letter, Ms. Colucci considers such a change to be necessary in order to make the Boys' and Girls' Clubs eligible to receive CDBG funding for the expansion of their facilities.

The CDBG regulations currently set forth a presumption of low- and moderate-income benefit for the following groups: abused children, battered spouses, elderly persons, handicapped persons, homeless persons, illiterate persons, and migrant farm workers. These groups were selected based on an analysis of Census and other data that demonstrated that it was reasonable to presume that at least 51 percent of the persons in each group are of low and moderate income. In considering whether such a presumption could be extended to all children in general, it is important to bear in mind that the CDBG regulations also define a "low- and moderate-income person" within a "family" context. That is, a person can only be considered to be of low and moderate income if he or she is a member of a family whose overall income falls within the low- and moderate-income guidelines. This concept appears especially critical in assessing the income status of children in general since they are clearly dependent on their families for support. We are not aware of any statistically reliable data to demonstrate that at least 51 percent of all children are members of low- and moderate-income families.

It should be noted, however, that the fact that all children are not presumed to be primarily low and moderate income need not necessarily preclude the Boys' and Girls' Club of Clifton from receiving CDBG assistance for its facilities. The CDBG regulations identify groups of persons who qualify for a presumption of low- and moderate-income benefit simply in an effort to reduce the record-keeping burdens for grantees to the greatest extent possible. Activities designed to serve groups that do not qualify for the presumption can still be assisted under the CDBG program if additional documentation requirements are met. Thus, the new facilities being proposed by the Boys' and Girls' Club of Clifton may qualify for CDBG assistance if the club can provide documentation that at least 51 percent of the clientele such facilities are designed to be served are actually low- and moderate-income persons. The CDBG

regulations provide various options as to what form the necessary documentation of income status may take.

Each entitlement community receiving a grant under the CDBG program (the City of Clifton in this case) is free to determine what activities it will fund, provided that the activity meets certain requirements, including that it be eligible and meet one of the national objectives specified in the law. These objectives are to benefit low- and moderate-income persons, prevent or eliminate slums or blight, and meet other community development needs of particular urgency. Prior to receiving its grant, however, each entitlement community must furnish citizens with information about the CDBG program and provide them with an opportunity to participate in the selection of activities to be funded.

Ms. Colucci should contact the City of Clifton's community development agency for more information on the availability and permitted uses of CDBG funds. The contact person is Mr. William R. Walters, Director of Community Development, City Hall, 900 Clifton Avenue, Clifton, New Jersey 07013. His telephone number is (201) 470-5852.

I hope this information is helpful in responding to the concerns of your constituent. Thank you for your interest in the Department's programs.

Very sincerely yours,

(signed)

Frank J. Vaccarella
Senior Intergovernmental
Relations Officer