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Recently, we've been asked a number of times about CDBG and HOME requirements regarding rehab or replacement of garages. In a recent Weekly Update, we stated our policy basically prohibiting such assistance except when the garage is a health or safety hazard and, in that case, should only be demolished with our funds.

Also, we've had a number of questions both from grantees and our own staff about the definition of the frequently used terms in CDBG "Presumed Benefit" and "Limited Clientele." We've pointed out that the regulations state that you can only "presume" that a clientele is low-mod if you have some basis for making that presumption. In other words, just because a group is listed in the regs as possibly falling into this category, other factors must be taken into account and documented before assuming benefit. We found an excellent Headquarters policy letter explaining this and attached this to a recent Weekly Update. It is now displayed here as well.

Home Rehab and Garages

We have been asked to address whether or not garages can be rehabbed when using **HOME** funds to do homeowner and rental rehab. Here is our statement on that issue:

Under **HOME**, both the actual cost of rehabilitating the housing (hard costs) and related soft costs are eligible. Eligible **hard costs** include:

- Meeting the rehabilitation standard
- Meeting applicable codes, standards and ordinances
- Essential improvements
- Lead-based paint hazard reduction
- Accessibility for disabled persons
- Repair or replacement of major housing systems
- **Incipient repairs and general property improvements of a non-luxury nature**
- Site improvements and utility connections

The rehab and repair of garages could be considered an "incipient repair and general improvement of a non-luxury nature." repairs to uninhabitable areas do not need to be rehabilitated to the same degree as habitable areas. To control costs, it is not necessary to correct all of the substandard conditions of the uninhabitable structure providing no condition presenting a threat to the safety and health of the homeowner/renter remains uncorrected. Repairs to uninhabitable structures, such as garages, should not take precedent over health and safety code violation repairs within the habitable structure, but should be addressed in relation to the funds available. To control costs, you may demolish a severely deteriorated uninhabitable structure rather than rehabilitate it provided the structure is not critical to the occupant's use of the habitable structure or that demolition does not violate the historical or architectural integrity of the dwelling. Prior to demolition, you shall obtain written permission from the owner and, if necessary, from the appropriate state/local authority having jurisdiction over the historical or architectural matters.