

Policy on Using CDBG For Parks and Recreation

Parks and recreational facilities are eligible activities under Section 570.201 (c) - Public Facilities and Improvements. These are facilities and public improvements that are either publicly owned or are traditionally provided by government. CDBG may be used for the acquisition, construction, reconstruction, rehabilitation or installation of such improvements or facilities.

Unfortunately, we have found a number of CDBG assisted parks, particularly baseball fields, that are: reserved exclusively or primarily for specific leagues or locked and available only by reservation for specific organizations. These facilities would not be considered eligible under CDBG regulations *as a Low-mod Area Benefit*.

Parks and recreational facilities assisted with CDBG funds must, repeat must, be open and available to the general public in order to be eligible if they are qualified under the National Objective of Benefit to Low-Mod on an Area Basis. In certain circumstances, activities qualified under Low-mod Benefit Limited Clientele may be restricted, if, for example, the facility was of a specialized nature to serve a particular need, but this would be the only time such restriction would be accepted. Otherwise, the activity should be open and available to the general public *the majority* of the time the facility is open. Limited restrictions would be allowable. Facilities owned or run by non-profits must also be open for use by the general public during normal hours or operation.

As you know, eligibility is a two pronged test. Is it an eligible activity? Does it meet one of the three National Objectives under Section 570.208? For National Objectives, most park and recreation projects qualify under Benefit to Low-and Moderate Income persons on an Area Basis, aka Area Benefit 570.208 (a)(1). Area benefit means that the activity benefits *the entire defined area, the area must be* primarily residential and *there must be* at least 51% or more low-mod persons except in approved exception grantees. Additional considerations include: the facility or improvement must be of such a type as to serve the residents of the area; the facility or improvement must address the needs of the area, and the service area must be defined and must make sense (e.g. not be city wide or gerrymandered, etc.). Facilities or improvements that serve the entire jurisdiction generally do not qualify as LM benefit unless at least 51 % of the people in the jurisdiction are LM and the activity is intended and available to serve that population.

In limited instances, parks and recreational facilities and improvements may qualify under other National Objective categories. Under Low-Mod, Limited Clientele(a) (2) may be used if the activity is designed to primarily benefit an identified limited client group that is at least 51 % low-mod. Be careful here to be sure that the facility is intended to serve this identified group and that you have documentation to support this contention and to support the 51% low-mod presumption. *As always, when an activity is intended to benefit children, the income of the parents must be documented to show compliance with the 51% LMI benefit.*

To use the Slums and Blight National Objective 570.208 (b), the facility or improvement must address one or more of the conditions which contribute to the deterioration or blight of the area. And, remember, the area must be designated by state or local law as slum or blighted and parks or recreational facilities must be clearly identified as a condition needing to be addressed. Lastly, an activity qualified under this NO would not count toward your required overall low-mod benefit standard of 70%.

If you are considering qualifying a public facility under any National Objective other than Low-Mod Area Benefit, we suggest you consult your CPD Rep first. If any CDBG funded facility is now restricted or locked or in any way not generally available to the public, please contact your CPD Rep immediately.

Please refer to your Guide to Eligible Activities for a detailed explanation of these rules. Chapter 2 discusses eligible activities and National Objectives with Public Facilities and Improvements explained on pages 2-11 through 2-17. Chapter 3 includes a further indepth explanation of National Objectives. Also, naturally, refer to your regulations, particularly Subpart C, *570.202 through 570.208*.