

# Consideration of Foster Children under the CDBG Program

September 16, 1994

Honorable Fred Upton  
House of Representatives  
Washington, DC 20515-2206

Dear Mr. Upton:

Thank you for your letter of July 20, 1994, requesting information on behalf of your constituent, Reverend Joe Shaler of Portage, Michigan. Reverend Shaler raises concerns regarding how foster children appear to be considered under the Community Development Block Grant (CDBG) regulations.

Reverend Shaler states that the City of Portage was recently using CDBG funds to provide scholarships to allow underprivileged children to take part in recreational activities sponsored by the City. When Reverend Shaler requested a scholarship for a foster child residing in his home, he was informed that the child would not be given special consideration for CDBG funds because the child resided in his home and his family did not meet the CDBG income guidelines.

The principal objective of the CDBG program is to benefit low-and moderate-income persons. The CDBG regulations define such persons within a "family" context. The regulations at 24 CFR Section 570.3 define a family to be all persons living in the same household who are related by birth, marriage or adoption. It should be noted that the Department's definition of a "family" is different than that of a "household," which would include all persons who occupy a housing unit. Given the above definitions, a foster child is not considered to be a member of the family with whom he or she resides.

When considering eligibility for assistance under a specific activity, the City of Portage needs to determine whether the activity is designed to benefit foster children as a group, the foster child individually, or the entire household. If the activity is designed to serve foster children exclusively, the activity would be presumed to benefit low- and moderate-income persons since under the CDBG program, foster children are considered, along with abused children in general, as a category of persons that may be presumed to be low and moderate income.

If the foster child will be the only one in the household benefiting, and the activity is not designed exclusively to serve foster children, then the foster child should be considered as a single individual, i.e., a family of one, for income qualification purposes.

If, however, the activity benefits the entire household directly, the overall household income would have to be considered. Regardless of the proposed activity's ability to meet CDBG program requirements, it is up to the City's discretion as to whether it will provide funding.

Thank you for your interest in the Department's programs.

Sincerely,

William J. Gilmartin Assistant Secretary