

Public Services

Eligible Activities

Under this category, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided that each of the following criteria is met:

(1) The *public service* must be either:

- ✓ A new service; or
- ✓ A quantifiable increase in the level of a service.

above that which has been provided by or on behalf of the unit of general local government through funds raised by such unit, or received by such unit from the State in which it is located during the 12 months prior to submission of the grantee's applicable Action Plan. (This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by the grantee using local or State government funds.)

An exception to this limitation may be granted by HUD if it is determined that the level of service from the previous period has decreased for reasons beyond the unit of local government's control. *Reference: §570.201(e)*

(2) The amount of CDBG funds obligated within a program year to support public service activities under this category may not exceed 15% of the total grant awarded to the grantee for that year plus 15% of the total program income it received in the preceding program year or, where applicable, the amount determined as described in the next paragraph. (Specific description of how to calculate the Public Services Cap is located on page 2-27.)

(3) A grantee that obligated more than 15% of its FY 1982 or of its 1983 grant for public service activities during its 1982 or 1983 program year, respectively, may instead use for this purpose a limitation that exceeds that described in (2), above. The amount of the alternative cap for such a grantee shall be as follows:

The maximum amount that the grantee may obligate for public services under this category is 15% of the program income it received during the preceding program year; plus the greater of

- the actual dollar amount it obligated during the 1982 or 1983 program year; or
- the percentage of public service obligations comprised of the grant it received for the 1982 or 1983 program year multiplied by the grant it will receive for the program year for which the alternative limitation is being computed. *Reference: §570.201(e)(2).*

Note: The exception to the straight 15% limitation that is described in (3) above is only available to those grantees that received authority from HUD to exceed the 10% cap on public services for their 1982 or 1983 program year and legally obligated in excess of 15% for public services that program year.

Public services that are not subject to the cap: Certain types of services fall under other categories of basic eligibility and are not subject to the dollar limitation that applies to services carried out under this category. (See especially the categories of Homeownership Assistance, Special Economic Development Activities, Microenterprise Assistance, and Special Activities by CBDOs.) Moreover, under special circumstances, services that would otherwise be subject to the dollar limitation under this category are exempted from this limitation. (See especially Appendix E.) A discussion of the factors to consider in deciding how to categorize public services that a grantee may be interested in assisting with CDBG funds may be found in the subsection entitled Making the Best Choice, at the end of this chapter on page 2-92.

Example

Public services include, but are not limited to:

- Child care,
- Health care,
- Job training (including training a qualified pool of candidates for unspecified jobs but see Special Economic Development Activities and Special Activities by CBDOs categories),
- Recreation programs,
- Education programs,
- Public safety services,
- Fair housing activities (but see Program Administration category),
- Services for senior citizens,
- Services for homeless persons,
- Drug abuse counseling and treatment,
- Energy conservation counseling and testing,
- Homebuyer downpayment assistance, and
- Welfare (but excluding provision of income payments described at §570.207(b)(4)).

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.

The following Public services **are not** eligible under this category:

Reference

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- | | |
|--|----------------|
| ❖ Political activities; | §570.207(a)(3) |
| ❖ Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments. | §570.207(b)(4) |
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Complying with National Objectives—Public Services

Public service activities may qualify as meeting a national objective of the CDBG program as depicted in the charts on the following pages.

Additional Considerations

Applicability of Public Services Cap to subrecipients:

- ❖ Public services carried out by subrecipients and some such services carried out by CBDOs are subject to the Public Services Cap.

Substitution of CDBG funds for private or other Federal funds:

- ❖ The prohibition on substituting CDBG funds for recent local or State government funding of a public service, as described on page 2-22, does not extend to prohibiting the substitution of CDBG funds for **private** or other **Federal** funding of a public service.
- ❖ It also does not prevent continued funding of a CDBG-funded public service at the same or smaller level in the subsequent program year.
Reference: §570.201(e)

Purchase or lease of personal property for a public service:

- ❖ The purchase or lease of furnishings, equipment, or other personal property needed for an eligible public service may be paid for with CDBG funds. *Reference: §570.207(b)(1)(iii)*

NATIONAL OBJECTIVES— PUBLIC SERVICES

Objective	Qualifies If	Example	Additional Information
L/M Income Area Benefit	The public service is available to <i>all</i> the residents in a particular primarily residential area, and at least 51% of those residents (or less if the exception criteria are applicable) are L/M income persons.	Increased police and fire protection services in a predominantly L/M income neighborhood.	For more information, see page 3-7.
L/M Income Limited Clientele	The public service is limited to a specific group of people, at least 51% of whom are L/M income persons. Services qualifying under this category serve a specific clientele, rather than providing service to all the persons in a geographic area.	Provision of meals to the homeless. (Most public services qualify under this category.)	For more information, see page 3-14.
L/M Income Housing	Not applicable.	Not applicable.	Not applicable.
L/M Income Jobs	Not applicable.	Not applicable.	Not applicable.

NATIONAL OBJECTIVES— PUBLIC SERVICES

Objective	Qualifies If	Example	Additional Information
Slum or Blighted Area	The public service is provided within a designated slum or blighted area, and is designed to address one or more conditions which contributed to the deterioration of the area.	Provision of crime prevention counseling to residents of a designated slum/blight area.	For more information, see page 3-35.
Spot Blight	Not applicable.	Not applicable.	Not applicable.
Urban Renewal Completion	Not applicable.	Not applicable.	Not applicable.
Urgent Needs	The public service is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community, they are of recent origin or recently became urgent, and the grantee is unable to find other available funds to support the activity.	Additional police protection to prevent looting in an area damaged by a tornado.	For more information, see page 3-41.