

County of Ventura
Community Development Block Grant Program
Code Enforcement Programs Policy
July 2020

This document adopts the code enforcement guidelines set forth in the United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program Guide to National Objectives & Eligible Activities for Entitlement Communities and Title 24: Housing and Urban Development Part 570 regulations.

Eligible Activities

Code enforcement refers to the payment of salaries and overhead costs that are directly related to state and/or local code enforcement. Example: CDGB funds may be used to pay the salaries of inspectors enforcing codes in blighted areas being renewed through comprehensive treatment.

Code enforcement does not include:

- ❖ Inspections for the purpose of processing applications for rehabilitation assistance and overseeing such rehabilitation. Such inspections may be eligible under the Rehabilitation category and they are not limited by the restrictions on the eligibility of code enforcement.
- ❖ Correcting code enforcement violations identified during inspections.

Defining Criteria for Deteriorating or Deteriorated

CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvement, rehabilitation, or services to be provided, may be expected to arrest the decline of the area [*Reference: 24 CFR 570.202(c)*]. A survey of the low moderate income block groups must be conducted every ten years to identify block groups that are defined as deteriorating or deteriorated and therefore CDBG eligible.

Meeting the National Objective

Code enforcement may qualify as meeting a national objective of the CDBG program in any of following three ways:

1. Low Moderate Income (LMI) Area Benefit

The code enforcement is targeted at a deteriorated or deteriorating area delineated by the grantee and:

- 1) At least 51% of the residents of the area are LMI persons; **and**
- 2) The code enforcement, together with public improvements, rehabilitation, and services to be provided, may be expected to arrest the decline of the area.

For purposes of code enforcement, LMI areas are assessed on the block group level and must be primarily residential. Even though a jurisdiction may be area benefit, CDBG funding for code enforcement is only eligible for those block groups where more than 50% of the residents qualify as low-moderate income (i.e. less than 80% of area median income).

Current HUD-provided, low- and moderate-income data sets can be found on the HUD Exchange website at:

<https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/>

Documentation Checklist for Low Moderate Income Area Benefit

- ✓ Map with corresponding census data to show block group areas that are at least 51% LMI.
- ✓ Defined criteria an area would have to meet for it to be considered a deteriorating or deteriorated area.
- ✓ Report of a physical study of eligible block group areas that qualify as deteriorating or deteriorated.
- ✓ Documentation defining block group areas that meet both the LMI and defined criteria of an area that is deteriorating or deteriorated.
- ✓ Identification of other activities to be carried out (whether CDBG-assisted or not) that will arrest the decline of the areas and their funding sources.
- ✓ Salary records of code enforcement inspectors paid with CDBG funds and the description of areas they are responsible for inspecting. Salary costs should be supported by time distribution records.

2. Slum or Blighted Area

The code enforcement is targeted at the prevention or elimination of a slum or blighted area and:

- 1) Is designed to address one or more of the conditions which contributed to the deterioration of the area; **and**
- 2) The code enforcement, together with public improvements, rehabilitation, and services to be provided, may be expected to arrest the decline of the area.

To qualify under the national objective of slums/blight on an **area** basis, an activity must meet **all** of the following criteria:

- ❖ The area must be officially designated by the grantee and must meet a definition of a slum, blighted, deteriorated or deteriorating area under State or local law.
- ❖ The area must exhibit the following physical signs of blight or decay:
 - There must be a substantial number of deteriorated or deteriorating buildings throughout the area. As a “safe harbor,” HUD will consider this test to have been met if either
 - The proportion of buildings in the area that are in such condition is at least equal to that specified in the applicable State law for this purpose; **or**
 - In the case where the applicable law does not specify the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least 25 percent of all buildings in the area must be deteriorated or deteriorating; **or**
 - Public improvements throughout the area must be in a general state of deterioration. (Public improvements taken as a whole must clearly exhibit signs of deterioration.)
- ❖ Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at 24 CFR 570.208(b)(1)(ii)(A) and maintain records to substantiate how the area met the slums or blighted criteria. **The designation of an area as slum or blighted under this section is required to be redetermined every 10 years for continued qualification.** Documentation must be retained pursuant to the recordkeeping requirements contained at 24 CFR 570.506(b)(8)(ii). *Reference: 24 CFR 570.208(b)(1)(iii).*
- ❖ Activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions which contributed to the deterioration of the area.

Documentation Checklist for Slum or Blighted Area

- ✓ Documentation of defining criteria of a slum, blighted, deteriorated or deteriorating area under State or local law.

- ✓ Council or Board adopted Resolution officially designating a defined area that meets the definition of a slum, blighted, deteriorated or deteriorating area under State or local law.
- ✓ Map of defined area.
- ✓ Identification of other activities to be carried out (whether CDBG-assisted or not) that will arrest the decline of the areas and their funding sources.
- ✓ Salary records of code enforcement inspectors paid with CDBG funds and the description of areas they are responsible for inspecting. Salary costs should be supported by time distribution records.

3. Urgent Need

While this situation is likely to be infrequent, it is possible for code enforcement to qualify if:

- 1) The code enforcement is targeted at a deteriorated or deteriorating area; **and**
- 2) The code enforcement, together with public or private improvements, rehabilitation, and services to be provided, may be expected to arrest the decline of the area; **and**
- 3) The grantee is able to certify that the existing conditions which the code enforcement is designed to alleviate pose a serious and immediate threat to the health or welfare of the community, they are of recent origin or recently became urgent, the grantee is unable to finance the activity on its own, and other sources of funds are not available.*

**In cases where disaster causes the blight of an area, it may be easier to qualify the code enforcement under the "Slum or Blighted Area" category than under the "Urgent Need" category.*

To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions which the grantee certifies:

- ❖ Pose a serious and immediate threat to the health or welfare of the community,
- ❖ Are of recent origin or recently became urgent,
- ❖ The grantee is unable to finance the activity on its own, and
- ❖ Other resources of funding are not available to carry out the activity.

A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the grantee's certification. *Reference 24 CFR 570.208(c).*

Example: A major catastrophe such as a flood or earthquake that threatens the community's residents with the spread of serious disease. The community's other resources may well be depleted and other Federal program funding may not be sufficient to cover all the costs.

Documentation Checklist for Urgent Need

- ✓ A description of the condition that was addressed, showing the nature and degree of seriousness of the threat it posed.
- ✓ Evidence that the grantee certified that the CDBG activity was designed to address the urgent need.
- ✓ Information on the timing of the development of the serious condition.
- ✓ Evidence confirming that other financial resources to alleviate the need were not available.
- ✓ Identification of other activities to be carried out (whether CDBG-assisted or not) that will arrest the decline of the areas and their funding sources.
- ✓ Salary records of code enforcement inspectors paid with CDBG funds and the description of areas they are responsible for inspecting. Salary costs should be supported by time distribution records.

If a participating unit of general government within an urban county uses CDBG funds for an urgent need, the **county** must be able to document that it was unable to finance the activity out of its own resources, **in addition to** having evidence that the participating local government was unable to finance the activity.