



# 2023 NOFA National Objective and Matrix Codes

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# Overview

The objective of the CDBG Program is to develop viable communities through the provision of decent affordable housing, a suitable living environment, and to expand economic opportunities, principally for the benefit of Low- and Moderate-Income (LMI) persons, families, households, and neighborhoods.

The authorizing statute of the CDBG program requires that each activity funded must meet one of three national objectives.

- ❖ Benefit to low- and moderate-income (LMI) persons;
- ❖ Aid in the prevention or elimination of slums or blight\* (SBA and SBS); and
- ❖ Meet a need having a particular urgency (referred to as urgent need).

**An activity that does not meet a national objective is not compliant with CDBG requirements and will not move forward in the Application process**



# CDBG National Objectives

Low/Moderate

Area Benefit  
Limited Clientele  
Housing  
Jobs

Slum/Blight

Area Basis (SBA)  
Spot Basis (SBS)

Urgent Need

Requires HCD approval



# CDBG National Objectives – Cont'd

## Low/Moderate Income Area Benefit (LMA)

An LMA activity is one that **benefits all residents in a particular area**, where **at least 51 percent of the residents are LMI** persons

Examples of area benefit activities may include the following when they are located in a predominately LMI neighborhood:

- ❖ Acquisition of land to be used as a neighborhood park;
- ❖ Construction of a health clinic;
- ❖ Improvements to public infrastructure like the installation of gutters and sidewalks; and
- ❖ Development of a community center.

Characteristics to identify service areas:

- ❖ The nature of the activity
- ❖ The location of the activity
- ❖ Clear boundaries that at least 51% persons residing in the service area are LMI.
  - HUD-published Census data or HCD-approved survey
- ❖ Must be primarily residential



# CDBG National Objectives – Cont'd

Low/Moderate Income

**Limited Clientele Benefit  
(LMC)**

A low/mod clientele activity is one where 51% of the beneficiaries are LMI persons. LMC looks at the actual number of LMI persons that benefit from the activity, versus the concentration of LMI persons in the area as with LMA.

Examples of activities that qualify under the limited clientele category include:

- ❖ Acquisition of a building to be converted into a shelter for the unhoused;
- ❖ Rehabilitation of a building to provide independent living training for severely disabled persons
- ❖ Clearance of a structure to develop a senior neighborhood center
- ❖ Public services activities with income guidelines

Characteristics of LMC activities:

- ❖ Benefit a clientele that is generally presumed to be principally LMI.
- ❖ Require documentation on family size and income to demonstrate that 51% of the clientele are LMI.
- ❖ Income eligibility requirements limiting the activity to LMI persons only
- ❖ Be of such a nature and in such a location that it can be concluded that clients are primarily LMI. An example is a day care center that is designed to serve residents of a public housing complex.



# Low/Moderate Income Housing (LMH)

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households.

Examples of housing activities for LMI persons include, but not limited to:

- ❖ Acquisition of an apartment house to provide dwelling units
- ❖ Site improvements on publicly-owned land to serve a new apartment structure
- ❖ Housing rehabilitation for single family units
- ❖ Conversion of an abandoned warehouse to be reconfigured into new apartments

Characteristics of a LMI Housing Project:

- ❖ Must result in housing that will be occupied by Low/Mod households upon completion.
  - Housing can be owner- or renter-occupied and can be single-family or multi-family structures.
  - Must be occupied by the household at affordable rents



# CDBG National Objectives – Cont'd

## Low/Moderate Income

### Jobs (LMJ)

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, **at least 51 percent** of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

Examples of activities that qualify when at least 51 percent of jobs created/retained will be for LMI persons include:

- ❖ Clearance activities on a site slated for a new business;
- ❖ Rehabilitation activity that will correct code violations and enable a business to survive and retain jobs;
- ❖ Financial assistance to a manufacturer for the expansion of its facilities that is expected to create permanent jobs; and
- ❖ Assistance to expand a small house cleaning service with four employees that agrees to hire three additional LMI employees.



# CDBG National Objectives – Cont'd

## Slum/Blight

**SBA**

**SBA**

These are activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area.

Examples include:

- ❖ Acquisition and demolition of a dilapidated property;
- ❖ Rehabilitation of a decayed community center that eliminates code violations that are detrimental to the health and safety of potential occupants like faulty wiring, falling plaster, or other similar conditions;
- ❖ Preservation of a deteriorated building of historic significance; and
- ❖ Financial assistance to a business to demolish a decayed structure and construct a new building on the site





# CDBG National Objectives – Cont'd

## Urgent Need (URG)

Use of the urgent need national objective category is rare. It is designed only for activities that alleviate emergency conditions.

Examples include:

Acquisition of property located in a flood plain that was severely damaged by a recent flood;

- ❖ Public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado;
- ❖ Demolition structures that are severely damaged by a major earthquake;
- ❖ Public services like additional police protection to prevent looting in an area damaged by a recent hurricane;
- ❖ Interim assistance such as emergency treatment of health problems cause by a flood; and
- ❖ Special economic development assistance to a grocery store that was damaged by an earthquake.

# Matrix Code Selection

Matrix codes are used to indicate eligibility and accomplishments across CDBG National Objectives LMI, Slum/Blight, and Urgent Need.

Select the appropriate Matrix Code associated with your National Objective to identify how you will measure beneficiaries. You can only use HUD-approved National Objective/Matrix Code combinations.

Matrix Code	National Objective/Measure Indicator			
	LMA/ People	LMC/ People	LMH/ Housing Units	LMJ/ Jobs
03C Homeless Facilities	N/A	X	N/A	X
03E Neighborhood Facilities	X	X	N/A	X
03G Parking Facilities	X	X	N/A	X
03H Solid Waste Disposal Improvements	X	X	N/A	X
03I Flood Drainage Improvements	X	X	X	X
03J Water/Sewer Improvements	X	X	X	X
03k Street Improvements	X	X	X	X
03L Sidewalks	X	X	X	X

# Documenting National Objectives

LMA	LMC	LMH	LMJ
<ul style="list-style-type: none"> <li>○ A map clearly showing the boundaries of the activity area</li> <li>○ A copy of the action(s) taken by the Grantee to define the boundaries, including an explanation of the basis for determining the boundaries</li> <li>○ The percentage of Low/Mod persons residing in the service area, including a copy of the data used to determine that percentage</li> </ul>	<p>Presumed Benefit</p> <ul style="list-style-type: none"> <li>○ Consumer info, photographs, product/ service info, marketing materials that describes the presumed population</li> </ul> <p>Family Size and Income</p> <ul style="list-style-type: none"> <li>○ Direct Benefit – Verifiable income source</li> <li>○ Indirect Benefit – Self-certification form</li> </ul> <p>Nature and location</p> <ul style="list-style-type: none"> <li>○ Consumer info, photographs, product/ service info, marketing materials that establishes the premise for its use by LMI</li> </ul>	<ul style="list-style-type: none"> <li>○ Copy of the written agreement</li> <li>○ Project Budget</li> <li>○ Size and combined adjusted gross income of household</li> <li>○ Affordable rent determinations</li> <li>○ Methodology for rent limits</li> </ul>	<ul style="list-style-type: none"> <li>○ Written agreement specifying the number of jobs to be created/ retained</li> <li>○ Nature of existing jobs</li> </ul>