

Community Development Statement

2025 ICDBG

November 7, 2025

The All Mission Indian Housing Authority, (AMIHA) intends to prepare and submit an Indian Community Development Block Grant (ICDBG) Application on behalf of the La Jolla Band of Luiseno Indians. The purpose of this notice is to inform the membership of eligible activities and what our intentions are for the use of the funds, if the grant application is successful. The maximum amount of funds that can be applied for is \$ 2,000,000.00 and the application will be for Infrastructure to Support New Housing Construction on the La Jolla Indian Reservation.

The General Membership will be asked to approve 2 resolutions. One to authorize AMIHA to submit an application on behalf of the Tribe and the other to certifying that they have had the opportunity to review this Community Development Statement and submit comments.

Attached is a list of Eligible and Ineligible Activities for the 2025 Indian Community Development Block Grant Program (ICDBG).

Single Purpose Grants. Projects funded by the ICDBG program must meet the primary objective, defined at 24 CFR 1003.2, to principally benefit low- and moderate-income persons. Consistent with this objective, not less than 70 percent of the expenditures of each Single Purpose grant shall be for activities that meet the regulatory criteria at 24 CFR 1003.208 for:

- a. Area Benefit Activities;
- b. Limited Clientele Activities;
- c. Housing Activities; or
- d. Job Creation or Retention Activities.

ICDBG funds may be used to improve housing stock, provide community facilities, improve infrastructure, and expand job opportunities by supporting the economic development of the communities, especially by nonprofit tribal organizations or local development corporations. ICDBG Single Purpose grants are distributed as annual competitive grants, in response to HUD's NOFA.

Individuals with communications-related disabilities should contact the AMIHA office at 951-760-7390 for interpretive services.

§ 1003.201 Basic eligible activities.

ICDBG funds may be used for the following activities:

(a) **Acquisition.** Acquisition in whole or in part by the grantee, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of [§ 1003.207](#).

(b) **Disposition.** Disposition, through sale, lease, donation, or otherwise, of any real property acquired with ICDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in [§ 1003.503](#).

(c) **Public facilities and improvements.** Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in [§ 1003.207\(a\)](#), carried out by the grantee or other public or private nonprofit entities. In undertaking such activities, design features and improvements which promote energy efficiency may be included. [However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to publicly owned and privately owned buildings, facilities, and improvements including those provided for in [§ 1003.207\(a\)\(1\)](#).] Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving ICDBG assistance. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in [§ 1003.207\(b\)\(3\)](#). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in [§ 1003.204](#) may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this [paragraph \(c\)](#) are subject to the following policies in [paragraphs \(c\)\(1\)](#) through [\(c\)\(3\)](#) of this section:

(1) **Special policies governing facilities.** The following special policies apply to:

(i) **Facilities containing both eligible and ineligible uses.** A public facility otherwise eligible for assistance under the ICDBG program may be provided with ICDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(A) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(B) The grantee can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility. Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(ii) **Equipment purchase.** As stated in [§ 1003.207\(b\)\(1\)](#), the purchase of equipment with ICDBG funds is generally ineligible. However, the purchase of construction equipment for use as part of a

solid waste facility is eligible. In addition, the purchase of fire protection equipment is considered to be an integral part of a public facility, and, therefore, the purchase of such equipment is also eligible.

(2) ***Fees for use of facilities.*** Reasonable fees may be charged for the use of the facilities assisted with ICDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(3) ***Special assessments under the ICDBG program.*** The following policies relate to special assessments under the ICDBG program:

(i) ***Definition of special assessment.*** The term *special assessment* means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(ii) ***Special assessments to recover capital costs.*** Where ICDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(A) Special assessments to recover the ICDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(B) Special assessments to recover the non-ICDBG portion may be made provided that ICDBG funds are used to pay the special assessment on behalf of all properties owned and occupied by low and moderate income persons; except that ICDBG funds need not be used to pay the special assessments on behalf of properties owned and occupied by moderate income persons if the grantee certifies that it does not have sufficient ICDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(iii) ***Public improvements not initially assisted with ICDBG funds.*** The payment of special assessments with ICDBG funds constitutes ICDBG assistance to the public improvement. Therefore, ICDBG funds may be used to pay special assessments provided:

(A) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental and citizen participation requirements; and

(B) The installation of the public improvement meets a criterion for the primary objective in [§ 1003.208](#); and,

(C) The requirements of [§ 1003.201\(c\)\(3\)\(ii\)\(B\)](#) are met.

(d) **Clearance activities.** Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.

(e) **Public services.** Provision of public services (including labor, supplies, materials, and the purchase of personal property and furnishings) which are directed toward improving the community's public services and facilities, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under [§ 1003.207\(b\)\(4\)](#)), homebuyer downpayment assistance or recreational needs. To be eligible for ICDBG assistance, a public service must be either a new service, or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the grantee through funds raised by the grantee, or received by the grantee from the Federal government in the twelve calendar months before the submission of the application for ICDBG assistance. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the grantee.) The amount of ICDBG funds used for public services shall not exceed 15 percent of the grant. Such projects must therefore be submitted with one or more other projects, which must comprise at least 85 percent of the total requested ICDBG grant amount.

(f) **Interim assistance.**

(1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the grantee has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the grantee determines that such an emergency condition exists and requires immediate resolution, ICDBG funds may be used for:

(i) The activities specified in [paragraph \(f\)\(1\)](#) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities; and

(iii) The improvement of private properties.

(3) All activities authorized under [paragraph \(f\)\(2\)](#) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) **Payment of non-Federal share.** Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of ICDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) **Relocation.** Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is:

(1) Required under the provisions of [§ 1003.602 \(b\)](#) or [\(c\)](#); or

(2) Determined by the grantee to be appropriate under the provisions of [§ 1003.602\(d\)](#).

(i) **Loss of rental income.** Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(j) **Housing services.** Housing services, as provided in section 105(a)(21) of the Housing and Community Development Act of 1974 [[42 U.S.C. 5305\(a\)\(21\)](#)].

(k) **Privately owned utilities.** ICDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(l) ***The provision of assistance to facilitate economic development.***

(1) The provision of assistance either through the grantee directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided under [paragraph \(l\)\(1\)](#) of this section shall not be subject to the restrictions on public services contained in [§ 1003.201\(e\)](#).

(3) For purposes of this [paragraph \(l\)](#), *persons developing microenterprises* means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(m) **Technical assistance.** Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. Capacity building for private or public entities (including grantees) for other purposes may be eligible as a planning cost under [§ 1003.205](#).

(n) ***Assistance to institutions of higher education.*** Provision of assistance by the grantee to institutions of higher education where the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart.

(o) ***Homeownership assistance.*** ICDBG funds may be used to provide direct homeownership assistance to low- and moderate-income households to:

- (1) Subsidize interest rates and mortgage principal amounts for low-and moderate-income homebuyers;
- (2) Finance the acquisition by low-and moderate-income homebuyers of housing that is occupied by the homebuyers;
- (3) Acquire guarantees for mortgage financing obtained by low-and moderate-income homebuyers from private lenders (except that ICDBG funds may not be used to guarantee such mortgage financing directly, and grantees may not provide such guarantees directly);
- (4) Provide up to 50 percent of any downpayment required from a low-and moderate-income homebuyer; or
- (5) Pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low- or moderate-income homebuyer.

§ 1003.202 Eligible rehabilitation and preservation activities.

(a) Types of buildings and improvements eligible for rehabilitation or reconstruction assistance. ICDBG funds may be used to finance the rehabilitation of:

- (1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
- (2) Low-income public housing and other publicly owned residential buildings and improvements;
- (3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations (further improvements to such buildings may be undertaken pursuant to [§ 1003.203\(b\)](#)); and
- (4) Nonprofit-owned nonresidential buildings and improvements not eligible under [§ 1003.201\(c\)](#);
- (5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.

(b) ***Types of assistance.*** ICDBG funds may be used to finance the following types of rehabilitation or reconstruction activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described

in [paragraph \(a\)](#) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in [paragraph \(a\)\(3\)](#) of this section.

- (1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
- (2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;
- (3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with ICDBG funds if such financing is determined by the grantee to be necessary or appropriate to achieve the grantee's community development objectives;
- (4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
- (5) Improvements to increase the efficient use of water through such means as water saving faucets and shower heads and repair of water leaks;
- (6) Connection of residential structures to water distribution lines or local sewer collection lines;
- (7) For rehabilitation carried out with ICDBG funds, costs of:
 - (i) Initial homeowner warranty premiums;
 - (ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and
 - (iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to [24 CFR 58.6\(a\)](#).
 - (iv) Lead-based paint activities in [part 35 of this title](#).
- (8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
- (9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section;
- (10) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under [paragraph \(a\)](#) of this section.

(c) **Code enforcement.** Code enforcement in deteriorating or deteriorated areas where such enforcement together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area.

(d) **Historic preservation.** ICDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) **Renovation of closed buildings.** ICDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

[[61 FR 40090](#), July 31, 1996, as amended at [64 FR 50230](#), Sept. 15, 1999]

§ 1003.203 Special economic development activities.

A grantee may use ICDBG funds for special economic development activities in addition to other activities authorized in this subpart which may be carried out as part of an economic development project. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the grantee or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is necessary or appropriate to carry out an economic development project, excluding those described as ineligible in [§ 1003.207\(a\)](#). In order to ensure that any such assistance does not unduly enrich the for-profit business, the grantee shall conduct an analysis to determine that the amount of any financial assistance to be provided is not excessive, taking into account the actual needs of the business in making the project financially feasible and the extent of public benefit expected to be derived from the economic development project. The grantee shall document the analysis as well as any factors it considered in making its determination that the assistance is necessary or appropriate to carry out the project. The requirement for making such a determination applies whether the business is to receive assistance from the grantee or through a subrecipient.

(Approved by the Office of Management and Budget under control number 2577-0191)

§ 1003.204 Special activities by Community-Based Development Organizations (CBDOs).

(a) **Eligible activities.** The grantee may provide ICDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or

energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in [paragraph \(b\)](#) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under [paragraphs \(a\)\(1\), \(a\)\(2\), and \(a\)\(3\)](#) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a grantee (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a grantee which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the grantee's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) ***Ineligible activities.*** Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in [§ 1003.207\(a\)](#);

(2) Carrying out public services that do not meet the requirements of [§ 1003.201\(e\)](#), except services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services;

(3) Carrying out an activity that would otherwise be eligible under [§ 1003.205](#) or [§ 1003.206](#), but that would result in the grantee's exceeding the spending limitation in [§ 1003.206](#).

(c) ***Eligible CBDOs.***

(1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the grantee; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the grantee and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under [paragraph \(c\)\(1\)\(iv\)](#) of this section); and

(vi) Except as otherwise authorized in [paragraph \(c\)\(1\)\(v\)](#) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the grantee upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in [paragraph \(c\)\(1\)](#) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 ([15 U.S.C. 681\(d\)](#)), including those which are profit making; or

(ii) Is an SBA-approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under [24 CFR 92.2](#), designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under [24 CFR 92.300](#) or is expected to receive HOME funds as described in and documented in accordance with [24 CFR 92.300\(e\)](#); or

(iv) Is a tribal-based nonprofit organization. Such organizations are associations or corporations duly organized to promote and undertake community development activities on a not-for-profit basis within an identified service area.

(3) A CBDO that does not qualify under [paragraphs \(c\)\(1\)](#) or [\(2\)](#) of this section may also be determined to qualify as an eligible entity under this section if the grantee demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under [paragraphs \(c\)\(1\)](#) or [\(2\)](#) of this section.

§ 1003.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to comprehensive plans, community development plans and functional plans in areas such as housing and economic development. In addition, other plans and studies such as capital improvements programs, individual project plans, general environmental studies, and strategies and action programs to implement plans, including the development of codes and ordinances are also eligible activities. With respect to the costs of individual project plans, engineering and design costs related to a specific activity are eligible as part of the cost of such activity under [§§ 1003.201](#) through [1003.204](#) and are not considered planning costs. Also, costs necessary to comply with the requirements of [24 CFR part 58](#), including project specific environmental assessments and clearances for activities eligible under this part are eligible as part of the cost of such activities under [§§ 1003.201](#) through [1003.204](#).

(b) Policy—planning—management—capacity building activities including those which will enable the grantee to determine its needs, set long term goals and short term objectives, devise programs to meet these goals and objectives, evaluate the progress being made in accomplishing the goals and objectives. In addition, actions necessary to carry out management, coordination and monitoring of activities necessary for effective planning implementation are eligible planning activities, however the costs necessary to implement the plans are not.

§ 1003.207 Ineligible activities.

The general rule is that any activity that is not authorized under the provisions of [§§ 1003.201](#) through [1003.206](#) is ineligible to be assisted with ICDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with ICDBG funds:

(1) Buildings or portions thereof used for the general conduct of government as defined at [§ 1003.4](#) cannot be assisted with ICDBG funds. This does not include, however, the removal of architectural barriers under [§ 1003.201\(c\)](#) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets the primary objective described in [§ 1003.208](#).

(2) **General government expenses.** Except as otherwise specifically authorized in this subpart or under [2 CFR part 200, subpart E](#), expenses required to carry out the regular responsibilities of the grantee are not eligible for assistance under this part.

(3) **Political activities.** ICDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with ICDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration

campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(b) The following activities may not be assisted with ICDBG funds unless authorized under provisions of [§ 1003.203](#) or as otherwise specifically noted herein, or when carried out by a CBDO under the provisions of [§ 1003.204](#).

(1) **Purchase of equipment.** The purchase of equipment with ICDBG funds is generally ineligible.

(i) **Construction equipment.** The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing or depreciation pursuant to [2 CFR part 200, subpart E](#), for an otherwise eligible activity is an eligible use of ICDBG funds.

(ii) **Furnishings and personal property.** The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. Exceptions to this general prohibition are set forth in [§ 1003.201\(o\)](#).

(2) **Operating and maintenance expenses.** The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the ICDBG program. For example, the use of ICDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under [§ 1003.201\(e\)](#), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disability, parking and similar public facilities; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) **New housing construction.** ICDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in [24 CFR part 42](#); or

(ii) When carried out by a CBDO pursuant to [§ 1003.204\(a\)](#);

(4) **Income payments.** The general rule is that ICDBG funds may not be used for income payments. For purposes of the ICDBG program, income payments means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency payments made over a period of up to three months to the provider of such items or services on behalf of an individual or family.

ICDBG costs) of the acquisition, construction, or rehabilitation by the percent of units in such housing occupied by low and moderate income persons.

(iii) Funds expended for any other activity which qualifies under [§ 1003.208](#) shall be counted for this purpose in their entirety.