



CDBG NOFA: National Objective & Matrix Codes

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Overview

The national 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 meet a National Objective. The 2024 NOFA will only accept applications for projects/programs that benefit low- and moderate-income (LMI) persons.

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



Qualifying under LMI

- ❖ Low-Mod Area (LMA)
- ❖ Low-Mod Clientele (LMC)
- ❖ LMCMC Microenterprises (LMCMC)
- ❖ Low-Mod Housing (LMH)
- ❖ Low-Mod Jobs (LMJ)



CDBG LMI National Objectives

Low/Moderate 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 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 LMI National Objectives – Cont'd

Low/Moderate Limited Clientele (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 for conversion to a shelter for the unhoused;
- ❖ Rehabilitation of a building for 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 generally presumed to be principally LMI.
- ❖ Income eligibility requirements limiting the activity to LMI persons only
 - Require documentation on family size and income
- ❖ Be of such a nature and location that it can be concluded that clients are primarily LMI. Such as, a day care center designed to serve residents of a public housing complex.

CDBG LMI National Objectives – Cont'd

Low/Moderate Limited Clientele Microenterprise (LMCMC)

Low/mod limited clientele, microenterprises activities carried out under 24 CFR 570.201(o) that benefit microenterprise owners or persons developing the microenterprise who are low/mod income.

A microenterprise is a business with five or fewer employees, including owner(s). The activity must be designed to exclusively serve microenterprises.

Examples of activities for LMCMC activities include, but not limited to:

- ❖ Financial assistance, technical assistance, or general services to owners and persons developing microenterprises.
- ❖ Under this NOFA, eligible LMCMC matrix codes are:
 - ❖ 20A ex. Planning-Only Activities, Feasibility Study, or
 - ❖ 18C ex. Technical and financial assistance and general support to owners' microenterprise.



Low/Moderate Housing (LMH)

The housing category of the LMI 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 LMI National Objectives – Cont'd

Low/Moderate Jobs (LMJ)

The job creation and retention LMI national objective addresses activities designed to create or retain permanent jobs, where 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.

Matrix Code Selection

- Matrix codes are used to indicate eligibility and accomplishments across CDBG National Objectives LMI.
- 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.

CDBG Allowed Matrix Codes and National Objective Codes

Legend	
 	National Objective Code Allowed by HCD
 	National Objective Code not allowed by HCD
N	National Objective Code not allowed by HUD
Strikethrough	Matrix Code not allowed by HCD

Matrix Codes	Eligible Activity	National Objective Codes				
		LMA	LMC	LMCMC	LMH	LMJ
01	Acquisition of Property - 570.201(a)	 	 	N	 	
02	Disposition - 570.201(b)			N		
03A	Senior Centers	N	 	N	N	
03B	Facility for Persons with Disabilities	N	 	N	N	
03C	Homeless Facilities (not operating costs)	N	 	N	N	
03D	Youth Centers	N	 	N	N	
03E	Neighborhood Facilities	 	 	N	N	
03F	Parks, Recreational Facilities	 	 	N	N	N
03G	Parking Facilities	 	 	N	N	
03H	Solid Waste Disposal Improvements	 	 	N	 	
03I	Flood Drainage Improvements	 	 	N	 	
03J	Water/Sewer Improvements	 	 	N	 	
03K	Street Improvements	 	 	N	 	
03L	Sidewalks	 	 	N	 	
03M	Child Care Centers	N	 	N	N	
03N	Tree Planting	 	 	N	 	
03O	Fire Station/Equipment	 	N	N	N	N
03P	Health Facilities	 	 	N	N	
03Q	Abused and Neglected Children Facilities	N	 	N	N	
03R	Asbestos Removal	 	 	N	N	
03S	Facilities for AIDS Patients (no op'ting costs)	N	 	N	N	
03T	Operating Costs Homeless/AIDS Patients	N	 	N	N	N
03Z	Other Public Improvements Not Listed in 03A-03S	 	 	N	 	
04	Clearance and Demolition	 	 	N	 	
04A	Cleanup of Contaminated Sites			N		
05A	Senior Services	N	 	N	N	N
05B	Services for Persons with Disabilities	N	 	N	N	N
05C	Legal Services	 	 	N	N	N
05D	Youth Services	N	 	N	N	N
05E	Transportation Services	 	 	N	N	N
05F	Substance Abuse Services	 	 	N	N	N
05G	Services for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking	N	 	N	N	N
05H	Employment Training	 	 	N	N	N

Matrix Code Selection

Matrix Codes	Eligible Activity	National Objective Codes				
		LMA	LMC	LMCMC	LMH	LMJ
05I	Crime Awareness			N	N	N
05J	Fair Housing Activities-Subj.to Pub.Serv.Cap			N	N	N
05K	Tenant/Landlord Counseling	N		N	N	N
05L	Child Care Services	N		N	N	N
05M	Health Services			N	N	N
05N	Abused and Neglected Children	N		N	N	N
05O	Mental Health Services			N	N	N
05P	Screening for Lead Based Paint/Lead Hazards	N		N	N	N
05Q	Subsistence Payments	N		N	N	N
05R	Homebuyer Downpayment Assistance—Excluding Housing Couns	N	N	N		N
05S	Rental Housing Subsidies	N	N	N		N
05T	Security Deposits	N	N	N		N
05U	Housing Counseling Only, under 24 CFR 5.100	N		N		N
05V	Neighborhood Cleanups		N	N	N	N
05W	Food Banks			N	N	N
05X	Housing information and referral services	N		N		N
05Y	Housing Counseling under 24 CFR 5.100 supporting homebuyer downpayment assistance (05R)	N	N	N		N
05Z	Other Public Services Not Listed in 03T and 05A-05Y			N	N	N
06	Interim Assistance		N	N	N	N
07	Urban Renewal Completion			N		
08	Relocation			N		
09	Rental Income Loss			N		
11	Privately Owned Utilities			N		
12	Construction of Housing	N	N	N		N
13A	Housing Counseling, under 24 CFR 5.100, for Homeownership Assistance 13B	N	N	N		N
13B	Homeownership Assistance - excluding Housing Counseling under 24 CFR 5.100	N	N	N		N
14A	Rehab; Single-Unit Residential	N	N	N		N
14B	Rehab; Multi-Unit Residential	N	N	N		N
14C	Public Housing Modernization	N	N	N		N
14D	Rehab; Other than Public-Owned Residential Buildings	N	N	N		N
14E	Rehab. Pub./Pvt.-Comm'/Indust'			N	N	
14F	Energy Efficiency Improvements	N	N	N		N
14G	Acquisition for Rehabilitation	N	N	N		N
14H	Rehabilitation Administration			N		
14I	Lead-Based Paint Abatement	N	N	N		N
14J	Housing Services, excluding Housing Counseling under 24 CFR 5.100	N	N	N		N

Matrix Codes	Eligible Activity	National Objective Codes				
		LMA	LMC	LMCMC	LMH	LMJ
14K	Housing Counseling, under 24 CFR 5.100, Supporting HOME Program Assistance Housing Activities	N	N	N		N
14L	Housing Counseling, under 24 CFR 5.100, in Conjunction with CDBG Assisted Housing Rehab	N	N	N		N
15	Code Enforcement		N	N	N	N
16A	Residential Historic Preservation	N	N	N		N
16B	Non-Residential Historic Preservation			N	N	
17A	Commercial/Industrial: Acquisition/Disposition			N	N	
17B	Commercial/Industrial: CI Infrastructure Development			N	N	
17C	Commercial/Industrial: CI Building Acq., Construction, Rehabilitation			N	N	
17D	Other Commercial/Industrial Improvements			N	N	
18A	ED Assistance to For-Profits		N	N	N	
18B	Economic Development: Technical Assistance		N	N	N	
18C	Micro-Enterprise Assist.				N	
19C	Nonprofit Capacity Building					
19E	Operation and Repair of Foreclosed Property		N	N		N
19F	Planned Repayments of Sec.108 Loans	N	N	N	N	N
19G	Unplanned Repayments of Sec.108 Loans	N	N	N	N	N
19H	State CDBG Technical Assistance to Grantees	N	N	N	N	N
20	Planning	N	N	N	N	N
20A	State Planning-only 570.483(b)(5) and (c)(3)					
21C	Public Information	N	N	N	N	N
21D	Fair Housing Activity (subject to Admin. cap)	N	N	N	N	N
21E	Submissions or Applications for Federal Programs	N	N	N	N	N
21H	CDBG Funding of HOME Admin.	N	N	N	N	N
21I	CDBG Funding of HOME CHDO Operating Costs	N	N	N	N	N
23	Tornado Shelters—Private Mobile Home Parks		N	N	N	N
24A	Payment of Interest on Section 108 Loans	N	N	N	N	N
24b	Payment of Costs of Section 108 Financing					
24C	Debt Service Reserve	N	N	N	N	N

Documenting National Objectives

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



Resources

- Please see [Chap-02-National-Objective.pdf \(ca.gov\)](#) of our CDBG Grants Management Manual.
- Matrix codes: [cdbg-matrix-code.pdf \(ca.gov\)](#)
- Matrix codes definition: [Matrix-Code-Definitions.pdf \(hudexchange.info\)](#)
- Please reach out to your HCD Representative for questions. To find out who your HCD Representative is, please contact the CDBG program inbox at CDBG@hcd.ca.gov.



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