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> CDBG Entitlement Program Eligibility Requirements

## **CDBG Entitlement Program Eligibility Requirements**

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301

([http://portal.hud.gov/hudportal/HUD/program\\_offices/comm\\_planning/communitydevelopment/rulesandregs/laws/sec5301etseq](http://portal.hud.gov/hudportal/HUD/program_offices/comm_planning/communitydevelopment/rulesandregs/laws/sec5301etseq)).

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit low- and moderate-income persons. A grantee may also carry out activities which aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet one of these national objectives.

## **Eligible Grantees**

Eligible grantees are as follows:

- Principal cities of Metropolitan Statistical Areas (MSAs)
- Other metropolitan cities with populations of at least 50,000
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities)

Eligibility for participation as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget. HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

## **Eligible Activities**

CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services, within certain limits
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities

Each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

Generally, the following types of activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities
- Certain income payments
- Construction of new housing (with some exceptions)

## Eligible Beneficiaries

Over a 1, 2, or 3-year period, as selected by the grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons.

HUD does not provide CDBG assistance directly to individuals, businesses, nonprofit or organizations or other non-governmental entities. If you are interested in participating in this program, you need to contact your local municipal or county officials to find out how the program operates in your area. Participation requirements may differ from one grantee to another.

Find out who administers the CDBG Program in your area. (/grantees/)

If your local government officials cannot answer your questions, or if you are a local official, contact the HUD field office (<http://www.hud.gov/offices/cpd/about/staff/fodirectors>) that serves your area. Note that the local government administers the program and determines which local projects receive funding.

## Citizen Participation

A grantee must develop and follow a detailed plan which provides for, and encourages, citizen participation and which emphasizes participation by persons of low- or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must:

- Provide citizens with reasonable and timely access to local meetings, information, and records related to the grantee's proposed and actual use of funds
- Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance
- Provide for timely written answers to written complaints and grievances
- Identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate

In May 2012, HUD introduced the eCon Planning Suite (/consolidated-plan/econ-planning-suite/), including the Consolidated Plan template in IDIS OnLine and the CPD Maps website. By creating a more cohesive planning and grants management framework and providing better data and a tool for analysis, the eCon Planning Suite supports grantees and the public to assess their needs and make strategic investment decisions. HUD grantees are now required to submit their Consolidated Plan and year one Annual Action Plan using the Consolidated Plan template in IDIS OnLine. If grantees have an approved multi-year Consolidated Plan, they are not required to use IDIS to submit their Annual Action Plan until the next multi-year strategy is due.

## Related Resources

CDBG Laws and Regulations (/community-development/cdbg-laws-and-regulations)

CPD Notices (/manage-a-program/cpd-notice)

CDBG Entitlement Guides, Tools, and Webinars (/cdbg-entitlement/guides)

CDBG Reports, Program Data, and Income Limits (/community-development/cdbg-reports-program-data-and-income-limits)

IDIS: Integrated Disbursement and Information System (/idis)

FSRS: FFATA Subaward Reporting System (<https://www.fsr.gov/>)