The Community Development Block Grant (CDBG) program, created in 1974, provides funds for housing and for other community development purposes. Funds are divided into two categories. Most rural areas apply for CDBG funds from the State CDBG program, administered by a state government agency. (Hawaii is the only state that has chosen not to administer its own program, so HUD administers the State CDBG program there.) The second pool of funds is distributed by formula to “entitlement” jurisdictions, which are generally cities with populations of 50,000 or more and counties with populations of 200,000 or more.

**PROJECT REQUIREMENTS**

States fund local governments through a competitive process or on a formula basis. Although awards are made annually, it is not unusual for a single purpose or a comprehensive CDBG project/program to take more than 12 months to complete, depending on the activities undertaken. Demands for grants far exceed the available funds.

Applications are ranked according to national standards as well as state criteria to ensure that grants are fairly and equitably awarded. Applicants are funded based on the final ranking of the application, to the extent funds are available. Rating factors vary from state to state but may include absolute number and percent of persons in poverty, impact of the proposed program, and past performance in meeting national objectives in housing and equal opportunity.

States design and implement their own programs. Generally, State CDBG grants can be used for some rural housing development activities, including site clearance and rehabilitation of housing and of public or private buildings. Grants can also be used to provide “direct assistance to facilitate and expand homeownership among persons of low and moderate income.”

In addition, CDBG funds can be used to acquire, construct, reconstruct, or install water and sewer facilities, sewage treatment works, and other such facilities. These funds can also pay for administrative costs such as planning and related activities, data gathering, surveys, detailed architectural or engineering studies, and administrative activities such as budgeting and proposal writing.

**FOR MORE INFORMATION**


For additional information or assistance filing an application contact Montachusett Regional Planning Commission, 1427R Water Street, Fitchburg, MA 01420 at 978-345-7376 [www.mrpc.org](http://www.mrpc.org)