

About CDBG

Regulations

CDBG projects must align with one of three national objectives:

- Principally benefit low and moderate income person
- Eliminate slums and blight
- Address imminent health and safety problems

There are a number of regulations that apply. Principal among these are the following:

- Environmental review.
- Davis-Bacon wage rates.
- Civil rights legislation.
- Competitive procurement.

Eligibility

TNECD administers the "Small Cities" CDBG program. All communities in Tennessee are eligible except those in entitlement communities which are communities that receive CDBG funds directly from HUD. Entitlement areas include Bristol, Chattanooga, Clarksville, Cleveland, Davidson County and Nashville, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Knox County and Knoxville, Morristown, Murfreesboro, Oak Ridge, Shelby County and Memphis

CDBG funds are only awarded to city and county governments.

Program Design

HUD allows for considerable flexibility in the use of CDBG money as long as applicants stay within the parameters of the legislation and regulations.

Local officials and the "public" must be consulted each year regarding goals, objectives and priorities. The program is designed around this input.

The economic development program operates continuously. The community development program operates on a once-a-year application cycle, with applications submitted in February.

Funding Levels

Community Development ("Regular Round")

Eligible Projects

CDBG "regular round" projects have a quality-of-life objective. TNECD has six categories of funding: water line extensions, sewer line extensions, water system improvements, sewer system improvements, housing rehabilitation and community livability.

Community livability projects include anything else that is eligible under the federal legislation. Popular community livability projects include rural fire protection, primary health care, drainage or street improvements, and other similar projects related to health and safety conditions in the community.

- Title VI Compliance
- 2017 Public Meeting Presentation
- 2017 Ability to Pay Index

Application Requirements

In addition to the federal regulations cited in the Overview, there are a number of state requirements that have been imposed on "regular round" projects, primarily in order to ensure that as many communities as possible are able to benefit from the CDBG program. These state regulations are as follows:

- Applications may be submitted only once a year. Normally, this is in February.
- Previous projects must be closed out before another application can be submitted.
- Eligible cities, with the exception of metro spolian governments, or counties can submit only one application. Therefore, if there are competing needs in the community, the executive and legislative body must determine which need is most important and submit an application for only that project.
- Maximum grants are \$500,000 for lines, systems and housing rehabilitation. Maximum grants for community livability projects are \$300,000. The maximum grant in two consecutive fiscal years is \$750,000. Communities that participate in the Three-Star program are eligible for up to \$25,000 (\$15,000 for community livability projects) in additional funding.

Community development grant rates are based on the ability-to-pay of the applicant as calculated by the Center for Business and Economic Research at the University of Tennessee.

Overview of Evaluation Criteria

The "regular round" program operates on a point system that measures four factors.

Community need measures unemployment and income levels in the applicant city or county and in the service area of the project. Each project is eligible for up to 100 points in community need.