

## ***Frequently Asked Questions:***

### **1. What is the Community Development Block Grant?**

An attempt to streamline the disbursement of Federal funds to Municipalities led to the [Community Development Block Grant \(CDBG\)](#) program in the 1970's. The initiative sought to pool the various funds received into one "Block" payment, creating a more efficient process on both the Federal and Municipal levels.

### **2. Where do the Funds come from?**

Funding is made available through United States [Department of Housing and Urban Development \(HUD\)](#). It is also HUD's responsibility to monitor the use of funds by all CDBG recipients. Congress appropriates funds annually, an amount which varies year to year.

### **3. How is the Amount determined?**

HUD determines the amount allocated to each receiving community. Central cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants. HUD determines the amount of each entitlement grant 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.

### **4. What are the Funds used for?**

CDBG funds must be used to enhance the living environment of the lower and moderate-income population of the city.

### **5. How are low and moderate-income households defined?**

Low and moderate-income persons live in households that earn no more than 80% of the median income of all Cambridge households. For 2004 a family of four can earn up to \$45,100 and qualify for CDBG funded activities.

### **6. To whom are the Funds available?**

Each recipient (person or entity), or beneficiary, of CDBG Funds must be income eligible by HUD standards. Each proposed activity must meet Federal criteria and must also contribute to the meeting of national objectives.

**7. What are the Eligibility requirements, Federal Criteria and National Objectives?**

There are many! Check [HUD's web-site](#) for a complete explanation of Objectives, Criteria and Eligibility.

**8. How do programs and organizations obtain CDBG Funds?**

Recipients are determined, in part, by public hearings and written proposals. Details on when these hearings occur can be found on the [Community Development Advisory Commission page](#).

**9. How much money does the City of Long Beach receive from the CDBG program?**

The amount that the City of Long Beach receives on an annual basis varies; depending on HUD's budget and formula calculation the amount has run between \$8 and \$9 million annually.

**10. How does the City of Long Beach determine how to spend CDBG funds?**

The City prepares a 5-year Consolidated Plan that delineates its goals and objectives in the utilization of CDBG funds. The City backs up this Plan with an annual One-Year Action Plan, which demonstrates the City's utilization funds in respect to the objectives of the 5-Year Plan on an annual basis. CDBG also produces a Consolidated Annual Performance Evaluation Report (CAPER), which accounts for all activities and funds spent during the previous fiscal year.