

Community Development Block Grant (CDBG)

Department of Housing and Community
Development

Note: This fact sheet was created in October 2021. Program details can change regularly. For the most up-to-date information on this program and a program contact, please visit the link below:

[Link to program website](#)

01 Program goals

The Virginia Community Development Block Grant (CDBG) Program provides funding to local governments to address critical community development needs—which includes housing, revitalization, infrastructure, and economic development. The CDBG Program is designed to meet the needs of communities across the Commonwealth of Virginia through three national objectives: (1) give maximum feasible priority to activities which will benefit low- and moderate-income (LMI) families; (2) aid in the prevention or elimination of slum and blight; and (3) activities designed to meet community needs having a particular urgency (referred to as “Urgent Need”).

02 Funding sources

Funding for the CDBG Program was established through the Housing and Community Development Act of 1974. Funding is administered and managed by the U.S. Department of Housing and Urban Development (HUD).

03 Governance

The CDBG Program follows regulations set by HUD. While meeting these minimum requirements, DHCD also has additional guidelines, which are released on an annual basis. Competitive CDBG projects are reviewed annually and ranked based on certain evaluation criteria. In most cases, the highest ranking competitive projects have higher LMI beneficiaries. Open Submission projects, which are submitted and reviewed on an open, monthly basis throughout the funding year, are designed to meet specific community needs of highest priority as determined by the local government. Funding for open submission projects will be utilized throughout the year until all funds are exhausted. Once a project is approved, the locality enters a performance-based contract with DHCD, in which the locality must meet adequate capacity and financial requirements. Throughout the life of the contract, the locality undergoes frequent contract monitoring and compliance reviews performed by DHCD to ensure all requirements are being met.

04 Population Served

Non-entitlement units of local government are the only eligible recipients of Virginia state-administered CDBG funding, but these local governments may contract with Planning District Commissions, non-profit organizations, and other competent entities to undertake project activities.

Localities submitting planning grants and competitive applications should first develop a methodology to prioritize the highest community development needs within the locality. It is expected that CDBG competitive grant applications will include activities that address items that are among the locality's highest identified community development needs.

05 How program works

There are two main categories of the CDBG Program: competitive and open submission

(including planning grants). Interested applicants are highly encouraged to discuss any potential project application with DHCD prior to submission. Throughout the year, DHCD provides technical assistance and guidance with project development.

Community Improvement Grants (CIGs) enable localities to implement solutions to identified local community development problems. Also known as the competitive review cycle, CIG applications are due in the spring, which are then reviewed, scored, and ranked. The final recommendations are sent to the Governor of Virginia for final approval. Those that are approved are publicly announced towards the end of the summer and get under contract with DHCD in the fall. For open submission projects, it is more common for applicants to submit several reiterations of the application after project development discussions take place to ensure the project meets DHCD's standards for impact and sustainability.

Planning grants, Economic Development & Entrepreneurship Fund, Construction-Ready Water and Sewer Fund, Regional Water/Wastewater Fund, and Urgent Need projects receive funding on an open, first-come, first-served basis between April 1, 2021 and December 31, 2021. While open submission projects are not scored on specific evaluation, applicants work with DHCD to develop high quality projects that are easier to get under contract more quickly in order to address high priority community development needs.

- A majority of individuals served are Black and have incomes below 50% AMI.
- On average, between 2011 and 2019, housing activities have accounted for 35 percent of total DHCD's CDBG allocation.

06 Program history

The Virginia CDBG Program began in 1982.

07 Program highlights

- Between 2011 and 2019, CDBG has impacted, on average, 415 housing units a year.
- The majority of housing projects served by CDBG through DHCD serves rural towns in Virginia's southern and western regions.