**Definition of CDBG**

CDBG stands for Community Development Block Grant. Through the Housing and Community Development Act of 1974, local governments with populations of 50,000 or more become eligible for funds from the U.S. Department of Housing and Urban Development (HUD) to implement a wide range of programs and projects dealing with neighborhoods improvements and city services. In order to receive the funds under the CDBG Program, the City must file an application to HUD that contains the One Year Action Plan for the use of the funds. In 2000 the City submitted a Consolidated Plan which assesses, identifies, and forecasts needs for up to five years. In addition, the City must comply with Federal laws concerning civil rights, payment of wages, environmental review, monitoring requirements, fair housing and any other regulations. Most importantly, all funded activities must meet at least three national objectives which are: elimination of slum or blight and/or benefit of low-income families or persons and/or be of urgent need.

Title 1 of the Housing and Community Act of 1974 as amended, authorizes the Community Development Block Grant (CDBG) to improve and enhance the quality of life for the citizens of Pharr, with principal emphasis on the low and moderate-income persons residing in targeted areas of the city.

**Specific Objectives must provide for the:**

 1.Promotion of diversity vitality of neighborhoods

 2.Elimination of slums and blight, and deterioration of community facilities

 3.Elimination of conditions detrimental to health, safety, and public welfare

 4.Conservation and expansion of housing

 5.Reduction of income group isolation within communities

 6.Economic development, with emphasis on assisting low-income individuals

**Census Tracts and Income**

The U.S. Census Bureau has divided the nation into census tracts for statistical tabulation purposes. The City of Pharr has been divided into 11 tracts. Tracts of enumeration are generally designed to be relatively uniform with respect to population count and/or number of households. Census tracts are further divided into block groups for other statistical purposes. In order for a block group within a census tract to be eligible for CDBG target area designation, at least 51% of its population must have a median income at or below 80% of Hidalgo County median income. The City utilizes the most recent 2010 census data and the American Community Survey.

**Citizen Participation**

The citizens of Pharr are asked to identify problems that exist on a neighborhood scale, which impact low income households. The City Commission appoints (11) citizens to the Community Development Council (CDC). To provide broad citizen participation, neighborhood meetings or public hearings are held by the CDC and City staff to solicit public input. After the CDC makes their recommendations, the City Commission holds a public hearing to consider the CDC recommendations and subsequently approves the CDBG application.

**Environmental Policies and Review**

The City is required to determine the impact of its community development projects or activities on environmental quality. Where applicable, multiple criteria including policies and various governmental regulations must be considered during the production of the environmental review, which is submitted to HUD with the One Year Action Plan.

**Project Implementation**

Upon notification of funding approval, project coordinators must make arrangements to begin their projects as soon as the City receives approval from HUD to disperse funds. Any proposed project not scheduled to begin during that upcoming fiscal year will not be considered for funding. The reason for this is that HUD monitors the City as the City monitors the fund recipients. If at the end of the grant year a City subgrantee or City project has not begun spending their allocated funds, the City’s funds may be frozen or withdrawn by HUD. Any measure imposed by HUD of this nature would mean that the City would receive less funding in future years.

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