

## CHAPTER 1: INTRODUCTION, DEFINITIONS AND GENERAL INSTRUCTIONS

- 1-1. Purpose. This Handbook provides instructions for CDBG entitlement communities to complete the annual GPR using forms HUD-4949.1 through 4949.6.
- The GPR is designed to provide information on how a grantee actually used its entitlement funds during its most recently completed program year by providing a concise description of each activity for which funds were budgeted and expended during the reporting period, as well as providing information on activity accomplishments. The GPR is also used by grantees to inform citizens on the use of CDBG funds during the program year. The CDBG regulations require that copies of the GPR be made available to citizens in time to comment prior to submission to HUD. Finally, the information provided in the GPR is compiled by HUD and used in its Annual Report to Congress.
- 1-2. Background. The GPR is required by the Housing and Community Development Act of 1974, as amended. In carrying out its statutory responsibility to review the grantee's performance, HUD relies heavily on the GPR to provide information on how individual CDBG-assisted activities are eligible and meet a national objective, as well as whether expenditures meet certain other statutory requirements.
- 1-3. Appendices. This Handbook contains eight appendices. Each of the first six appendices contain instructions for completing one of the GPR forms together with an example of a completed form. Grantees should carefully review the examples because they provide important additional guidance on how to present the required information, especially with regard to the Activity Summary forms, HUD-4949.2 and 4949.2a. Appendix 7 contains a completeness checklist. Grantees should use this checklist to ensure that each form has been properly completed and that the information provided is arithmetically correct and internally consistent from form to form. Appendix 8 contains a copy of each of the GPR forms.
- 1-4. Narratives/Attachments. There are six instances when additional information is to be submitted on

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CDBG-assisted activities. Instructions for preparing each of these narratives/attachments are included in the appendices. The additional information is required when the grantee indicates:

- a. That the use of CDBG funds: (1) did not meet the community development program objectives as specified in the grantee's final statement for the program year covered by this report; (2) were not used exclusively for one of the three national objectives; or (3) was such that the grantee did not or will not comply with the overall benefit certification (see page 1-1).
- b. That an activity involves the acquisition, rehabilitation, or demolition of occupied real property (see page 2-14 and exhibit 2e).
- c. That there were activities where jobs were made available to, but not taken by, low/mod persons (see page 2-24 and exhibit 2f).
- d. That personal records are not maintained for an activity which serves a clientele that does not fall within one of the categories of limited clientele low and moderate income (low/mod) presumption (see page 2-27 and exhibit 2g).
- e. That there is program income to revolving funds; program income from float funded activities; income from the sale of real property; other loan repayments; prior period adjustments; loans outstanding; loans deferred or written off; parcels of CDBG-acquired property available for sale; or lump sum drawdown agreements (see pages 3-8 and 3-9, and exhibit 3b).
- f. That rehabilitation projects/units were completed during the reporting period (see page 5-6 and exhibit 5b).

1-5. General Instructions

- a. Headings. The following information is to be provided on each GPR form:

Name of Grantee: Enter the grantee's name as shown on the approved Grant Agreement (form HUD-7082)

for the program year this report covers.

Grant Number: Enter the grant number assigned by HUD to the Community Development Block Grant for the program year this report covers.

Period Covered: Enter the first and last day of

the CDBG program year this report covers.

Page numbering: Number the pages for the entire GPR in sequential order commencing with the GPR Cover Sheet, form HUD-4949.1, as page one of \_\_\_\_ (indicate total number of pages in report).

- b. Census Tract and Block Group Data. Information on census tracts/block groups is required for all low/mod area benefit activities and for the Displacement Summary form. Use the following procedure to enter census tract/block group data: for census tracts, report the basic census tract number up to four digits and the two-digit suffix (if appropriate). If the service area contains less than a complete census tract, following the census tract designation, enter "BG" to indicate the block group number(s) in the service area. For example, an activity with a service area in block groups 1,3, and 7 of census tract 1103.01 would be shown as 1103.01 BG 1,3,7; and census tract 1221.04, census block groups 1,2,3,4,5, and 6, would be shown as 1221.04 BG 1-6. In those communities where census tract/block group data is not provided by the Census Bureau, enter the block numbering area data by denoting "BNA."
- c. Definitions. The following terms are defined as indicated below for purposes of this report:
  - (1) Low and Moderate Income. Information on low- and moderate-income households/persons is required in a number of places in the GPR. The grantee should identify persons or households which are included in these groups using the definitions for "low- and moderate-income household," "low- and moderate-income person," "low-income household," or "low-income person" as established in 24 CFR 570.3, Definitions.

- (2) Racial and Ethnic Groups. The Activity Summary and Displacement forms require information on participation in the CDBG program by racial and ethnic groups. Below are the definitions of the basic racial and ethnic groups used in this GPR. Grantees should use the category that most closely reflects an individual's recognition in his/her community for purposes of reporting on a person of mixed racial and/or ethnic origins.

White, Not Hispanic Origin. A person having origins in any of the original peoples of Europe, North Africa, or the Middle East, but not of Hispanic origin.

Black, Not Hispanic Origin. A person having origins in any of the black racial groups of Africa, but not of Hispanic origin.

Hispanic. A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

Asian and Pacific Islander. A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

American Indian or Alaskan Native Origin. A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliations or community recognition.

- (3) Subrecipient: A public or private nonprofit agency, authority, or organization, or an entity described in 24 CFR 570.204(c) receiving CDBG funds from the grantee or a subrecipient to undertake activities eligible for such assistance under 24 CFR 570 Subpart C. The term includes a public agency designated by a metropolitan city or urban county to receive a loan guarantee under Subpart M, but does not include contractors or direct beneficiaries receiving financial

assistance for property rehabilitation or economic development projects. (See page 2-18)

- (4) CDBG Funds. All available CDBG resources including funds received in the form of grants under 24 CFR 570 Subparts D or F, loans guaranteed under Subpart M, urban renewal surplus grant funds under Subpart N, program income defined in 570.500(a), and grant funds returned to the program account or line-of-credit. (See page 2-24)
- (5) Budgeted: The total amount of CDBG resources allocated to an activity as of the last day

of the reporting period. (This is not to include funds expended for the activity in prior years.) The amount budgeted on the last day of the reporting period should be no less than the amount of CDBG funds expected to be expended to complete the activity. Also, for activities reported as completed or canceled this report period, the amount budgeted cannot exceed the amount expended for the activity. (See page 2-25)

- (6) Expenditures: Actual cash disbursements, indirect expenses incurred, and net increases (or decreases) in amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subrecipients, subcontractors, or other payees, and other amounts becoming owed for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments. This definition is to be applied by both the grantee and subrecipients. (See page 2-25)
- (7) Obligated funds: Funds which the grantee or subrecipient has committed by placing orders, awarding contracts or grants, receiving goods or services, or completing similar transactions that require payment in the future. (See page 2-15)
- (8) Unliquidated obligations: Amount of orders placed, contracts and grants awarded, goods

and services received and similar transactions for which an expenditure has been accrued but not yet paid as of the end of the reporting period. (See page 2-28)

- (9) Revolving fund: A separate fund (with a set of accounts that are independent of other program accounts) established by the grantee or a subrecipient for the purpose of carrying out specific activities that, in turn, generate payments to the fund for reuse in carrying out the same type of activity. (See page 3-2)
- (10) Multi-Unit Residential Structure. Each assisted structure containing two or more residential units is a multi-unit residential structure and shall be reported as a separate

activity for all purposes in the GPR.

- (11) Housing activity delivery costs: Costs of staff and related expenses, other than program administration costs, incurred for the acquisition, rehabilitation, conversion, reconstruction or construction of property for housing. (See page 2-7)
- (12) Displaced person: Any household, business, farm, or nonprofit organization that moves from real property, permanently, as a direct result of rehabilitation, demolition, or acquisition for any CDBG-assisted activity. (See page 6-1)

1-6. Recordkeeping Requirements. Individual records for each CDBG-assisted activity must be retained for a period of three years commencing with the date of submission of the GPR in which the specific activity is reported for the final time.

The records on any activity for which there is a finding that is unresolved at the end of the three-year period just described shall be retained until resolution of the finding and any issue(s) that arise from the finding.