

**Guidance for FY27 is currently not available, but you can  
find guidance from FY26 below.  
Please note that this is subject to change.**

The Subcommittee on Transportation, Housing and Urban Development, and Related Agencies accepted FY26 CDS projects for the following accounts. Please carefully review the program requirements and guidance below before selecting an account.

Please note that the THUD Subcommittee will not fund any CDS requests for operational expenses or administrative salaries and benefits.

All THUD CDS funds are provided to grantees on a reimbursement basis – no recipients will receive an upfront disbursement from DOT or HUD. CDS recipients will be required to request drawdowns from their grant as eligible expenses are incurred.

All DOT CDS projects will have a non-Federal cost-share requirement, consistent with the authorized program under which the projects are funded. The cost-share may vary by State and by type of project.

**Transportation Planning, Research, and Development (TPR&D)**

- For transportation research projects eligible under title 23 or title 49, United States Code (not for project-specific planning that is eligible for funding under HIP, TIG, or CRISI)

**Grants-in-Aid for Airports (Airport Improvement Program or AIP)**

- For [airport projects](#) eligible under chapter 471 of title 49, United States Code.
- NOTE: As AIP CDS follows the existing AIP statute, the Federal cost-share requirements still apply to CDS.
  - For large and medium primary hub airports, CDS can cover 75 percent of eligible costs (or 80 percent for noise program implementation). For small primary, reliever, and general aviation airports, CDS can cover a range of 90-95 percent of eligible costs, based on statutory requirements.

**Highway Infrastructure Programs (HIP)**

- For highway projects eligible under title 23, United States Code; including, but not limited to, highway and bridge construction projects, planning, environmental review, design, and right-of-way acquisition.
- Operational expenses are not eligible.
- All highway CDS funds will be provided directly to State Departments of Transportation.
- If the local or county level government is requesting the CDS, they will be required to coordinate with the State DOT to receive the funding and ensure a non-Federal match is available.

- If requested highway projects are not currently on the STIP or TIP, the applicant must provide a letter from the State DOT confirming that: (1) the project is eligible for Federal-aid highway funding under title 23, United States Code; (2) the State DOT is willing to carry out the project if funding is enacted; and (3) the State DOT will include the project on the STIP or TIP once funding for the project is enacted.

### **Transit Infrastructure Grants (TIG)**

- For transit projects eligible under chapter 53 of title 49, United States Code.
- If requested transit projects are not currently on the STIP or TIP, the applicant must provide a letter from a transit agency confirming that: (1) the project is eligible for transit funding under chapter 53 of title 49, United States Code; (2) the transit agency is willing to carry out the project if funding is enacted; and (3) the transit agency will include the project on the STIP or TIP once funding for the project is enacted.

### **Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grants**

- For rail projects eligible under section 22907(c) of title 49, United States Code.
- If requested rail projects are not currently on the State Rail Plan, the applicant must provide a letter from a State rail agency or State DOT confirming that: (1) the project is eligible for rail funding under section 22907 of title 49, United States Code; (2) the State rail agency, State DOT, or other relevant State agency is willing to carry out the project if funding is enacted; and (3) the State rail agency or State DOT will include the project on the State Rail Plan once funding for the project is enacted.

### **Port Infrastructure Development Program (PIDP) Grants**

- For port projects eligible under section 54301 of title 46, United States Code.
- NOTE: The current NDAA includes a provision that prohibits DOT from funding “a grant to purchase fully automated cargo handling equipment that is remotely operated or remotely monitored with or without the exercise of human intervention or control, if the Secretary of Transportation determines such equipment would result in a net loss of jobs within a port or port terminal.”
- The FY24 THUD bill included a cross reference to this provision for appropriated funding, which will apply to all PIDP CDS projects.
- Applicants requesting projects that include the purchase or installation of cargo handling equipment, or the installation of terminal infrastructure that is designed for cargo handling equipment, must indicate whether or not the equipment is fully automated or whether the terminal infrastructure is designed for fully automated equipment.
  - For CDS purposes, the Subcommittee considers fully automated cargo handling equipment to be remotely operated or monitored, with or without the exercise of human intervention or control.
- If fully automated equipment is proposed to be acquired or terminal infrastructure for such equipment is proposed to be created, applicants must provide information describing any job changes that will result from the project, including supporting

evidence demonstrating and certifying that the project will NOT directly result in a net loss of jobs or degradation of job quality.

### **Community Development Fund for Economic Development Initiatives (EDI)**

- EDI projects are funded within the “Community Development Fund” account for activities eligible under section 5305 of chapter 69 of title 42, United States Code, as well as for affordable housing construction.
- Suited to projects that address affordable housing, community services, and economic development, and are comparable to activities in the CDBG program.
- Examples of eligible EDI projects include, but are not limited to:
  - Acquisition of real property;
  - Construction, rehabilitation, and improvements to affordable housing;
  - Blight removal or remediation;
  - Public housing modernization;
  - Construction, rehabilitation, and improvements of public facilities (except buildings for general conduct of government), such as neighborhood centers, parks, and shelter for persons having special needs such as survivors of domestic violence and the homeless.
- EDI projects are subject to other Federal requirements including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200, the National Environmental Policy Act (NEPA), HUD’s NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58, and all appropriate Federal environmental and historic preservation laws, regulations, and Executive Orders.
- The environmental review must be completed by a “Responsible Entity” (RE), which is a state, unit of general local government, Indian tribe or Alaska Native Village. Nonprofit organizations will need the RE for where the project is located to conduct the environmental review on their behalf.
- Consistent with HUD’s “[Build America, Buy America](#)” phased implementation, EDI projects are required to comply with the Build America Preference for iron, steel, construction materials, and manufactured products.
- Funding **cannot** be used for operational expenses such as utilities, rent, office supplies and equipment, insurance, or an organization's staff salaries and benefits.
- Any expenses incurred prior to the enactment of a final appropriations bill cannot be reimbursed with EDI funds.
- To review HUD's current implementation of the EDI program and the applicable Federal requirements, please see [HUD's EDI landing page](#).

**National Objectives:** EDI projects **must** meet at least one of the three National Objectives of the broader CDBG program. Requests must include a description and relevant data indicating how it meets such National Objective(s). The three CDBG program National Objectives are:

1. Benefit low- and moderate-income (LMI) persons or communities;
2. Prevent or eliminate slums or blight; or

3. Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community *for which other funding is not available.*

The most common CDBG National Objective that EDI projects will meet is the [benefit to low and moderate-income \(LMI\) persons](#) – **the other two will only be used very rarely.**

The LMI National Objective can be demonstrated four different ways:

1. A benefit to a specific service area;
2. Serving a limited clientele;
3. Housing for certain income households;
4. The creation or retention of jobs for certain income individuals

Please carefully read the guidelines below to determine HOW your project meets the LMI National Objective, and WHAT information you will need to provide to the Subcommittee to demonstrate that your project meets the requirement.

#### **1. LMI Area Benefit**

The public facility or improvement will be used for a purpose the benefits of which are available to all the residents in a particular area that is primarily residential, and at least 51% of those residents are LMI persons.

EXAMPLE: Paving of gravel streets and the installation of curbs, gutters, and sidewalks in a predominantly LMI income neighborhood.

➤ Applicant must provide LMI % of the service area using [HUD mapping tool](#) (see [this guide](#) for using tool)

#### **2. LMI Limited Clientele**

The public facility or improvement will be used for an activity designed to benefit a particular group of persons at least 51% of whom are LMI persons.

EXAMPLE: Rehabilitation of a childcare center where families and their children are predominately LMI.

➤ Applicant must identify the group of people served and their income levels.

#### **3. LMI Housing**

The facility or improvement exclusively assists in the provision of housing to be occupied by LMI persons.

EXAMPLE: Site improvements on land to serve as a new apartment structure to be rented to LMI households at affordable rents.

➤ Applicant must identify the income of the households being served and/or units restricted to 80% or below of Area Median Income.

**4. LMI Jobs**

The provision of a particular public improvement needed by one or more businesses to allow creation or retention of jobs, primarily for LMI persons.

EXAMPLE: Clearance activities on a site slated for a new business where the business agrees to fill 51% of the jobs with LMI persons.

➤ Applicant must identify the income of the persons being assisted with workforce and job services or commitment from the organization to hire majority LMI persons.

