

COMMUNITY DEVELOPMENT BLOCK GRANT

Revitalizing Communities for over 30 Years

Statutory History and Requirements

- **Enacted:** Enacted in 1974, the Community Development Block Grant (CDBG) program has been assisting America's communities for 30 years.
- **Primary Goal** The primary statutory goal of the CDBG program is to develop viable communities by providing decent housing, creating suitable living environments and expanding economic opportunities, principally for persons of low- and moderate-income.
- **National Objectives** The statute contains three national objectives under which all activities funded by CDBG must fall: elimination of slum and blight; addressing urgent needs that pose an immediate threat to the health or welfare of a community, and addressing the needs low and moderate income (70 percent of all CDBG funds must be spent on low and moderate income persons.)
- **Eligible Activities** There are nine categories of eligible activities authorized by Congress to achieve at least one of nine mandated objectives – eliminate slum and blight, conserve and expand housing stock, energy conservation, preserve properties for historic value, reduce isolation of low income groups, particularly the housing concentration of low income persons, improve provision of community services, promote economic development, encourage a more rational use of land and natural resources.
- **Formula Distribution** By law, CDBG funds are distributed by formula based on factors such as population, age of housing stock and poverty levels. The formula is split 70/30 between states, cities and counties called entitlement jurisdictions.
- **Communities Served Nationwide** There are currently 1,111 entitlement jurisdictions and 49 states receiving formula allocations on an annual basis (Hawaii opts to not participate). All cities with more than 50,000 or counties with more than 200,000 in population are entitlement jurisdictions and receive a formula grant directly from HUD; smaller communities are eligible to receive CDBG funds through their states. **It is estimated that more than 5,000 local governments, counties, cities, town, and rural communities are served by the CDBG program each year.**

CDBG Achievements: Facts and Figures

CDBG helps state and local jurisdictions tackle their most serious community development challenges, including public works and infrastructure, decent affordable housing, public services, and economic development. Many of these activities are carried out at the local level by private companies, such as construction contractors, and non-profit community based providers.

- **CDBG contributes to state and local economies. In its first 25-years, CDBG:**
 - ★ **Created over 2 million jobs**
 - ★ **Generated over \$50 billion in personal earnings**
 - ★ **Contributed \$130 billion to the nation's gross domestic product**

- **CDBG makes a real difference in the lives of low and moderate income persons every year! In FY04 alone, CDBG:**
 - ✓ **Created or retained 90,000 jobs ;**
 - ✓ **Leveraged nearly \$3 in private funding for every \$1 of CDBG spent ;**
 - ✓ **Assisted 170,000 households with housing rehab, neighborhood revitalization, and homeownership expansion;**
 - ✓ **Provided 10 million persons with public improvements such as water/sewer projects, flood and drainage facilities, homeless facilities, roads, senior centers, health centers and libraries; and**
 - ✓ **Helped over 13 million persons benefit from public services such as employment and senior services, child care, legal and youth services.**

- **95% of CDBG funds spent by states and entitlement communities went to activities that principally benefited low-and moderate-income persons**

- **Section 108 Loan Guarantees, a loan guarantee of the CDBG program, has never had a loan called and has stimulated 20 billion in private sector investment.**

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects

