

HPN Issue Summary

Community Development Block Grant Program

What is the CDBG Program?

The Community Development Block Grant (CDBG) is a formula-based grant program that provides states and local governments with a flexible funding source to use towards a range of housing and economic development activities. Over 1,200 jurisdictions receive an annual allocation of CDBG funds. Nationally, over 7,200 rural, suburban, and urban communities have access to CDBG funds. Communities use CDBG to respond to current and emerging development needs, including the creation of jobs, development of affordable housing, improvement of existing housing stock, the delivery of vital services, and important infrastructure improvements.



How does CDBG work?

States and local governments have used CDBG funds in a variety of ways to supplement their efforts to revitalize communities, create jobs, provide affordable housing, and provide targeted services based on the needs of the community. The formulas for allocating CDBG funds heavily weight the degree of poverty and indicators of poor housing conditions in a jurisdiction. Grantees are required to allocate at least 70 percent of their total CDBG allocation to eligible activities that principally benefit low- or moderate-income persons. According to HUD, every \$1.00 of CDBG funding leverages an additional \$3.65 in non-CDBG funding.

What is the impact of the CDBG Program?

According to HUD, since its inception in 1974, CDBG has invested over \$149.2 billion in local economies. CDBG provides crucial public improvements to communities. Between FY05-FY16, CDBG assisted over 1.3 million low- and moderate-income homeowners rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers and assisted homeowners with lead-based paint abatement. In addition, between FY05-FY16, CDBG provided public services to over 133 million low- and moderate-income persons nationwide. These services include employment training, meals and other services for the elderly, services to help abused and neglected children, assistance to local food banks, and many other services.

In FY16 alone, the CDBG program served 1,411,724 individuals at food banks, provided housing and services for 113,561 battered and abused spouses, made improvements to 208,844 senior centers, 96,062 homeless facilities, and 100,716 health facilities.

What can Congress do?

Despite the clear need for CDBG funds, and its proven track record of success, the program has experienced steady cuts over the past several years. Since FY2010, the program has been cut by nearly \$1 billion. Congress should continue funding the CDBG Program at least \$3.0 billion in FY18.

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