

# **Funder Research Report: Community Planning and Development Block Grant**

**PREPARED BY JOE CURRAN**

## **Mission**

HUD's website states its mission is to "increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management, and accountability and forge new partnerships particularly with faith based and community organization."

## **Type of Grant**

HUD has numerous grants all across the US, but this report narrows itself down to community planning and development block grant (CDBG):

### **Program Objectives:**

- The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities.
- The state must ensure that 70% of CDBG funds are used for activities that benefit low and moderate income level over a 1-3 year time span.
- States may also use their funds for urgent community development needs. A need is described as a serious or immediate threat to the health or welfare of the community in the past 18 months.

### **Awards:**

- The state may use \$100,000 plus up to 50% the costs it incurs for program administration and up to 3% of its CDBG allocation on technical assistance activities.
- The state may not spend more than 3% of the states allocation on both administrative and technical assistance.

## **Eligibility**

The CDBG is limited to cities in 49 states in the United States (excluding Hawaii) and Puerto Rico. The grant is only given out to non-entitlement areas or cities with less than 50,000 people or counties with less than 200,000. To be an eligible city you must be in need of funds for community development activities. Some examples would be constructing streets, adding or maintaining all public easements for utilities, public services, planning activities, demolition, and rehabilitation of public/private buildings.

## **Application Process**

The state must certify that the local government is following a detailed citizen participation plan. The local government also has to make sure it will adopt and enforce laws to prohibit the use of excessive force against nonviolent civil rights demonstrations and they will enforce laws against barring entrance and exit points from facilities. Also the citizen participation must comply with Title I of the Housing Community Development Act. A necessity for these funds must be clearly shown before any action shall be taken in the process of receiving awards.

## **Recommendation**

I would recommend CDBG as a potential funding source if your group is interested in small city development. The CDBG is primarily focused on funding small cities and counties construct new and old buildings, street repair, water and sewer facilities, neighborhood centers, public services, recreational facilities, and multiple public works projects.