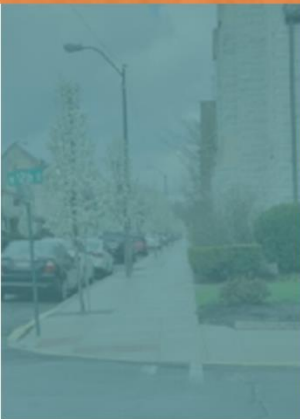




CDBG



Improving Lives
and Strengthening
Communities



A REPORT BY THE
CDBG COALITION
APRIL 12, 2022



Introduction and Purpose of the Report

Administered by the U.S. Department of Housing and Urban Development (HUD), the Community Development Block Grant (CDBG) program invests in our nation's communities by supporting activities for low-to-moderate income populations. CDBG reaches every corner of the country from urban cities to rural towns and populations in between. Funding is directed to all states, territories, and congressional districts annually. It remains one of the most important resources for state and local governments and their partners to use in devising flexible solutions to meet community development needs.

CDBG has been critically underfunded and program grantees have had to contend with less funding to address surmounting needs. Program grantees are faced with a lack of CDBG funds to help them undertake concentrated improvements and development in low-income neighborhoods.

This report serves to inform stakeholders on the importance of CDBG to community advancement and success.

"Year after year the Community Development Block Grant (CDBG) program has consistently been a stalwart in our city and neighborhoods, providing funding to critical community needs. It is important that CDBG not only be maintained, but that funding allocations be increased in cities across the country"

US Conference of Mayors President Miami Mayor Francis X. Suarez.

"The Community Development Block Grant (CDBG) program provides counties with critical resources and flexibility, supporting transformative, locally driven investments in our priorities. In my home county, the CDBG program has fueled dozens of projects, ranging from homelessness assistance to public facilities improvements, helping to build a foundation for a more prosperous future and creating opportunities for all our residents to thrive."

Commissioner Larry Johnson, DeKalb County, Georgia &
President, National Association of Counties

"I believe in the power of collaboration, local government and resident leaders working together to make transformative change in our community."

Mayor-President Sharon Weston Broome, Baton Rouge, Louisiana
and Community and Economic Development Chair, National
League of Cities

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) COALITION



The CDBG Coalition consists of 31 national organizations which recognize the importance of the CDBG program in empowering and transforming people and places. The organizations represent elected officials, state and local government agencies, non-profit organizations, and advocates. The Coalition supports increased program funding – at least \$4.2 billion -- for CDBG in FY23.

American Library Association
American Planning Association
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Enterprise Community Partners
Feeding America
Habitat for Humanity International
Heartland Alliance
Housing Assistance Council
International Code Council
International Economic Development Council
Local Initiatives Support Corporation
National Association for County Community and Economic Development
National Association for Latino Community Asset Builders
National Association of Counties
National Association of Development Organizations
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of Regional Councils
National Community Development Association
National League of Cities
National Main Street Center
National NeighborWorks Association
National Recreation and Park Association
National Rural Water Association
National Urban League
Rebuilding Together
Rural Community Assistance Partnership
The Trust for Public Land
U.S. Conference of Mayors
YWCA USA

What is CDBG?

The Community Development Block Grant (CDBG) is a grant program administered by the U.S. Department of Housing and Urban Development that provides resources to state and local governments to fund a wide range of community development projects for low- and moderate-income people. Most funds are dedicated to large and mid-size localities (70%) while states receive remaining funds (30%) to serve small and rural communities. CDBG program funds can be used for a host of activities that include affordable housing, infrastructure and public facility improvements, economic development, and social services. The program supports jobs and activities critical to public health and well-being. Each activity must meet one of three national objectives: (1) benefit low- and moderate-income people; (2) address urgent health and safety needs in the community; or (3) eliminate slums and blight.

Who Benefits?

Low- and moderate-income people are the direct program beneficiaries. States and entitlement cities and counties receive direct program allocations. Small, rural communities receive assistance through their state. Nonprofit organizations, contractors, and other partner organizations serve as program subrecipients to deliver local CDBG activities. State and local governments work with their local program partners and harness input from the public to develop community development programs that invest in low- and moderate- income people and neighborhoods.

Why is it Needed?

Blighted and deteriorated neighborhoods exist. Central to the health of all communities is housing quality. More than 460,000 households or nearly 1.5 million people still lack indoor plumbing.¹ Blighted and deteriorated neighborhoods most often suffer from a lack of housing maintenance – both inside and outside of the home. These unaddressed housing issues can lead to health and safety issues for the inhabitants. For example, leaky roofs and damaged windows can lead to mold exposure while peeling paint and old water pipes can lead to lead exposure. Likewise, homes with poor insulation and inadequate heating and cooling systems can affect health and drain income.

Residents living in lower-income neighborhoods oftentimes lack the ability to pay for housing repairs. Seniors are often on very low, fixed incomes and other residents may desire to improve their homes but lack direct financial resources to do so or are unable

¹¹ Plumbing Poverty, Annals of the American Association of Geographers, Shiloh Dietz and Katie Meehan, March 8, 2019

to obtain financing through traditional sources. According to the American Association of Retired Persons, 90 percent of seniors want to age in place. The CDBG program preserves affordable housing by helping seniors and other low-income people repair and remain in their homes at a very low cost -- or no cost to them.

Low-income communities consistently lack adequate roads and streets, sidewalks, and street lighting. Well-maintained roads and streets provide accessibility to other amenities, promote safety, and contribute to the improvement of neighborhoods. CDBG funds are used to improve and install this essential infrastructure in low- and moderate-income communities.

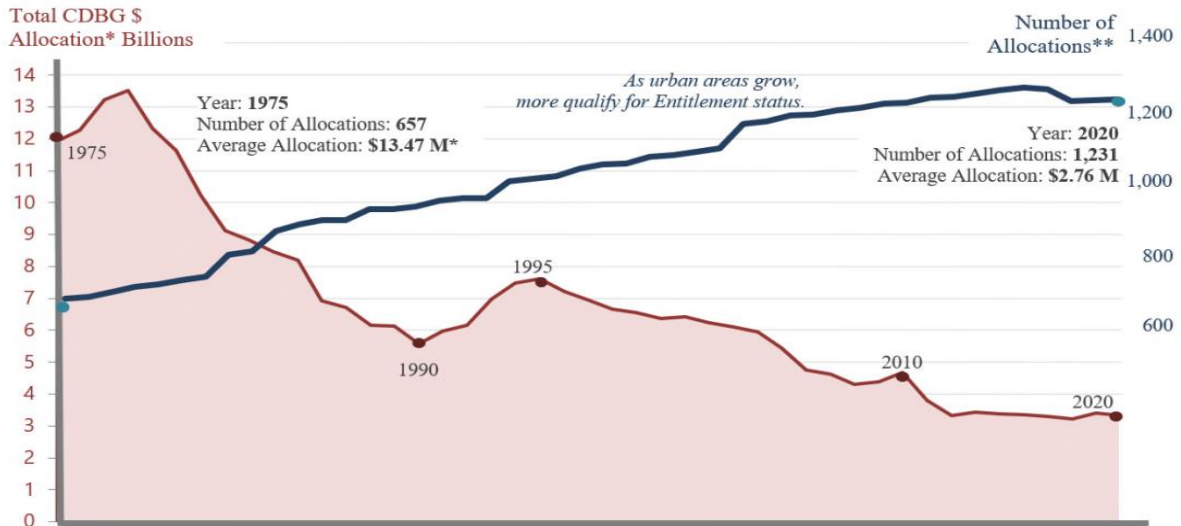
Blighted and deteriorated neighborhoods oftentimes have inefficient water and wastewater systems. According to the Centers for Disease Control, more than 283 million Americans get their tap water from a public water system. The nation's more than 16,000 wastewater treatment plants are functioning, on average, at 81% of their design capacities, while 15% have reached or exceeded it.² Many systems in place today, particularly those in low- and moderate-income communities, were built decades ago with outdated materials such as cast iron and lead. CDBG funds are used to modernize these systems.

Neighborhood facilities such as libraries, recreational facilities, parks and playgrounds, youth centers, and senior centers contribute to individual well-being. They promote mental and physical development, socialization, and inclusivity. In lower income communities, these facilities are often lacking or are deteriorated. CDBG funds contribute to neighborhood assets and access to neighborhood networks through the installation and upgrade of these facilities.

The need for the program continues to increase but funding continues to fall as outlined in the chart on the next page.

² 2021 Infrastructure Report, American Society of Civil Engineers

CDBG History: Funding, Inflation & the Number of Allocations



*Each Total Annual Allocation from 1975 to 2020 has been adjusted for inflation to the value of the dollar in 2020 by using the annual average Consumer Price Index for the corresponding years. <http://www.bls.gov/cpi>.
 ** For the years 1975 through 1982, the data include 51 annual allocations for the Small Cities program, the predecessor to the State CDBG Program, which later began in 1983.
 ** The number of actual grant agreements executed by HUD is typically less than the number of allocations because grantees form approximately 35 joint grant agreements per year.

How is it used?

The CDBG program has meaningful impact in low- and moderate-income communities - advancing equity, providing a better quality of life for the program beneficiaries, and providing needed improvements and services to neighborhoods. The funds are often combined with other federal, state, and local resources to make projects whole.

From 2005 to 2020, CDBG facilitated the creation and retention of 454,961 economic development related jobs, contributed to infrastructure developments benefitting approximately 538 million persons, assisted over 837 million persons through public service activities, and met housing needs of over 1.6 million households.³ The program also demonstrates a high return-on-investment for taxpayer dollars. In 2020, every dollar of CDBG invested led to \$3.64 from other public and private sources; this totaled \$3.41 billion leveraged across 5,700 CDBG projects.⁴

³ U.S. Department of Housing and Urban Development, FY2022 Budget – Congressional Justification, Community Development Fund, May 28, 2021: https://www.hud.gov/sites/dfiles/CFO/documents/18_2022CJ-CommunityDevelopmentFund.pdf.

⁴U.S. Department of Housing and Urban Development, FY2023 Budget – Congressional Justification, Community Development Fund, March 28, 2022: https://www.hud.gov/sites/dfiles/CFO/documents/2023_CJ_Program_-_Community_Development_Fund_updated.pdf.

Public Facilities and Improvements (Infrastructure)

As the foundation for commerce, social, physical, and environmental activities, infrastructure maintains a prominent role in community well-being. CDBG contributes extensively to public facilities and improvements (infrastructure) and overall, these activities receive the highest amount of program investment among eligible categories. In 2021, nearly 36% of total CDBG funds were expended for public facilities.⁵ For states, this was nearly doubled as 63% of funds went to infrastructure developments.⁶

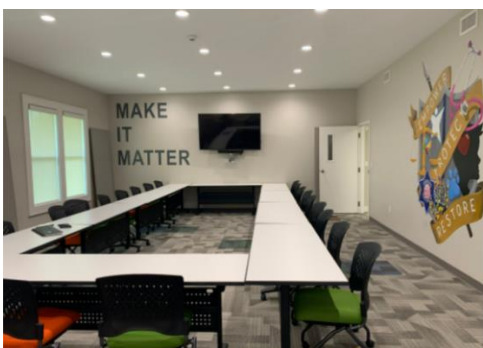
Public Facilities

Multi-purpose facilities are an effective way to connect residents to educational, employment, and recreational opportunities. The following examples highlight how CDBG empowers communities and serves as a key contributor to place-based opportunities.



Calfee Community and Cultural Center Pulaski, VA, 9th Congressional District

Inspired by the proud legacy of Calfee Training School, the Calfee Community and Cultural Center (CCCC) is committed to serving the present needs of the community and creating a stronger future for Pulaski County, Virginia. The center will host educational programming, workforce training, and health and wellness services. A community kitchen and museum will also be featured on site. [MORE...](#)



Child Safety Center of White County, Arkansas Searcy, White County, AR, 2nd Congressional District

The Child Safety Center of White County, Arkansas, was organized in 2008. Sadly, the center's increasing case load resulted in a new 4,200 sf facility being built, in part, with CDBG funds in 2015 and a 1500 sf expansion in 2019, again partly funded with CDBG funds. In the last 10 years, over 3,200 children have been served from the White County facility. [MORE...](#)

⁵ U.S. Housing and Urban Development. FY2005-21 National CDBG Disbursements: https://www.hudexchange.info/onecpd/assets/File/CDBG_Expend_NatlAll.xlsx.

⁶ U.S. Housing and Urban Development. FY2005-21 State CDBG Disbursements: https://www.hudexchange.info/onecpd/assets/File/CDBG_Expend_NatlState.xlsx.



Allatoona Resource Center Allatoona, Bartow County, GA, 11th Congressional District

The Allatoona Resource Center and the Allatoona Community Center have made an enormous impact. It was formerly an unnoticeable wooded six-acre site, it now provides various services that are provided to the community through the CDBG grant and investment by the county. This project has served over 1,200 low-to-moderate income area residents since it has opened its doors. [MORE...](#)



Spectrum Youth Services St. Albans, Vermont

CDBG funds are being sub granted to Spectrum Youth and Family Service to be used for operational expenses related to the establishment of a new regional Drop-In Center that will provide support services to at-risk and homeless youth and young adults in Franklin County, Vermont. [MORE...](#)



Arlington Workforce Center
City of Arlington, TX, 6th Congressional District

The City of Arlington, TX provided \$1.3 million in CDBG funds to help build the Arlington Workforce Center. The Center serves over 5,000 people annually with job training, job search, and career counseling.



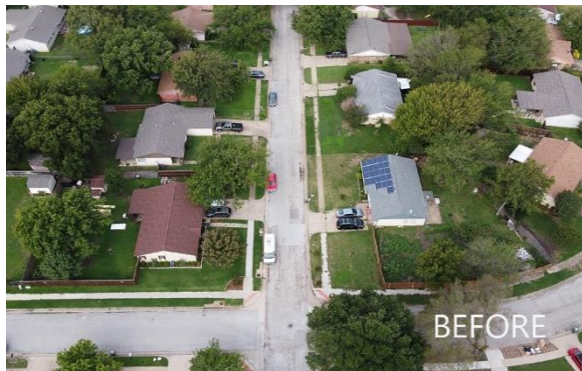
Sam Pawlak Community Playground
Fitchburg, MA, 4th Congressional District
Funding Sources: CDBG (\$85,000),
Massachusetts PARC Grant (\$400,000),
Fundraising (\$38,000)

The neighborhood in which the park is located is one of the City's Environmental Justice neighborhoods. The median income for this neighborhood is \$26,984 with nearly 22% of the population living below the poverty line. Moreover, 13% of the population of the neighborhood has a disability. While the primary beneficiaries of the Sam Pawlak Community Playground are the children of Fitchburg – particularly those with disabilities – this playground is the only inclusive playground in at least a 20-mile radius and will serve children and families throughout the region. The City of Fitchburg used its CDBG funds to purchase new play structures designed for children with disabilities to make the park accessible. The park provides a fun and fully inclusive play experience for children of all abilities including a variety of sensory experiences for those children with intellectual impairment, autism, and visual limitations. When everyone can play together regardless of ability, it builds understanding, empathy, and supports social integration.

Roads, Streets, and Other Improvements

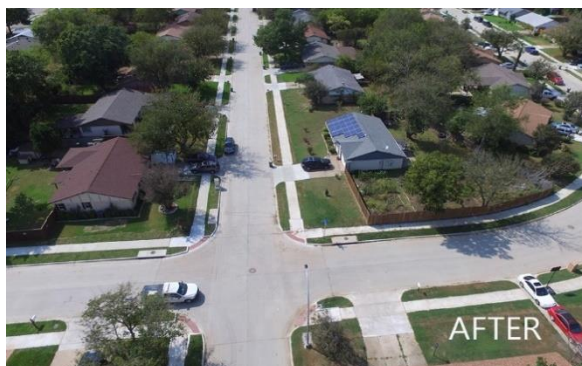
Roads, streets, and other infrastructure improvements connect people to neighborhoods, businesses, parks, services, and jobs. Communities use CDBG to provide greater accessibility, mobility, and connectivity by funding sidewalks, street improvements, curb ramps, detectable warnings, crosswalks, pedestrian bridges, and a myriad of other improvements. This includes installing infrastructure where none existed and improving existing infrastructure to promote safe, equitable access to neighborhood and community amenities.

- Infrastructure improvements provide a pedestrian friendly environment for people to walk or bike to local business establishments.
- Infrastructure improvements diminish pedestrian fatalities.
- Infrastructure improvements provide access to persons with disabilities (mobility impairment, visual/hearing impairment).
- New and improved roads, streets, and other infrastructure attract new business development and help existing businesses attract new customers.



CDBG Hanover Drive & Vanderbilt Drive Rebuild
Arlington, TX, 6th Congressional District
Funding Sources: CDBG (\$1,088,000); Other Public Funds: Street Bond Fund (\$1,030,885), Stormwater Utility Fund (\$332,620), Sanitary Sewer Fund (\$610,862), Water Bond Fund (\$73,936)

Completed in October 2021, the CDBG Hanover Drive and Vanderbilt Drive Rebuild project is part of the City of Arlington's program to rebuild residential streets throughout the city that have deteriorated beyond general maintenance. CDBG funds were used for street and sidewalk improvements, curb and gutter, ADA-compliant ramps, stormwater inlets, and streetlights for a friendlier and more inviting environment for pedestrians. This project aligns with the City Council's priorities to Enhance Regional Mobility and to Champion Great Neighborhoods.



Prior to construction, Hanover and Vanderbilt Drive had a street condition rating less than 50%, but now both have a rating of 100 and is designed to last 50 years. As result of street and sidewalk improvements, the surrounding neighborhood has been working on making improvements to homes and yards, making the entire area more walkable and inviting.

This project serves approximately 1,770 low-income Arlington residents and is in census tract 1115.224, which is in a low-income target area.

Project Impact:

- Construction of 2,500 square yards of sidewalks with ADA compliant pedestrian ramps to allow a person using a wheelchair, scooter, walker, or other mobility device to cross a street.
- Improvement of 1,580 linear feet of storm drain infrastructure to reduce flooding.
- Improvement of 2,950 linear feet of sanitary sewer lines to allow larger sanitary sewer flow capacity for this area and prevent future sewer overflows.
- Replacement of 140 traditional water meters that only measured water flow with new Advance Metering Infrastructure (AMI) water meters that offer accurate and efficient meter reading and water billing which will proactively conserve water.



Logan Avenue Streetscape & Sidewalk Replacement Tyrone Borough, Blair County, PA, 13th Congressional District

The Borough's project consisted of new concrete sidewalks and curbing throughout the project area. At intersections, new ADA compliant curb ramps were installed. Where the curb reveal allowed for a trench drain, downspout discharge was picked up and carried to the road gutter. The design provides mobility and accessibility within the pedestrian access route, maximized curb reveal and improved drainage across the sidewalks to provide a safer means of travel for pedestrians. In addition, street trees were planted to offer an aesthetic residential feeling to the project. The project area is in CT 0101.02 BG 2, which is an identified concentration of low to moderate income persons at 80.85%, Area POP 705, LMI POP 570. The project area consists of residential and mixed commercial along Logan Avenue but is primarily residential in nature. [MORE...](#)



South Main/ East Hayne Streetscape Improvements Woodruff, SC, 4th Congressional District

The South Main/East Hayne Streetscape Improvement project addressed the limited parking in the downtown district, public safety for pedestrians, and lack of curb appeal to encourage new businesses and visitors. The project involved the upgrading of sidewalks and crosswalks to provide an attractive corridor in the downtown district and to connect the business district to McKinney Park. Improvements included lighting, landscaping, additional new parking spaces, and strategically placed throughout the project area benches and trash receptacles. [MORE...](#)



Front Street Redevelopment Phase 1 Fallon, NV, 2nd Congressional District

Front Street Redevelopment involves the installation of infrastructure that will create accessibility to Main Street. The work will include demolition, repaving Front Street and the associated curb, gutters, and sidewalk replacement. Total Beneficiaries: 2,425; Low-to-Moderate Income: 1,350 – 55.6%. [MORE...](#)

Utility Development

One of the largest investments of CDBG is public utility development specifically for water and sewer improvements as well as stormwater drainage. Grantees applied nearly \$400 million to water/sewer upgrades in 2021 representing over 11% of all CDBG expenditures for the year.⁷ The following examples showcase the program's benefit to community water systems.



Wastewater Improvements

City of Fredonia, KS, 2nd Congressional District

Funding: CDBG (\$600,000), USDA Rural Development (\$15.8 million)

The Kansas Department of Health and Environment (KDHE) issued a warning to the city that it was not complying with the limits of its wastewater utility's NPDES permit. The city reached an agreement and plan with KDHE to address the I&I problems in the collection system, to refurbish

⁷ HUD. FY05-21 National Expenditures: https://www.hudexchange.info/onecpd/assets/File/CDBG_Expend_NatlAll.xlsx.

equipment in the treatment plant, to install a holding basin at the treatment plant to hold extraneous flows for later processing, and to build a berm to protect the wastewater treatment plant from flooding. The system is protecting the environment and has critical facilities that will be resilient to severe weather, wet weather and flooding events.



Water System Improvements Project
Town of Caryville, FL, 2nd Congressional District
Funding: CDBG Funds (\$600,000); USDA, Rural Utilities Fund (\$490,000)

The Town of Caryville has high water loss due to leakage and the water meters are over 20 years old, most of which are inoperable. System improvements will provide replacement of approximately 9,000 linear feet of water main, replacement of water meters, and add additional fire hydrants. System improvements will provide quality, reliable drinking water and increased fire flow to the citizens served by the water system.

The Town's water distribution system is comprised of a mixture of pipe materials, of varying age, as is typical of older systems that have been expanded over time. This water distribution system consists of 70% cast iron and 30% polyvinyl chloride (PVC) pipe. The cast iron pipes were placed in service in the late 1940's and have reached their end of useful life.

The water system is under consent order from FDEP for violation of iron and manganese levels, and periodic discolored water episodes. Without upgrades to the current water distribution system, the Town of Caryville will not be able to provide safe drinking water to its residents.

The system improvements will provide quality, reliable drinking water and increased fire flow to the citizens served by the water system. The CDBG and USDA grants will keep residential usage rates reasonable and not put a burden on its citizens.

The water system supplies approximately 163 residential customers and 3 commercial users for a total of 166 connections to the water distribution system. Based on current census data for the Town of Caryville Median Household Income is \$14,808 with a poverty rate of 37.5%.

The project is currently under construction and is approximately 98% complete. The expected construction completion date is May 2022.



Water System Improvements

Damascus, GA, 2nd Congressional District

Funding: CDBG (\$600,000); Georgia Environmental Finance Authority (\$50,000), Private Funds (\$15,000)

Damascus, GA faces a myriad of infrastructure problems - leaking water lines, water loss, low water pressure, no customer water meters, antiquated rate structure, and lack of fire hydrants. CDBG and other project funding will add more fire hydrants, add water meters, replace aging water mains, update service lines and valves, and help complete a rate study and updated billing system.

The improvements to the water system in Damascus will have multiple direct benefits to the residents served by the system, including better water pressure and fire protection and the benefits to the city will be a huge reduction in water loss and more accurate billing. The project will benefit 195 persons, of whom 146 (74.87%) are low to moderate income.

The project is still underway and is expected to be completed in the summer of 2022 with the looping of the system lines and the installation of more fire hydrants. The new customer meters are installed as are the water mains and most of the service lines. The next step will be to undertake a complete rate study now that accurate customer usage and water loss data will be available for the first time ever.

Partner engagement – Southeast RCAP, Georgia RCAP, The Southwest Georgia Regional Commission, Georgia Rural Water.

“We appreciate all the work from the Southeast Rural Community Assistance Project and the other groups that contributed to our water system improvements. We could not have done this without good people and organizations that are dedicated to helping rural communities like Damascus.” City of Damascus, GA, Mayor Morris Hayes

Affordable Housing Improvements and Preservation

The CDBG program focuses on the elimination of conditions which are detrimental to health, safety, and public welfare primarily through rehabilitation of single family and rental properties as nearly 25% of CDBG funding annually is devoted to these activities. These activities result in the preservation of affordable housing and the expansion of affordable housing stock for low- and moderate- income people.

Single-Family Rehabilitation



The single largest use of CDBG funds for housing is directed towards single-family housing rehabilitation. In 2021, CDBG grantees spent over \$362 million to rehabilitate homes for low- and moderate-income people. This activity preserves affordable housing, addresses unsafe living conditions, lowers housing costs through energy efficiency improvements, allows seniors to age in place, and provides accessibility improvements for persons with disabilities. CDBG helps low-income people on fixed incomes, including people without

access to mainstream credit options, obtain low-interest rate loans, deferred loans, and even grants to rehabilitate their homes which helps cost burdened families live more affordably. CDBG funds pay for local contractors, increasing the impact of repairs and supporting local labor.



Single-Family Rehabilitation Baltimore, MD

After 50 years in their home, Joan and Robert's home was repaired with CDBG funds, including the following: roof, windows, walls and ceiling, accessibility modifications, and updated electrical wiring. Now, they have a home they can age in safely.⁸

⁸2021 CDBG Coalition Webinar, Rebuilding Together, Karen Nemsick, National Board Member



Accessibility Improvements, Petaluma, CA

Bill had an accident when he was 16 and sustained a spinal cord injury. His family made a room for him in the garage that was accessible. When Rebuilding Together Petaluma met him, his parents had passed away and he had moved into the house, where nothing was accessible. CDBG-funded repairs included a wheelchair lift at the front door, accessible bathroom repairs including a roll in shower, widened doorways for his wheelchair and accessibility changes in the kitchen.⁹

Multifamily Acquisition and Rehabilitation

Likewise, CDBG grantees spent over \$86 million in 2021 to rehabilitate multifamily properties to provide decent, safe, affordable housing to a multitude of low-income renters. CDBG funds help preserve and grow our nation's affordable rental housing stock. CDBG dollars can be used to acquire, rehabilitate, or construct (with limitations) affordable rental housing for LMI households, and states and communities often leverage CDBG with other Federal (e.g., HOME, LIHTC, and RAD), state, and local programs. The income requirements and rent restrictions for such programs help ensure that the benefits of each affordable unit are long lasting.

⁹ Ibid



Rosalie Rendu Residences
Pasco County, FL, 12th Congressional District
Funding Sources: CDBG-CV (\$556,200); State Housing Initiative Partnership (\$400,000); Donations (\$124,967)

Pasco County's homeless population continues to be largely unsheltered due to the availability of emergency shelter beds and the lack of affordable housing options. Over 61% of persons experiencing homelessness in Pasco County are unsheltered. The Rosalie Rendu Residences are in the City of New Port Richey, a small city with a

population under 20,000. Rosalie Rendu Residences serve persons experiencing homelessness who earn less than 50% of area median income. With a significant unsheltered and chronic homeless population, Rosalie Rendu Residences is providing permanent supportive housing to 14 individuals. The project serves single adults, and all applicants are referred from the Continuum of Care Coordinated Entry System. CDBG-CV funds were used to acquire an 8-unit older apartment complex, and state funds were used to renovate the property.



New Clay House
Richmond, VA, 4th Congressional District
Funding Sources: CDBG (\$400,000 – City of Richmond, VA), CDBG (\$250,000 – Henrico County, VA), Other Sources (\$18 million)

New Clay House was the first permanent supportive housing community in Virginia when it opened in 1992 using leased space in Richmond. It provided 47 units for individuals leaving homelessness or others in need of supportive housing. By 2017, the small units needed updating and Virginia Supportive Housing, the non-profit that owns the facility, had the opportunity to

purchase the building, ensuring that New Clay House remains as permanent affordable housing.

Using CDBG funds from the City of Richmond and Henrico County, along with a variety of other state funds, tax credits, and private donations, Virginia Supportive Housing was able to purchase the site and complete renovations and an expansion that increased the capacity to 80 units while converting the previous SRO (single room occupancy) units into studio apartments with private bathrooms and kitchens.

This example of regional cooperation has provided permanent supportive housing to over 80 individuals from across the Richmond metro area who were experiencing homelessness or earning below 50% of the Area Median Income. Of those who have been housed, 33 were considered chronically homeless upon entry and were provided long-term stable housing. The supportive services provided by Virginia Supportive Housing ensure that over 98% of clients served remain in stable, permanent housing.



Calcasieu Apartments
San Antonio, TX, 35th Congressional District
Funding Sources: CDBG (\$812,500), San Antonio Housing Trust (\$450,000), Other (\$4.6 million)

The City of San Antonio used CDBG funds to assist in the rehabilitation of the Calcasieu Apartments in downtown San Antonio where affordable housing options are limited. The historic structure contains 64 units consisting of a mix of efficiency and 1-bedroom units for low-income persons whose income is at or below 60% of the AMI.

Down Payment and Closing Cost Assistance

CDBG funds are used to provide down payment and closing cost assistance to first-time homebuyers. These resources enable low- and moderate-income people to enter the housing market and build wealth through homeownership.

Code Enforcement

Code enforcement plays an important role in eliminating slum and blight by helping communities identify substandard properties that need rehabilitation assistance and identify dilapidated vacant properties that pose a risk to the community. CDBG grants are used to fund building code adoption and enforcement, both of which are critical to safe properties and communities and individual health.

Public Services

CDBG funds can be used to provide services to specific populations. These public services strengthen people and communities. CDBG grantees can use up to 15% of their annual allocation for public services to address a wide range of community needs. These services include employment training, meals and other services to the elderly, services for abused and neglected children, aid to local food banks, youth and senior services, and support for many other community services. Services are provided by large and small and public and private organizations in diverse settings such as schools, community facilities and other venues. CDBG funds may also be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the service.

In 2021 alone, CDBG provided funding for public services that assisted nearly 1.4 million low- and moderate-income people nationwide.¹⁰ The services provided programs for seniors, operating costs of homeless and AIDS patients programs, food banks, services for the disabled, transportation services, youth programs, general health and mental health services, and many other activities.

Hunger Relief and Prevention

In 2021, CDBG grantees allocated over \$37 million to local food banks and pantries.¹¹ This funding helped communities bridge funding gaps to provide food to low-income people on fixed incomes, those living below the poverty line, and those struggling to make ends meet. CDBG funds were used for the direct purchase of food, delivery of food to low-income, housebound seniors, summer food programs for low-income youth, and food bank operations. Most food banks provide important services beyond food distribution. They provide information on other available relief programs and enroll participants in federal benefit programs, such as SNAP.

¹⁰ U.S. Department of Housing and Urban Development, FY2023 Budget – Congressional Justification, Community Development Fund, March 28, 2022: https://www.hud.gov/sites/dfiles/CFO/documents/2023_CJ_Program_-_Community_Development_Fund_updated.pdf.

¹¹ 2021 CDBG Grantee Accomplishment Data, HUD



**Neighbor to Neighbor, Summer Supplement Program; Greenwich, CT, 4th Congressional District
Funding Sources: CDBG (\$5,000), CDBG-CV (\$15,000)**

Access to healthy food and programs that support low-income Greenwich youth were identified as priorities during the Town's 2020 Consolidated Planning process.

Twenty percent (20%) of Greenwich public school children qualify for free or reduced-price lunch during the school year. During the summer when school is not in session, these students lose access to healthy food. Local nonprofit Neighbor to Neighbor received \$5,000 in Program Year 2020 CDBG funds to support its Summer Supplement Program, providing cereal, eggs, fruit, vegetables, bread, and other food to low-income families during the ten weeks over the summer when school is not in session.

In total, 446 low-income Greenwich families benefited from this program during 2020. In addition to the \$5,000 in PY2020 CDBG funds invested in this important project, the Town awarded \$10,000 in CDBG-CV CARES Act funding once it became available.

This project has been completed. The Town intends to continue supporting the Summer Supplement Program, as well as similar programs targeted at food access and youth programming, during coming years as long as the need is present.

Homeless Prevention

CDBG funds assist in the prevention of homelessness in several ways. Communities use the funds to provide operational support to local nonprofit providers to ensure local assistance remains in place. The funds are also used to pay up to three months of rent, mortgage, and utilities for people experiencing financial hardship to help them stay housed. CDBG funds are also used to provide legal assistance for people at risk of homelessness for tenant/landlord mediation efforts. According to HUD, in 2021 alone, CDBG provided the following homelessness prevention assistance.

- Over \$53 million for operating costs for homeless/AIDS patient programs
- Over \$34 million for subsistence payments (rent, utility, mortgage assistance)
- Nearly \$8 million for legal services



**National
Urban League**

Rent, Rehab, and Utility Assistance
Lexington-Fayette County, KY, 6th Congressional District
Funding Source: CDBG-CV (\$100,000)

During the COVID imposed shutdown and eviction moratorium, the CDBG grant helped with utility expenses and rent assistance, as well as minor fix up for low-income rental properties. The grant preserved low-income rental units, abated loss of utility services for low-income households, and prevented homelessness. Four households have been served. These female heads of household residences contained children ranging from pre-school to middle school.

This project's funding came at a crucial time of uncertainty and economic strain on low-income families. Anytime we can prevent a family from experiencing the loss of shelter it is a worthy goal. The project is underway. It has a completion date of December 2022.

Employment Training

CDBG public services funding helps communities address unemployment and underemployment by funding programs that help low- and moderate-income people obtain employment and enhance their job qualification skills. According to HUD, in 2021, CDBG grantees allocated over \$31 million to help people find permanent employment and keep their jobs. This assistance included training and education, including on-the-job training such as apprenticeship programs. Other CDBG-funded public services, such as transportation assistance and childcare assistance, helped to further support employee retention.

Youth Services

CDBG funds local programs that provide a safe environment, social support, and mentorship to low- and moderate-income youth through after school programs, summer camps, leadership programs, and other support programs.



**BOYS & GIRLS CLUBS
OF AMERICA**

Boys and Girls Clubs of America serve youth at over 4,700 club sites across the country including at over 1,955 school-based clubs, 1,082 clubs in rural areas, 208 clubs on Native lands, and 278 clubs in Public Housing facilities. These clubs provide academic support, a safe environment, meals and snacks, supportive relationships, and quality programming for youth to develop and grow academically and personally. CDBG has been a critical resource for Boys and Girls Clubs, providing funding for programs and transportation for kids to get to the Clubs.¹²

¹² CDBG Coalition Webinar, Boys and Girls Clubs of America Presentation, Erin Gilliatt, Executive Director, Boys and Girls Clubs of East Providence, RI.



Boys and Girls Club; East Providence, RI, 1st Congressional District
CDBG Funding (\$20,000 annually)
CDBG funds are used by the East Providence, RI Boys and Girls Club to support the Safe Haven Drop-in Program, the Keystone Teen Leadership Program, and teen leadership and workforce readiness efforts.

Senior Services

Many jurisdictions promote senior health and wellness through CDBG-funded public service activities. While only about 2% of CDBG investment in 2021, senior services provide meaningful engagement and support to the community residents 65 and older.



Creative Aging; Shelby County & Memphis, TN, Congressional Districts 8 & 9
CDBG Funding: \$50,000 (annually)
Creative Aging offers music and arts experiences that promote cognitive vitality, reduce isolation, and provide opportunities for social cohesion. Through hands on art classes and both virtual and in-person music events, Creative Aging supports enhancing seniors' well-being and providing opportunities for building connection and social capital. [MORE...](#)

Economic Development

CDBG economic development activities help communities tackle economic distress, stimulate private investment, and spur small business and commercial growth. The impact of CDBG investments in small and commercial businesses are many, including the following:

- CDBG investments in business ensure low- and moderate-income residents have better access to essential goods and services.
- CDBG assists low- and moderate-income people to become self-sufficient by empowering them to become business owners.
- CDBG assisted businesses provide employment opportunities for low- and moderate-income people.
- CDBG-assisted businesses add tax revenue to local and state governments.

Small Business Development

Small businesses are the cornerstone of the American economy. CDBG helps socially and economically challenged small businesses to start and grow. CDBG can be used to assist small businesses in numerous ways that include, but are not limited to, acquisition of land and buildings, infrastructure development, working capital, and technical assistance. CDBG-CV funds were particularly helpful during the COVID-19 pandemic, providing a lifeline for small businesses.

Communities can use CDBG to establish small business incubators. Incubators are multi-tenant buildings that provide affordable business space along with a variety of professional services for small businesses and new business start-ups. CDBG funds can be used to acquire the land and buildings for an incubator, construction of a new facility, infrastructure development, and financial and technical assistance to the businesses within an incubator.

Communities often use CDBG to serve a subset of the small business community through microenterprise assistance. A microenterprise is a business that employs five or fewer people. One of the challenges for new business startups, particularly low- and moderate-income business owners, is the availability of capital. Conventional lenders shy away from persons with credit blemishes. CDBG steps in to provide low- and moderate-income microenterprise business owners with funding for business acquisition and renovation, business equipment/machinery, working capital, and technical assistance.

LISC



Micro Business Relief Fund Charlotte, NC, 12th Congressional District CDBG-CV (\$1,000,000)

The City of Charlotte, NC partnered with LISC Charlotte to deploy the Micro Business Relief Fund (MBRF). The MBRF was a \$1 million fund created to provide grants to eligible microenterprises financially impacted by COVID-19. LISC leveraged this CDBG-CV

funding to support small businesses with the financial and technical resources necessary to remain resilient. Specifically, the program provided microenterprises within Charlotte's opportunity corridors with a grant of up to \$10,000 to fund operation costs to pay staff, vendors, rent, and utilities. Pictured here is Andarrio Johnson, a small business grant recipient. These funds were made available both in response to the COVID-19 pandemic's economic impact, as well as the inequitable access to relief funds that struggled to reach the microenterprises most in need of relief.



Small Business Assistance El Centro de la Raza, Washington State Funding: CDBG & NALCAB (\$60,000)

CDBG funding provided small business-focused technical assistance to underserved and Latinx businesses in urban and rural areas in Washington state. CDBG provided bilingual guidance and assistance to small business owners in accessing federal, state, and local funds. It also provided one-on-one bilingual coaching to small businesses to create marketing and business plans and provided bilingual training on the use of technology to help small businesses generate more income using social media.

Results and Impact:

- 34 new rural and urban small businesses created
- 30-35 jobs created
- 150 established rural and urban small businesses continuously supported on an annual basis



Florence First Small Business Assistance
Florence, AL, 5th Congressional District
Funding Source: CDBG-CV (\$437,121)

In May 2020, “Florence First” was launched to provide small local business owners relief from the financial impacts of the COVID-19 pandemic. Florence has more than 3,300 small businesses with 90% having less than 5 employees. Nearly half of the work force is employed by a small, local business. The small businesses are foundational to keeping the community, economy, and neighborhoods running strong. CDBG-CV funds were used to provide economic support to 69 locally owned small businesses, including 39 women/minority owned business enterprises, during the pandemic that included mortgage/lease payment assistance, utility payment assistance, payroll assistance, and business inventory expenses. All the businesses remain open and 90% of the businesses have been able to retain all their employees post pandemic.



Toledo Small Business Stabilization Grant Fund
Toledo, OH, 9th Congressional District
Funding: CDBG (\$250,000), Private Funds (\$166,000), Other Public Funds (\$30,000 – Coronavirus Relief Funds)

Under resourced and historically disadvantaged small businesses were disproportionately adversely impacted by the coronavirus pandemic. LISC Toledo used the CDBG-CV award as part of a Small Business Stabilization Grant Fund that assisted small businesses by providing financial relief. Eligible microenterprises received working capital grants of \$5,000, \$7,500, or \$10,000 to aid them in paying operating expenses - such as payroll, rent, mortgage, and utility payments. The fund's strategic priority was to provide grants to small business owners who are people of color, women, veterans, and low- to moderate-income, located in low- and moderate-income census tracts, and to businesses unlikely to access other sources of financing.

The CDBG-CV funds directly supported \$237,500 in grants to 25 microenterprises located in low-to-moderate income census tracts. Of the businesses assisted, 19 were minority-owned; 14 were woman-owned; and 2 were veteran-owned. Combined with the private funds leveraged for the Stabilization Grant Fund, over \$415,000 went to 49 small businesses: 86% minority-owned; 55% woman-owned; and 71% in an LMI Census tract. One grant recipient simply said 'it helped a lot' as he worked through the pandemic to sustain the store his family has owned and operated since the 1950s. See the [link](#) to the video featuring grantees.

Partners included those that provided funding for the Stabilization Grant Fund. The City of Toledo (CDBG-CV), the Toledo-Lucas County Port Authority, KeyBank Business Boost

powered by JumpStart, and ProMedica Health System. Lucas County also provided Coronavirus Relief Fund to LISC Toledo to support the staff efforts on the Grant Fund.

The Toledo Business Growth Collaborative (BGC) is a network of 13 small business development organizations and CDFI small business lenders that are working to strengthen the entrepreneurial ecosystem and increase engagement among entrepreneurs that are women, BIPOC, immigrants and refugees, low-to-moderate income, and other historically under-resourced communities. As the administrator of the Grant Fund and as a member of the BGC, LISC Toledo facilitated connecting small business grantees to the BGC to access technical assistance and additional capital. Over half of the grantees met with a BGC partner at least one time during the grant process.

The project is complete with the last of the Small Business Stabilization Grant Fund disbursed in early 2021. There are additional needs of disadvantaged small businesses to access more technical assistance and capital.

Large-Scale Commercial Development

CDBG assists communities finance large-scale commercial development. These are projects that have a large community impact, such as factories, industrial parks, hotels, shopping centers, and convention centers. CDBG is oftentimes used to provide financing to build or expand commercial businesses and fund business equipment, leases, and business services. CDBG investment in large-scale commercial development leads to area renewal, job creation and retention, and retention or creation of important businesses that serve to anchor a community and provide important services. These projects are oftentimes financed through the Section 108 Loan Guarantee program.

Section 108 Loan Guarantee

The [Section 108 Loan Guarantee](#) component of the CDBG program allows grantees to finance [large scale projects](#) that cannot be funded entirely with their current CDBG allocation. Section 108 allows grantees to borrow up to five times their CDBG allocation with the grantee guaranteeing repayment with project income or future CDBG allocations. HUD facilitates financing of the loans via private sector lending sources, providing highly competitive interest rates and terms up to 20 years. A well-designed Section 108 activity or project can have a substantial expansive impact on a neighborhood.



**Oasis Fresh Market Grocery Store
Tulsa, OK, 1st Congressional District
Funding Sources: CDBG (\$1.5 million), Tulsa
Economic Development Corporation (TEDC)
(\$2.6 million), Tulsa Foundation (\$1 million),
North Peoria Tax Increment Financing District
(\$986,000)**

Project Oasis is a public-private collaboration designed to eliminate food deserts in Tulsa's most distressed communities. The Oasis Fresh Market, a 16,500 square foot grocery store, is in a low-income, predominantly African

American community, in north Tulsa that has suffered from food insecurity and economic instability. Median incomes in the area are below \$20,000. The start-up is a black-owned enterprise and north Tulsa's first full-service grocery store in over a decade.

CDBG Supports Small and Rural Communities

As rural communities face unprecedented challenges, federal resources through programs like CDBG are critical to improving quality of life and connecting places to the 21st century economy. Infrastructure remains key to this progress and CDBG is primarily used to address deficiencies in utilities, transportation, and similar public facilities. Infrastructure investments matter to not only protect people and provide access to common amenities but also attract and retain business.

As economic development remains a priority for rural areas, CDBG is strong resource to promote jobs and business. Smaller communities often struggle to identify capital for projects aligned with competing in the global economy. With local revenue minimal and insufficient to meet infrastructure and human capital demands, other sources need to fill this void. CDBG provides this funding source amenable to rural communities for leveraging private investment. In Rogers County Oklahoma (pop. 87k), a CDBG-funded water line extension will support Sofidel Inola's new \$400 million facility which will bring 256 jobs to the area. A couple of states over, Grambling in Lincoln Parish, Louisiana, used a \$329,000 CDBG grant to cover utility and related infrastructure for the community's first grocery store in 35 years. With Legends Market, Grambling (pop. 3.5k) can provide residents with food in proximity as well as generate tax revenue previously lost to neighboring towns.

Place-making is also a goal for many rural jurisdictions as local leaders act to reverse population loss and attract people to visit and relocate to their community; CDBG accommodates this strategy and activities therein. In Michigan, Ludington's Downtown Development Authority secured CDBG investment to transform their downtown square and surrounding area. The James Street Plaza will serve Ludington (pop. 8k) as an open area to host events, shopping, recreational activities, and cultural experiences. Further down Highway 31 is the city of Hart (pop. 2k) which recently acquired CDBG funds for a park development. The Hart Pocket Park was redeveloped from a vacant, unused lot into public space hosting library story hours, yoga, musical performances, and related activities.



Clover Farms Store Project

Town of Greenville, FL, 5th Congressional District

The Town of Greenville area does not have a fresh-food grocery store which is a considerable hardship on residents.

The economic objectives to be accomplished by this project include the creation of new jobs for area residents and the promotion of additional development within the Greenville, Madison County, FL downtown area. The grocery store owner has committed to creating 11 new jobs because of this project. The project will primarily impact the residents of the Town of Greenville and outlining areas within Madison County. Beneficiaries of the new grocery store project will be farmers who will provide local produce to the new grocery store as well as Twin Oaks Juvenile Center which houses disadvantaged youth. [MORE...](#)

CDBG Stimulates Investment

One of CDBG's greatest strengths is its ability to leverage other investments. As a flexible resource designed to accommodate local needs, CDBG often serves to match other sources of public and private funds. Program resources also help projects and services become reality providing gap funding to meet budget needs.

One great example of CDBG's leverage capability is Celoron, NY's Chautauqua Harbor Hotel. The community was awarded \$750,000 in New York State CDBG Economic Development funds to assist Chautauqua Harbor Hotel, LLC open a destination hotel on waterfront property. The new 130,000 square foot facility includes 132 guest rooms, 8,000 square feet of event space with pre-function areas and breakout rooms, indoor and outdoor swimming pools, a fitness room, dining and lounge areas, and seasonal outdoor food and beverage facilities. The \$26,516,000 project created 86 full-time equivalent jobs over two years, with 68 (84%) made available to low-moderate income persons. CDBG funding leveraged both state funds (nearly \$2m) as well as private investment (\$23m).

Additionally, Virginia's use of CDBG for the Greenhouse Village successfully leveraged other funding sources to create affordable housing in Rockbridge County. The development was completed in two phases creating 20 units of affordable housing for low-to-moderate income households. CDBG funding supported street, water, and sewer connections while other funding including Habitat for Humanity and USDA Rural Development. CDBG contributed \$432,828 to the project leveraging over \$1.2 million from other public and private sources.

CDBG Rebuilds and Strengthens Communities After Disasters

CDBG also promotes local recovery and resiliency following major disaster events. Notably through the CDBG-Disaster Recovery (CDBG-DR) program, federal funds invest in housing, infrastructure, and business assistance needs critical to long-term community rebuilding and mitigation against future disasters. As a flexible resource responsive to community needs, CDBG is a significant and meaningful federal program to support post-disaster activities.

Following major flooding from Tropical Storm Lee, Pine Grove Borough in Pennsylvania used CDBG-DR funds to create a floodplain diverting water from the community and therefore preventing further damage from future flooding. The 2011 flooding impacted 180 residential dwellings, numerous commercial businesses, and the town's largest employer (Guilford Mills with over 300 employees). The Pine Grove Floodplain Restoration is protecting residents, employees, and property for the small town (pop. 2,186). CDBG contributed \$2.5 million to developing the floodplain alongside state funds with a total project cost of \$3 million. Additional improvements are being considered further downstream which will also be supported by CDBG-DR and state funds.

CDBG Improves Lives and Strengthens Communities

As demonstrated in the series of highlighted projects presented in this report, CDBG enables communities to identify and address priority needs across housing, infrastructure, public services, and economic development. The leading federal investment in community-based initiatives, CDBG is flexible, responsive, sustainable, collaborative, and empowering.

FLEXIBLE

CDBG supports a wide range of activities integral to social and economic outcomes especially for vulnerable populations.

RESPONSIVE

The program's flexibility allows states and localities to effectively adapt CDBG support activities responsive to individual communities.

SUSTAINABLE

Projects advanced through CDBG are sustainable improvements with long-term benefits for low-to-moderate income residents.

COLLABORATIVE

Program funds also work in tandem with other public and private sources attracting capital to ensure projects can be completed.

EMPOWERING

CDBG invests in comprehensive local action – from planning to project completion and use – allowing communities to effectively take on their specific priorities.

This report was compiled and developed by Vicki Watson (National Community Development Association), vwatson@ncdaonline.org and Josh Shumaker (Council of State Community Development Agencies), jshumaker@coscda.org, on behalf of the CDBG Coalition. The CDBG Coalition thanks the organizations that submitted CDBG project examples for this report.