

# Community Development Block Grant Program (CDBG) Fact Sheet

## Basic Overview

The Community Development Block Grant program administered by Housing and Urban Development (HUD) provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; **42 U.S.C.-5301** et seq.

## National Objectives

In order to be eligible for funding, every CDBG-funded activity must meet one of the three national objectives of the program:

- Benefiting low-and-moderate-income persons,
- Preventing or eliminating slums or blight, or
- Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

In addition, the statutes require that at least 70% of the funds expended over a one, two, or three year period (selected by the County) must be used for activities benefiting low-and-moderate income persons.

## Consolidated Plan

To receive its annual CDBG entitlement grant, Dane County must develop and submit to HUD its **Consolidated Plan**, which is its comprehensive planning document and application for funding under the **CDBG** and **HOME Investment Partnerships** programs. In its Consolidated Plan, the County must identify its goals for these programs as well as for housing programs. The goals will serve as the criteria against which HUD will evaluate the County's Plan and its performance under the Plan. Also, the Consolidated Plan must include several required certifications, including that not less than 70% of the CDBG funds received, over a one, two or three year period specified by the County, will be used for activities that benefit low- and moderate-income persons, and that the County will affirmatively further fair housing. Dane County's current plan expires December 31, 2014.

## Citizen Participation Plan

The County must develop and follow a detailed plan which provides for, and encourages, citizen participation and which emphasizes participation by persons of low-or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the County proposes to use CDBG funds.



## **Expected Funds Available**

Dane County receives approximately \$1 million in CDBG funding annually.



## **Types of Eligible Activities**

CDBG funds may be used for activities which include, but are not limited to:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- public services, within certain limits;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.



## **Ineligible Activities**

Generally, the following types of activities are ineligible:

- acquisition, construction, or reconstruction of buildings for the general conduct of government;
- political activities;
- certain income payments; and
- construction of new housing by units of general local government.

## **Examples of CDBG-Funded Activities**

Mortgage Reduction Assistance Program – for low-and-moderate income homebuyers. Provides 0% interest, deferred loans.

Home Rehabilitation Program (Major Repair loan program) – to encourage the rehabilitation of low-income, single-family, owner-occupied housing units. Primary focus is on code-related violations, such as roof repair or replacement, foundation repair, porch repair or construction, window and door replacement or repair, exterior painting, and more. Provides 0% interest, deferred loans.

Land Acquisition – provides funds to non-profit organizations for the acquisition of land on which homes will be constructed for low-and-moderate income households.

Public Facilities – provides funds toward the construction of public facilities. Dollars have been contributed toward the construction of the Allied Drive Boys and Girls Club, Town of Dunn storm shelter, City of Stoughton Youth Center, Mount Horeb Senior Center, Waunakee Senior Center, and Windsor Senior Center.

Commercial Façade Program – provides funding to municipalities to rehabilitate downtown commercial facades.

Economic Development Revolving Loan Fund – provides dollars to the County's revolving loan fund program