

Community Development Block Grant (CDBG) FACT SHEET

- In FY 2004 alone, 94.9% of the CDBG funds allocated to entitlement communities went to activities principally benefitting low- and moderate-income persons and 96.4% of the CDBG funds allocated to States went to activities principally benefitting low- and moderate-income persons.
- In FY 2004, CDBG provided funds for thousands of local activities, assisting over 23 million persons and households.
- In FY 2004, CDBG assisted 159,703 households with their housing needs. Of this number, 112,000 owner-occupied single-family homes were rehabilitated, 19,000 rental units were rehabilitated, and more than 11,000 households became new homeowners.
- Over 9 million persons, of whom an estimated 74% were low- and moderate-income, were served by new or reconstructed public facilities and infrastructure, including new or improved roads, fire stations, libraries, water and sewer systems, and centers for youth, seniors, and person with disabilities.
- More than 13 million persons received assistance through a wide range of public services, including employment training, child care, victims of domestic violence assistance, transportation services, crime awareness, legal services, and services for seniors, the disabled and youth. Of this number, 1.6 million seniors were assisted through programs that provide meals on wheels and adult day care. More than 1.5 million youth were served by after-school enrichment programs and other activities designed to keep children safe. Child care services were provided to 100,065 children in 205 communities across the country, enabling parents to go to work with the knowledge that their children were in a safe environment. These dollars also funded nearly 700 crime prevention and awareness programs.
- More than 78,000 jobs were created or retained in hundreds of communities throughout the nation.
- For every one dollar of CDBG funding approximately \$2.79 in private funding was leveraged in FY 2004.
- CDBG has a good track record in business retention, with over 80% of the businesses assisted through the program still in operation after three years.
- CDBG grantees are very efficient in spending their allocations. In 1999, 399 entitlement grantees out of 1,111 were considered “untimely” in spending their CDBG allocation, meaning they had at least 1.5 years of their current allocation remaining to be spent. In FY 2004, 55 entitlement grantees (5%) were considered “untimely” by HUD. Currently, however, only 3 (less than 1% of all entitlement grantees) of those grantees have failed to meet HUD’s requirement to spend their allocation in a timely manner.

Section 108 Loan Guarantees

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.

- Since 1978, over \$6.5 billion in Section 108 lending has helped to finance approximately 1,500 total deals and stimulated over \$19.5 billion in private sector investment. These results have occurred at a cost of only around \$150 million to the federal government.
- In FY 2004 alone, the program created or retained approximately 11,700 jobs.
- There has never been a call on this federal guarantee.
- For each dollar of Section 108 funding, approximately \$1.54 in private funding is leveraged.
- The survival rate of businesses assisted through Section 108 is good, with over 80% of the businesses still in operation after three years.

Data for this Fact Sheet was derived from the U.S. Department of Housing and Urban Development