



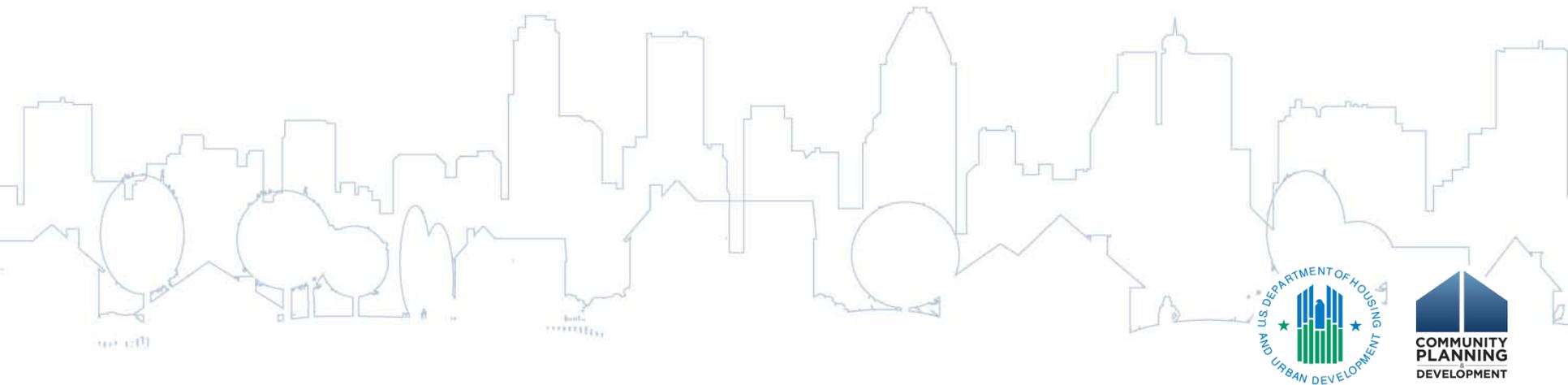
Community Development Block Grants

Overview and Programs
August 2011



Overview

- CDBG is authorized by the Housing and Community Development Act of 1974 (HCD Act)
- HCD Act also authorizes Section 108 loan guarantee program and provides framework for CDBG disaster recovery funds and Neighborhood Stabilization Program



CDBG Funding History

- CDBG has provided \$134 billion in financial assistance to local governments since 1975
 - Entitlement share = 70%
 - Non-entitlement share = 30%
- American Recovery and Reinvestment Act of 2009 provided additional \$1 billion in CDBG funding for FY 2008 grantees



CDBG Funding FY 2010 - 2012

FY 2010 Formula Appropriation - \$3.94 billion

- \$2.758 billion – Entitlement
- \$1.182 billion – Non-entitlement
- \$250 million - Section 108 authority

FY 2011 funding levels - effective 16% reduction to \$3.3 billion with 0.2% across the board rescission and up to 1% for HUD Transformation Initiative

FY 2012 – To be determined



Largest State Grants – FY 2011

Texas	\$66,604,562
New York	44,032,414
Puerto Rico	43,698,507
Ohio	43,394,640
Pennsylvania	42,283,867
North Carolina	41,131,631
Georgia	36,631,109
California	35,841,830
Michigan	32,656,464
Massachusetts	30,463,198



CDBG's Annual Reach

**More than 7,250 local governments
annually receive CDBG funds**

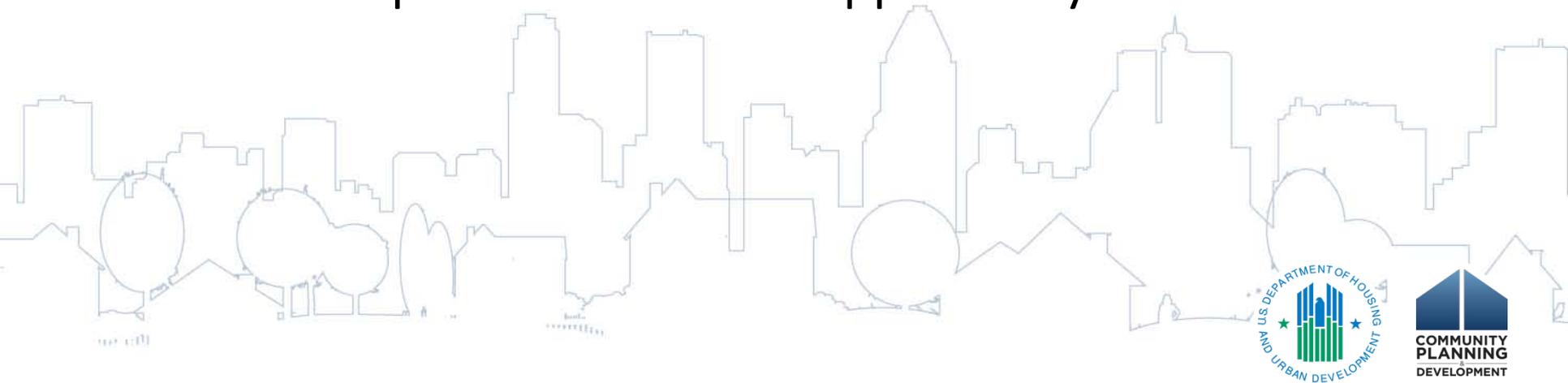
- 3 Counties in Hawaii
- 4 Insular Areas
- 1,160 Entitlement Communities
- 3,587 Local Governments in Urban Counties
- 2,500 Local Governments through State CDBG (est.)



CDBG Primary Objective

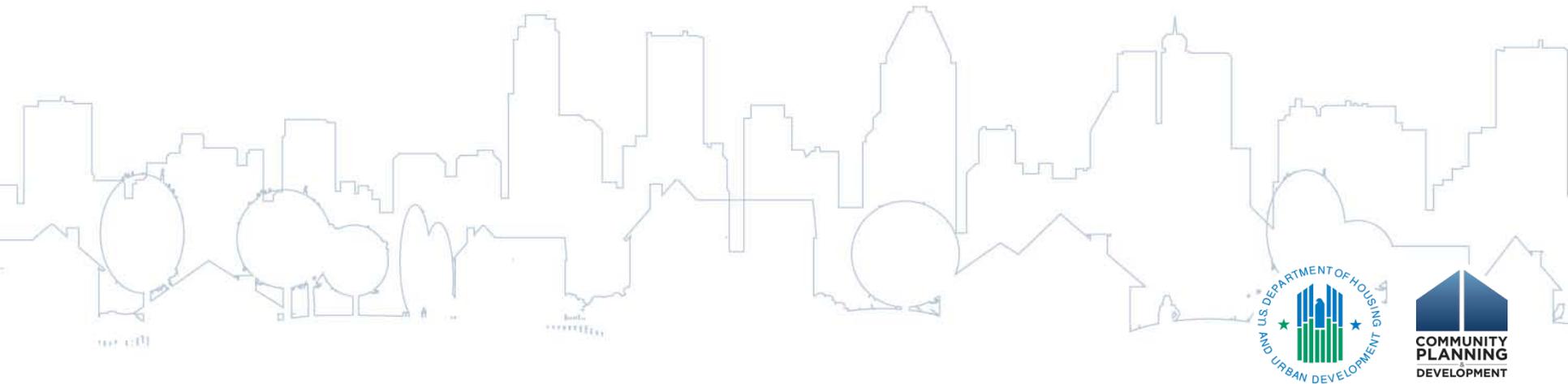
Primary objective of the CDBG program is the development of viable urban communities, principally for low/mod persons, through:

- Decent housing
- Suitable living environment
- Expanded economic opportunity



Section 108 Loan Guarantees

- Refers to Section 108 of HCD Act
- Is loan guarantee provision of CDBG program
- Enables grantees to leverage CDBG for wide range of activities
- All CDBG requirements apply



Section 108 Basics

- Eligible applicants are local governments receiving CDBG funds through Entitlement or State CDBG programs or States on behalf of non-entitlement local governments
- Maximum loan amount is 5 times most recent CDBG grant net of any existing Sec. 108 loans
- Maximum term of loan guarantee is 20 years
- Interim and permanent financing options



Neighborhood Stabilization Program

- Provides assistance to address effects of abandoned and foreclosed properties in nation's communities
- Initially authorized by Housing and Economic Recovery Act of 2008 (HERA)
- Multiple appropriations have created three iterations – NSP1, NSP2 and NSP3
- Total funding - \$7 billion
- HERA built NSP on CDBG chassis



CDBG Disaster Recovery Funding

2001 - Lower Manhattan 9/11 Recovery

2005 - Hurricanes Katrina, Rita, Wilma (KRW)

2008 - Hurricanes Ike, Gustav and Midwest Floods

2010 – Storms/Flooding in KY, RI and TN



CDBG Disaster Recovery Funding

- No standing or regular appropriation
- Done as supplemental and generally limited to significant events
- Conditions of grant often dictated by appropriation
- Grants may be managed from HQ or field offices depending on risk

