

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICES QUICK FACT SHEET

Overview of CDBG

The Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment and expand economic opportunities for low- and moderate-income persons. CDBG is one of the programs used to achieve this goal. To that end, it creates partnerships with other levels of government and the private sector, including for-profit and nonprofit organizations. The nonprofit component includes public services.

National Objective

To be eligible, all CDBG funded activities must meet at least one of the three national objectives.

- 1) Benefiting low and moderate (L/M) income persons
- 2) Aiding in the prevention or elimination of slums or blight
- 3) 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. *Examples of urgent need are major catastrophes or emergencies such as floods and hurricanes.*

However, for public services, the activities generally fall in the Low-Moderate Income Category.

Eligible Activities & Related Costs

The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to: Employment services (e.g., job training); Crime prevention and public safety; Child care; Health services; Substance abuse services (e.g., counseling and treatment); Fair housing counseling; Education programs; Energy conservation and Services for senior citizens.

CDBG funds may 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. To utilize CDBG funds for a public service, the service must be either:

1. A new service;
2. A quantifiable increase in the level of an existing service

15% CAP

The amount of CDBG funds obligated within a program year to support public service activities may not exceed 15% of the total grant awarded to the grantee for that year plus 15% of the total program income it received in the preceding program year.

