

City of Cambridge

Needs Assessment for: The Utilization of CDBG, HOME & ESG Funds

Thursday, March 30th, 2017



CambridgeMA.gov



Congressional Budget Authority



HUD

FUNDING LEVELS

Cambridge's annual allocations of CDBG & HOME funds are determined by funding levels established by the U.S. Congress, and by formulas developed by HUD utilizing American Community Survey (ACS) data.



CDBG & HOME Programs



Entitlement Communities



FORMULA COMPONENTS

After setting aside funds for special purposes such as technical assistance, projects specified by Congress, the annual appropriation for CDBG formula funding is split so that 70 percent is allocated among eligible metropolitan cities and counties (referred to as entitlement communities), and 30 percent among the states to serve non-entitled communities.

HUD uses two basic formulas, known as Formula A and Formula B, to allocate CDBG funds to entitlement communities. A similar “dual formula” system allocates funds to states. For entitlements, Formula A allocates funds to a community based on its metropolitan shares of: (1) population, weighted at 25 percent; (2) poverty, weighted at 50 percent; and (3) overcrowding, weighted at 25 percent, times appropriations. Formula B allocates funds to a community based on: (1) its share of growth lag, weighted at 20 percent; and its metropolitan shares of (2) poverty, weighted at 30 percent and (3) pre-1940 housing weighted at 50 percent times Appropriation.

Entitlement Communities automatically receive the greater of the two Formula Allocations.

Cambridge receives funding based on Formula B.

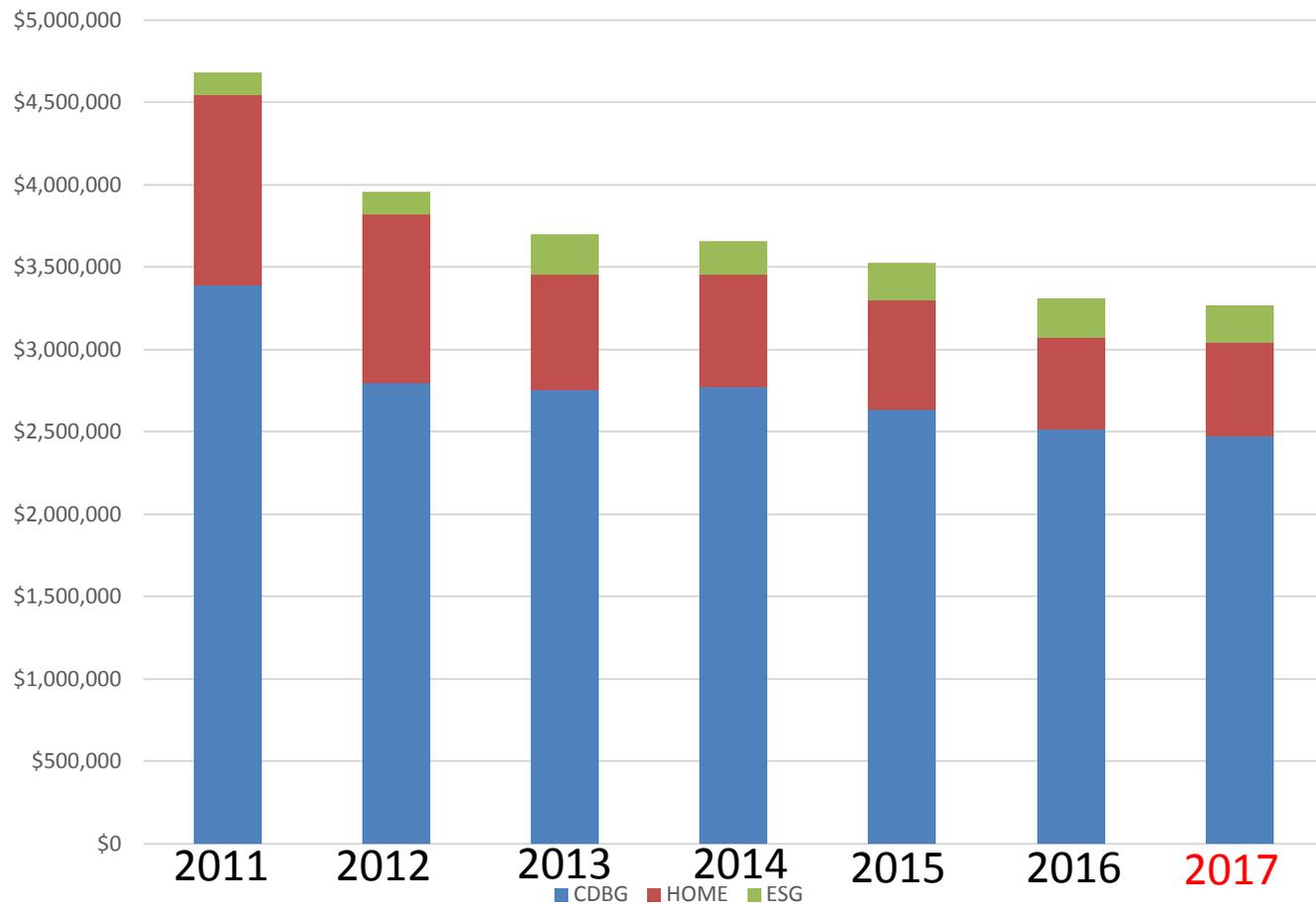
CDBG Overview

The Community Development Block Grant (CDBG) program was created in the 1970's to more efficiently distribute resources directly to the communities where the funds were to be utilized. A number of smaller grants were combined into one "block grant" and the U.S. Department of Housing and Urban Development (HUD) distributed the money to cities and counties based on a formula. The CDBG program was intended to benefit low and moderate income residents and businesses, minorities and other disenfranchised segments of the population.

HOME Overview

The HOME program was enacted through the Cranston-Gonzalez Affordable Housing Act of 1990. It is the largest HUD grant to states and cities that is to be used exclusively for affordable housing and enhancing partnerships between different levels of government and developers.

History of HUD Funding



CDBG: Purpose and Objective

Section 101(c) of the authorizing statute sets forth the primary objective of the program as the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate- income.

All Eligible Projects Must Meet One of Three National Objectives:

- 1. Benefiting low- and moderate-income person**
- 2. Preventing or eliminating blight, or**
- 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.**

How Cambridge Uses CDBG

Affordable Housing

- Acquisition
- Preservation
- Development
- Rehabilitation

Economic Development

- Job Training
- Microenterprise Assistance & Training
- Small Business Grants

Public Services

- Legal Services
- Senior Services
- Youth Services
- Domestic Violence Services
- Employment Services
- Other Public services

Other

The City has used CDBG for other activities in the past, such as park & playground and street & sidewalk improvements. With continuing cuts to the program, however, CDBG funds are typically now targeted at core programs.

ESG Overview

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, revising the Emergency Shelter Grants Program in significant ways and renaming it the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012.

ESG funds may be used for:

- Homeless Prevention
- Rapid Re-Housing
- Shelters
- Street Outreach
- Data Collection / Administration

CDBG, HOME, ESG and Cambridge

The Community Development Department (CDD) is primarily responsible for the management of CDBG and HOME funds. The Department of Human Service Programs (DHSP) manages ESG and the portion of CDBG funds allotted for Public Service activities



COMMUNITY DEVELOPMENT DEPARTMENT
344 Broadway



What Cambridge Has Done with CDBG, HOME & ESG

Since 2011:

- **CDBG and HOME** funds have been used (with other funding sources) to Create, Rehabilitate and Preserve **1,692** affordable housing units.
- **170** locally owned small businesses have been assisted with **CDBG** funded grants to enhance their appearance, operations and to remove barriers to accessibility.
- **CDBG** has funded **73** residents in the Bio-Medical Careers program and over **470** residents in various financial literacy and micro-enterprise courses.
- DHSP, through its various non-profit partners, has served approximately **40,000** individuals with crucial public services, including food assistance, domestic violence assistance, youth services, elderly services, job training and services for linguistic minorities with **CDBG** funds.
- **ESG** funds help approximately **5,000** individuals annually with crucial shelter services and other programs to prevent those at-risk of becoming homeless

Written Comments

Written comments will also be accepted (until April 15th, 2017) in-person at the hearing, by mail, or by email. For more information, please contact Robert Keller at 617-349-4602; email: rkeller@cambridgema.gov; or standard mail:

Robert Keller
Cambridge Community Development Department
344 Broadway, 3rd Floor
Cambridge, MA 02139