

# Funding from The U.S. Department of Housing & Urban Development (HUD)

Community Development Block Grant (CDBG)

HOME Investment Partnership Act

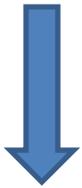
Emergency Solutions Grant (ESG)



[CambridgeMA.gov](http://CambridgeMA.gov)



Congressional Budget Authority



HUD

# FUNDING LEVELS

Cambridge's annual allocations of CDBG, HOME & ESG 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 (via Community Planning & Development) 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.**

# History of HUD Funding



# 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.

# 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

## Public Services

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

## Economic Development

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

## 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.

# 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.

# 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**

