

Community Development Block Grants (CDBG)

Written by Jenna Thomas
Designed by Paul Rochford



What is the city's process for using CDBG grant money?

Step 1: Cleveland City Council's Development, Planning and Sustainability (DPS) Committee holds hearings every February to hash out the budget with the mayor's administration. They review past spending and make adjustments based on the estimated budget.

Step 2: The estimated budget goes through Council's Finance, Diversity, Equity & Inclusion Committee.

Step 3: The estimated budget is voted on by the whole council, which also includes permission for the Director of Community Development to accept funds from the federal government.

Step 4: The federal government notifies Cleveland about how much money it will receive, typically sometime in March.

Step 5: CDCs are invited to apply for funding and submit reports on how they spent the previous year's funds. More on this [here](#).

Step 6: A subcommittee including members of the mayor's administration, Cleveland Neighborhood Progress, council staff and others review and score the applications from CDCs.

Step 7: The mayor's administration forms recommendations for council's DPS Committee, typically sometime in April.

Step 8: Finance Committee reviews the budget passed by DPS. It may make adjustments, but they are often minor based on final federal grant numbers.

Step 9: The whole council votes on the final CDBG budget.

What are Community Development Block Grants?

Community Development Block Grants (CDBGs) are part of a **federal assistance** program that aims to build stronger and more resilient communities by providing flexible money to local governments. Cities become eligible if they meet certain requirements.

History of CDBG

In 1973, President Richard Nixon cut funding for the U.S. Department of Housing and Urban Development (HUD) and its competitive grant programs that intended to improve housing conditions, city services and public facilities to make more liveable cities. Prior to this cut, the federal program included categories such as housing rehabilitation, historic preservation, and water and sewer infrastructure. The loss had a huge impact on cities and counties with low-income residents who relied on this funding. The Housing and Community Development Act of 1974, passed by Congress, revamped the program, adding flexibility and giving power to cities to decide how best to spend the money.

Where does the money go?

Community development is a huge umbrella, so the federal government created a range of activities for spending the grant money, including:

- Housing demolition and rehabilitation
- Storefront renovation
- Public services for residents, such as the Senior Homeowner Assistance Program and Clean Cleveland
- General administrative costs, such as staffing in the city's Community Development Department
- Community Development Corporations (Note: Cleveland is unique in the nation for its funding of CDCs, which serve specific neighborhoods)

FAQs

Why is it a separate budget?

The city's General Fund collects taxes, fees and services. Since CDBG money comes from the federal government—not through city-generated revenue—it gets its own budget.

What can't CDBG grants pay for?

General administration costs (outside of community development) such as public safety forces or routine city services.

How does the federal government decide who gets the money?

HUD uses two formulas to decide which cities get funding. The first formula takes into account the city's population, rate of poverty, and number of overcrowded housing units. The other formula looks at population-growth lag since 1960, poverty and pre-1940 housing units.

