

## **CDBG & HOME**

The **Community Development Block Grant (CDBG)** is formula-based block grant program that provides states and local governments with a flexible funding source to use towards a range of housing and economic development activities. The formulas for allocating CDBG funds heavily weight the degree of poverty and indicators of poor housing conditions in a jurisdiction. Further, grantees are required to allocate at least 70 percent of their total CDBG allocation to eligible activities that principally benefit low or moderate income persons.

States and local governments have used CDBG funds in a variety of ways to supplement their efforts to revitalize communities, create jobs, provide affordable housing, and provide targeted services based on the needs of the community. In FY 2016 alone, the CDBG program served 1,411,724 individuals at food banks, provided housing and services for 113,561 battered and abused spouses, conducted screenings for lead-based paint that benefited 4,690 children and individuals, and provided employment training for 48,555 individuals. Also in FY 2016, the CDBG program also made improvements to 208,844 senior centers, 20,257 centers for disabled persons, 96,062 homeless facilities, and 100,716 health facilities. CDBG has also served as a catalyst for private sector involvement. According to HUD, every \$1.00 of CDBG funding leverages an additional \$3.65 in non-CDBG funding.

Despite the clear need for CDBG funds, and its proven track record of success, the program has experienced steady cuts over the past several years. Since FY 2010, the program has been cut by nearly \$1 billion.

The **HOME Investment Partnerships Program (HOME)** is the largest federal block grant to state and local governments designed exclusively to produce affordable housing for low-income families. HOME funds can be used towards a variety of affordable housing activities at any stage of a development's funding cycle. Grantees are also required to match 25 cents of every dollar in HOME funds. According to HUD, every \$1.00 of HOME funding leverages an additional \$4.17 in non-HOME funding.

The HOME program is one of the few programs that continues to provide dedicated funds for the production of new affordable housing units and the preservation of existing affordable housing units. With FY 2016 funding alone, the HOME program is projected to provide approximately 16,000 units of affordable housing for new homebuyers, 15,000 units of newly constructed and rehabilitated affordable rental units, and 7,500 units of owner-occupied rehabilitation for low-income homeowners. The HOME program is also projected to provide 8,800 low-income households with rental assistance, and preserve or create 18,763 jobs with FY 2016 funding.

Despite the clear need for the HOME program and its track record of success, it has experienced steep cuts in recent years. Since 2010, funding has been cut by approximately \$800 million.