



# CDBG

Making Lives Better  
for Half a Century

1974-2024

# CDBG: A Very Brief History

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Pre-1974

The Age of  
Dinosaurs



# CDBG: A Very Brief History

- The Setting (1972-74)
  - Richard Nixon & Gerald Ford were Presidents
  - George Romney & James Lynn were Secretaries of HUD
  - HUD Office of Metropolitan Development (Now CPD)
    - Eight Categorical Programs (Urban Renewal, Model Cities, Water & Sewer, Public Facilities, Open Space, Urban Beautification, Neighborhood Facilities)
    - Most Required Local Match (Cash & Non-Cash)
    - Separate Rules and Pots of \$\$\$
    - Competitive Each Year = Funding Uncertainty
    - Must Apply and Follow HUD Rules Including Grant Conditions
    - No Long-Term Planning



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## The Transition from Categorical to Block Grant (CDBG)

- Political Issues
  - Congress
  - Interest Groups (e.g., NAHRO, Housing, Public Works)
  - National Objectives: **LMI**, S&B, UN
  - LMI Emphasis (70% Primary Benefit Test)
- Funding Issues
  - What About Grantees with Large Amounts of Categorical Funding?
  - Answer: Hold Harmless Phase-In (Five Years)
- Restrictions
  - Limits on General Administration/Planning (20%), Public Services (15%) and New Housing Construction (CBDOs)
- Local Control vs. Federal Control (The Warren Butler Warning)



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**SOME  
THING  
NEW**

## The New World of CDBG

- Funding Certainty
- Two Programs: Small Cities (States) and Entitlements
- Long-Term Planning
- Broad Range of Activities
- Local Input and Control
- No Applications (Consolidated Plan)
- One Set of Program Rules (24 CFR Part 570)
- Minimal HUD Oversight
- Related Federal Requirements (e.g., OMB, NEPA, Uni Act, Davis-Bacon, FHEO)



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- **What I Like Most About CDBG:  
Flexibility = Creativity = Best Practices**
- **Examples of Best Practices**
- **TOTO – First-Time Homebuyer Program with Counselling**
- **Housing Rehab Training – Finding Trainees in Unusual Places**
- **Bank of Knowledge – Small Project with Big Impact**
- **Wichita/Cessna 21<sup>St</sup> Street Job Training Program – Public/Private Partnership**

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**Not So Fast! I Have Two Major Criticisms of CDBG Today.**

Maintenance of Effort

Thou Shalt Not Use CDBG to **Supplant** Other Local Resources. CDBG Must **Supplement** Other Local Resources.

Warm Margarine Approach

Too Many Grant Recipients Spread CDBG Around So Thinly that It Has No Meaningful Impact. Consider the NRSA Approach



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## Today's World

- A Return to Categorical Programs?
- Existing CPD Programs: CDBG, HOME, SNAPS, HOPWA, Disaster Recovery, CARES Act, NSP, ARP, Etc.
- Question: Are Any of These Activities **Not** Eligible Under Regular CDBG?



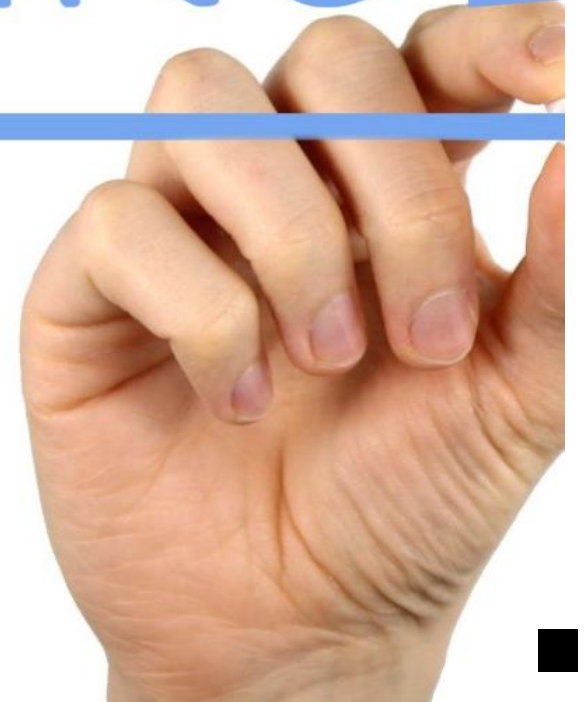
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- **The Real World of Today**
- Limited Local Resources
- Limited HUD Resources
- Competing Demands
- Uncertain Future
- Harm to Regular CPD Programs
- Disruption of Existing Partners and Relationships

RESOURCE

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- Questions to Ponder
  - Are We Back to Where We Started in 1974?
  - Is It Time to Reconsider a Single Formula Block Grant Program?
- Key Concerns
  - Congressional Support
  - Special Consideration for Key Activities (e.g., Homelessness, Affordable Housing)
  - Unusual Circumstances (e.g., Natural Disasters, Pandemics, Economic Downturns)
  - Affect Current Partners
  - Special Interests
  - Transition Look Like

