

# **THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

## **WHAT IS THE “COMMUNITY DEVELOPMENT” PROGRAM?**

In 1974 Congress enacted the Community Development Block Grant (CDBG) Program in order to give cities and counties an annual Federal grant that could be used for a wide range of community development programs and projects. Cities with a population of at least 50,000, including Tuscaloosa, are known as “entitlement” cities under the program, and receive an annual amount based upon such factors as the number of residents, the percentage of lower-income people in the city and housing conditions. Smaller cities apply to their states for Community Development funds. The CDBG Program is funded through the U.S. Department of Housing & Urban Development.

Since 1975 the City of Tuscaloosa has received an average of \$1.42 million each year in CDBG funds, over \$45 million to date. Program income, revenue from CD funded loan programs and other sources, has provided an additional \$3.6 million for the City’s CDBG Program. Community Development has been the means for many worthwhile projects and programs in Tuscaloosa - to name a few; building the McDonald Hughes Community Center and Fire Station #8 in West Tuscaloosa, purchasing the Jemison-Van de Graaff mansion and restoring the Battle-Friedman House, renovating the Barnes Branch YMCA and the Boys & Girls Club in Jaycee Park, developing Palmore Park, Freeman Park and several small neighborhood parks, and rehabilitating more than 300 houses for lower-income families.

## **WHAT CAN COMMUNITY DEVELOPMENT FUNDS BE USED FOR?**

There are three national objectives for the program. Community Development activities must either benefit low and moderate-income residents through neighborhood improvements or assistance programs, prevent or eliminate slums and blight or preserve historic places, or meet other critical community needs which couldn’t otherwise be financed. At least 70% of funds must be spent on activities that benefit lower-income persons. Following is a general list of programs and projects that can be undertaken with Community Development funds.

(1) Acquisition of property for an eligible project, such as for building affordable housing for lower-income families or developing a park in a low and moderate-income neighborhood. Also, buying buildings or property for agencies to operate service programs for lower-income people is eligible.

(2) Rehabilitation of houses owned or rented by lower-income persons.

(3) Construction or renovation of public facilities, and infrastructure improvements in lower-income neighborhoods. Eligible public facilities include health centers, neighborhood libraries, parks and shelters for homeless persons. Infrastructure improvements include drainage projects, the construction of streets and sidewalks, and the installation of water delivery and sanitary sewer systems.

(4) Historic preservation, including the acquisition and/or restoration of buildings listed on the National Register of Historic Places, or a state or local register of historic places.

(5) Code enforcement and demolition of unsafe structures. Code enforcement involves inspecting houses and other buildings in a neighborhood to determine if they meet the City's building codes for soundness and safety.

(6) Removal of architectural barriers to people with disabilities, including retrofitting restrooms, installing elevators in public buildings, and constructing curb ramps at street corners.

(7) Public service activities that assist low and moderate-income residents, including transportation services, programs for youths and elderly persons, and housing counseling services. No more than 15% of annual CDBG grant funds can be spent for public service programs.

(8) Economic development programs and projects that create or save jobs for lower-income workers. Such activities include loan programs for start-up or expanding businesses and helping to prepare a site for a new industry.

Certain projects that would be eligible for a lower-income neighborhood cannot be undertaken with CDBG money in other areas. For instance, a drainage project could not be financed with CDBG funds in a neighborhood where less than 51% of residents are low-income. Also, CDBG funds cannot be used for a city's general government activities or for routine maintenance, such as repairing potholes in streets or trash pick-up.

### **HOW ARE COMMUNITY DEVELOPMENT ACTIVITIES SELECTED?**

Each city's local governing body decides how its CDBG funds will be used. In Tuscaloosa, the City Council selects the projects and programs to be carried out.

During the fall of each year, the City holds two public hearings for agencies, groups and individuals to present proposals for CDBG funds for the next program year, which begins on April 1<sup>st</sup> each year and ends on March 31<sup>st</sup> of the next year. After the public hearings are held, the City Council members and the Mayor are each given a booklet containing a copy of all proposals submitted. The City Council and the Mayor then meet to review the requests and to decide which activities will be funded.

Each year, the total dollar amount of requests for CDBG funds by far exceeds the amount of funds available. The City Council must decide which activities will most benefit the community.

## HOW CAN I REQUEST COMMUNITY DEVELOPMENT FUNDS?

A proposal for CDBG funds can be presented in writing or orally at one of the public hearings. However, a written proposal is the best way to present your request because it provides a written record that the City Council can study. Oral requests are recorded in the minutes of the public hearings, and are also given to the City Council. A request can also be submitted to the City's Office of Economic Development c/o Mr. LaParry Howell, MPA at any other time and will be considered for the next year's CDBG Program.

A written proposal should contain the following information:

(1) A narrative that clearly explains the project or program that you are requesting CDBG funds for: What is the objective of the project and what will it accomplish? Why is it necessary? Who will benefit from it? How will the program be managed?

(2) Information about your organization: If you are representing an agency, organization or neighborhood association, and the City Council and Mayor are not familiar with your group, explain the purpose and history of the organization. For instance, did your association come together to identify improvements needed in your neighborhood? Does your agency provide services for a particular group such as youths or persons with disabilities? Is your organization incorporated and have a board of directors? Does your group have a "track record" for undertaking similar programs in the past?

(3) A budget or a cost estimate: It is important that an amount is requested, even if it is a "ballpark" estimate. The City Council allocates exact dollar amounts to specific activities. If you are requesting funds for a program, provide a budget listing various costs such as salaries, rent and supplies. If your request is for buying a building for a specific purpose, find out what the seller is asking for the building. For neighborhood improvements such as drainage or street projects, talk to an engineer or someone else who can give you an idea of the cost. Most construction projects require the services of an architect or an engineer, and this cost should be included in an estimate for such a project.

(4) Contact person - Provide the name, address and telephone number for the person who should be contacted concerning the proposal.

**For additional information, call the City's Office of Federal Programs at (205) 248-5080 to speak with Mr. LaParry Howell. He can tell you whether or not a particular activity would be eligible for Community Development and can also assist you in developing a request for funding.**