



Community Development Block Grants

Purpose

The Community Development Block Grant (CDBG) Program is a federally funded grant program designed to help communities with their greatest community development needs. All projects must be designed to principally benefit low and moderate-income families. The program was established by the Federal Housing and Community Development Act of 1974 (42 USC 5301) and is administered nationally by the U.S. Department of Housing and Urban Development (HUD).

The CDBG Program is divided into two major categories:

- o The Entitlement CDBG Program assists communities with 50,000 or larger populations. In Montana, only Billings, Great Falls, and Missoula are entitlement communities. They receive CDBG funds on a formula basis and are directly under HUD administration
- o The State CDBG Program assists communities with populations under 50,000. Allocations are established for each state on the basis of a statutory formula.

There are five major funding categories under Montana's CDBG Program including:

- o Planning Grants
- o Economic Development
- o Public Facilities
- o Housing and Neighborhood Renewal
- o Montana Neighborhood Stabilization

Administrating Agency:

Department of Commerce

Approving Authority:

Final approval is provided by the Department of Commerce

Statutory Reference:

90-1-103, MCA

Eligible Applicants:

Local governments including counties, incorporated cities and towns, and consolidated city-county governments

Types of Projects:

Under the Planning Grants funds can be used for the preparation of plans, studies, analyses, or research in the following areas:

- o Community growth policies or strategic plans
- o Community needs assessments, action plans, or implementation strategies
- o Housing plans, including housing needs studies, housing condition surveys, housing affordability studies or plans, housing project feasibility studies, or the development of housing assistance programs
- o Neighborhood redevelopment plans, urban renewal plans, analyses of impediments to fair housing choice, and environmental and historic preservation studies
- o Plans intended

Economic development funds are generally granted to a city or county which then lends the funds to private businesses. In return, the businesses commit to creating a specific number of jobs, a majority of which will be made available to low or moderate income individuals.

Statutory Evaluation Criteria Include: N/A



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Types of Projects continued:

CDGB Housing and Neighborhood Renewal Projects funds can be used to assist communities in a wide range of activities to activities with the goal of providing safe, decent, and sanitary housing for principally low and moderate income residents of the community at an affordable price and to also combat blighting influences in the community.

CDGB Public Facilities Projects funds are used, often in conjunction with other federal, state, or local funds, to make basic community infrastructure improvements such as:

- o Drinking Water Facilities
- o Waste Water Facilities
- o Mental Health Centers
- o Senior Centers
- o Head Start Centers
- o County Hospitals or Nursing Homes designed for use by low or moderate income residents

Montana Neighborhood Stabilization Program funds are used to assist in the redevelopment, revitalization, and stabilization of foreclosed and abandoned homes.

Source of Funding:

Grant funds for the program are federal funds granted through the Federal Housing and Community Development Act with a small amount of general fund appropriated by the legislature.

Legislative Appropriations:

- o \$3,514,162 in federal funds in FY 2012 and \$3,504,714 in FY 2013 for economic development in the Business Resources Division
- o \$5,486,290 in federal funds in FY 2012 and \$5,483,789 in FY 2013 for CDBG planning grants, housing and neighborhood renewal projects, public facility projects, and the Montana neighborhood stabilization program
- o \$329,327 in general fund in FY 2012 and \$326,706 in FY 2013 provides for the CDGB program

Grant Limits:

The various CDGB funding programs have the following grant limits:

- o Planning grants - \$20,000
- o Economic development grants - \$400,000
- o Housing and neighborhood renewal grants - \$450,000
- o Public facilities grants - \$450,000

Matching Fund Requirements:

Matching fund requirements vary by the type of grant funding requested. Requirements include:

- o Planning grants \$1 in matching funds for every \$1 in grant funds
- o Economic development grants \$1 in matching funds for every \$1 in grant funds
- o Housing and neighborhood renewal grants has no matching requirements
- o Public facilities grants require a 25% match

Application Deadline:

The following deadlines apply for FY 2012 funding as it relates the various grant funds under the CDBG program:

- o Planning grants – September 14, 2012
- o Economic development grants – Throughout the year
- o Housing and neighborhood renewal grants – March 16, 2012
- o Public facilities grants – March 16, 2012

General Application Requirements:

General Application Requirements: To apply for CDBG grants, an eligible applicant must complete the required CDGB application information listed below by the dates that apply to the type of funding. Three copies of the CDBG Application and Attachments, a completed copy of the [Uniform Application for Montana Housing, Loan, Grant, and Tax Credit Programs](#), a CD containing an electronic version of the completed application and uniform application form in both PDF and WORD.

For Further Information Contact:

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