



# COMMUNITY DEVELOPMENT BLOCK GRANTS

Part of the Federal Resource Guide Series for Arts Organizations

## SNAPSHOT

Resource Guide 2  
2006

### Legislation:

*Housing and Community Development (HCD) Act of 1974*, Title I, (42 U.S.C. 5301 et seq.). Regulations are at 24 CFR part 570

### Type of Assistance:

Competitive grants, administered either by municipality or state.

### Who May Apply:

The U.S. Department of Housing and Urban Development (HUD) provides Community Development Block Grants (CDGB) grants to municipalities and states directly; however, the funding proposals from these cities and states usually are drawn from among those offered by local service organizations, including arts organizations.

### Activities Funded:

“Bricks and mortar” construction, capital improvement, services to the community.

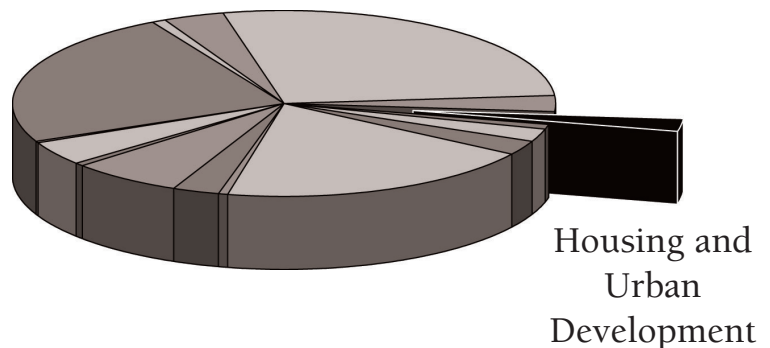
### FY 2006 Appropriations:

\$3.71 billion.

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FY 2006 Federal Budget





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## BACKGROUND

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The U.S. Department of Housing and Urban Development (HUD) administers the Community Development Block Grant (CDBG) program, which can provide funding for arts projects, including services as well as “bricks and mortar.”

Over the years, community-based organizations, including arts organizations, in cities and counties across the country have received CDBG funding. Arts projects that have been funded include public art, afterschool programs, mural projects, and children's museums. Many of the arts projects that have received this type of funding in the past are located in underserved communities.

Over the years, community-based organizations, including arts organizations, in cities and counties across the country have received CDBG funding.

Established in 1974, CDBG is one of the oldest programs administered through HUD. Within this program, there are three different funding methods that are used to distribute CDBG funds to local communities and state governments based on certain economic and geographical factors such as population. The funding methods are: Entitlement Communities, State Administered CDBG, and Rural Housing and Economic Development. Local arts agencies or organizations interested in tapping into their community's CDBG funding should review the information below and find out which type of funding their community receives, as eligibility varies slightly.

This document includes specific examples of arts projects that received CDBG funding as well as suggested strategies for accessing funding.

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## EXPLANATION OF CDBG GRANT CATEGORIES

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Below is more information about the three specific categories of CDBG grants that can benefit local arts projects:

### **Entitlement Communities**

This program provides annual grants on a formula basis to entitled cities and counties (mainly with populations of 50,000 or more) to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. HUD does not provide CDBG assistance directly to citizens or organizations. If you are interested in tapping into your community's CDBG funds, contact your local municipal or county officials for more information on how to become eligible (see list of eligibility activities below). The majority of “entitlement communities” have a municipal Community Development Department that you can contact. Note that the local government administers the program and determines which local projects receive funding, so it is always advised that you contact this office first.

## EXPLANATION OF CDBG GRANT CATEGORIES (CONT.)

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*Example:* On the website of the Mayor’s Office of the city of St. Louis, MO, there is a link called “Development,” which leads the visitor to a section titled “City Development Agencies.” One of the agencies listed is the Community Development Administration. Its website states, “The Community Development Administration (CDA) is responsible for the administration of federal funds for housing, community and economic development programs that strengthen the City of St. Louis and its [sic] neighborhoods. CDA is funded primarily through the federal Community Development Block Grant program.” In this example, the Community Development Administration is the appropriate local contact for inquiring about the CDBG program.

If your local government officials cannot answer your questions, contact the HUD field office that serves your area. For example, if for some reason your city or town has not received CDBG funds in the past, it may not have an economic development specialist on staff within the mayor’s or town manager’s office who is familiar with the CDBG application process. Your HUD field office may be able to guide you on how to connect a staff person from your mayor’s office to a CDBG staff person from HUD to assist them in applying for funds.

### Entitlement Communities—Eligible Activities

CDBG funds may be used for activities which include, but are not limited to:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and nonresidential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- public services, within certain limits;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

The local government administers the program and determines which local projects receive funding.

For more information, visit: [www.hud.gov/offices/cpd/communitydevelopment/programs/contacts/index.cfm](http://www.hud.gov/offices/cpd/communitydevelopment/programs/contacts/index.cfm)

Local arts organizations should review this list to figure out which of their projects are associated with one of these activities. This will help them in making a case to their local official on why their project might qualify for CDBG funds.



## EXPLANATION OF CDBG GRANT CATEGORIES (CONT.)

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### Entitlement Communities—Ineligible Activities

Generally, the following types of activities are ineligible:

- acquisition, construction, or reconstruction of buildings for the general conduct of government;
- political activities;
- certain income payments; and
- construction of new housing by units of general local government.

Cities that are less than 50,000 in population must apply for CDBG funds through their State Administered CDBG program.

### State Administered CDBG

Cities that are less than 50,000 in population are not considered “entitlement communities.” Rather than automatically receiving CDBG funds, they must apply for CDBG funds through their State Administered CDBG program. States award grants only to local governments such as cities or counties, not to individuals or local organizations. Annually, each state develops funding priorities and criteria for selecting projects. Local arts agencies are encouraged to contact their mayors with project proposals that can then be presented to the state for consideration to receive CDBG funds. Complete information on State Administered CDBG programs can be found at: [www.hud.gov/offices/cpd/communitydevelopment/programs/stateadmin/index.cfm](http://www.hud.gov/offices/cpd/communitydevelopment/programs/stateadmin/index.cfm)

### State Administered CDBG—Eligible Activities

Communities receiving CDBG funds from the state may use the funds for many kinds of community development activities, including but not limited to:

- acquisition of property for public purposes;
- construction or reconstruction of streets, water and sewer facilities, neighborhood centers, recreation facilities, and other public works;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to nonprofit entities for community development activities; and

## EXPLANATION OF CDBG GRANT CATEGORIES (CONT.)

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- assistance to private, for-profit entities to carry out economic development activities (including assistance to micro-enterprises).

Please note that this list of eligible activities differs slightly from the Entitlement Grant program mentioned previously. As with Entitlement Grants, local arts organizations should review this list to figure out which of their projects are associated with one of these activities, which will help them in making a case to their local official on why their project qualifies for CDBG funds.

Basically, nonprofits are eligible recipients in the Entitlement and the State Administered programs, but there is an extra step in the process for the State Administered program because the city must apply for funds from the state.

(RHED) provides grants directly to nonprofit organizations in towns of less than 2,500 people.

### Rural Housing and Economic Development

The Rural Housing and Economic Development (RHED) program provides for capacity building at the state and local level for housing, economic development, and support of innovative housing and economic development activities in rural areas. This program provides grants directly to nonprofit organizations in towns of less than 2,500 people or counties of less than 20,000 people.

[www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/index.cfm](http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/index.cfm)

### Rural Housing and Economic Development—Eligible Activities

Funds are available in two categories:

1. Capacity Building and Support for Innovative Housing and Economic Development activities. Capacity building involves the enhancement of existing organizations to carry out new functions and/or perform more effectively existing functions. The maximum award amount under this category is \$150,000.

Possible activities include hiring and training staff, purchasing software and other tools, obtaining expertise from outside sources, developing an accounting system, conducting asset inventories, developing strategic plans, seeking technical assistance, improving management capability, and purchasing or leasing office space.



## EXPLANATION OF CDBG GRANT CATEGORIES (CONT.)

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### Rural Housing and Economic Development—Eligible Activities, cont.

2. Support for Innovative Housing and Economic Development activities is intended for, but not limited to, other costs for innovative housing and economic development activities. The maximum amount awarded in this category is \$400,000.

Possible activities include preparation of plans, architectural drawings, acquisition of land and buildings, demolition, provision of infrastructure, purchase of materials and construction costs, use of local labor markets, job training and counseling for beneficiaries, and financial services such as revolving loan funds and Individual Development Accounts (IDAs). Other possible activities include homeownership and financial counseling; application of innovative construction methods; provision of financial assistance to homeowners, businesses, and developers; and the establishment of CDFIs, lines of credit, revolving loan funds, microenterprises, and small business incubators.

As suggested for the other two CDBG programs, local arts organizations can review this list to figure out which of their projects are associated with one of the activities listed above. This can help organizations make their case to local city officials on why their project qualifies for, and can help their rural town obtain, CDBG funds.

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## DETAILED EXAMPLES OF ARTS GRANTS

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In the past two years, hundreds of local arts organizations have received CDBG funds for projects ranging from afterschool arts programs to building disability ramps at museums to housing for local artists. As you will see, projects range from \$1,000 to more than \$200,000. Most of these projects exist in low-income communities. Below is a listing (in alphabetical order by city) of examples of various local arts projects that have received CDBG funds from their community.

At Operation Hope, a group of homeless men participated in a writing workshop and others created a mural in the shelter.

#### **Fairfield, CT**

*Grant Recipient:* The Fairfield Arts Council

*Purpose:* variety of programs for seniors and the homeless

*CDBG Funds Received:* \$10,000

*Program Description:* The Fairfield Arts Council operates a performing arts program at Grasmere Elder Care Center, an elder center specifically for disabled seniors, in partnership with the local senior housing authority. It has also hosted an artist residency that has created artwork for seniors. Scrapbook courses and a heritage writing program have been administered at the Fairfield Senior Center. In addition to events held at elderly centers, programs have also been held at Operation Hope, a local homeless and transitional housing center. At Operation Hope, a group of homeless men participated in a writing workshop and others created a mural in the shelter.

## DETAILED EXAMPLES OF ARTS GRANTS (CONT.)

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### **Fort Lauderdale, FL**

*Grant Recipient:* City of Fort Lauderdale

*Purpose:* support for artist workspace

*CDBG Funds Received:* \$110,000

*Program Description:* The city of Fort Lauderdale has committed CDBG Rental Rehabilitation funds for 37 units of artist work space in the area.

### **Holyoke, MA**

*Grant Recipient:* Caribbean Walk (*Paseo Caribeno*), Cultural Economic Development Initiative (a city partnership with Solutions Community Development Corporation).

*Purpose:* cultural development

*CDBG Funds Received:* \$15,000

*Program Description:* The Caribbean Walk celebrates and promotes Latino culture in Holyoke's downtown. A re-energized weekly farmer's market and five nights of live Caribbean music are some of the programmed events throughout the year to help boost economic activity in downtown Holyoke.

### **New York, NY**

*Grant Recipient:* Community Arts Development Program (CADP)

*Purpose:* preservation of community arts in underserved neighborhoods

*CDBG Funds Received:* \$241,082

*Program Description:* Administered by the city's Department of Cultural Affairs, CADP re-grants CDBG funds to support community-based arts organizations serving low-income populations. The current Small Capital Improvements Grant supports the development of community arts by helping to preserve and sustain neighborhood arts facilities. The program is in its twenty-fifth year.

Umpqua Valley  
Arts Association  
received CDBG  
funds to help  
low-income artists  
market their work.

### **Roseburg, OR**

*Grant Recipient:* Umpqua Valley Arts Association

*Purpose:* marketing opportunities for low-income artists

*CDBG Funds Received:* \$50,000

*Program Description:* Umpqua Valley Arts Association received CDBG funds to help low-income artists market their work.

### **Salt Lake City, UT**

*Grant Recipient:* Salt Lake City

*Purpose:* commission public art in low-income neighborhoods

*CDBG Funds Received:* \$3,000

*Program Description:* Over the years, the CDBG program managed by the city has funded a number of arts programs including an annual appropriation for commissioning public art. The most recent commission funded through the CDBG program is for artwork at a skateboard park in a lower-income neighborhood.



## DETAILED GRANT EXAMPLES (CONT.)

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### **Somerville, MA**

*Grant Recipient:* Somerville Arts Council

*Purpose:* summer and afterschool arts programs for underserved youth

*CDBG Funds Received:* \$9,800 (total for two programs)

*Program Description:* Somerville Arts Council received CDBG funding in 2004 to implement two youth arts programs. First, Art in a Garden serves 110 youth for six weeks under a 20-hour-a-week program during the summer. The program takes place in a large community garden and incorporates art and environmental science. It is free to low-income families, providing free breakfast and lunch for participants. The second program, the Mystic Mural project, hires eight to ten teens from a local housing project for 20 hours a week for six weeks to explore environmental issues surrounding a local river and educates them on mural arts design. Each summer, local youth contribute to an expanding mural that is placed on the deck of the interstate above their housing development units.

### **Spartanburg, SC**

*Grant Recipient:* The Arts Partnership of Greater Spartanburg

*Purpose:* handicapped accessibility

*CDBG Funds Received:* \$110,000

*Program Description:* The Arts Partnership of Greater Spartanburg has received CDBG funding to help cover the cost of making planned cultural facilities handicapped accessible.

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## ADDITIONAL EXAMPLES (BY STATE)

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Note: This is not a comprehensive list, only a sample of the hundreds of other examples from across the country.

### **California**

*San Bernadino County, CA*

*Program:* Partners in the Arts

*CDBG Funds:* \$42,700

### **Colorado**

*Aurora, CO*

*Program:* creation of an arts district and public art

*CDBG Funds:* \$130,000

## ADDITIONAL EXAMPLES (BY STATE) (CONT.)

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### Idaho

*Idaho Falls, ID*

Program: Willard Arts Center (ADA purposes)

CDBG Funds: \$100,000 (in 1995)

*Rupert, ID*

Program: Historic Wilson Building and Theatre (ADA purposes)

CDBG Funds: \$100,000

### Illinois

*Chicago, IL*

Program: Urban Gateways: Center for the Arts Education

CDBG Funds: \$38,493

### Indiana

*Frankfort, IN*

Program: local library

CDBG Funds: \$500,000 (in 2005)

### Louisiana

*New Orleans, LA*

Program: Arts Business Incubator Services

CDBG Funds: \$80,000 annually (received \$120,000 in 1999)

### Maryland

*Baltimore, MD*

Program: Bright StARTS Art Program

CDBG Funds: \$54,000

Program: Baltimore Mural Program

CDBG Funds: tbd

### Massachusetts

*Amesbury, MA*

Program: Revitalizing Amesbury's commerce, heritage and arts around Market Square (Amesbury Lead

Partner: Town of Amesbury)

CDBG Funds: \$24,945

*Boston, MA*

Program: ZUMIX–Hands-On Art Program

CDBG Funds: between \$25,000 and \$22,500 per year since 2000



## ADDITIONAL EXAMPLES (BY STATE) (CONT.)

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### Massachusetts (cont.)

*Fitchburg, MA*

Program: Building Blocks Initiative (in partnership with the Fitchburg Redevelopment Authority)  
CDBG Funds: \$35,000

*Gloucester, MA*

Program: SEArts  
CDBG Funds: \$20,000

*Lynn, MA*

Program: RAW Art Works  
CDBG Funds: \$5,000–\$10,000 annually

*New Bedford, MA*

Program: AHA!  
CDBG Funds: \$30,000 (requested)

*Provincetown, MA*

Program: Provincetown's Strategic Economic Cultural Plan  
CDBG Funds: \$8,000

*Somerville, MA*

Program: Arts Union (in partnership with the Somerville Arts Council)  
CDBG Funds: \$50,000

*Springfield, MA*

Program: The Community Music School of Springfield  
CDBG Funds: Program received CDBG funding for three years but as of last year no longer receives support.

### South Carolina

*North Charleston, SC*

Program: Arts program for underserved children  
CDBG Funds: \$1.3 million

*Spartanburg, SC*

Program: Spartanburg County Museum of Art  
CDBG Funds: \$6,634

## ADDITIONAL EXAMPLES (BY STATE) (CONT.)

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### Texas

*El Paso, TX*

Program: Creative Kids, Inc.

CDBG Funds: to be determined

### Virginia

*Arlington, VA*

Program: ArtsWork

CDBG Funds: \$1,000

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## ADDITIONAL RESOURCES

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National Endowment for the Arts Report on CDBG (2000–2001)

[www.arts.gov/resources/Accessibility/CDBGContents.html](http://www.arts.gov/resources/Accessibility/CDBGContents.html)

“Preserve America: A Guide to Using Community Development Block Grant Funds for Historic Preservation and Heritage Tourism in your Communities,” HUD, CDBG publication.

[www.hud.gov/offices/cpd/communitydevelopment/library/historicpreservation/historicpreservation.doc](http://www.hud.gov/offices/cpd/communitydevelopment/library/historicpreservation/historicpreservation.doc)



## QUESTIONS

For more information about the *Federal Resource Guide Series for Nonprofit Arts Organizations*, please contact **Andy Finch**, senior director of government affairs, at [afinch@artsusa.org](mailto:afinch@artsusa.org) or **Narric Rome**, director of federal affairs, at [nrome@artsusa.org](mailto:nrome@artsusa.org).

## RESOURCE SERIES

Resource Guide 1.....Arts Education  
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Resource Guide 6.....Earmarks

## ABOUT AMERICANS FOR THE ARTS

Americans for the Arts is the nation's leading nonprofit organization for advancing the arts in America. With 45 years of service, it is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. With offices in Washington, DC, and New York City, and more than 5,000 organizational and individual members across the country, Americans for the Arts is focused on three primary goals: 1) to foster an environment in which the arts can thrive and contribute to the creation of more livable communities; 2) to generate more public- and private-sector resources for the arts and arts education; and 3) to build individual appreciation of the value of the arts.

In 2004, Americans for the Arts launched **Americans for the Arts Action Fund**, a 501(c)(4) nonprofit organization, to serve as its political advocacy arm and a national voice for the arts. With more than 15,000 citizen members and 54,000 online activists, the Arts Action Fund is significantly expanding arts advocacy outreach in America to help make certain that arts-friendly public policies are adopted at the federal, state, and local levels.

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