



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: CDBG Grantees and Subrecipients
CPD Field Office Directors
8/20/2019
FROM: David C. Woll, Jr., Principal Deputy Assistant Secretary,
Community Planning and Development
SUBJECT: Partnership Opportunities for CDBG Grantees

In accordance with Senate Report 115-268 accompanying the Consolidated Appropriations Act, 2019 (P.L. 116-6), HUD has issued this memorandum to highlight available guidance and tools for CDBG grantees to further advance and leverage partnerships at the local level. Building effective partnerships between CDBG grantees and their subrecipients is at the center of successful CDBG program implementation.

First, congratulations to the 1,250 local governments, states, and insular areas who received CDBG funding in fiscal year (FY) 2019. Your collective efforts, in partnership with the subrecipients who undertake one or more activities on your behalf, continue to make a powerful impact on communities nationwide. In FY 2018 alone, CDBG grantees achieved positive results for millions of Americans, including housing rehabilitation, public facilities, housing, and economic development. Among them:

- CDBG grantees provided public facilities improvements, including sewer and water infrastructure, for approximately **1.4 million residents**;
- **61,000 households** benefitted from housing rehabilitation and **207,000 persons** were provided with housing information and legal services;
- **18,000 jobs** were created through CDBG-funded economic development activities; and
- Public services were provided to **5.1 million persons**, including CDBG-funded food banks serving **2.9 million people**.¹

Effective CDBG programs depend on cooperative, problem-solving relationships between grantees and subrecipients. Leveraging federal, state, and local resources to address community and economic development challenges is a critical component of building effective partnerships. These investments in community development are frequently made in conjunction with other funding. CDBG is often treated as gap financing, and necessary for a project to be successful.

HUD encourages CDBG grantees to continue building and expanding partnerships with subrecipient partners, including nonprofit organizations, community development financial institutions, community development-based organizations, local governments, and the private sector. By working closely with their nonprofit and private sector partners, CDBG grantees can maximize federal investments and achieve the program's objectives – providing Americans with decent housing, suitable living environments, and expanded economic opportunity.

¹ Data taken from CDBG National Accomplishments Report, FY 2018.

Listed below are important guidance and tools you can use to further your partnership efforts. These resources and tools can be found on the HUD Exchange, HUD's technical assistance online platform, at <https://www.hudexchange.info/>.

- CPD Notice 2019 – 01, **Guidance on Submitting Consolidated Plans and Annual Action Plans for Fiscal Year (FY) 2019**, provides instructions on the planning process and emphasizes the integration of Opportunity Zones and Neighborhood Revitalization Strategy Areas.
- CPD Notice 2018 – 04, **Supporting EnVision Centers Through the Consolidated Planning Process**, provides guidance to all CPD grantees on how to incorporate an EnVision Center and its planning process into the consolidated planning process.
- CPD Notice 2011 - 09, **Promoting Partnerships to Utilize Housing as a Platform for Improving Quality of Life**, suggests ways to forge partnerships between CPD grantees, Public and Indian Housing grantees, subrecipients, and other federal agency partners to promote resident connections. The notice offers examples of how partnerships between these entities can be implemented and highlights CDBG as a key partner.
- **Using Stakeholder Input in Consolidated Planning** includes guidance for effectively engaging with stakeholders and identifying capable partners for community development efforts.
- The **Section 108** loan program offers state and local governments the ability to access low-cost, long-term federally guaranteed financing for housing, economic development, and infrastructure projects or loan funds. Both CDBG Entitlement and State Grantees have direct access to Section 108 loans.
- **Opportunity Zones** - Created by the 2017 Tax Cut and Jobs Act, Opportunity Zones are designed to stimulate private investment in designated, low-income census tracts nationwide. Since the law was enacted, Opportunity Zones have been designated in all 50 states, the District of Columbia, Puerto Rico, and in Insular Areas.
- **How Communities Can Use the CDBG Program to Create Economic Opportunities** is a technical assistance video to help grantees leverage funds, create jobs, and stimulate investment by building effective public/private partnerships.

To demonstrate the impact of local investments, as well as public/private partnerships, HUD requests that grantees annually report on leveraged funds. With this important data, we can more effectively tell the story of CDBG's local impacts and the return on investment it provides to taxpayers. By end of FY 2019, HUD is required to provide a report to Congress on CDBG's challenges and opportunities on partnership related matters at the local, state, and federal level.

As the demand for housing and community development grows, so will the need to build successful partnerships with the nonprofit and private sector. I thank you and your partners for your continued performance, data, and best practices which we will consider when developing this congressional report.