



Using the Community Development Block Grant to Support Out-of-School Time and Community School Initiatives

Strategy Brief

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TOOLS FOR
OUT-OF-SCHOOL TIME
AND COMMUNITY
SCHOOL INITIATIVES



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Strategy Brief

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with Megan Parry

For many years, policymakers and practitioners in the community development field have worked to revitalize communities faced with decaying physical infrastructure, poverty and little economic base. Increasingly, community development leaders recognize that these initiatives must focus not only on building physical infrastructure and attracting business, but also on developing local human resources. Meaningful and lasting community improvement requires investments in social services that help prevent crime, build employment skills and encourage civic activity, as well as investments that improve housing, public facilities and utilities. Out-of-school time and community school initiatives can be one important component of community development efforts. These initiatives help to build the workforce and make communities more vibrant and desirable places to live and do business, by supporting parents in employment; fostering positive opportunities for youth development; and reducing juvenile drug use, delinquency and crime.

Since 1974, the federal Community Development Block Grant (CDBG) Program has supported local community development initiatives. CDBG provides funding to states and communities that can be used flexibly for community development and revitalization primarily benefiting people in lower income brackets. Because CDBG is relatively stable and flexible, it is an important potential funding source for out-of-school time and community school initiatives. This strategy brief provides general background information on CDBG and explores several strategies for using CDBG to support out-of-school time and community school initiatives.

Community Development Block Grant Program

CDBG was established under Title I of the Housing and Community Development Act of 1974 to support the “development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”¹ Although CDBG can be used very flexibly toward this purpose, there are number of detailed regulations governing CDBG allocation and reporting. This strategy brief is not meant to explain these regulations, but rather to provide policymakers, community leaders and program developers with a basic understanding of how CDBG is structured; how out-of-school time and community school initiatives fit into CDBG purposes and activities; and how communities throughout the country are using CDBG to support out-of-school time and community school initiatives.²

Those interested in accessing CDBG for out-of-school time and community school initiatives should understand that CDBG is a long-standing funding source and, depending on the jurisdiction, the way in which it is spent may be fairly entrenched and political. Influencing the allocation of CDBG may take significant research, relationship and constituency build-

¹ *The Housing and Community and Community Development Act of 1974 as amended, Sec. 101 (c)*

² *For information on federal regulations governing CDBG, see the CDBG regulations at Title 24, Code of Federal Regulations, Part 570, or Community Development Block Grant Program: Guide to National Objectives & Eligible Activities for Entitlement Communities, U.S. Department of Housing and Urban Development, Office of Community Planning and Development.*

ing and advocacy efforts. This is not meant to discourage efforts to access CDBG, but to encourage a realistic assessment of the time and effort it may take and the need to remain sensitive to the political realities in your community (See the text box titled “Influencing the Allocation of CDBG” at the end of this section for ideas on where to begin.) Because CDBG is a relatively large, stable and flexible base of resources, the time and effort spent to influence its allocation can be well worth it.

CDBG Funding and Structure

CDBG is administered by the U.S. Department of Housing and Urban Development (HUD). Total funding for the CDBG Program was approximately 4.4 billion dollars in 2001.³ Funds are distributed to states and communities through the following types of grants:

- 1) **Entitlement Grants** go directly from the federal government to cities with populations of at least 50,000 and qualified urban counties with populations of at least 200,000 on an annual basis.⁴ Cities must meet population requirements and submit a plan outlining how they will spend CDBG funds. HUD determines the amount of each entitlement grant based on a formula that takes into account the community’s degree of poverty, housing conditions and to a lesser extent, population.
- 2) **State Grants** are distributed to states annually on a formula basis. States then distribute these funds to smaller communities and rural areas that do not receive entitlement grants, typically through annual funding competitions.⁵ States may only award these funds to units of general local government that carry out development activities.
- 3) **CDBG Grants** for Insular Areas go to four designated areas: American Samoa, Guam, Northern Mariana Islands and the Virgin Islands. These grants address the housing, community and economic development needs and priorities of these communities and their residents.

Thus, whether CDBG funds are available and who administers them vary depending on the size of a community. Cities with populations of at least 50,000 and some counties with populations of at least 200,000 receive CDBG funds directly, provided they comply

with federal planning and reporting requirements. Smaller communities may or may not receive CDBG funds, depending on state priorities and whether or not their local governments successfully pursue funds.

CDBG Objectives and Allowable Activities

CDBG is a funding source that is, by law, required to principally benefit persons of low and moderate income. Consequently, it is a viable funding option for out-of-school time and community school initiatives serving lower income families (as defined below). HUD measures compliance with the income requirement in two main ways. States and communities receiving CDBG grants must document that: overall, 70 percent of these funds are being used to support activities that benefit persons of both moderate income (defined as 80 percent of the median income for the metropolitan area) and low income (defined as 50 percent of the median income for the metropolitan area). Because HUD measures income based on the median income of the metropolitan area (which may include higher income suburbs), the CDBG standard of lower income is high relative to most other social service programs.

Each CDBG funded activity must meet one of the following national objectives:

- 1) benefit persons of low and moderate income;
- 2) aid in the prevention or elimination of slums or blight; or
- 3) meet other community development needs of particular urgency.

Generally, out-of-school time and community school activities must meet the first objective in order to be eligible for CDBG funding, as the second is primarily focused on physical development, and the third is typically focused on emergencies, such as natural disas-

³ For more information on community development allocations/appropriations from HUD, see its web page at www.hud.gov/offices/cpd.

⁴ Counties must have 200,000 people excluding any metropolitan areas that are receiving entitlement grants.

⁵ Formerly, the federal government administered the CDBG non-entitlement grants directly to smaller cities. Beginning in 1982, states were given the option of taking over administration of these grants, and all have done so except for Hawaii. Non-entitlement grants for Hawaii are still directly administered to local governments by HUD.

ters. In order to meet the first objective, at least 51 percent of the children and families served by out-of-school time and community initiatives have to be low or moderate income.⁶

In addition, CDBG funds must be used to support defined eligible activities. Many of the activities relate to the rehabilitation of housing and the construction and rehabilitation of physical infrastructure in low-income communities. The following allowable activities are most relevant to out-of-school time and community school initiatives:

- 1) Public Services—Within this activity, CDBG can be used to fund a wide range of services that out-of-school time and community school programs provide, such as after-school tutoring, mentoring, parenting classes, recreation programs and health services. Federal regulations specify that only 15 percent of total block grant funds can be used to support public services. (See Strategy 1 for more details.); and
- 2) Public Improvements and Facilities—Within this activity, CDBG can be used to fund the purchase, construction or rehabilitation of facilities for out-of-school time and community school initiatives. (See Strategy 2 for more details.)

The vast majority of communities using CDBG to support out-of-school time and community school initiatives do so within one of the above two activities. It is possible, however, to fund projects involving youth in community economic development initiatives within other categories of allowable activities, such as rehabilitation, special economic development activities or microenterprise assistance. For example, entrepreneurial programs aimed at helping youth to start their own businesses might be funded within the category of microenterprise assistance. (See Strategy 3 for details.)

⁶ HUD uses a few different methods for measuring income, however, generally lower income is defined as all those who are moderate income (80 percent of the metropolitan area median income), or low income (50 percent of the metropolitan area median income).

⁷ For more details on the planning process and the public hearings required, see the Consolidated Plan regulations at Title 24, Code of Federal Regulation, Part 91, and/or Gramlich, Ed, *CDBG: An Action Guide to the Community Development Block Grant Program*, Center for Community Change, April 1998.

CDBG Planning Processes

Each entitlement community and each state must have a written “Citizen Participation Plan” which “encourages” participation by persons of lower income throughout the year. At least every five years, each entitlement community and each state must prepare a consolidated plan that outlines community needs and spending priorities for CDBG (as well as other HUD programs). In addition, each entitlement community and state must annually prepare an action plan that lists the activities they will fund through CDBG in the next year. States and communities are required to obtain community input in developing their CDBG plans and hold public hearings throughout the planning process.⁷ Each year, a draft action plan must be written and publicized at least 30 days before being submitted to HUD so that community members can review it and make comments. Policymakers, community leaders and program developers interested in influencing the allocation of CDBG in their state or community must involve themselves in these planning processes.

Strategies for Using CDBG to Support Out-of-School Time and Community School Initiatives

This section explores three strategies for using CDBG to support out-of-school time and community school initiatives. They are organized according to CDBG allowable activities as discussed in the previous section. The first strategy explores how CDBG can provide general support for out-of-school time and community school programs within the public services category. The second strategy discusses how CDBG can be used to support out-of-school time and community school facilities within the public improvements and facilities category. Finally, the third strategy explores how the involvement of youth in community economic development projects can potentially be supported within other categories of allowable activities.

Each strategy is described with examples and considerations aimed at helping stakeholders determine whether it is a viable option for use of CDBG funds in their community.

INFLUENCING THE ALLOCATION OF CDBG

In order to successfully influence the allocation of CDBG, it is critical to educate yourself about current spending and planning processes, establish relationships and advocate for funding for your initiative. The following are ideas for how to begin:

- 1) Find out whether your jurisdiction receives funds from CDBG, how much they receive and who is responsible for developing CDBG plans and allocating CDBG dollars in your community. If you live in an entitlement community (cities with populations of 50,000 or more and certain counties with populations of 200,000 or more), your city or county government administers CDBG funds. If you are not in an entitlement community, then your state government administers CDBG funds. Typically, state, county or city offices of economic and community development administer CDBG.
 - To determine if and at what level your city or locality receives CDBG funds, see the CDBG allocation list, which provides the grant amount for every state and jurisdiction that receives CDBG: www.hud.gov/offices/cpd/about/budget_data/RegAreaAlloc.pdf
 - State contacts for non-entitlement communities are listed at: www.hud.gov/offices/cpd/communitydevelopment/programs/stateadmin/stateadmincontact.cfm.
 - HUD field offices can provide contacts for entitlement communities and are listed at: www.hud.gov/local/index.cfm
- 2) Contact the administering office for CDBG and ask how to obtain copies of: the Citizen Participation Plan; the most recent consolidated plan (the five year plan); the action plan (the annual plan) for CDBG spending; and Grantee Performance Reports, which show details about each of the activities funded in previous years. Find out where your jurisdiction currently is in the planning process and request notification of any public hearings or other notifications related to CDBG.
- 3) Determine how the goals and priorities of your initiative are aligned with the goals and priorities outlined in the consolidated plan. How does what you do contribute to community development goals? Are you helping to reduce juvenile crime and delinquency? Are you helping youth to develop knowledge and skills necessary to effectively enter the workforce? Are you supporting parents in employment? Be prepared to demonstrate that what you do contributes to the overall health and viability of the community.
- 4) Determine which functions you want to request CDBG support. Do you want to seek funding for a facility construction or improvement project or are you seeking support for services? Support for facilities may be easier to access because only 15 percent of CDBG funds can be spent on eligible public services while there is no limit on the amount of CDBG dollars that can be spent on public facilities.
- 5) Identify key players and develop relationships and partnerships. The following individuals and groups may be important contacts:
 - Officials from the department that administers CDBG, typically an office of economic or workforce development, who can tell you what the planning process and timeframe is and how you can become involved.
 - City council members (for entitlement communities) or state legislators (for non-entitlement communities) who sit on subcommittees that make decisions about CDBG priorities and appropriations.
 - Local government officials, particularly if you are not in an entitlement community, who are responsible for developing a plan and applying for funding in accordance with state procedures.
 - Community advocacy groups and leaders who may understand the history and politics of CDBG.
 - Other service providers, particularly those already receiving CDBG funds, to determine if you share interests. You will have much better chances of influencing CDBG allocation and avoiding turf battles if you work in coalition with other service providers, rather than seeking CDBG funds for a single program.

1. Using CDBG to Support Out-of-School Time and Community School Programs

Although CDBG is primarily aimed at addressing the “bricks and mortar” needs of communities, a portion of the funds can be used for public services. Services relating to employment, crime prevention, child care, health, drug abuse, education, welfare and recreation are all examples of allowable public services included in the law. The support that CDBG can provide for public services is very broad—including ongoing operation costs such as labor, supplies and materials; the cost of operating and maintaining a facility which houses a public service (as opposed to actually constructing or rehabilitating a facility which is discussed in Strategy 2); and the cost of equipment, furnishings, motor vehicles and so forth needed to provide a service. Thus, CDBG can provide a fairly flexible source of support for the ongoing operation of out-of-school time and community school initiatives.

Public service funding may be difficult to access, however, because jurisdictions are not allowed to spend more than 15 percent of their total CDBG on public services. In some jurisdictions, human service providers end up battling for a share of the 15 percent. The ease with which you can access CDBG for out-of-school time and community school services will depend, in part, on your jurisdiction's current use of CDBG for public services. If your community is not spending the maximum amount allowed on public services, it will likely be easier to access CDBG and avoid turf battles. If your jurisdiction is already spending 15 percent on public services, it will be important to find out what public services are currently being supported and how. Many jurisdictions use a request for proposal process to allocate some portion of their CDBG funds to services for children and youth. The request may be issued directly by the department that administers CDBG (typically housing and community development) or the dollars may be subcontracted to another department (such as social services or recreation), which then issues a request. Out-of-school time and community school program developers may be able to access CDBG by simply finding out about the RFP process for public service dollars and writing an effective proposal, or they may need to advocate for some change in the priorities reflected in the RFP or the way public service dollars are allocated generally.

Considerations:

- If those administering CDBG in your community are willing to take a critical look at how CDBG funds are allocated, they may find opportunities to reclassify certain activities from the public services category to another category of allowable CDBG activities. This will maximize the total amount of CDBG funding that can be used to support social services and help to avoid turf battles.⁸

⁸ Examples of HUD allowable activities in which specific support services can be funded include Homeownership Assistance, Special Economic Development Activities, Microenterprise Assistance, and Special Activities by CBDOs. For more details on these categories of activities, see *Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities*, U.S. Department of Housing and Urban Development, Office of Community Planning and Development.

USING CDBG TO SUPPORT YOUTH SERVICES IN BOSTON

The city of Boston, Massachusetts, has used CDBG funds to support programs for children and youth for many years. The Department of Neighborhood Development, which administers CDBG in Boston, allocates CDBG public services dollars to the Office of Jobs and Community Services within the Boston Redevelopment Authority. Every two years, this office issues an RFP for youth, child care and other social service programs. In FY 2001, the 15 percent public services portion of CDBG provided approximately \$4 million dollars to support a wide variety of community services. From these funds, 49 youth programs, including everything from sports leagues to academic remediation programs, received approximately \$1.5 million to support their work. While HUD only requires that 51 percent of those receiving services supported by CDBG be lower income, Boston imposes a higher standard of 90 percent to ensure that services are targeted to those families and communities most in need.

Contact: Ken Barnes, Office of Jobs and Community Services, Boston Redevelopment Authority, (617) 918-5224, ken.barnes.jcs@ci.boston.ma.us

USING CDBG TO SUPPORT YOUTH SERVICES AND INFRASTRUCTURE IN NEW BRITAIN

The small city of New Britain, Connecticut, a CDBG entitlement community, uses CDBG to support out-of-school time and community school services and facilities. Every year, city officials develop an action plan for CDBG spending with input from citizens at public hearings. A commission made up of members of the local electorate is then responsible for reviewing and approving the plan. Once they have approved the annual plan, the commission recommends CDBG spending priorities to the city's Common Council (their town council), which makes the final decision about CDBG allocation. In FY 2001, \$445,000 was directed to the city Parks & Recreation Department in order to rebuild town pools and rebuild playing fields. In addition, \$216,000 in CDBG public services dollars was used to support a wide range of out-of-school time and community school programs, including after-school tutoring and support programs, pregnancy prevention programs, recreation programs and young parents programs.

Contact: Kenneth A. Malinowski, Director, City of New Britain, Department of Municipal Development, (860) 826-3330, malin95@aol.com

- If you wish to advocate for a shift in the way CDBG public services dollars are allocated in your community, working in coalition with community leaders, service providers and residents will increase your chances of success.
- In many cases, CDBG dollars allocated for services for children and youth are administered through a city department of family and youth services or recreation, which then uses the funds to support community programs. Establishing relationships with officials from these departments may increase your chances of accessing CDBG.

- CDBG public services funds cannot be used to supplant state or local funds. This restriction does not apply, however, to federal or private funds. Thus, community members could advocate for CDBG dollars to fund additional capacity for out-of-school time and community school initiatives funded with state or local dollars or to help sustain initiatives seed-funded with federal or private grants.

2. Using CDBG to Fund Out-of-School Time and Community School Facilities

CDBG is one of the few federal funding sources that out-of-school time and community school initiatives can use to fund facilities. Constructing and improving public facilities is one allowable activity under CDBG. Although neither the statute nor the regulations define “public facilities” or “public improvements,” HUD broadly interprets these terms to include all improvements and facilities that are either publicly owned or owned by a nonprofit, and open to the general public during regular business hours.⁹ Within this activity, CDBG can be used to fund the acquisition, construction or rehabilitation of out-of-school time and community school facilities owned and operated by schools, other public agencies or private nonprofits. Funding can be in the form of direct grants or loans. Federal regulations do not restrict the amount of CDBG funding that can be used for facility related projects.

Considerations:

- Leaders of school-based programs may face challenges in accessing CDBG dollars for facilities. State and local officials may view the improvement of school facilities as a school district responsibility and may also be concerned about equity issues because there are so many schools with facility needs. You may have more success in accessing CDBG for school-based programs if you are able to identify discrete needs and advocate for manageable enhancements in schools throughout a community.
- If you wish to advocate for CDBG investments in a facility, consider whether there are other service

⁹ See *Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities*, U.S. Department of Housing and Urban Development, Office of Community Planning and Development.

THE MOLLY STARK SCHOOL

In 1998, the Molly Stark School, located in Bennington, Vermont, received CDBG funds to build a 3600 square foot family center attached to the school. This successful effort to access CDBG involved a campaign for support at a number of levels. Initially, the principal and other leaders from Molly Stark had to gain support for the project from the Board of Education, the Town of Bennington Select Board and the town manager. They then worked with the town and a grant writer to prepare a request for CDBG funds that went to the Vermont Agency of Commerce. Although some state officials feared many more schools would begin requesting such funding, the support of key champions, including the governor and lieutenant governor of Vermont, helped to ensure the success of the application. Bennington was awarded a one-time grant for \$291,000 from the state's discretionary CDBG funds for non-entitlement communities to allow the school to build the family center. A partnership was created with Sunrise Family Resource Center to provide services such as pre-school programs, child care, health services and adult education programs in the new facility. The school was required to "meet benefit" which entailed keeping records to verify that the majority of users were from lower income families. Leaders of the successful Molly Stark effort advise others interested in accessing CDBG funds to be prepared and organized for the long process and secure the backing of key champions.

Contact: Sue Macquire, The Molly Stark School, (802) 442-2696, smarumol@sover.net

THE FREMONT FAMILY RESOURCE CENTER

The Fremont Family Resource Center in California is a one-stop human service center in which 22 state, county and private nonprofit agencies co-locate and coordinate their services. The center coordinates a wide range of services, including youth development, job training and family counseling programs. Acquisition and renovation of the two office buildings which house the Resource Center was financed with \$3 million in CDBG funds as well as other city resources. City financing was used to support the acquisition and renovation of the buildings and CDBG funds were used to pre-pay long-term leases for CDBG eligible nonprofit agencies that rent office space in the buildings. This use of CDBG funds allows the city to charge the agencies located in the facility affordable, below-market rent. The rent paid by tenants at the Family Resource Center covers the costs of debt service on city financing of the acquisition/renovation; maintenance and janitorial costs; and salaries for two staff members that facilitate collaboration and service integration among the agencies.

Aside from getting approval to access CDBG funds from the Fremont City Council, the city also had to gain approval from HUD to pre-allocate future year's CDBG allocations. As part of the proposal, project leaders had to show that they would lease at least 51 percent of the space to nonprofit organizations providing services to lower income families, as defined by CDBG regulations. Program administrators note the importance of including the local HUD office early in the planning process. In Fremont, local officials were helpful in highlighting potential uses of CDBG and preparing the request for funding.

Contact: Bob Calkins, CDBG Administrator, City of Fremont, California (510) 494-4502, bcalkins@ci.freemont.ca.us

SAN DIEGO 6 TO 6 EXTENDED SCHOOL DAY PROGRAM

San Diego's "6 to 6" Extended School Day Program is a collaborative effort between the city of San Diego and San Diego City Schools, with the goal of providing universal before- and after-school care to all students in public elementary and middle schools in San Diego. With the mayor of San Diego as a key champion, initiative leaders accessed local funds for start-up of the program and used these dollars to leverage additional state and federal funds. The absence of adequate space for programming and storage has been an ongoing challenge as this school-based initiative grew quickly. To help address this problem, the leaders of "6 to 6" began accessing CDBG funds in 1999. The funds have been used to purchase 20' by 10' storage units that are placed on school grounds and wired with electricity and, in one case, the Internet. The storage units have been used as office space for "6 to 6" site directors as well as for storing equipment and supplies. In the 1999-2000 school year, "6 to 6" was awarded \$140,000 to purchase the storage units. In the 2000-2001 school year, the city council allocated \$75,000 to purchase additional units. Currently, over 70 schools in CDBG eligible zones (areas where a significant portion of residents meet HUD-designated low to moderate income guidelines) have received storage units.

Contact: Steven Amick, 6 to 6 Program Administrator, (619) 236-6312, samick@sandiego.gov

providers in your community who could also benefit from a new facility. You can use the project as an opportunity to create better-coordinated, more convenient services for families in the community and, by developing a broader base of support for the project, you will increase your chances of successfully accessing CDBG.

- Because facility improvement projects are frequently very expensive, initiatives typically must put together a financing package that includes a variety of sources to support them.¹⁰ Consider how CDBG could be coordinated with or used to leverage other private and public resources for your project. It will likely be easier to leverage CDBG if you can document other sources of support, such as funds from a capital campaign, private foundation grants or enterprise or empowerment zone grants.

¹⁰ For information on other potential sources of support for out-of-school time and community school facilities, see Flynn, Margaret, *Financing Facility Improvements for Out-of-School Time and Community School Initiatives, the Finance Project, 2000*.

¹¹ These descriptions do not reflect many relevant restrictions and regulations. For more detailed descriptions of these and other allowable activities under CDBG, see HUD's *Guide to National Objectives and Eligible Activities for Entitlement Communities*.

3. Using CDBG to Support Youth Involvement in Community Development Initiatives

As stated in the background section, CDBG categories most commonly used to support out-of-school time and community school initiatives are the public services and public facilities categories. While less common, it is possible for communities to use CDBG to support out-of-school time and community school initiatives within other categories of allowable activities. Doing so depends on the development of creative projects that involve youth in the infrastructure and economic development activities covered by other categories. Following are brief descriptions of the activities included within some of these categories.¹¹

- *Acquisition of Real Property*—costs associated with the purchase or long-term lease of property. For example, CDBG funds can be used to purchase land to be used as a park.
- *Clearance*—costs associated with the demolition of buildings and improvements and related activities.
- *Rehabilitation*—costs of rehabilitation of residential, commercial or industrial, and nonprofit owned non-residential buildings.

- *Special Economic Development Activities*—commercial or industrial improvements carried out by the CDBG grantee or a nonprofit sub-recipient, as well as assistance to private for-profit entities for activities that are part of an economic development project.
- *Microenterprise Assistance*—activities that facilitate economic development through the establishment, stabilization and expansion of microenterprises.
- *Special Activities by Community-Based Development Organizations*—a range of neighborhood revitalization, community economic development and energy conservation activities, including new housing constructions (which is not an eligible activity within other CDBG categories) carried out by designated local community development organizations.
- *Planning and Capacity Building*—activities such as data gathering and analysis, designed to improve the grantee or sub-recipient's capacity to plan and manage programs and activities for the CDBG program.

This strategy is particularly relevant for programs serving older youth that have a school-to-work focus. For example, entrepreneurial programs aimed at helping youth to develop their own businesses could potentially be supported within the microenterprise development activity. Within the CDBG statute, a microenterprise is defined as a business that has five or fewer employees with at least one of those employees being the owner. CDBG funds can be used to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise.¹² It can also be used to provide technical assistance and support services to help individuals develop successful businesses. Another option is to make an effort to employ youth in businesses that receive CDBG support within the Special Economic Development Activities category. Within this category of activities, training and support services that assist youth in employment could be covered. As the example below illustrates, many possibilities exist if out-of-school time and community school leaders are willing to work creatively and collaboratively with players in the community development field.

¹² See *Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities*, U.S. Department of Housing and Urban Development, Office of Community Planning and Development.

INVOLVING YOUTH IN THE DEVELOPMENT OF HOUSING IN IOWA CITY

In Iowa City, Iowa, CDBG supports an innovative program that provides high school students with an opportunity to develop new skills and earn scholarships while developing low income housing. The project is a partnership between Iowa City, the Greater Iowa City Housing Fellowship, the Iowa City Community School District, the Iowa City Homebuilder's Association and local lenders. Each year, Iowa City provides the Greater Iowa City Housing Fellowship a forgivable declining balance loan using CDBG funds. The loan is used to purchase an empty lot, on which students from the Iowa Community School District vocational program build a house over the course of a year. Local lenders also provide low-cost financing to support the development of the project. At the end of the year, the Greater Housing Fellowship purchases the home that the students have built and with support from the Association of Realtors, sells the house on the open market. The funds from the purchase of the home are used to buy equipment and supplies for the vocational program as well as to provide scholarships for post-secondary education for students involved in the project. Students not attending post-secondary education are provided gift certificates for the purchase of tools to encourage them to continue a career in the building trades.

Contact: Mary Ann Dennis, Executive Director, Greater Iowa City Housing Fellowship, (319) 358-9212, gicht@avalon.net

Considerations:

- Successfully implementing this strategy depends on partnerships with individuals and organizations in the community economic development field such as community development corporations, workforce development boards, public housing authorities and chambers of commerce.
- Public services is the only category of allowable CDBG activities under which spending is capped (at 15 percent). Thus, the creation of projects that involve youth in more traditional economic and infrastructure development activities will greatly increase the amount of CDBG funding available to support youth programs.

- In many communities, service providers and community leaders solely focus advocacy efforts on decisions about the 15 percent of CDBG funding that can be used for public services (See Strategy 1). It is important to understand that your jurisdiction's decision makers are required to involve community members in decisions about all CDBG dollars. By becoming involved in CDBG consolidated and annual planning processes, you can help to ensure that policymakers consider how youth can benefit from the wide spectrum of community development projects supported by CDBG.

Conclusion

While CDBG may not be a quick or easy funding source to access, it is an important potential resource for out-of-school time and community school initiatives to consider. CDBG provides a substantial amount of funds to states and communities every year and is explicitly targeted to meet the needs of lower income communities. Out-of-school time and community school initiatives, which help to reduce crime and support education and employment, are one important component of efforts to revitalize low-income communities. By joining with others concerned about the health of their communities, out-of-school time and community school initiative leaders can successfully influence the allocation of CDBG and ensure that this stable and significant funding source is effectively addressing the needs of the low income children and families they serve.

Resources

Resources of The Finance Project

Financing Facility Improvements for Out-of-School Time and Community School Initiatives. Margaret Flynn (August 2000).

Making Space for Children: A Toolkit for Starting a Child Care Facilities Fund. Amy Kershaw (October 2000).

Building for the Future: A Guide to Facilities Loan Funds for Community-Based Child and Family Services. Carl Sussman (December 1999).

Other Resources

The CDBG and Consolidated Plan Regulations: *Title 24, Code of Federal Regulations, Part 570, Community Development Block Grants; and Title 24, Code of Federal Regulations, Part 91, Consolidated Submissions for Community Planning and Development Programs.* (www.hud.gov/offices/cpd/communitydevelopment/rulesandregs)

CDBG: An Action Guide to the Community Development Block Grant Program. Ed Gramlich, Center for Community Change (April 1998).

Community Development Block Grants (CDBG): A Very Brief Description. Ed Gramlich, Center for Community Change (September 2001).

Center for Community Change's CDBG Regulations Workshops. Center for Community Change, www.communitychange.org/cdbg (CDBG Regulations Workshops are updated regularly).

Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities. U.S. Department of Housing and Urban Development, Office of Community Planning and Development (August 1998).

On the Ground with Comprehensive Community Initiatives. The Enterprise Foundation (2000).

Organizations

Center for Community Change
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The Enterprise Foundation
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Chicago, IL 60605
(800) 624-4298 • www.enterprisefoundation.org

U.S. Department of Housing and Urban Development
Community Planning and Development Division
451 7th St., SW Washington, DC 20410
Entitlement Communities Division: (202) 708-1577
States/Small Cities Division: (202) 708-1322
www.hud.gov/offices/cpd

Community Connections
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The Finance Project

The Finance Project is a non-profit policy research, technical assistance and information organization that was created to help improve outcomes for children, families, and communities nationwide. Its mission is to support decision making that produces and sustains good results for children, families, and communities by developing and disseminating information, knowledge, tools, and technical assistance for improved policies, programs, and financing strategies. Since its inception in 1994, The Finance Project has become an unparalleled resource on issues and strategies related to the financing of education and other supports and services for children, families, and community development.

The Out-of-School Time Technical Assistance Project

This tool is part of a series of technical assistance resources on financing and sustaining out-of-school time and community school initiatives developed by The Finance Project with support from the Wallace-Reader's Digest Funds and the Charles Stuart Mott Foundation. These tools and resources are intended to assist policy makers, program developers and community leaders in developing financing and sustainability strategies to support effective out-of-school time and community school initiatives.



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