



Community Development Block Grants

The Department of Metropolitan Development (DMD) Division of Community Investments administers a formula-based annual allocation of grants from the U.S. Department of Housing and Urban Development. The Community Development Block Grant (CDBG) is the largest and most flexible of these grants.

CDBG is used to fund decent housing, suitable living environments, and economic opportunities for low to moderate income persons (under 80% Area Median Income or AMI) in Indianapolis.



Eligible Activities

In order to receive CDBG funding, a project must accomplish one or more of the following eligible activities:

- New construction or rehabilitation of affordable homeownership or rental units
- Homeownership assistance programs
- Development or improvement of public facilities, infrastructure, and spaces
- Economic development and business expansion
- Elimination of blight
- Employment training and youth programming

How much funding is available?

HUD determines the City of Indianapolis' annual allocation. The Department of Metropolitan Development anticipates receiving approximately \$9 million in CDBG. DMD anticipates a 5% reduction in funding each year based on historic trends. A typical per project award is between \$250,000 and \$750,000.



Division of Community Investments | Department of Metropolitan Development
2042 City County Building, 200 E. Washington Street, Indianapolis, IN 46204



Who can apply for funding?

- Grantees are selected through a competitive application process.
- Any non-profit or for-profit organization may apply for and administer CDBG funds.
- Individuals citizens cannot apply.
- It is strongly recommended that first time applicants partner with an organization that has previous experience with a CDBG grant such as a Community Development Corporation or real estate developer.

Who can live in or purchase CDBG assisted properties?

- Residents of rental properties or purchasers of CDBG-assisted homeownership units must earn below 80% AMI.
- 51% of rental units must be leased to households at or below 80% AMI. The remaining 49% can be market rate.
- Some projects can be restricted based on client type such as individuals facing homelessness.



Things to know before you apply:

- CDBG is primarily used as a real estate development tool and not a general grant fund. Please contact CDBG staff for an eligibility determination for potential projects.
- The CDBG application process is extremely competitive and only a portion of applications are funded each year.
- Projects that have more leveraged funds and are “shovel ready” create the strongest applications.
- CDBG eligible expenses will be paid out on a reimbursement basis. No funds will be provided up front to cover expenses.
- Projects utilizing CDBG funds may trigger Davis Bacon wages, increasing the overall project expense.

Who to contact

- **Potential partners or applicants:** Join our email list at <https://tinyurl.com/dmd-email>
- **Questions?**

Contact: Krista Bozacki, CDBG Manager | Krista.Bozacki@indy.gov | 317-327-1339