

# MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT COMMUNITY DEVELOPMENT INITIATIVES

The Michigan Economic Development Corporation (MEDC), on behalf of the Michigan Strategic Fund (MSF), administers the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). Each year, Michigan receives approximately \$30 million in federal CDBG funds, out of which various projects are funded through the state.

## WHO IS ELIGIBLE?

Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development and housing projects. This fact sheet provides a broad overview of the community development portions of the program that the MEDC administers. More specific information, including match and program requirements, can be found within the most recent **CDBG application guide** approved by the MSF.

## GENERAL PROJECT REQUIREMENTS

### Small business assistance

Direct assistance to businesses provides grants to create and retain jobs in Michigan and help create vibrant communities. These grants enable communities to formulate an economic development strategy to support locally owned and operated businesses. The purpose of these grants is to provide funding to jump-start growth of existing and new businesses, create new jobs or retain existing jobs, and to enhance the entrepreneurial environment in the community.

### Community assistance

Assistance to communities is designed to assist local units of government that have plans in place to promote and strengthen the infrastructure and environment in their downtowns. These grants are designed to help create vibrant communities and enhance sense of place through blight elimination, job creation, and by benefiting areas of low- to moderate-income individuals.

## PROCESS FOR CONSIDERATION

The typical process for approval of CDBG funds can take between three to five months until actual funds can be spent or contracts signed. *Please note: The following steps are offered as general guidelines only to provide some guidance to communities on typical steps, timelines and responsibilities.*

1. Contact your CATeam specialist for review and evaluation of the project.
2. If the project is determined to meet the criteria of the program desired, the community will be asked to complete a CDBG application.
3. Following submission of the CDBG application, the CATeam specialist will present the project to staff for support.
4. If supported, the community will be required to complete an environmental review.
5. Once complete, the project will be recommended by the MEDC to the MSF for consideration.
6. If the project is approved by the MSF, the community will be provided a grant agreement.
7. Upon all documents being signed and approved, the CDBG project specialist will give the community authorization to incur costs and start project work.

In order to not jeopardize the project, it is critical that no work starts and that no contracts are signed until the applicant is given authorization by the MEDC. Please refer to the application for specific requirements regarding incurring costs.

## CONTACT

In order to receive consideration for CDBG approval, initial contact should be made with the appropriate **CATeam member**. For more information, contact the MEDC customer contact center at 517.373.9808 or visit our website at [www.michiganbusiness.org](http://www.michiganbusiness.org).