

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 25 Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

July 30, 2025

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building
Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

Introduction

The Small Cities Community Development Block Grant (CDBG) is administered by the United States Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable communities by providing support for decent housing and a suitable living environment, principally for persons of low- and moderate-income. At the state level, the Department of Housing (DOH) administers the funds provided through the Small Cities CDBG Program.

Federal Allocation Process

The Housing and Community Development Act of 1974 (HCD Act), as amended in 1981, allows each State the opportunity to administer CDBG funds for non-entitlement areas. Funds are allocated to states based on one of two formulas, which take into account population, poverty, incidence of overcrowded housing, age of housing, and growth lag factors.

FFY 25 Overview

Connecticut's federal fiscal year (FFY) 25 allocation is estimated at \$13,960,891, which is 6.7% higher than the FFY 24 allocation. After considering carryforward and reprogrammed funds as well as off-setting administrative expenses, the proposed FFY 25 total funding available for projects is \$21.3 million (1.3% higher than last year).

FFY 23 – FFY 25 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 23 (Actual)	FFY 24 (Estimated)	FFY 25 (Proposed)	% Change 25 v. 24
Federal Allocation	13,912,108	13,088,022	13,960,891	6.7%
Uncommitted from Previous Year	17,594,921	7,373,059	8,234,275	11.7%
Reprogrammed- Program Income	-	1,259,144	-	100.0%
Reprogrammed- Administrative	-	-	-	0.0%
Reprogrammed- Technical Assistance ¹	-	-	-	0.0%
Subtotal Available	31,507,029	21,720,225	22,195,166	2.2%
Administrative Authorization ²	(640,970)	(685,950)	(877,709)	28.0%
Total Available for Projects	30,866,059	21,034,275	21,317,456	1.3%
Committed Funds	23,493,000	12,800,000		

¹ States may use up to 1% of the allocation to provide technical assistance to local governments and nonprofit organizations for community development activities.

² States are required to match administrative costs in excess of \$100,000. See Appendix B for further details.

State Allocation Process

DOH administers the program through a competitive application process for most activities. Generally, eligible activities include housing, public services, public facilities, economic development, and planning. Additional allocation requirements include:

1. Funds must be expended in any municipality except Connecticut's 22 entitlement cities, which are those which receive CDBG funds directly from HUD (see Appendix A);
2. At least 70% of funds must be used for activities that benefit low-and moderate-income persons, over one, two, or three consecutive program years;
3. Funds must support at least one of the following three major program categories:
 - a. Benefit low- and moderate-income families,
 - b. Prevent or eliminate slums or blight, and
 - c. Meet other urgent community development needs.

Connecticut's project allocation is fully dedicated to benefiting low- and moderate- income families;

4. Grant funds can support administrative costs up to \$100,000, plus 50% of costs in excess of \$100,000, up to 3% of the annual grant (inclusive of the 1% for Technical Assistance);
5. Planning and administration expenditures cannot exceed 20% of the Small Cities CDBG grant.¹

Significant Changes

There are no significant changes from last year's allocation plan. DOH will continue to prioritize the State-Sponsored Housing Portfolio (SSHP), as well as housing authorities outside of SSHP and Public Infrastructure projects that support affordable housing.

The deadline for applications requesting FFY 25 funding was June 6, 2025. Project requests under review are listed in Appendix C.

¹ Grantee administration costs are restricted up to 8% of any grant award or \$33,000, whichever is lower.

Appendix A: CDBG Entitlement Communities

CDBG Entitlement Communities, as listed below, are *not* eligible for state administered Small Cities CDBG funds. Entitlement Cities and Urban Counties receive CDBG funds directly from HUD.

Bridgeport	Milford (Town)
Bristol	New Britain
Danbury	New Haven
East Hartford	New London
Fairfield	Norwalk
Greenwich	Norwich
Hamden (Town)	Stamford
Hartford	Stratford
Manchester	Waterbury
Meriden	West Hartford
Middletown	West Haven

Appendix B: Administrative Funding

Available Funding	FFY 23 (Actual)	FFY 24 (Estimated)	FFY 25 (Proposed)
Carry Forward from Previous Year	542,561	625,545	455,995
Admin Allocation ¹	378,242	377,600	317,218
Technical Assistance Allocation ²	139,121	138,800	139,609
General Fund Match ³	206,590	-	217,218
Subtotal Available	1,266,514	1,141,945	1,130,040
Expenditures			
Personnel & Fringe	915,301	764,265	764,265
Other Expenses	3,911	108,041	113,443
Transfer to Program	-	91,243	-
Transfer to General Funds	(278,242)	(277,600)	-
Subtotal Expenditures	640,970	685,949	877,709
Balance (Carry Forward to Following Year)	625,544	455,996	252,331

¹The amount of funds used to pay administrative costs in excess of \$100,000 shall not exceed 2% of the annual allocation, or \$279,218 (for a maximum potential FFY 25 admin allocation of \$379,218).

²States may use up to 1% of the allocation to provide technical assistance to local governments and nonprofit organizations, for community development activities.

³The FFY 24 General Fund match for CDBG admin is reflected by reducing the charge to the block grant. Typically, DOH transfers General Funds to the block grant to support such costs.

Appendix C: FFY 25 Project Requests

Town/ Grantee	Project Description	Requested Amount* \$
Coventry	Orchard Hill Estates- Public Housing Modernization	3,250,000
Guilford	Saw Mill Road- Affordable Housing Infrastructure (Rental)	1,000,000
Ledyard	Colby Drive- Affordable Housing Infrastructure (Homeownership)	1,000,000
Mansfield	Wright's Village- Public Housing Modernization	2,947,755
Thomaston	Green Manor Apartments- Public Housing Modernization	3,250,000
	Total	11,447,755

*Requested amount inclusive of prevailing wage adjustments.

Appendix D: FFY 24 Projects Awarded

Town/ Grantee	Project Description	Amount \$
Ashford	Pompey Hollow Senior Housing	2,000,000
Canton	21 Dowd Avenue	2,000,000
East Windsor	Park Hill	2,000,000
Southington	General Pulaski Terrace	2,000,000
Stonington	Housing Rehabilitation Program	400,000
Tolland	Old Post Village	2,000,000
Watertown	Country Ridge	2,000,000
Windsor	Housing Rehabilitation Program	400,000
	Total	12,800,000

Appendix E: FFY 21-23 Projects Underway

Town/Grantee	FFY	Project Description	Amount \$
Ansonia	21	Public Housing Modernization	1,728,500
Community Health Resources	21	Public Service	301,083
Diaper Bank of Connecticut	21	Public Service	500,000
Essex	21	Public Housing Modernization	1,763,000
North Haven	21	Public Housing Modernization	3,200,000
Shelton	21	Public Housing Modernization	1,500,000
Wallingford	21	Public Housing Modernization	2,700,000
Westbrook	21	Public Housing Modernization	1,530,000
Griswold	22	Public Housing Modernization	2,000,000
Litchfield	22	Public Housing Modernization	1,000,000
Naugatuck	22	Public Housing Modernization	2,000,000
New Haven	22	Public Housing Modernization	2,800,000
New London Homeless Center	22	Public Facilities- Housing Resource Center (COVID)	875,000
Seymour	22	Public Housing Modernization	2,518,153
St. Vincent DePaul Mission of Bristol	22	Public Service- Shelter Air Conditioning Installation (COVID)	558,780
Suffield	22	Public Housing Modernization	2,000,000
The Estuary Council of Seniors	22	Public Facilities - HVAC Project (COVID)	500,000
Vernon	22	Public Facilities - KidSafe - Wall (COVID)	150,000
Vernon	22	Public Housing Modernization	3,300,000
Windham	22	Public Housing Modernization	2,250,000
Windham No Freeze Project	22	Public Facilities and Acquisition (COVID)	6,700,000
Morris	23	Public Housing Modernization	1,000,000
Rocky Hill	23	Public Housing Modernization	2,000,000
Scotland	23	Public Facilities - Town Hall ADA Improvements	1,500,000
Wethersfield	23	Public Housing Modernization	2,000,000
Windham	23	Public Housing Modernization	2,000,000
Windsor	23	Public Housing Modernization	2,000,000
		Total	50,374,516