

**Analysis and Summary of Small Cities
Community Development Block Grant (CDBG) Program
FFY 26 Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce, and
Housing

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OFFICE OF FISCAL ANALYSIS

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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 consider population, poverty, incidence of overcrowded housing, age of housing, and growth lag factors.

FFY 26 Overview

Connecticut's federal fiscal year (FFY) 26 allocation is estimated at \$13,902,275, which is 0.4% lower than the FFY 25 allocation. After considering carryforward and reprogrammed funds as well as off-setting administrative expenses, the proposed FFY 26 total funding available for projects is \$38,862,683 million (23.7% higher than last year).

FFY 24 – FFY 26 allocations are identified in the table below:

Table 1: Allocation of Funds

Available Funding	FFY 24 (Actual)	FFY 25 (Estimated)	FFY 26 (Proposed)	% Change 26 v. 25
Federal Allocation	13,880,022	13,960,891	13,902,275	-0.4%
Uncommitted from Previous Year	7,373,059	17,914,963	25,503,172	42.4%
Reprogrammed- Program Income	1,258,644	-	-	0.0%
Reprogrammed- Administrative	-	-	-	0.0%
Reprogrammed- Technical Assistance ¹	-	-	-	0.0%
Subtotal Available	22,511,725	31,875,854	39,405,447	23.6%
Administrative Authorization ²	(596,762)	(454,530)	(542,764)	19.4%
Total Available for Projects	21,914,963	31,421,325	38,862,683	23.7%
Committed Funds	4,000,000	5,918,153	-	

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;
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 26 funding is August 28, 2026.

¹Grantee 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 24 (Actual)	FFY 25 (Estimated)	FFY 26 (Proposed)
Carry Forward from Previous Year	625,544	545,183	609,880
Admin Allocation ¹	377,600	379,618	378,045
Technical Assistance Allocation ²	138,800	139,609	139,023
General Fund Match ³	-	-	-
Subtotal Available	1,141,944	1,064,410	1,126,948
Expenditures			
Personnel & Fringe	771,654	661,392	744,835
Other Expenses	107,576	72,356	75,974
Transfer to Program	91,243	-	-
Transfer to General Funds	(373,711)	(279,218)	(278,045)
Subtotal Expenditures	596,762	454,530	542,764
Balance (Carry Forward to Following Year)	545,182	609,880	584,184

¹The amount of funds used to pay administrative costs in excess of \$100,000 shall not exceed 2% of the aggregate of the annual grant, or \$278,045 (for a maximum FFY 26 admin allocation of \$378,045).

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

³ The General Fund match for CDBG admin is reflected by reducing the charge to the block grant.

Appendix C: FFY 25 Projects *(contracts in process)*

Town/Grantee	Project Description	Amount \$
Coventry	Public Housing Modernization ISO SSHIP	2,500,000
Guilford	Infra-Structure ISO Affordable Housing	1,000,000
Ledyard	Infra-Structure ISO Affordable Housing	1,000,000
Mansfield	Public Housing Modernization	2,267,504
Thomaston	Public Housing Modernization ISO SSHIP	2,500,000
	Total	9,267,504

Appendix D: FFY 20 – FFY 25 Projects Underway

Town/Grantee	FFY	Project Description	Amount \$
Cheshire	2020	Public Housing Modernization	1,700,000
Ansonia	2020	Housing Rehab	400,000
Barkhamsted	2020	Acquisition and Predevelopment	598,750
Pacific House Inc	2020	Acquisition	5,000,000
Coventry	2020	Public Housing Modernization	1,500,000
East Hampton	2020	Public Housing Modernization	1,500,000
Enfield	2020	Public Service	218,748
Jewett City	2020	Public Facility Improvement	1,600,000
Groton	2020	Public Service	150,000
Guilford	2020	Public Service	806,395
Kent	2020	Public Housing Modernization	800,000
Ledyard	2020	Public Housing Modernization	1,608,827
Mansfield	2020	Public Facility Improvement	900,000
Mansfield	2020	Public Service	500,000
Naugatuck	2020	Public Facility Improvement	1,000,000
Norfolk	2020	Acquisition/ Public Facilities & Improvement	4,218,354
Plymouth	2020	Public Housing Modernization	2,300,000
Portland	2020	Public Service	751,225
Portland	2020	Public Facilities	725,000
Putnam	2020	Housing Rehab	400,000
Stonington	2020	Public Service	1,050,000
Torrington	2020	Public Service	170,000
Trumbull	2020	Public Service	200,000
Westport	2020	Public Service	1,199,000
Westport	2020	Public Facility	1,730,000
Windham	2020	Public Housing Modernization	1,500,000
		2020 Total	32,526,299

Appendix D (continued)

Town/Grantee	FFY	Project Description	Amount \$
Ansonia	2021	Public Housing Modernization	1,957,000
Community Health Resources	2021	Public Service	301,083
Essex	2021	Public Housing Modernization	1,763,000
North Haven	2021	Public Housing Modernization	3,200,000
Diaper Bank of Connecticut	2021	Public Service	500,000
Shelton	2021	Public Housing Modernization	1,500,000
Wallingford	2021	Public Housing Modernization	2,700,000
Westbrook	2021	Public Housing Modernization	1,530,000
		2021 Total	13,451,083
St Vincent De Paul Mission of Bristol	2022	Public Service	558,780
Griswold	2022	Public Housing Modernization	2,000,000
Litchfield	2022	Public Housing Modernization	1,000,000
Naugatuck	2022	Public Housing Modernization	2,000,000
New Haven	2022	Public Facility	2,800,000
New London Homeless Hospitality Center	2022	Public Facilities	1,317,000
The Estuary Council of Seniors, Inc	2022	Public Facility	500,000
Seymour	2022	Public Housing Modernization	2,518,153
Suffield	2022	Public Housing Modernization	2,000,000
Vernon	2022	Public Facilities & Improvements	150,000
Vernon	2022	Public Housing Modernization	3,300,000
Windham	2022	Public Housing Modernization	2,250,000
Project Hope, Inc	2022	Acquisition/ Public Facility Rehab	6,700,000
		2022 Total	27,093,933
Morris	2023	Infrastructure Support/ Affordable Housing	1,000,000
Rocky Hill	2023	Public Housing Modernization	2,000,000
Scotland	2023	Community Facility	1,500,000
Wethersfield	2023	Public Housing Modernization	2,000,000
Windham	2023	Public Housing Modernization	2,000,000
Windsor	2023	Public Housing Modernization	2,000,000
		2023 Total	10,500,000

Appendix D (continued)

Town/Grantee	FFY	Project Description	Amount \$
Ashford	2024	Public Housing Modernization	2,000,000
Canton	2024	Public Housing Modernization	2,000,000
Danbury	2024	Public Service	424,000
East Windsor	2024	Public Housing Modernization	2,000,000
Southington	2024	Public Housing Modernization	2,000,000
Stonington	2024	Housing Rehab	400,000
Tolland	2024	Public Housing Modernization	2,000,000
Watertown	2024	Public Housing Modernization	2,000,000
Windsor	2024	Housing Rehab	400,000
		2024 Total	13,224,000
Brooklyn	2025	Public Facility	2,000,000
		Grand Total	98,795,315