



The **FINANCE PROJECT**

Helping leaders finance and sustain initiatives that lead to better futures for children, families, and communities

March Funding Tip

The Finance Project is pleased to announce the next installment in a series of [monthly funding tips](#) for youth programs. These tips cover different financing strategies to help programs finance and sustain their work.

Tip: Use Community Development Block Grant (CDBG) Funds to Support Youth Programs and Services

For decades, policymakers, practitioners and community stakeholders have worked to revitalize communities facing increased rates of poverty, limited economic development, and decaying physical infrastructure. Increasingly, community development leaders are recognizing that their efforts must focus not only on improving physical infrastructure and recruiting new businesses, but also on investing in meaningful, long-term community change by providing youth with employment and leadership opportunities, safe neighborhoods, and access to quality education. CDBG is an important funding source that local governments and agencies can utilize to provide support for youth programs and initiatives.

While CDBG funds are primarily aimed at addressing “brick and mortar” needs (e.g. building and construction projects) of communities, some of the funds are earmarked for public services. Public services funding can be used to support ongoing operation costs (e.g. labor, supplies, and materials), which, in turn, can be used to provide health, welfare, educational, employment, recreational, child care, drug abuse, and crime prevention services. In addition, public services funding can be used to finance the costs of operating and maintaining a portion of a facility that houses a public service (e.g. a shelter or recreation center). Lastly, CDBG can also be used to purchase or lease items such as equipment, furnishings, and vehicles necessary to provide a service, as long as the service is an eligible CDBG activity and can be considered as part of the activity delivery costs.

CDBG is a fairly flexible funding source for meeting the funding needs of youth programs and services, however, it is important to note that no more than 15 percent of a jurisdiction’s CDBG funding can be used for public services. Depending on the jurisdiction, this funding constraint may affect a program’s access to this funding stream. The ease with which youth serving providers can access CDBG for their programs really boils down to the jurisdiction’s current priorities for CDBG funding. To successfully influence the allocation of CDBG funds, it is essential for program leaders to understand current spending and planning processes, establish relevant relationships, and advocate for funding for a youth program or initiative.

Example from the Field: Using a Dedicated Funding Stream to Support Youth

In 2002, the city of Las Vegas redesigned how CDBG public services funds were distributed in an effort to create a more equitable system for applicants. As a result of this design change, youth services became a larger focus of CDBG public service funds. The city's CDBG public services funding is divided among four different categories: youth and leisure (each accounting for 15 percent of funds); child care/Safekey (25 percent); social services (25 percent); and life skills (20 percent).

The Neighborhood Development Division of the city's Neighborhood Services Department distributes CDBG funding through an annual request for applications process. Community development objectives in the 2006-2007 action plan indicated an intent to serve 12,553 young people through the CDBG public services funding (youth category). A total of \$717,773 in CDBG funding was distributed among local nonprofit organizations to support 10 youth programs, 8 life skills programs, 10 social services programs, and 5 child care programs. For more information see <http://lasvegasnevada.gov/publications/plans.asp#>.

For more information on this financing strategy and the role of intermediaries and policymakers in supporting community-based youth initiatives, see The Finance Project's publication, [*Using CDBG to Support Community-Based Youth Programs*](#).

Within the [Youth Programs Resource Center](#) you will also find an [online clearinghouse](#), jointly developed by The Finance Project and The Forum for Youth Investment. The clearinghouse contains a wealth of information and resources for supporting and sustaining youth programs and initiatives. It is designed to help you learn about data, tools, policies, practices, financing strategies, coordination efforts and technical assistance resources developed by organizations in the field that aim to improve the lives of youth.