



City of Memphis CDBG Allocations



Community Development Block Grant (CDBG) Funds

- A flexible HUD grant program that provides funding to local governments to address local housing, community development, infrastructure, public service, and economic development needs
- Must be used to meet at least one of HUD's national objectives: benefit low- to moderate-income (LMI) persons, eliminate slum/blight, and address urgent community development needs

Why Funding Can Decline Despite Increased Needs

1. National funding pool

Congressional appropriation sets the total CDBG dollars available
(Flat or reduced national funding can lower local awards)

- **Example: National CDBG formula funding declined from \$3.99 billion in FY2010 to approx. \$3.0 billion during FY2015–FY2017, a reduction of roughly 25%.**
- **This smaller national funding pool helps explain declining funding amounts for the City, despite population remaining around 650,000.**

2. Relative formula share:

Memphis competes by formula factors relative to all grantees

3. Formula B advantage:

Older cities benefit from pre-1940 housing and growth lag

Bottom Line

- CDBG allocations are driven by national factors. Memphis' CDBG decline is not evidence that local needs declined.
- The allocation is shaped by federal budget levels **and** statutory formula factors.
- Memphis has high poverty and housing-cost pressure, but Formula A may not fully capture the city's current need profile.

How CDBG Allocations Are Calculated

1
Calculate Formula A
Population, poverty,
overcrowded units



2
Calculate Formula B
Growth lag, poverty, pre-1940
housing



3
Select Higher Result
Jurisdiction generally receives
the higher formula result



4
Adjust to Budget
Final amount depends on
Congressional appropriation

Important Insights

- CDBG is not allocated by poverty rate alone.
- Each city is measured relative to all other entitlement jurisdictions.
- A city can have high need and receive less if it scores lower on heavily weighted formula factors.

Memphis Connection

- Memphis' allocation is driven by **Formula A** factors.
- National CDBG funding levels and relative local indicators both influence year-to-year funding.
- Declining allocation does not automatically mean declining need.

Current CDBG Allocation Formulas: A vs. B

Formula A

Established in 1974

Population 25%

People in Poverty 50%

Overcrowded Units

A common Census/HUD measure: More than **1.01 persons per room**.

25%

Formula A emphasizes current scale of population, poverty, and overcrowding. Memphis is shown as a **Formula A** city in the comparison table.

Formula B

Added in 1977

Growth Lag

Growth lag means a city's population has grown more slowly than expected, or declined, compared with other places since around 1960.

20%

People in Poverty

30%

Pre-1940 Housing

Pre-1940 housing refers to older housing units built before 1940, which may need more rehabilitation and infrastructure investment.

50%

Formula B significantly rewards older housing stock and long-term growth lag; this formula can produce much higher dollars per capita for older legacy cities.

Memphis' CDBG Allocation Trends: PY2021–PY2026

PY2021

\$6.88M

Starting point

PY2026

\$6.07M

Latest in worksheet

Net Change

-11.7%

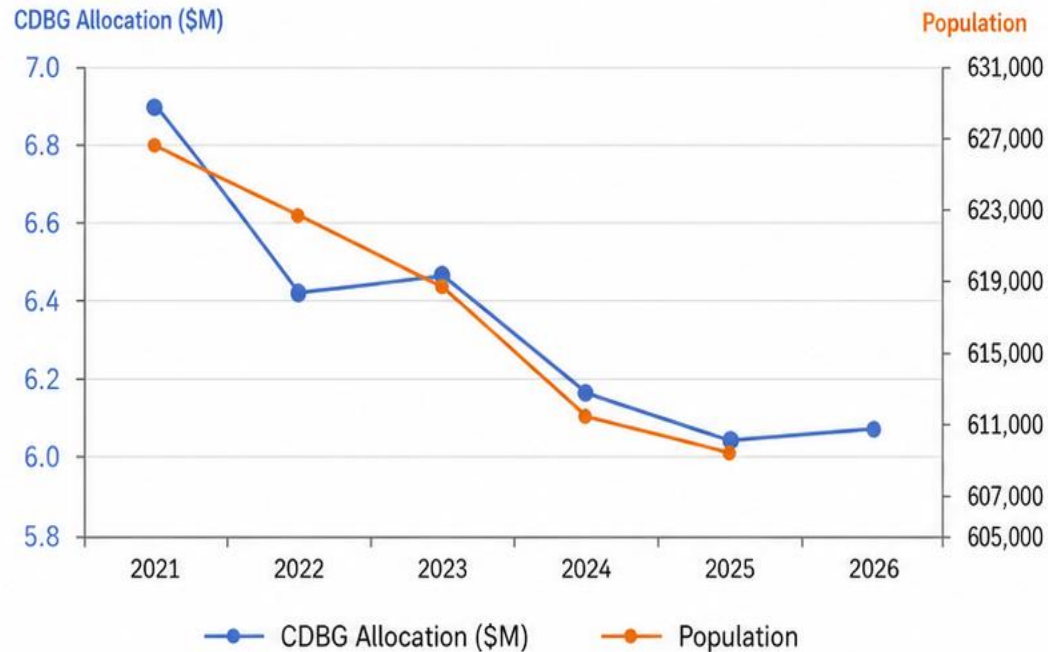
2021 to 2026

Change in Dollars

-\$807,982

Approx. decrease

CDBG Allocation (\$M) and Population



Program Year	Population	% Change in the Population	Poverty Rate	CDBG Allocation	CDBG Allocation % Change
2021	629,493	—	22.6%	\$6,878,650	—
2022	623,840	-0.9%	21.4%	\$6,397,301	-7%
2023	618,639	-0.8%	22.6%	\$6,437,795	1%
2024	610,919	-1.2%	24.0%	\$6,123,518	-5%
2025	609,647	-0.2%	N/A	\$6,037,192	-1%
2026	N/A		N/A	\$6,070,668	1%

- From 2021–2026, Memphis experienced nearly 12% decrease in funding.
- From 2010–2026, Memphis's lowest verified CDBG allocation was in 2017, at \$6,005,781.
- The City's estimated population in 2017 was approximately 652,236, meaning the CDBG allocation was roughly \$9.21 per resident.
- 2017 poverty rate: 24.6% — approximately 160,000 Memphis residents living below poverty.

Allocation In Context: Why Formula B Cities Can Receive More

Jurisdiction	2020 Census Population	Formula	Existing Pre - 1940 Housing	PY20 CDBG	\$ / Capita	Poverty Rate
Memphis, TN	633,104	A	24,892 (± 2,417)	\$6.8M	\$10.66	27.8%
Nashville, TN	689,447	A	20,229 (± 20,229)	\$5.3M	\$7.71	15.6%
Knoxville, TN	190,740	A	11,121 (± 1,955)	\$1.76M	\$9.24	26.2%
Chattanooga, TN	181,099	A	10,534 (± 1,719)	\$1.6M	\$8.81	18.8%
Detroit, MI	639,111	B	127,024 (± 4,638)	\$35.3M	\$55.21	33.4%
Cleveland, OH	372,624	B	97,289 (± 4,191)	\$21.7M	\$58.29	33.1%
St. Louis, MO	301,578	B	98,061 (± 4,191)	\$18.4M	\$61.10	22.1%
Birmingham, AL	200,733	B	20,782 (± 2,535)	\$5.97M	\$29.74	24.7%

Key Allocation Effects:

Formula B weighs pre-1940 housing at 50%

Older/historic city characteristics can result in higher funding amounts.

Memphis Implications:

High need, lower formula advantage

Memphis does not benefit as much from growth-lag, and it has a low pre-1940 housing stock.

Note:
Memphis has a high poverty rate yet receives much lower CDBG dollars per capita than Formula B cities.