



HUD COMMUNITY DEVELOPMENT BLOCK GRANTS: RETAIN FUNDING FOR LOCAL DEVELOPMENT AND INFRASTRUCTURE PROJECTS

ISSUE: Urge Congress to retain funding at \$3.99 billion for the HUD Community Development Block Grant (CDBG) program as part of the FY2012 Transportation, Housing and Urban Development, and Related Agencies Appropriations bill. In addition, support retaining CDBG formula funds as a flexible, locally driven resource that provides valuable assistance for local community and economic development initiatives, including the state small cities program.

The CDBG formula allocation was funded at \$4.36 billion in FY2003. Until recently, formula funding faced a steady decrease, including a five percent cut in FY2005, a ten percent cut in FY2006 and a three percent cut in FY2008. The program received \$3.99 billion under the FY2010 Omnibus Appropriations measure (H.R. 3288). The House version of H.R. 1, the “Full-Year Continuing Appropriations Act, 2011” cuts the CDBG program by \$2.5 billion or 62 percent below both the FY2010 enacted level and the President’s FY2011 request. The House level of \$1.5 billion represents the lowest level of funding this program would ever receive. The Senate FY2011 CR maintains CDBG at \$3.99 billion.

KEY TALKING POINTS:

- CDBG is an important tool used by state and local officials as they tackle their most serious community development challenges, such as providing affordable housing, upgrading and building essential public infrastructure and water systems, creating small business development loan funds for local entrepreneurs and industries, and addressing local planning and technical assistance needs.
- At a time when local governments and communities are striving to overcome intensifying global economic competition, upgrade aging public infrastructure and deal with the severe housing crisis, it is vital that federal policy makers continue to maintain support for the CDBG program.
- The cornerstone of the CDBG program is its locally driven, flexible and bottom-up approach. The program provides invaluable resources for 1,180 urban entitlement counties and cities to meet locally-identified community development needs, yet it also reserves more than \$1 billion annually for states to assist rural communities through the small cities program managed by states.
- According to HUD, over 95 percent of FY2008 funding went to activities principally benefitting low- and moderate-income persons. The agency estimates CDBG projects assisted over 149,000 households, helped to create or retain more than 31,000 jobs and provided vital public services to over 26 million individuals.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS: HUD CDBG FACT SHEET

- State, regional and local officials use the CDBG program to provide valuable seed capital, gap financing and core support for a variety of projects. More importantly, CDBG funds are typically used to leverage and attract private sector investments. Every dollar of the CDBG program invested in communities is leveraged by three dollars in private funding, bringing much needed business investments, employment opportunities and the chance for a fresh start to distressed areas.

According to HUD data, over the past six years combined, the CDBG program has:

- Assisted 865,874 low- and moderate-income households through single-family and multi-family residential rehabilitation, homeownership assistance, energy efficient improvements and lead-based paint abatement
- Created or retained 259,346 jobs for low- and moderate-income persons through a variety of economic development activities
- Benefitted 22,998,047 low- and moderate-income households through such public improvements as development of senior centers, centers for the disabled and handicapped, health and child care centers and parks and recreation facilities
- Benefitted 73,863,286 low- and moderate-income households through such public services as employment and training, youth services, crime awareness/prevention, fair housing activities, mental health services, and services for abused and neglected children

ACTION NEEDED:

- **Urge your members of Congress to contact the House and Senate Appropriations Subcommittees on Transportation, Housing and Urban Development, and Related Agencies** to express their support for retaining full funding of \$3.99 billion for the CDBG program in the final FY2011 Continuing Resolution (CR) and the FY2012 THUD spending bill.

**For more information, contact NADO Associate Legislative Director Jennifer Walsh
at 202.624.8467 or jwalsh@nado.org.**

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**Member of the U.S. Senate Appropriations Subcommittee on
Transportation, Housing and Urban Development*

U.S. House Appropriations Committee
(Annual Appropriations for HUD CDBG Program)

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(Authorization Oversight of HUD CDBG Program)

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(Authorization Oversight of HUD CDBG Program)

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