



HUD COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) RETAIN FUNDING FOR LOCAL DEVELOPMENT AND INFRASTRUCTURE PROJECTS

ACTION NEEDED: Urge your members of Congress, especially those serving on the House and Senate Appropriations Committees, to fund the HUD Community Development Block Grant (CDBG) program at the FY2013 House proposed level of \$3.34 billion as part of a final FY2013 appropriations measure. The members of NADO support retaining CDBG formula funds as a flexible, locally driven resource that provides valuable assistance for local community and economic development initiatives, including infrastructure and job creation projects supported by the CDBG State Small Cities Program.

ISSUE: The HUD Community Development Block Grant (CDBG) program has faced drastic cuts in recent years, falling from \$3.99 billion in FY2010 to \$3.34 billion in FY2011. CDBG is currently funded at \$2.94 billion. This continues a recent downward trend in CDBG funding since the program reached a high of \$4.36 billion in FY2003.

On June 29, the U.S. House of Representatives approved a FY2013 Transportation, Housing and Urban Development (T-HUD) appropriations measure (H.R. 5972) that would fund the CDBG program at \$3.34 billion, approximately \$400 million above FY2012 and the Administration's FY2013 request. Of interest to regional development organizations, the House Appropriations Committee included report language that, if enacted, would examine how grantees use CDBG funds as matching dollars for other federal programs. Specifically, the report directs HUD to detail the percentage of CDBG funds used to match other federal programs, identify which federal programs are being matched and the local match requirements, and identify what portion of the local match requirements are being met using CDBG. During the House floor debate of the T-HUD appropriations measure, an amendment offered by Rep. Tom McClintock (R-CA) to eliminate all funding for CDBG grants in FY2013 was soundly defeated with a 342-80 vote.

On April 19, the Senate Appropriations Committee approved a FY2013 T-HUD appropriations measure (S. 2322) that would fund the CDBG program at \$3.1 billion, approximately \$150 million above the FY2012 level. The Senate has not yet moved the FY2013 T-HUD Appropriations bill to the floor for consideration.

On September 21, Congress approved a six-month Continuing Resolution or "CR" (H. J. Res. 117) which will extend HUD CDBG funding at the current level (\$2.94 billion), plus a .621 percent increase, until March 27, 2013. The CDBG program is also subject to the automatic, across-the-board cuts (known as sequestration) scheduled to occur on January 2, 2013, unless Congress passes legislation before that date to avert or postpone the cuts. The White House Office of Management and Budget (OMB) has projected cuts of at least 8.2 percent to non-exempt domestic discretionary spending, which would include CDBG.

KEY TALKING POINTS:

- CDBG is an important tool used by state and local officials as they tackle their most serious community and economic 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 address the severe housing crisis, it is vital that federal policy makers continue to maintain support for the CDBG program.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
LEGISLATIVE FACT SHEET: HUD COMMUNITY DEVELOPMENT BLOCK GRANT 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 counties and cities to meet locally-identified needs. As required by law, 30 percent of CDBG formula funding is reserved for states to assist rural communities with economic development, infrastructure improvements, and other fundamental building blocks for job creation and economic development.
- State, regional, and local officials use the CDBG program to provide valuable seed capital, gap financing, and core support for a variety of projects. In addition, CDBG funds are typically used to leverage and attract private sector investments. Every CDBG dollar invested in communities is leveraged, on average, by three dollars in private funding, bringing much needed business investments to distressed areas.

For more information, contact NADO Legislative Director Deborah Cox at 202.624.8590 or dcox@nado.org

U.S. House Appropriations Committee

(Annual Appropriations for HUD CDBG Program)

Majority:

Harold Rogers (R-KY), Chairman

C.W. Bill Young (R-FL)

Jerry Lewis (R-CA)

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Rodney Frelinghuysen (R-NJ)

Tom Latham (R-IA)

Robert B. Aderholt (R-AL)

Jo Ann Emerson (R-MO)

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Charles Dent (R-PA)*

Steve Austria (R-OH)

Cynthia Lummis (R-WY)

Tom Graves (R-GA)

Kevin Yoder (R-KS)

Steve Womack (R-AR)*

Alan Nunnelee (R-MS)

Minority:

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Marcy Kaptur (D-OH)*

Pete Visclosky (D-IN)

Nita Lowey (D-NY)

José Serrano (D-NY)

Rosa DeLauro (D-CT)

Jim Moran (D-VA)

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Maurice Hinchey (D-NY)

Lucille Roybal-Allard (D-CA)

Sam Farr (D-CA)

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Chaka Fattah (D-PA)

Steve Rothman (D-NJ)

Sanford Bishop (D-GA)

Barbara Lee (D-CA)

Adam Schiff (D-CA)

Mike Honda (D-CA)

Betty McCollum (D-MN)

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

U.S. Senate Appropriations Committee

(Annual Appropriations for HUD CDBG Program)

Majority:

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Dan Coats (R-IN)*

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Jerry Moran (R-KS)*

John Hoeven (R-ND)

Ron Johnson (R-WI)*

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