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CDBG COMMUNITY DEVELOPMENT BLOCK GRANTS IMPACT AND FUNDING NEED

A Report of the CDBG Coalition



COMMUNITY DEVELOPMENT BLOCK GRANT COALITION

- American Library Association
- American Planning Association
- Council of Large Public HousingAuthorities
- Council of State Community Development Agencies
- Enterprise Community Partners
- Feeding America
- Habitat for Humanity International
- Heartland Alliance
- Housing Assistance Council
- International Code Council
- International Economic Development Council
- Local Initiatives Support Corporation
- National Association for County Community and Economic Development
- National Association for Latino Community Asset Builders
- National Association of Counties
- National Association of Development Organizations

- National Association of Housing and Redevelopment
 Officials
- National Association of Local Housing Finance Agencies
- National Association of Regional Councils
- National Community Development Association
- National League of Cities
- National Main Street Center
- National NeighborWorks Association
- National Recreation and Park Association
- National Rural Water Association
- National Urban League
- Rebuilding Together
- Rural Community Assistance Partnership
- The Trust for Public Land
- U.S. Conference of Mayors
- YWCA USA

The CDBG Coalition consists of 31 national organizations representing local elected officials, housing and community development professionals, and a wide array of non-profit organizations. The Coalition is dedicated to the preservation of the CDBG program and works to increase awareness of the program and the need for increased program funding.

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EXECUTIVE SUMMARY

The Community Development Block Grant (CDBG) Program was created in 1974 under Title I of the Housing and Community Development Act. Signed into law by President Gerald R. Ford on August 22, 1974, the legislation marked a new era in relations between the federal government and units of general local government. It brought a whole new approach to addressing community need at the local level; one that provided flexibility to communities to address the problems head on without a plethora of federal mandates.

The roots of the CDBG program are deep and expansive; reaching every State and accessible to all Congressional districts. Urban, suburban and rural areas all receive program funding. Program funding assists low- and moderate-income people through a variety of activities that focus on four major areas: affordable housing, public facilities and improvements, public services, and economic development. Since 1975, CDBG has assisted millions of people, yet community development need remains unmet in the communities that receive CDBG allocations dues to underfunding of the program and ongoing demand.

While the program has changed very little since its inception, the need for the program has increased. In 1975, the number of program grantees stood at 594. Today, the number of grantees stands at 1,268 as more communities qualify to receive direct program allocations. Based on a CDBG Needs Survey conducted by the CDBG Coalition (and discussed later in this report), CDBG grantees have delayed and canceled projects and reduced or permanently eliminated programs because of a lack of CDBG funds. CDBG is an important investment tool for communities and neighborhoods, but program funding must increase to meet local need to ensure CDBG grantee communities are healthy, vibrant and thriving. Inadequate program funding negatively impacts local programs and operations.

This report provides an overview of the CDBG program; how it works and program impact. The report also discusses the erosion of program funding. Most importantly, the report looks at program need and the effects of program cuts on communities.

CDBG PROGRAM OVERVIEW

CDBG is a dynamic federal grant program that supports many elements and aspects of creating and sustaining healthy, functioning communities. The CDBG Program provides annual grants to cities, counties, states and insular areas to provide decent housing, a suitable living environment, and expand economic opportunities, principally for low- and moderate-income persons (LMI). Program funding is used to assist LMI people and neighborhoods through a variety of eligible activities. CDBG eligible activities are initiated and developed at the local level based upon a community's needs and priorities.

CDBG remains the principal source of federal revenue for states, localities and their program partners to use in assisting low and moderate-income people and to prevent physical, economic, and social deterioration in neighborhoods and communities across the country.

CDBG is far reaching. For FY 2019, 1,268 grantees (local and state governments and insular areas) received an annual CDBG allocation. An estimated additional 7,250 local governments have access to CDBG funding.

CDBG FACTS

- Created in 1974
- First program allocations distributed in 1975
- CDBG allocation in 1975: \$2.4 billion

- CDBG allocation in 2019: \$3.3 billion
- Number of CDBG grantees in 1975: 594
- Number of CDBG grantees in 2019: 1,268

How is CDBG Distributed?

Congress appropriates funding for CDBG annually as part of the Transportation, Housing and Urban Development (THUD) appropriation bill, with the funds available under the heading of "Community Development Fund" (CDF). Insular areas (Guam, American Samoa, Northern Mariana Islands, and the U.S. Virgin Islands) receive \$7 million annually pursuant to statutory directive. The remaining funding is split between local jurisdictions (entitlement communities) (70 percent) and states (30 percent). Entitlement grantees are metropolitan cities with populations greater than 50,000, designated principal cities of metropolitan statistical areas, and urban counties with populations greater than 200,000 (excluding the population of entitlement cities). Entitlement grantees distribute the funds they receive to local non-profit organizations and other subrecipients. States provide funding directly to small cities (non-entitled communities) in rural areas. Puerto Rico falls into the state category while the District of Columbia falls into the local entitlement category.

The U.S. Department of Housing and Urban Development (HUD) determines the annual amounts each grantee receives based on formulas that use the following factors: poverty, population, overcrowded housing, pre-1940 housing, and growth lag.

National Objectives

- 1. Principally benefit LMI persons
- 2. Aid in the prevention of slums or blight
- 3. Meet an urgent community development need

Serving Low and Moderate-Income People

Providing benefit to low- and moderate-income persons is the primary objective for the CDBG program and grantees are statutorily required to expend at least 70 percent of their CDBG funds for activities that benefit low- and moderate-income people. It should be noted that CDBG grantees routinely expend 95 percent of their funding on low-mod benefit activities.

- 51-80% of area median income = moderate-income
- 30-50% of area median income = low-income
- Under 30% of area median income = very low-income

Local Planning

State and local governments work with their local program partners and harness input from the public to develop community development programs that invest in low- and moderateincome people and neighborhoods. Grantees must develop a detailed plan known as the Consolidated Plan that provides information on community needs, priorities and activities to be funded using CDBG and other resources over a three to five year period. Grantees engage the local community through citizen participation meetings and forums to help form the plan. CDBG grantees subsequently work with a wide network of local partners (program subrecipients), mainly non-profit organizations, to deliver program activities. The Consolidated Plan is implemented through Annual Action Plans which provide a summary of the activities and resources that will be used annual to address the priority needs in the Consolidated Plan. Further, grantees report on accomplishments and progress toward meeting the Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report to HUD.

Eligible Activities

The CDBG program provides the flexibility to fund a wide range of activities that focus on affordable housing, economic development, public improvements and public services.

Public Facilities and Improvements. CDBG provides resources for communities to address slum and blighting conditions and the deterioration of infrastructure and community facilities. Nationally, CDBG grantees routinely expend over 30% of funds on public facilities and improvements.

Affordable Housing. The program focuses on the elimination of conditions which are detrimental to health, safety and public welfare primarily through rehabilitation of single family and rental properties as nearly 25% of CDBG funding annually is devoted to these activities. The program also focuses on preserving existing affordable housing and expanding the affordable housing stock available to low- and moderate- income people.

Public Services. The CDBG program aids in the expansion and improvement of community services that assist in the development of viable communities. Grantees can use up to 15% of their annual CDBG allocation on public services.

Economic Development. The program tackles physical commercial and economic distress and stimulates private investment.

Section 108 Loan Guarantee. Grantees can borrow up to five times their CDBG allocation to develop larger projects through the Section 108 Loan Guarantee component of the CDBG program. Eligible activities are a subset of those eligible under CDBG and focus on public facilities/infrastructure, economic development and housing. HUD facilitates financing of the loans via private sector lending sources, providing highly competitive interest rates and terms up to 20 years. A well-designed Section 108 activity or project can have a substantial expansive impact upon the scope and benefit of a jurisdiction's CDBG program.

CDBG WORKS: PROGRAM IMPACT

CDBG is an important investment tool for communities and neighborhoods. Local CDBG programs fund a wide range of activities to meet locally determined community development needs, including demolition of blighted properties, housing rehabilitation, home-buyer assistance, roads, sewers, neighborhood facilities, small business start-ups, manufacturing facilities, job training, food banks, and meals for the elderly, among many others.

Leveraging

CDBG acts as a catalyst that brings private and public investment to distressed communities and neighborhoods, thereby maximizing program impact and leveraging. Grantees often target funding to certain neighborhoods, such as neighborhoods with substantial housing need, neighborhoods targeted for revitalization, and neighborhoods at risk to achieve the greatest benefit.

• For every \$1.00 of CDBG investment, HUD has data indicating that another \$4.09 in private and public dollars is leveraged

Improving Local Infrastructure through Public Facilities and Improvements

CDBG provides crucial public improvements to communities. It is an effective and impactful tool for resources to invest and help rebuild our nation's communities. CDBG is used nationally to fund infrastructure projects that improve communities. CDBG provides desperately needed infrastructure funding to rural, urban and suburban communities.

Between FY05-FY18, CDBG public improvements directly benefited over 47 million lowand moderate-income people nationwide. These public improvements included the following:

- Homeless shelters
- Health clinics
- Senior centers
- Childcare centers

- Safe streets (curb, gutter, street pavement)
- Clean drinking water (drinking water systems)
- Sanitary sewer systems
- Improved drainage systems to prevent flooding
- Installation of public utilities
- Broadband installation and extension
- Community food bank facilities
- Parks and playgrounds

Providing Affordable Housing

CDBG provides safe, decent, affordable housing. CDBG is an important source of capital for homeownership and rental housing projects serving low- and moderate-income, including elderly households; making improvements to the habitability and accessibility of homes occupied by persons unable to make those improvements themselves.

Between FY05-FY18, CDBG assisted over 1.43 million low- and moderate-income homeowners rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers, and assisted homeowners with lead-based paint abatement, among other activities.

- Attracting new homebuyers
- Demolishing vacant and abandoned properties
- Energy efficiency/green infrastructure
- Lead-based paint abatement
- Producing and preserving affordable housing
- Down payment and closing cost assistance to qualified home buyers
- Rehabilitation of homes
- Installation or reconstruction of public improvements to support affordable housing developments

Homeowner Housing Rehabilitation

Homeowner housing rehabilitation is single largest housing expenditure in the CDBG program. Depending on local need, communities have the flexibility to fund partial or full rehabilitation activities. Communities can choose to address slum and blight by bringing properties up to local codes or support energy efficiency by funding insulation, new windows, or doors. Localities can choose to enhance handicapped accessibility through ramps and grab bars, address dire structural needs through emergency repairs,

maintain health and safety through lead-based paint testing and abatement, and increase structural resilience in the face of severe weather through weatherization improvements.

Helping People Realize the American Dream through Homeownership

Grantees use CDBG funds to provide direct homeownership assistance to LMI households through down payment and closing cost assistance. CDBG grantees work through Community-Based Development Organizations to construct housing for sale to LMI homebuyers.

Housing America's Aging Population

CDBG funds have historically provided homeowners with the means for making aging-inplace home improvements. Over the next fifteen years, the number of American adults over age 50 is expected to hit 132 million, and one in five Americans will be at least age 65. According to Harvard researchers, the nation's housing inventory is largely unsuited for the physical challenges of older Americans and many of the accessibility upgrades available are extremely expensive. This situation makes it difficult for older adults, many of whom have a strong preference to age in place, to live safely and comfortably in their own homes. It is also estimated that the number of housing cost-burdened households (spending over 30 percent of income on housing) is steadily increasing among older adults. The nation is experiencing mounting pressure to provide affordable and accessible housing, as well as social connectivity and supportive services for aging adults. CDBG plays an important role in our national response for addressing the needs of these older Americans.

Need for Affordable Rental Housing

According to the National Low Income Housing Coalition, there is a shortage of 7.2 million affordable and available rental units for the 11.2 million U.S. renter households that earn the bottom 30 percent of income in their communities. CDBG funds help preserve and grow our nation's affordable rental housing stock. CDBG dollars can be used to acquire, rehabilitate, or construct (with limitations) affordable rental housing for LMI households, and states and communities often leverage CDBG with other Federal (e.g., HOME, LIHTC, and RAD), state, and local programs to develop affordable housing. The income requirements and rent restrictions for such programs help ensure that the benefits of each affordable unit are long lasting. Since 2004, program funds have assisted over 100,000 LMI households through the rehabilitation of public housing, offering housing security for extremely low-income families.

Building Codes

CDBG grants are used to fund building code adoption and enforcement both of which are critical to safe communities and property resilience after a major disaster. FEMA, in its most

recent five-year strategic plan said, "[d]isaster resilience starts with building codes because they enhance public safety and property protection." A recent report by the congressionallyestablished National Institute of Building Sciences found that for every dollar invested, modern codes provide \$11 in mitigation benefits against flood, hurricane, and earthquake damage with \$4 in mitigation benefits against wildfire risk.

Services

CDBG grantees can use up to 15% of their annual allocation for public services to address a wide range of community needs. These services include employment training, meals and other services to the elderly, services for abused and neglected children, aid to local food banks, and support for many other community services. Services are provided by large and small and public and private organizations in diverse settings such as schools, community facilities and other venues. CDBG funds may also be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the service.

• Between FY05-FY18, CDBG provided public services to over 147 million low- and moderate-income persons nationwide

Grantees partner with local organizations to fund a plethora of services that include:

Types of CDBG-Funded Public Services		
 Meals on Wheels and other food programs for the elderly Transportation services for the elderly Substance abuse services Child care services Health services Employment training 	 Mental health services Food banks Operating costs of homeless programs Screening for lead-based paint/lead hazard poisoning Housing counseling 	

Economic Development and Job Creation

Assisting For-Profit Businesses

CDBG is used to make loans to for-profit businesses, acquire, develop real property for sale or lease to businesses, and build or upgrade infrastructure to support businesses. These for-profit businesses commit to creating jobs for low and moderate-income people, sometimes through training programs.

Section 108 Loan Guarantee Program

Section 108 is the loan guarantee provision of the CDBG program that provides states and local governments with a source of financing for large-scale economic development, affordable housing, and public facilities projects. It provides jurisdictions with the ability to expand the financial power of their CDBG allocations by borrowing up to five times their annual allocation into federally guaranteed loans large enough to take on large scale projects to help renew neighborhoods often in distressed areas. This makes it one of the most important public investment tools offered by HUD. This public investment is often needed to inspire private economic activity, by providing the initial resources or simply the confidence that private firms may need to invest in distressed areas.

The program provides low borrowing costs to jurisdictions, making the financing of largescale projects feasible. Section 108 funding is crucial to filling the gap between other committed funding and local project costs. The benefits of the program are many including creating and retaining jobs, creating new businesses and expanding existing ones, clearing and cleaning up blighted and contaminated areas, improving public infrastructure, and providing much needed community assets such as shopping centers, grocery stores, hotels, commercial development, industrial parks, multifamily housing, manufacturing and large-scale public facilities.

Assisting Small Businesses

Many communities use CDBG to establish small business incubators. Incubators are multitenant buildings that provide affordable business space along with a variety of professional services for small businesses and new business start-ups. CDBG funds can be used to acquire the land and buildings for an incubator, construction of a new facility, infrastructure, and financial and technical assistance to businesses within an incubator.

Microenterprise Development

Communities often use CDBG to assist microenterprises. A microenterprise is a commercial business that employs five or fewer people. CDBG funds can be used for capital assets (such as real estate, buildings, machinery and equipment) and working capital.

CDBG Job Creation

CDBG spurs significant economic development and generates thousands of jobs.

• Between FY05-FY18, CDBG created/retained 419,775 economic development related jobs.

Estimating Job Creation for CDBG

Based on HUD data, economic development activities funded through CDBG from fiscal year 2005 through fiscal year 2018 created or retained 419,775 jobs nationally. HUD does not collect data on the number of jobs created or retained through other activities funded through CDBG, such as housing and public improvements. These two categories alone represent over half of all CDBG spending annually with public improvement activities representing an estimated 33 percent of all annual CDBG spending and affordable housing activities representing another 25 percent. To ascertain job estimates for these activities this report uses the IMPLAN methodology combined with HUD's estimate of the direct and indirect job multiplier for CDBG.

IMPLAN Methodology

IMPLAN is computer modeling software commonly applied to major capital projects. IMPLAN uses the capital cost estimate as key input for determining the number of jobs created (direct, indirect, and induced) by a project.

- **Direct jobs:** occupations that work directly on the project (project planners, designers, engineers, construction workers, etc.)
- Indirect jobs: positions at suppliers of materials (steel, concrete, asphalt, wood, etc.)
- Induced jobs: jobs created by the spending of monies provides as project salaries (groceries, gas, entertainment, etc.)

Several years ago, HUD estimated the direct and indirect (including induced) job multiplier for CDBG as 25.68 jobs per \$1 million of program funding. Given that CDBG has invested nearly \$63.644 billion in local economies since fiscal year 2000, the program has created or retained over 1.6 million jobs (1,634,398 jobs) since then. Of this number, 539,351 jobs were created through public improvement activities and 408,599 jobs created through housing activities alone.

DIMINISHED PROGRAM FUNDING AND THE NEEDFOR CDBG FUNDING

CDBG funding has declined. Since FY 2001, CDBG formula funding has been reduced by \$1.1 billion, from \$4.4 billion in Fiscal Year 2001 to \$3.3 billion in Fiscal Year 2019. The program has never been adjusted for inflation, even though program operating costs increase annually. *If resources were maintained with inflation, \$2.4 billion allocated in July 1975 would have the same buying power as \$11.2 billion today.* These incremental cuts over time and loss of buying power have meant that local applications for CDBG funding go unmet, staff positions are cut, and local projects are delayed or canceled. Ultimately, low-and moderate-income citizens and the local neighborhoods served by the program suffer the consequences of these funding reductions and loss of buying power because program benefits decrease, or fold altogether.

Examples of CDBG Funding Decline

Huntsville, AL 1975 CDBG Allocation: \$4 million 2019 CDBG Allocation: \$1.3 million

Miami-Dade County, FL

1975 CDBG Allocation: \$21.6 million 2019 CDBG Allocation: \$10.8 million

Portland, Maine

1975 CDBG Allocation: \$5.2 million 2019 CDBG Allocation: \$1.89 million

High Point, NC

1975 CDBG Allocation: \$4 million 2019 CDBG Allocation: \$947,000

Pawtucket, RI

1975 CDBG Allocation: \$5.8 million 2019 CDBG Allocation: \$1.8 million

Seattle, WA

1975 CDBG Allocation: \$11.6 million 2019 CDBG Allocation: \$9.3 million **The number of program grantees has increased.** The number of cities and counties receiving direct CDBG allocations has increased dramatically from 594 in 1975 to 1,268 currently; meaning, grant allocations are further whittled down and grantees receive less funding.

Year	CDBG Allocation	Number of Grantees Receiving Funding
1975	\$2.4 billion	594
2019	\$3.3 billion	1,268

The number of communities eligible for CDBG funding has grown, which has caused a reduction in current CDBG allocations to states and local governments because of the lack of adequate CDBG funding. This growth in eligible grantees demonstrates the need for the program – and the need for increased funding.

The following chart illustrates the last eighteen years of CDBG allocations, total number of grantees, and total allocations if they were adjusted for inflation.

Federal Fiscal Year	Total CDBG Allocations	Total Allocations Inflation Adjusted	Total Grantees
2001	\$4,399,300,000	-	1,065
2002	\$4,341,000,000	\$4,492,848,330	1,075
2003	\$4,339,538,000	\$4,583,868,330	1,084
2004	\$4,330,846,000	\$4,677,416,670	1,155
2005	\$4,109,890,720	\$4,826,588,330	1,162
2006	\$3,703,986,000	\$5,036,440,000	1,179
2007	\$3,703,986,000	\$5,102,176,670	1,183
2008	\$3,586,430,000	\$5,282,598,530	1,195
2009	\$3,634,967,000	\$5,475,687,350	1,204
2010	\$3,941,288,480	\$5,465,675,150	1,214
2011	\$3,296,034,720	\$5,529,743,120	1,217
2012	\$2,941,090,000	\$5,724,677,620	1,230
2013	\$3,071,195,404	\$5,848,464,820	1,232
2014	\$3,023,000,000	\$5,904,821,370	1,244
2015	\$2,997,399,447	\$6,003,097,680	1,262
2016	\$3,000,000,000	\$6,013,337,430	1,267
2017	\$3,000,000,000	\$6,111,714,880	1,268
2018	\$3,300,000,000	\$6,236,462,850	1,268

CDBG NEED IS EVIDENT ACROSS THE NATION

While CDBG has significantly impacted local development, the need for additional resources remains throughout the country. Both urban and rural jurisdictions face challenges in maintaining facilities and services benefitting residents. As investments fall short, many communities are hindered in supporting services and facilities to promote growth and quality of life. For instance, CDBG applicants rank infrastructure as a top priority. Without adequate water, sewer, roads, or broadband, communities get left behind in the increasingly competitive global marketplace.

CDBG is a flexible source of funding which responds to local priorities unlike any program from the federal government. However, as reported by cities and states alike, demand consistently outweighs resources available from HUD.

Los Angeles County, California

Los Angeles County has seen a significant decrease in CDBG funding in the past few years, as well as from its inception, when inflation is factored in. Without adjusting for inflation, LA County's CDBG program reached its highest allocation in 1995 at \$42.6 million, and is now at \$23 million in 2018, a decrease of 46%. The need for revitalizing public facilities, affordable housing, addressing homelessness and public services has only increased since the grant peak in 1995 as highlighted below.



Unmet Housing Needs

The 2016 American Community Survey (ACS) reported significant details related to housing issues in Los Angeles County, including overcrowding, lack of complete plumbing or kitchen facilities, and cost burden. Households that experience one or more of these housing problems are considered to have unmet housing needs. Based on the 2016 Five Year ACS, the following unmet needs were found for Los Angeles County.

• More than 290,000 households have a housing cost burden or a severe housing cost burden, which translates to approximately 37% of the total 779,720 households in Los Angeles County. Of the total number of households, 158,359 are owner households, and 131,721 are renter households.

• The next most common housing problem in Los Angeles County is overcrowding, which impacts almost 50,000 or 6.2% of all households. Unsurprisingly, there are higher rates of overcrowding in low- and moderate- income areas than in the higher incomes areas. Some low- and moderate-income areas have rates as high as 25%.

The nonprofit California Housing Partnership Corporation conducted a study and prepared a report in 2017, entitled "Los Angeles County Renters in Crisis: A Call for Action." The report indicates that cuts in federal and state funding have reduced investment in affordable housing production and preservation in Los Angeles County by nearly \$457 million annually since 2008, a 64% reduction, and Los Angeles County needs 551,807 more affordable rental homes to meet the needs of its lowest-income renters.

The County's CDBG funding will not be able to make a dent in meeting these needs. CDBG and HOME funds will only be able to assist about 5,000 households through single- or multi-unit rehabilitation programs, and only 225 households through a first-time homebuyer program. The County does allocate local funding for the development of new affordable housing and relies on State funding to provide more resources for first-time homebuyers. However, even this funding is limited, and not a permanent source that can address the magnitude of the needs identified above.

Homelessness

In 2017, the Los Angeles Homeless Services Authority prepared the "Report on Homeless Housing Gaps in Los Angeles County." The report found the following Los Angeles countywide gaps for programs serving single adults (point-in-time/bed counts): 14,708 for permanent housing, 8,379 for rapid re-housing, 2,681 for emergency shelter, and a 1,505 gap for prevention. Families have a gap of 633 for permanent supportive housing and a 1,020 gap in programs for prevention. The report indicates that about \$1.3 billion is need for the five-year ramp up period and about \$430 million is needed for annual operating costs.

In March 2017, Los Angeles County voters approved Measure H, a ballot initiative expected to generate an estimated \$355 million annually for the next 10 years. This funding is to be used exclusively for combating homelessness through the implementation and coordination of The City and County Homeless Strategies. In November 2016, Los Angeles City voters overwhelmingly passed Proposition HHH with 76% of votes securing \$1.2 billion in bonds from increased property taxes to pay for permanent supportive housing to combat the epidemic of homelessness in Los Angeles. While local funding from Measure H and Proposition HHH provides great relief, there is still an apparent gap of unmet needs in our work to end homelessness.

In November of 2018, 47 cities, including CDBG participating cities, were awarded planning grants to develop city specific plans to prevent and combat homelessness. This multijurisdictional program is enabled by a grant initiative created by LA County and United Way of Greater Los Angeles' Home for Good Funders Collaborative and financed by an allocation of more than \$2 million from the County Board of Supervisors. Despite the efforts to fund programs and planning efforts, the gap in funding for the actual services remains a barrier for these cities and the County due to the extreme unmet need. Additional CDBG funds from Congress would help fill some of the gap, especially at the local level.

Infrastructure

The American Society of Civil Engineers (ASCE) provides infrastructure grades nationwide. It is currently in the process of updating state infrastructure grades. However, the Metropolitan Los Angeles Branch (MLAB) provided a summary of the existing condition of public infrastructure in the County in its most recent update in 2012. Although this report was completed in 2012, it is likely that an update would show similar findings given the magnitude of need and funding to address them.

Table 2				
Infrastructure Grades and Needs				
Los Angeles Count	У			
2012 ASCE MLAB D	Data			
Category	Grade	Estimated Cost		
Bridges	С	\$11.9 billion		
Dams	B-	\$270 million		
Drinking Water	С	\$3.7 billion		
Flood Control	B+	\$48 million/year		
Ports	В	\$3.5 billion		
Solid Waste	B+	\$450 million/year		
Streets and	C-	\$3.1 billion,		
Highways	C-	billions more		
Transit	С	\$18 billion/year		
Urban Run-Off	D	\$4–30 billion		
Wastewater	B+	\$2.8 billion		

The "2012 Report Card for Los Angeles County Infrastructure." The Report Card found an investment need of tens of billions of dollars over the next five (5) years, as shown in Table 1 to the right. The lower grades such as Drinking Water (C), Urban Run-Off (D), Streets and Highways (C-) is of concern to low- and moderate-income residents since they live in predominantly older communities with aging infrastructure and environmental hazards. CDBG funds would be able to address some of the needs on an area basis; however, given the trend in cuts to the program, and that upgrades where they have occurred, have not kept pace with continued aging of infrastructure, the need has far outpaced the dwindling CDBG resources to address the problem.

Portland, Maine

The City of Portland is the largest and most diverse community in the State of Maine. Homelessness, substance use disorders, housing affordability, and maintenance of public infrastructure are critical issues facing the city. The City of Portland has struggled with the need to address these issues while balancing the impact on the operating budget and tax rate. The CDBG Program provides a critical resource that assists the city in meeting the needs of its most vulnerable populations, including the homeless, individuals with chronic substance use disorder issues, and low-income renters and homeowners.



CITY OF PORTLAND, MAINE CDBG FUNDING HISTORY 2014-2018					
2014 2015 2016 2017 2018					
ALLOCATION	\$1,815,577	\$1,791,064	\$1,791,448	\$1,745,465	\$1,895,922
REQUESTS \$3,950,044 \$2,974,971 \$3,524,286 \$3,897,332 \$2,897,980					
UNFUNDED \$2,134,467 \$1,183,907 \$1,732,838 \$2,151,867 \$1,002,058					

CDBG Funding History 2014-2018

Homelessness

The 2017 Point in Time survey identified 527 homeless people in the City of Portland. This is an increase of 6% in the size of the overall homeless population. The City is home to the only teen shelter in Maine and offers specific mental and substance use services that are not available in any other town or county in the state. Within Cumberland County, there is only one emergency shelter that does not fall in the borders of the City of Portland.

Substance Use Disorders

In 2017 alone, there were 57 lives lost because of the opioid epidemic in the City of Portland. The cost to the city to address this public health epidemic has risen dramatically. The Police Department responded to 180 calls for service for suspected opioid overdoses in 2016 and 266 calls for service for suspected opioid overdoses in 2017 (a 41.5% increase) and administered 103 doses of Narcan since they started equipping officers with the lifesaving drug in the fall of 2016. The Fire Department administered Narcan 204 times in 2017 up from 143 doses in 2016. And the public health staff at the India Street Health Center has distributed 2,791 doses to 502 needle exchange program clients, who reported reversing 291 overdoses. The Law Enforcement Addiction Advocacy Program (LEAAP) Liaison has met with 195 clients who expressed a wish in engaging in recovery since the position was created in January 2016, successfully referred 102 clients to treatment programs, interacted with another 270 community members who seek support for themselves or their family members, and engaged in training and outreach in the community for the public and the jail. The public works crews collected roughly 1,800 discarded needles across the city. Our needle exchange program has distributed 173,219 clean syringes and collected 186,189 in 2017. The substance use prevention and needle exchange program coordinators performed a total of 115 overdose recognition and response trainings across greater Portland in 2017. These numbers are only the tip of the iceberg as to the monetary impact this has had on the City.

Housing Affordability

Thirty-three percent (33%) of all Portland owner-occupied households pay 30% or more of their income on monthly housing costs and fifty percent (50%) of renter households pay 30% or more of their income on monthly housing costs. Seventy-one percent (71%) of renters and fifty-three percent (53%) of homeowners are identified as low-income. Forty-three percent (43%) of renters and twenty-nine percent (29%) of homeowners live in poverty. Median renter income is \$29,755 and median income for owner-occupied housing was \$75,837. Seventy-four percent (74%) of households are unable to afford the median home price in the city. Sixty-two percent (62%) of renter households cannot afford the average two-bedroom apartment.

Providence, Rhode Island

The City of Providence is Rhode Island's capital city, and one of the oldest and most vibrant cities in America. However, substandard and aging housing stock, homelessness, housing affordability, and maintenance of public infrastructure are critical issues facing Providence. Providence uses CDBG to fund public improvements, public facilities, public services, and economic development activities. Wherever possible, the City deploys CDBG to address critical community needs and leverage public-private partnership.



Capital improvement needs for community centers, homeless shelters, and other facilities serving low-income people are estimated at millions of dollars. Providence, like many other cities, struggles with the need to address these growing capital improvement and housing

needs without continually raising local taxes. The City continues to absorb repeated reductions in CDBG funds by delaying and canceling projects, reducing staff, and reducing services to the community despite unmet need.

Recently, a seed investment of \$25,000 in CDBG enabled Amos House, a local homeless service provider, to create "A Hand Up", an innovative day labor program offering \$50-a-day jobs collecting litter on city streets to homeless individuals. Amos House also connects these participants to housing, mental health and other social services. Participants have accessed additional agency services, and a number have found permanent jobs with private employers. The City's CDBG support enabled the agency to leverage an additional \$150,000 from the Rhode Island Foundation and other private donors to expand and support the program into the future. In the past twelve months, the agency met with over 450 homeless or unemployed individuals. Of these, 350 enrolled and participated in day labor activities. Approximately half of those enrolled were identified as chronically homeless. When A Hand Up launched, the City and agency conservatively projected 50 people would be served during the first year. The resulting overwhelming response (450) clients) could be attributed to the lack of financial resources among those whom are homeless or housed and on fixed incomes, and rapid word of mouth recommendations made in the panhandling community. A Hand Up is a quality program that meets an unmet community need through basic labor opportunity and connects some of the community's most disenfranchised individuals to programs which can help them obtain long term housing, employment, and financial stability. Currently, A Hand Up has a wait list of nearly 50 people waiting for assignment to work crews. Increased CDBG will boost the City's ability to fund creative and successful pilot programs such as A Hand Up.

Increased CDBG will also enable the City to expand its housing program offerings. The City's Home Repair Program, which provides deferred payment, 0% interest loans to homeowners in need of critical property repairs, is consistently over-prescribed and many homeowners are placed on a waitlist for the following year's funding. Expanded Home Repair lending would prevent foreclosure and abandonment of property and prevent health issues (such as asthma and lead poisoning) arising from unresolved, unsafe housing conditions.

Finally, increased CDBG funding would enable the City to expand its economic development programs to better support small businesses. The City would revive its popular Façade Improvement Program for neighborhood business districts, expand its Design Catalyst Program for design-based businesses, and create more programs to foster local entrepreneurship and business expansion.

Raleigh, North Carolina

In its 2016-2020 Consolidated Plan (Con Plan), the City of Raleigh identified many needs that could be addressed by the additional CDBG funding. The Con Plan pointed to the proliferation of luxury apartments as a primary driver of escalating rental costs in the



City, adding to cost burden households - particularly impacting African American renters. Nearly 32,000 low-moderate income renter households were identified as cost burdened in Raleigh.

Over the past couple of decades, the aging housing stock, aging infrastructure, and high poverty rates led the City to begin its redevelopment programs in the near-downtown neighborhoods; however, the outer tiers of the City have begun to witness some of the same issues as the neighborhoods around the core. If the City of Raleigh were able to increase its' CDBG resources some of the outer tier neighborhoods have the potential to become the next revitalization areas to which the City could commit portions of its future allocations. CDBG resources would be used for housing rehabilitation to preserve older units and enable nonprofit organizations to purchase and preserve existing affordable apartment communities before they are lost to private investors. Also, repairing or replacing failing water and sewer lines, and funding other public uses such as microenterprise development for lifting residents out of poverty.

Specifically, the City of Raleigh can use additional CDBG funding to assist in owner-occupied home rehabilitation. Over the past five years, our team has seen a trend in higher rehab costs. We attribute this to aging housing stock, cost of materials, cost of labor, a labor shortage – as well as other variables. Within these same communities, we are working with our Public Utilities Department to replace aging infrastructure. For example, in many of our older neighborhoods there are terracotta pipes that are beginning to fail. A final activity that the City of Raleigh believes would be beneficial is a loan pool or a microenterprise training program. In many of the communities we invest in, there are entrepreneurs who need training and resources to assist them in growing their business and creating jobs.

St. Louis, Missouri

At the lowest income levels, high percentages of both renter and owner single person households in the City of St. Louis have housing problems, pointing to the dual needs of affordable housing production/preservation and public service programs to increase household incomes. As CDBG resources decline, it becomes more difficult for the City to leverage federal funds to address some of its most pressing needs.



Affordable Housing Production Need

St. Louis possesses a great diversity of housing types, much of which is affordable. However, most of the housing stock in the City —and affordable housing in particular—is more than fifty years old. As a result, ongoing maintenance, stabilization, and repair of existing housing stock is critical to maintaining a necessary supply of affordable housing throughout the City. The challenge, however, is that the cost to rehabilitate these historic housing units is high and public/CDBG subsidy limited, so targeted strategies designed to catalyze future private investment are needed (in our most challenged neighborhoods, it has been very difficult to facilitate private investment).

The City of St. Louis has both a critical asset and liability in the form of approximately 11,000 abandoned vacant lots and vacant buildings owned and maintained by the Land Reutilization Authority (LRA). The LRA receives title to all tax delinquent properties not sold at the Sheriff's sale and through donations. The City, through the assistance of CDBG funds attempts to maintain these parcels until redevelopment can occur. However, the available CDBG resources only provides for minimal maintenance.

Owner-Occupied Home Repair Needs

The ongoing need for home repair activities is a key component of access to quality, affordable housing. There are approximately 1,300 homeowners on the wait list for comprehensive repairs through the City's Healthy Home Repair Program. Approximately 70% of these homeowners are at or below 50% of the Area Median Income and live in the most challenged neighborhoods. Many of the homes have greatly deferred maintenance— in many cases for several years—and are in need of repairs consisting of roof replacements, sewer lateral and water line replacements as well as other plumbing repairs, electrical updates, new furnaces, tuckpointing, brick relay, new porches, structural repairs, accessibility modifications including wheelchair ramps, lead-based paint remediation, and

other code, health and safety issues. It would take the City several years to assist the homeowners on the current list, which continues to grow.

Public Services Needs

Although the facilities providing public services are generally well distributed throughout the City of St. Louis, outcomes in terms of educational attainment, employment, health and healthcare access, and public safety still face significant geographic disparities. These disparities indicate that residents in these geographies are not being connected to services.

Public safety and crime prevention are the single key public service need identified citywide. This data was corroborated by citizen engagement process and was ranked as the top area of improvement regardless of geographic area. Other key public service needs include the provision of early childhood education and daycare services necessary for parents to retain jobs or attend school, after school education and recreational programs for youth, and senior supportive services to ensure health care access, mobility, recreation opportunities, and access to healthy meals.

Alabama

In recent years, non-entitlement communities in Alabama face tens of millions of dollars in unmet needs related to infrastructure, economic development, and community facilities. From the most recent four years, CDBG allocations in the state totaled nearly \$89 million. The amount includes a slight increase of \$2 million in funding for program year (PY) 2018. However, over the same fouryear period, the amount requested from the state CDBG program totaled approximately \$147 million. As a result, almost \$60 million or 40% of requested funding has not been met.



STATE OF ALABAMA CDBG FUNDING HISTORY 2014-2018					
	2015 2016 2017 2018				
ALLOCATION	\$21,529,262	\$21,904,212	\$21,398,440	\$23,158,500	
REQUESTS \$39,295,866 \$33,549,094 \$38,464,170 \$36,511,937					
UNFUNDED \$17,766,604 \$11,644,882 \$17,065,730 \$13,353,437					

The State of Alabama has prioritized the following areas of local need over the recent fouryear period:

Public Infrastructure

Basic public infrastructure remains the largest area of need for communities and request of funding. Common funding requests for projects include new and rehabilitated water lines, new water tanks, new and rehabilitated sewer lines, rehabilitated wastewater treatment plants, and road construction and drainage.

Community Development

Funding is commonly sought by local governments for various community facilities and activities, including senior centers, parks/recreation facilities, Boys and Girls clubs, community centers, housing rehabilitation, and storm shelters.

Economic Development

Applicants have recently requested funding for new infrastructure in support of business development and expansion. The award amounts are determined based upon the number of jobs the impacted business is expected to create and retain as well as local and regional scope of the project on economic activity.

Arkansas

From 2015 to 2017, \$48 million in CDBG funding contributed to public improvements throughout rural communities in Arkansas. Many communities though have been unsuccessful in obtaining funds for public infrastructure and facilities, from water/sewer improvements and street repairs to homeless shelters and senior centers. Over the same period, rural towns and counties requested \$31 million from CDBG, but the state was unable to fund these projects due to budget constraints.



STATE OF ARKANSAS CDBG FUNDING HISTORY 2015 - 2017			
ALLOCATION \$48,223,404			
UNFUNDED PUBLIC FACILITIES/IMPROVEMENTS \$30,723,321			
REQUESTS			

A total of 65 cities and counties in the state applied for funding from CDBG but were not awarded, including the following:

Public Infrastructure

- Holly Grove sought \$200,000 towards a drainage improvement project.
- Coy requested \$157,130 to rehabilitate a water tank.
- Wynne pursued \$200,000 for a wastewater rehabilitation project.

Public Facilities

- Searcy submitted an application seeking \$87,690 for a generator at the local senior center.
- Eudora requested \$200,000 to fund an emergency services complex.
- Altheimer sought \$73,000 to fund upgrades at a local fire station.

Louisiana

Louisiana's state CDBG program received requests totaling \$70 and \$59 million, respectively, over the most recent annual reporting periods of 2014- 5 and 2016-17. Applications were submitted for public infrastructure projects dedicated to improving fire protection, water, sewer, and roads. Overall, communities submitted applications for 268 projects which were not funded.



STATE OF LOUISIANA C 2014 - 15 and 2016 - 17					
UNFUNDED PROJECTS	UNFUNDED PROJECTS (Public Infrastructure)				
CATEGORIES UNFUNDED APPLICATIONS RECIEVED					
Water for Fire	\$4,136,415	10			
Protection					
Sewer Treatment	\$19,510,420	29			
New Sewer	\$4,738,928	8			
Sewer Rehabilitation	\$42,051,255	82			
Streets	\$40,816,103	105			
Water \$17,524,307 34					
TOTAL \$69,605,004 268					

Maine

Maine's non-entitlement communities have benefitted from approximately \$42 million in CDBG funds over the last four years, contributing to business and community development initiatives including flood mitigation, housing rehabilitation, and water/ sewer improvements. Unfortunately, significant needs remain with over \$28 million requested by small communities from 2015 to 2018. As with Alabama, over 40 percent of total project requests were unmet over the last four years.



STATE OF MAINE CDBG FUNDING HISTORY 2014-2018				
	2015	2016	2017	2018
ALLOCATION	\$10,342,470	\$10,365,776	\$10,188,302	\$11,195,895
REQUESTS \$17,689,050 \$19,834,036 \$15,498,013 \$17,418,350				
UNFUNDED \$7,346,580 \$9,468,260 \$5,309,711 \$6,222,455				

A total of 65 cities and counties in the state applied for funding from CDBG but were not awarded, including the following:

Housing

- Kenduskeag sought \$500,000 towards transforming a former elementary school into senior housing.
- Madawaska submitted a proposal for \$1 million to adapt a vacant building into six senior and low-income housing units

Infrastructure

- Fort Fairfield requested \$1 million to construct wastewater treatment facility.
- Old Orchard Beach sought \$1 million to replace outdated water, sewer, and drain lines.
- Washburn requested \$389,000 to build a retention pond for flood prevention.

Business/Microenterprise Assistance

- Masardis requested \$50,000 to establish a convenience store, Mama Lou's.
- Guilford sought \$50,000 for business development assistance to Red Maple Inn.

York was unsuccessful in applying for a \$300,000 business assistance grant to support Maine Coast Shellfish LLC.

Tennessee

Tennessee's CDBG program experienced an unmet need of almost \$124 million from 2015 to 2018. A majority (53%) of funding requests

were not fulfilled due to the program's limited allocation. Water and sewer improvements are consistently the top priorities. Localities requested more than twice as much in CDBG funding for these needs as were awarded through the program. Overall, 75% of the total amount requested from CDBG was dedicated to water and sewer projects.

STATE OF TENNESSEE CDBG HISTORY 2015-2018				
PROJECT TYPE	ALLOCATIONS	UNFUNDED	TOTAL	PERCENT UNFUNDED
Community Livability	\$17,783,724	\$21,084,429	\$38,868,152	54%
Housing	\$4,786,540	\$4,011,358	\$8,797,898	46%
Sewer Line	\$2,837,753	\$2,665,190	\$5,502,943	48%
Sewer System	\$41,632,751	\$46,783,846	\$88,416,597	53%
Water Line	\$11,354,145	\$10,877,385	\$22,231,530	49%
Water System	\$28,912,746	\$33,461,621	\$62,374,367	54%
Commercial Façade	\$2,626,131	\$5,010,318	\$7,636,449	66%
TOTAL	\$109,933,790	\$123,894,146	\$233,827,935	53%

Projects unfunded in the 2018 CDBG selection process include the following:

Infrastructure

- Blount County was unsuccessful in obtaining \$525,000 for water line upgrades.
- The Town of Gleason failed to receive \$230,874 to improve its sewer system.
- The City of Cowan was unsuccessful in seeking \$362,700 for water system improvements.

• Bradley County was not selected for \$448,375 towards sewer line improvements.

Commercial Facade

- The City of Columbia failed to receive \$100,000 to invest in business façade improvements.
- The City of Etowah was unsuccessful in its proposal to use \$100,000 for commercial façade updates

Texas

The State of Texas CDBG program accepts applications from communities on a two-year cycle and reported a total of \$443 million requested during program years 2015-16 and 2017-18. While \$317 million was awarded during this time, \$126 million or 28 percent of requested funding was unmet due to the limited allocation. The state considers applications from approximately 1,100 eligible communities and aims to help as many communities as possible. Many communities recognize this situation and as a result will only submit applications every few years for respective community



development priorities. It is clear communities therefore have greater needs beyond amounts reported through CDBG applications.

STATE OF TEXAS CDBG FUNDING HISTORY 2015 – 2016 & 2017 - 2018				
2015 & 2016 2017 & 2018				
ALLOCATION \$178,374,902 \$139,024,645				
REQUESTS \$252,701,645 \$190,772,598				
UNFUNDED \$74,326,743 \$51,747,953				

Vermont

Over the last three years, CDBG funding has contributed over \$15 million to public infrastructure and services in Vermont's rural communities. Yet during the same period, local jurisdictions remained without \$12 million in requested funding with CDBG only addressing 57% of the total amount requested by communities. As a result, communities continue to face gaps in key projects related to housing, senior facilities, education, and economic development.

STATE OF VERMONT CDBG FUNDING HISTORY 2015-2018				
	11/2015- 10/2016	2017	2018	TOTAL
ALLOCATIONS	\$9,301,534	\$7,081,926	\$7,132,879	\$23,516,339
REQUESTS	\$15,477,709	\$11,043,673	\$11,144,368	\$37,665,750
UNFUNDED	\$6,176,175	\$3,961,747	\$4,011,489	\$14,149,411

Applicants not awarded through the latest CDBG process (November 2018) because of a lack of CDBG funds:

Housing

- Shires Housing in Shaftsbury \$484,960 to form a limited partnership and create 22 affordable family rental units.
- Saint Albans \$1 million to construct 30 affordable rental units.

Economic Development

Hardwick was unsuccessful in applying for \$1 million to build a 24,800 square foot accelerator facility. The building would be overseen by Northeast Kingdom Development Corporation and provide space for existing business to expand operations.

Senior Care

Hartford requested \$1 million for working capital in support of the Village at White River Junction. The Village sought the funding to increase capacity resulting in 40 new jobs at the 80 unit assisted living and memory care facility. Hartford was awarded \$500,000 to benefit the facility however only meeting 50% of their goal.

CDBG NEEDS SURVEY

The National Community Development Association (NCDA) designed a web-based survey instrument based largely on a 2016 survey instrument developed by the National Association of Housing and Redevelopment Officials to ascertain the impact of CDBG funding reductions on local entitlement communities and states. NCDA sent the survey to all local entitlement communities and the Council of State Community Development Agencies sent the survey to all state grantees.

Between December 2018 and March 2019, local and state CDBG program managers from across the U.S. participated in this online stakeholder survey to provide input on the need for CDBG funding. A total of 253 CDBG grantees responded to the survey including 232 local entitlement jurisdictions, 19 states, and 2 insular areas. For the purposes of this survey, insular areas are included in the local entitlement jurisdiction category. **These respondents represent nearly 20 percent of all CDBG formula grantees.**

The CDBG Coalition hopes the survey results will raise awareness of the decline in CDBG funding, educate the Administration, policy makers and others on the importance and impact of CDBG nationally, the need for increased program funding, and help turn the tide on disinvestment in the program and communities.

SURVEY FINDINGS

Top Unmet Community Development Needs – State Respondents

Among unmet community development needs, state respondents were nearly unanimous in reporting infrastructure as the top unmet need. Home repair/rehabilitation and affordable homeowner housing followed as the top categories.

State Respondents – Top Unmet Community Development Needs

- 1. Infrastructure
- 2. Home repair/rehabilitation
- 3. Affordable homeowner housing

Top Unmet Community Development Needs – Local Government Respondents

Among unmet community development needs, local government respondents identified affordable rental housing as the top unmet need. Home repair/rehabilitation, infrastructure, and affordable homeowner housing followed as the top categories.

Local Entitlement Respondents – Top Unmet Community Development Needs

- 1. Affordable rental housing
- 2. Home repair/rehabilitation
- 3. Infrastructure
- 4. Affordable Homeowner housing

Infrastructure Need

Infrastructure remains the most critical unmet need reported by state respondents. Over half of state survey respondents stated that more than 50% of their overall need is related to infrastructure. Almost a fourth of state survey participants reported 25-50% of community development needs are related to infrastructure.

Infrastructure is also a critical unmet need for local jurisdictions. Nearly 50% of the local government respondents reported that overall community development need is related to infrastructure. Over a fourth of local government respondents reported 25-50% of community development needs are related to infrastructure.

Projects Have Been Cancelled or Delayed Due to a Lack of CDBG Funding

Three out of four (75%) of the 19 state respondents stated that public facilities and infrastructure improvements have been cancelled and delayed due to less CDBG funding. Rental and homeownership rehabilitation were also selected as the most common project types to experience delays and cancellations as a result of reduced CDBG investments.

Over 70% of the 232 local government respondents have cancelled or delayed projects due to a lack of CDBG funding. Public facilities (infrastructure, community facilities) and public services were selected as the most common project types to experience delays and cancellation as a result of reduced CDBG fund.

Important Programs Have Been Reduced and Eliminated Due to a Lack of CDBG Funding

Over a fourth of state respondents stated that assistance to public facilities has been reduced as a result of less CDBG funding. State survey participants also selected economic development programs and homeowner rehabilitation projects as the top developments underfunded due to a decline in CDBG resources. Homeowner assistance and homeowner rehab were selected as the top two functions eliminated by State respondents due to a reduction in CDBG funding.

Over 92% of the local government respondents have reduced programs because of a lack of CDBG funding.

- Over 66% of the local government respondents reported reducing funding for public service programs that assist vulnerable populations such as the homeless, the elderly, and low-income families and youth.
- Nearly 55% of the local government respondents have reduced homeowner rehabilitation programs.
- Nearly 50% have reduced funding for public facilities, including infrastructure projects.
- Over 35% have reduced funding for economic development programs.
- Over 30% have reduced funding for homeowner assistance programs.

Nearly 70% of local government respondents have eliminated some program activities because of a decrease in CDBG funding. Economic development and homeownership assistance were selected as the top two functions eliminated by local government respondents due to a reduction in CDBG funding.

Staff Reductions

Most of the state respondents indicated they have cut staff due to a reduced CDBG allocation. Over half of the local government respondents have permanently cut program staff due to a reduction in CDBG funding.

Significant CDBG Funding is Needed

Most state respondents stated that 25-50% of applications have remained unfunded in the last five years due to a decrease in CDBG funding. Of the remaining State survey participants, nearly all stated some percentage of projects have received no funding. In order to meet all requests for funding in the coming year, states responded that significant investments would be necessary. Various amounts were presented by respondents however most signaled that at least twice the current allocation would be needed in order to fulfill all funding requests. In many cases, much higher amounts would be needed.

More than a third of the local government respondents indicated that 25-50% of applications for CDBG funding have been unfunded in the last five years due to a decrease in program funding. In order to meet all requests for funding in the coming year, 57% of the respondents indicated that at least 50% more CDBG funding is needed to meet the need; 30% of the respondents indicated they would need twice the amount of their current CDBG allocation or higher to meet the demand for funding.

CDBG SURVEY RESPONDENTS' COMMENTS

- » Reduced funding has the effect of putting band aids on infrastructure issues rather than being able to fully address them.
- » There are projects that create a community in which people want to live (parks, supporting homeless activities, housing rehab, etc.) that we have eliminated because of reduced CDBG funding.
- » The amount of the allocation that South Dakota receives has primarily been used to fund infrastructure and community building projects. A reduction in CDBG funds from HUD means a reduction in grants being awarded to communities in need of infrastructure improvements or replacements.
- » CDBG in our community implements the vital projects that the City does not have and will not have funding to do Biddeford, Maine
- » The CDBG Program has allowed the city to try creative ways to help low-income residents and stop the cycle of poverty. For example, CDBG funded a school-based health clinic that reduces student absenteeism and keeps high school students in class. CDBG is funding solar panels for low- and moderate-income homeowners which will help them save money on utility costs. – Thornton, CO
- » The CDBG annual allocation awarded to the Housing and Community Development Department is the ONLY consistent resource for affordable housing needs in Athens-Clarke County (GA).
- » As older neighborhoods and poverty seem to increase, CDBG funds are needed even more so now to leverage and seed redevelopment in low asset areas Birmingham, AL
- » The city would not be near as livable without CDBG Haverhill, MA
- » We currently receive approximately \$450,000 (in CDBG funds annually) which we have used to leverage millions of dollars in public and private investment. Our CDBG funds allow us to assist elders at risk, homelessness, women and children fleeing domestic violence, those with disabilities. Not only do our funds provide job training, but many CDBG-funded projects create jobs – Peabody, MA
- » CDBG funding has made a huge difference in many of our older owner-owned homes. Not only do the houses have better curb appeal, the homes are now safe, warm and dry Rogers, AR
- » CDBG funding provides life-saving services, in many cases, to our City's most vulnerable populations: the elderly, disabled, and working single parents. Without CDBG, the City would not be able to fill the gap for services – Garland, TX
- » The Los Angeles Urban County has seen a significant decrease in CDBG funding in the past few years as well as from its inception. Without adjusting for inflation, the County's CDBG program reached its highest allocation in 1995 at \$42.6 million and is now at \$23 million in 2018, a decrease of 46%. The need for revitalizing public facilities, affordable housing, addressing homelessness and public services has only increased since the grant peak in 1995 – Los Angeles County, CA

- » Our community does not have the funds available to fund our current CDBG programs/projects. Our low- to moderate-income population would suffer as a result Fayetteville, AR
- » I invite any member of Congress to visit the Town of Islip, NY to see firsthand the countless accomplishments made possible with CDBG funds. Statements made by certain officials that the CDBG programs are ineffective are simply NOT TRUE! – Islip, NY
- » CDBG desperately needs a funding increase in order to be able to meet the needs of our community such as deteriorating neighborhoods, our homeless population, and unaffordable housing – La Crosse, WI
- » CDBG supports public service funding to an average of 25 social service programs annually. Examples of programs funded include: teacher home visits to students' families to facilitate engagement, educational services to children with developmental delays, one-on-one homework help for low-income teens after school, emergency rent and utility payments to prevent homelessness, food pantries and food delivery, medical services for homeless people, first time homebuyer classes, police bicycle patrols, and job training, to name a few Salem, MA
- » The elderly in our community are the most impacted by the reduction in our CDBG funds. We are not able to provide as many with home repair assistance or are we able to provide enough to our nonprofit partners for the services they offer – Odessa, TX
- » In an ever increasing competitive environment to attract quality employers and provide for the needs of families; this program, while designed to address the needs of low- and moderate-income families, delivers a larger benefit to jurisdictions by addressing community esthetics and housing infrastructure needs which support local governments' abilities to sustain and enhance the community's quality of life and thereby remain viable – Pensacola, FL
- » We leverage \$3-\$7 dollars for every HUD dollar. Many of our programs use CDBG as the basis to solidify other funding – McAllen, TX
CDBG FUNDING AT WORK: PROJECT EXAMPLES

Redtail Ponds Permanent Supportive Housing Location: Fort Collins, CO CDBG: \$1.39 million

Built by Housing Catalyst, Redtail Ponds is a 4-story permanent supportive housing (PSH) development that offers 60 apartments for people with disabilities who have experienced homelessness.



Multiple support services for those with substance abuse or mental health issues are located on site to help people gain stability in their lives.

Redtail Ponds is viewed as a "window of hope" since this award-winning development demonstrates that "the best thing to be done for the homeless is not soup or pallets on a barren floor, but a place to assemble one's life in peace." In addition to apartments, Redtail Ponds features a community kitchen, computer room, community garden and several common areas for residents to congregate.

Redtail Ponds was developed in 2015, using \$1.39 million in CDBG funds for the construction of housing, while the Colorado State Housing Finance Agency partnered to provide Low-Income Housing Tax Credit equity investment. The project has assisted 93 residents since opening in 2015, including 34 veterans. Of the 93 residents, 60% have been seniors. After three years, 88% of the residents remained stably housed, 98% engaged in a service plan and 28 rejoined the workforce.

"When I came here and saw my apartment, I cried. I felt like I had gone from being a pauper to a princess virtually overnight. The majority of us here now have become like a family to each other. We care about each other. I have a sense of joy and family that I was lacking."—CheryI — Redtail Ponds resident

Pennyrile Area Development District: Todd County Career Path Institute Location: Hopkinsville, KY CDBG: \$500,000

Pennyrile Area Development District in Hopkinsville, KY worked with community partners on building the Todd County Career Path Institute, a 15,765 square foot building housing program



administration, instructional, and workshop space. The Institute is dedicated to training students in programs such as welding, electrical circuit training, and robotics. Institute staff also coordinate with Hopkinsville Community College and Todd County Board of Education to expand technical and workforce training opportunities relevant to regional industries. With continued development of large industry adjacent to Todd County, some estimates for future job creation range from 2,000 to 5,000 new jobs in the coming years. A CDBG grant provided \$500,000 (20%) of the \$2.5 million project cost. The project received the Governor's 2016 Spirit of Kentucky Award. Todd County Judge Daryl Greenfield responded to the program's potential: *"The Todd County Career Path Institute is a collaborative partnership among regional stakeholders including Todd County, Christian County, Pennyrile Area Development District, Hopkinsville Community College, and Southern Pennyrile Chamber Alliance. While preparing folks for a range of job opportunities, the Institute also connects skilled workers to specific employers. The regional community college and high schools have done well in developing relationships with local industry to find out what skills need to be adopted in curriculum."*

Northeast Mississippi Planning and Development District Public Infrastructure Improvements Location: Marshall County, MS

CDBG: \$1.9 million

Marshall County, MS received a CDBG grant for water, sewer, wastewater, gas, and road improvements for site development of a large commercial facility that created 134 jobs. The \$1.9 million CDBG grant leveraged over \$172 million in other private and public sources, including \$2.5 million from the MS Economic Development Highway Fund, \$4.7 million from



Marshall County and \$165 million in private funds, to attract a subsidiary of Rockwool International to the county. Justin Hall, Executive Director of the Marshall County Industrial Development Association, believes that the project has been beneficial to the county. "Marshall County became the first U.S. site for Rockwool. Rockwool has made a positive impact on the economy of Marshall County and greatly improved the quality of life of many of our residents."

Providence Community Library Providence, RI CDBG: \$782,974

Providence Community Library has received a total of \$782,974 in CDBG grant funding since 2012 for a series of facility improvements. Providence Community Library is a non-profit organization that manages nine neighborhood libraries in Providence. Several of the library buildings were suffering from leaky roofs and other major problems from deferred maintenance, including the Knight Memorial Library which was built in 1922 and is listed on the National Historic Register. CDBG funds supported projects including accessibility improvements, fire alarms, HVAC repairs, and window replacement. The libraries are extensively used by both children and adults, so the improvements provided more welcoming environments for the public and enhanced the neighborhoods the libraries are located in. CDBG grants supported and provided matching dollars for work funded by a local foundation.

Autumn's Center Location: Spencer, IA CDBG: \$600,000

Built in 2016, Autumn's Center is a regional children's center serving northwest Iowa children and their families.

The project used \$600,000 CDBG funds to convert a 10,000 square foot vacant furniture store into a regional community facility serving the mental and behavioral needs of youth ages 0-21. An additional \$1.6 million in project funding was leveraged through private financing and donations. The project created 15 permanent jobs.

Autumn's Center provides specialty care for more than 2,000 children from 1,800 households who have



experienced abuse, neglect, bullying, grief, loss, divorce of parents, parental substance abuse or who have developmental conditions such as a spectrum disorder, to name a

few conditions.

"Autumn's Center is a one stop shop where children are able to receive a variety of services that provide high quality, wrap around care for behavioral health. Families have expressed their gratitude in being able to have support and help in dealing with their child's care. At Autumn's Center, we also provide a lot of family support, as we know behavioral health affects the whole family, not just the individual. We are so blessed to have this facility in Northwest Iowa!" – Natalie Sandbulte, PsyD, VP of Clinical Services



Indiana 15 Regional Planning Commission: Tell City Workforce Development Project Location: Tell City, IN CDBG: \$250,000

SWIM-Plus (Southwest Indiana Manufacturing Project) is a workforce development program funded in part through the CDBG program. SWIM is designed for program participants to receive 140 hours of work-ready training covering Safety, Quality Practices and Measurement, Processes and Production, and Maintenance Awareness. "Plus" is incorporated in the training as four courses in career readiness and education for the students.

This program is ongoing, with an initial goal of 62 participants through the two phases of the program. There are 32 different manufacturers, non-profit and quasi-governmental agencies, schools and local governments in partnership to increase the qualified workforce, reaching across four counties. The initial discussions began with four inter-related manufacturers who currently have a total of 300-350 open, unfilled positions. The total cost of this program is \$343,000. The purchase of equipment in the amount of \$93,000 was covered by private funds. The administrative costs of \$16,000 and cost of the actual

training, which includes contracting with a provider, was \$234,000 for a total of \$250,000 covered by CDBG grant funds.

In describing the program's effectiveness, Glenn Goffinet – an instructor at Tell City – responded: "This grant not only allows for a person to learn the skills necessary for employment in any manufacturing setting, it has also increased the level of communication between educators and area businesses regarding specific employment needs. The program is set-up to be a talent pipeline for individuals to experience hands-on training to master the skills so desperately needed by our area employers."

Washington Street Corridor Revitalization Location: Quincy, MA CDBG: \$141,000

Commercial loan program in a concentrated geographic area that resulted in the creation of 8 permanent jobs along with neighborhood improvement benefits. The Washington Street corridor has struggled for decades since the closure of the Fore River Shipyard. By making key economic development loans in this neighborhood, a synergy developed



that spurred additional private development, helped along by strategic neighborhood public improvements. CDBG funds were used for implementation of public works and public facility neighborhood improvements.

Microenterprise Development Concord, NH CDBG: \$750,000

The State of New Hampshire allocated \$750,000 in CDBG funding to seven economic development organizations serving Grafton and Cheshire counties in rural New Hampshire. All seven organizations work with low- and moderate-income people who own or want to start their own business. The organizations offer services, education, and programs for micro-businesses; businesses that have fewer than five employees. In all, the grant will support small businesses and entrepreneurs with financing, accounting services, marketing and business development.

M.R. Reiter School – City Park Morrisville Borough, PA CDBG: \$102,000

Morrisville Borough received a \$102,000 CDBG grant for the acquisition of the M.R. Reiter Elementary School for transformation of the blighted property into a public park. The former Borough demolished the decaying school building and the land was transformed into a local park. CDBG funding was matched by a Bucks County open space grant, a state grant, and local funds. for \$150,000. Morrisville provided local match money in the amount of \$70,000.

Red Clover Commons Location: Brattleboro, VT CDBG-DR: \$5.5 million

On May 25, 2017, staff from Brattleboro Housing Partnerships and Housing Vermont were joined by other agency representatives, residents and community members to celebrate the opening of Red Clover Commons, 55 new homes for seniors and people with disabilities. The new housing development replaces homes at Melrose

Place which were rendered uninhabitable by Tropical Storm Irene in August 2011. Red Clover Commons will offer support for residents through the Support and Services at Home Program (SASH). Numerous energy efficient features include a geothermal heating and cooling system that will keep residents comfortable year-round. The building is centrally located near various public services such as public transportation, shopping and the hospital. Brattleboro Housing Partnership and Housing Vermont developed Red Clover Commons using low-income tax credit equity, which covered about half of the development costs. The development also received funding \$5.5 million from the HUD CDBG Disaster Relief funds and other Federal, State and local sources.

Piccadilly Square Senior Housing Building Mahtomedi, MN CDBG: \$352,709

CDBG funds were used for the soil remediation of 3 acres for redevelopment of a former restaurant into affordable senior housing. Piccadilly Square is a 79unit affordable housing development for low-income seniors who earn less than \$35,000. The building design includes five accessible units and nine units

with communication features for hearing impaired residents. All units have elevators and



roll-in showers to accommodate wheelchairs and a senior service coordinator on-site.

Good Neighbors Food Shelf Hugo, MN CDBG: \$70,000

The project was started in response to the need of families struggling to meet their financial obligations and provide food to their families. CDBG funds were used for land acquisition for construction of a food bank. Private financing in the amount of \$202,414 was used to construct the facility. The project serves on average 125 extremely low-income households per month.



Small Business Assistance Location: Maryville, MO CDBG: \$1,000,000

SSM Health St. Francis Hospital constructed a 15,800 square-foot preschool and daycare facility at 2112 S. Main St. in Maryville. The center offers child-centered, family-oriented and community-based care to children 6 weeks - 3+ years old. The center will increase daycare capacity to 136 children and host an early Head Start class which will be the first of its kind in Nodaway County. CDBG funding helped to leverage \$2.2 million in other public and private funds for a total project cost of \$3.2 million.

ComDel Innovation Job Retention and Manufacturing Location: Wahpeton, ND CDBG: \$500,000

In 2007, 3M announced they were closing their facility in Wahpeton where floppy diskettes were produced. The plant employed 390 people, which is a significant loss in a town with a population of 7,696. A group of former employees decided to start their own company and formed ComDel Innovation Inc. 3M allowed them to take over some of the manufacturing contracts and even donated the equipment already in the facility. Their focus is on "hard goods" manufacturing; contract injection molding and metal stamping. CDBG funds were used to purchase production equipment and inventory to expand into new product lines. Twenty-one jobs were retained. Not only did the facility remain occupied and several jobs retained, over the years ComDel Innovation has grown into new and rapidly expanding markets, including the manufacture of medical devices, employing approximately 200 people.

Authenticom Small Business Loans Location: La Crosse, WI CDBG: \$245,000

Authenticom has been named one of the top automotive software companies in America. It is a leading source of dealer management systems integration and technological solutions for automotive marketing, integrates with 75 dealer management systems and connects with over 21,500 automotive dealerships. It grew as a business from 18 jobs to over 120 jobs today (and counting) in part thanks to two CDBG small business loans totaling \$245,000 provided by the City of La Crosse in 2007 and 2011. The loans enabled the company to expand their data management services, update new technologies and expand their offices. Authenticom has been recognized by INC. 5000 for 4 years in a row as one of America's fastest growing companies.

Caddo River Forest Products Facility/Infrastructure Improvements Location: Glenwood, AR CDBG: \$339,000

A sawmill in Glenwood that had been closed for nearly ten years was reopened in 2017 with the assistance of CDBG funds. The closing of the sawmill in 2011 negatively impacted the economy of the 2,500 people community. In 2017, a CDBG grant of \$339,000 was awarded to Glenwood for facility and infrastructure improvements to the sawmill. The CDBG funding leveraged \$817,726 from the Economic Development Administration and a \$50 million investment from Caddo River Forest Products. Over one hundred people have been hired at the mill and hundreds of more indirect jobs were created in the town and the supply chain.

Copiah County Medical Center Infrastructure Improvements Hazlehurst, MS CDBG: \$400,000

The Copiah County Medical Center opened in February 2017 and provides medical services for the residents of Copiah County. The small hospital was built to provide residents of Copiah County and the surrounding area with state-of-the-art emergency and inpatient care. The City of Hazlehurst utilized \$400,000 in CDBG funding from the Mississippi Development Authority and Delta Regional Authority funds to supply sewer infrastructure to the site. The hospital employees over a hundred people.

Crossroads Apartments Location: Santa Rosa, CA CDBG: \$344,693

Crossroads Apartments opened in 2018. The 79-unit multifamily rental development provides affordable housing to persons at or below 60% of area median income. Crossroads includes 22 one-bedroom, 24 two-bedroom, and 33 three-bedroom units, a community room, laundry facility and outdoor gathering space and play area. The development is well-served by public transportation and near public schools, shopping, and services. CDBG funds assisted in the initial stages of development of the project.





Homeless Outreach Services Team Location: Santa Rosa, CA CDBG: \$39,278

The Homeless Outreach Services Team (HOST) is operated by Catholic Charities and funded by the City of Santa Rosa, CA using CDBG funds. HOST is a street outreach team that works in the community to engage unsheltered homeless with services, assess their health status, and enter them into coordinated intake to receive housing services. CDBG provides the funding to employ an outreach team field worker. From July 1, 2018 to December 31, 2018, HOST provided safe shelter for 143 people and secured stable housing for 67 clients.

Maple Tree House Location: Payette, ID CDBG: \$500,000

Maple Tree House is a shelter for victims of domestic violence and sexual assault that serves residents in Payette, Washington, Adams, and Valley counties in Idaho. The 6718 square foot facility has a secure sixbedroom dormitory living area with community



kitchen and dining, bathrooms, and a

children's play area. About half of the building provides space to house ROSE Advocates' administrative offices and space for community education, training, and client counseling. CDBG funds were used to acquire the site for the property and assist in the construction of the shelter.

Tarrant County, Texas CDBG Investment Five-Year Snapshot

- More than \$12 million in CDBG funds have been invested directly into essential Tarrant County infrastructure projects over the last five years.
- Over \$2 million has been devoted to the rehabilitation of aging housing stock since 2012, promoting neighborhood stability and investment.
- Local communities have dedicated nearly \$7 million to CDBG projects, ensuring efficient and effective use of federal dollars.
- Public services include case management, homelessness prevention, and SafeSchools Anti-Bullying Program.

Calculating Economic Impact

- Over \$200 million in CDBG funds have been spent directly on construction projects, leveraging over \$70 million in local funding.
- More than 1 million linear feet in infrastructure improvements have been made throughout the Consortium.
- More than 1,600 housing rehabilitation projects have been completed ensuring homeowners are able to stay in their homes long-term.

Tarrant County CDBG funds serve cities within the Tarrant County Consortium: Azle, Bedford, Benbrook, Blue Mound, Burleson, Crowley, Dalworthington Gardens, Euless, Everman, Forest Hill, Grapevine, Haltom City, Haslet, Hurst, Keller, Kennedale, Lakeside, Lake Worth, Mansfield, North Richland Hills, Pantego, Richland Hills, River Oaks, Saginaw, Sansom Park, Southlake, Watagua, Westworth Village, and White Settlement.

Total Population: 648,551

Tarrant County Service Area (shown right)



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APPENDIX: STATE AND LOCAL GRANTEES THAT COMPLETED THE CDBG NEEDS SURVEY

State CDBG Grantees

Alaska	Delaware	Nevada	South Dakota
Arizona	lowa	North Carolina	Vermont
Arkansas	Louisiana	North Dakota	
California	Mississippi	Oklahoma	
Connecticut	Nebraska	Pennsylvania	

Local CDBG Grantees

Alabama	Jonesboro	Pico Rivera	Middletown
Anniston	Little Rock	Rancho Cordova	Norwalk
Birmingham	North Little Rock	Richmond	Norwich
Decatur	Rogers	Riverside	Waterbury
Florence		Rocklin	
Gadsden	California	Santa Barbara	Florida
Opelika	Burbank	San Bernardino	Jacksonville
Tuscaloosa	Cathedral City	County	Marion County
	Chino Hills	Santa Maria	Miami
American Samoa	Buena Park	South Gate	Miramar
	Elk Grove		North Miami
Arizona	Escondido	Colorado	Orlando
Tempe	Fremont	Arvada	Pensacola
	Garden Grove	Commerce City	Punta Gorda
Arkansas	Los Angeles County	Thornton	
Fayetteville	Menifee		Georgia
Fort Smith	Modesto	Connecticut	Albany
Hot Springs	Norwalk	Fairfield	Athens-Clarke
Jacksonville	Perris	Greenwich	County
		Manchester	Cobb County

Dalton Fulton County Valdosta Warner Robins

Hawaii Hawaii County

Idaho Boise Idaho Falls Meridian

Illinois Des Plaines Evanston McHenry County Moline Oak Park Rock Island Urbana

Indiana Bloomington East Chicago Elkhart Hammond Kokomo South Bend

lowa Waterloo

Kansas

Shawnee

Kentucky Lexington-Fayette County

Louisiana Alexandria Baton Rouge Lafayette New Orleans

Maine Bangor Biddeford Lewiston Cumberland County Portland

Maryland Annapolis Salisbury

Massachusetts Arlington Cambridge Haverhill Lawrence Leominster Lowell Malden Peabody Salem Westfield Michigan Bay City East Lansing Genesee County Muskegon Redford Southfield Sterling Heights Westland

Minnesota Anoka County Duluth North Mankato Ramsey County Washington County

Mississippi Jackson

Missouri Jefferson City O'Fallon St. Charles St. Louis

Nebraska Lincoln

Nevada Henderson Las Vegas **New Hampshire** Portsmouth Rochester

New Jersey Camden Clifton Long Branch

New Mexico Rio Rancho

New York Amherst Brookhaven Cheektowaga Erie County Hamburg Islip Schenectady White Plains

North Carolina Asheville Durham Greensboro Jacksonville

North Dakota Grand Forks Northern Mariana Islands

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Ohio

Bowling Green Canton Cincinnati Cleveland Heights Columbus Dayton Hamilton Kettering Springfield Steubenville

Oklahoma Tulsa

Oregon Bend Corvallis Hillsboro Medford Salem

Pennsylvania Abington Altoona Chester Chester County Delaware County Wilkes-Barre

Puerto Rico

Municipio de Arecibo Municipio de Humacao

Rhode Island

Cranston East Providence Pawtucket Providence

South Carolina Charleston Charleston County Florence Richland County

South Dakota Rapid City

Tennessee Bristol Chattanooga Clarksville Jackson Knoxville Morristown Nashville-Davidson County

Texas

Arlington Beaumont Brazoria County Bryan College Station Galveston Garland Harris County Killeen Lewisville McAllen Mesquite Mission Odessa Round Rock San Antonio Waco

Utah Salt Lake City West Jordan

Vermont Burlington

Virginia Alexandria Charlottesville Chesapeake Newport News Richmond Roanoke Suffolk

Washington Bellevue Bremerton Federal Way Lakewood Marysville Richland Seattle Spokane County

West Virginia Beckley Vienna Weirton

Wisconsin

Appleton La Crosse Madison Milwaukee County Oshkosh Sheybogan Superior Wausau