

## The CDBG Coalition:

- American Federation of State County Municipal Employees
- Council of State Community Development Agencies
- Enterprise Community Partners
- Habitat for Humanity International
- Housing Assistance Council
- International Economic Development Council
- Local Initiatives Support Corporation
- National Association for County Community and Economic Development
- National Association of Counties
- National Association of Development Organizations
- National Association of Housing and Redevelopment Officials
- National Association of Local Housing Finance Agencies
- National Community Development Association
- National Conference of Black Mayors
- National Housing Conference
- National League of Cities
- National Low Income Housing Coalition
- National NeighborWorks® Association
- National Rural Housing Coalition
- United States Conference of Mayors

# Consequences for American Communities

A national survey on the impact of recent reductions in  
Community Development Block Grant funding

March 15, 2006



# Consequences for American Communities: A national survey on the impact of recent reductions in Community Development Block Grant funding

A Report of the CDBG Coalition

*Prepared by the  
National Association of Housing and Redevelopment Officials*



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# Introduction: The CDBG Program

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The Community Development Block Grant (CDBG) program provides annual formula grants to entitled cities, urban counties and states. These grants fund a wide range of community development activities directed toward neighborhood revitalization, affordable housing, economic development, and the provision of improved community facilities and services.

Congress determines the annual appropriation for CDBG, and funding is split between states and local jurisdictions called "entitlement communities." Entitlement communities are principal cities of Metropolitan Statistical Areas; other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). States develop funding priorities and criteria and award grants to units of general local government that do not qualify as entitlement communities. The U.S. Department of Housing and Urban Development (HUD) calculates each grant amount using a statutory formula involving several objective measures of community need, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. For Fiscal Year (FY) 2006, over 1100 entitlement communities received CDBG formula funding, along with 49 States<sup>1</sup> and the Commonwealth of Puerto Rico.

All CDBG-funded activities must meet one of three national objectives: providing benefit to low- and moderate-income persons; preventing or eliminating slums or blight; and meeting community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. A minimum of 70 percent of CDBG funds must be used for activities that principally benefit low- and moderate-income persons, defined as persons at 80 percent or less of area median income.

Eligible activities for CDBG funds include but are not limited to:

- Assistance to private businesses to carry out economic development and job creation/retention activities;
- Community revitalization including addressing slum and blight;
- Rehabilitation of residential and non-residential structures;
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- Activities relating to energy conservation and renewable energy resources; and
- Public community development services (e.g. senior support services, child care, community policing)

## CDBG under Attack

For over 30 years, CDBG has served as the cornerstone of the federal government's commitment to partnering with states and local communities to strengthen our nation's communities and improve the quality of life for low-and moderate-income Americans.

On the occasion of the CDBG program's 30<sup>th</sup> anniversary in the fall of 2004, HUD issued a statement<sup>2</sup> commemorating the event in which it said of CDBG:

*"[It] is the most reliable source of funding for addressing the critical social, economic, and environmental problems in our cities. Its design puts funding back into the cities where it is specifically targeted to those individuals who, without these funds, would not have access to services that only CDBG can provide... For cities large and small, urban and rural, CDBG has been the driving force for housing rehabilitation, neighborhood improvements, and local economic development initiatives. It has*

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<sup>1</sup> The State of Hawaii does not participate in the CDBG nonentitlement program

<sup>2</sup> U.S. Department of Housing and Urban Development, "CDBG's 30th Anniversary," <http://www.hud.gov/offices/cpd/communitydevelopment/programs/cdbg30/index.cfm>.

*improved water and sewer systems, provided loans for business development, supported services for lower income elderly and children, and expanded homeownership opportunities. And CDBG will continue to help create a better standard of living for all of America's people."*

Less than five months after HUD celebrated the CDBG's 30<sup>th</sup> anniversary with a gala event in Washington, DC, the President's FY 2006 budget,<sup>3</sup> released on February 7, 2005, called for the elimination of the program. Under the so-called "Strengthening America's Communities Initiative" (SACI), CDBG and 17 other federal community and economic development programs would have been eliminated and replaced by a single new and untested economic development program to be administered by the Department of Commerce. The President's budget sought just \$3.7 billion for this new Commerce program, a 33 percent reduction compared to the \$5.6 billion in total funding appropriated for the 18 programs for FY 2005. CDBG formula grants alone were funded at \$4.11 billion for FY 2005.

A broad coalition of national associations and organizations representing local elected officials, community development practitioners, and nonprofit organizations condemned the SACI proposal and rallied in defense of CDBG. Congress ultimately rejected the proposal and funded the CDBG program at HUD for FY 2006.

While the program survived, Congress provided just \$3.711 billion for CDBG formula grants for FY 2006, a 10 percent reduction in funding compared to the FY 2005 level and a reduction of over 14 percent compared to the FY 2004 level of \$4.331 billion. It should also be noted that the CDBG program has added nearly 100 new entitlement communities in the last three years alone. This ongoing influx of entitlement communities, coupled with declining overall funding, means that a growing number of communities are asked to do more with less.<sup>4</sup>

The President's FY 2007 budget<sup>5</sup> keeps CDBG at HUD but proposes just \$2.775 billion<sup>6</sup> for CDBG formula grants. If that funding figure is enacted, it would reduce CDBG formula funding by an additional 25 percent over the FY 2006 level. The CDBG Coalition has called for no less than \$4.5 billion in CDBG formula funding for FY 2007.

## **Understanding the Consequences**

Although the member organizations of the CDBG Coalition succeeded in preserving the CDBG program at HUD, the 10 percent cut to formula funding for FY 2006 is just the latest in a series of reductions that have real and harmful consequences for the efforts of states, counties and cities to sustain and revitalize our nation's communities and improve the quality of life for low- and moderate-income Americans.

The CDBG Coalition hopes the results of the survey will raise awareness of the real-world impact of declining CDBG funding. The information respondents have provided should also provide insights into the potential consequences of any additional reductions to CDBG formula grants. The Administration and the Congress have made choices concerning CDBG funding. Here are just a few of the consequences of those choices.

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<sup>3</sup> Office of Management and Budget, "Budget of the United States Government, Fiscal Year 2006," <http://www.whitehouse.gov/omb/budget/fy2006/>.

<sup>4</sup> See Appendix D for information on the total number of CDBG grantees and total CDBG allocations for the past 14 federal fiscal years.

<sup>5</sup> Office of Management and Budget, "Budget of the United States Government, Fiscal Year 2007," <http://www.whitehouse.gov/omb/budget/fy2007/>.

<sup>6</sup> This figure does not include a proposed \$200 million set-aside for a competitive grant-making program.

# Summary of Survey Results

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The CDBG Coalition's survey on the impact of recent reductions in Community Development Block Grant Program funding generated 351 valid responses from CDBG formula grantees in 43 States and the Commonwealth of Puerto Rico. These respondents represent 30 percent of all CDBG formula grantees, including 68 percent of all CDBG state programs and 28 percent of all entitlement communities. The survey's 351 respondents received a total of \$1,845,407,116 in CDBG formula allocations for FY 2006, representing 50 percent of all FY 2006 CDBG formula funding.

The survey asked respondents to provide projections of what they will be able to achieve with their reduced FY 2006 formula allocations as compared to the results they achieved using their FY 2004 grants. The results of the survey suggest that the 14 percent reduction in formula funding for CDBG over the last two fiscal years is having a substantial negative effect on the collective ability of states, cities, and counties to serve Americans in need, promote homeownership, grow local economies, and strengthen the nation's infrastructure.

Projected reductions from states, cities, and counties include:

5,588 fewer businesses to be assisted, 14,881 fewer jobs to be created, and 3,345 fewer jobs to be retained  
CDBG is an engine of economic growth. In its first 25 years, the program created 2.2 million jobs, generated over \$50 billion in personal earnings, and produced \$150 billion in total economic benefit.<sup>7</sup>

5,843 fewer households to be assisted through homebuyer assistance activities, including a total of 2,533 first-time homebuyers and 1,828 minority households

Calling homeownership "a cornerstone of America's healthy, vibrant communities," President Bush in 2002 set a goal of increasing the number of minority homeowners by at least 5.5 million before the end of the decade. In many communities, CDBG plays a strong supporting role in expanding homeownership opportunities.

5,064,408 fewer low- and moderate-income persons to be served

In 2004, the most recent year for which HUD had provided accomplishment data as of the writing of this report, approximately 95 percent of funds expended by entitlement grantees and 96 percent of state CDBG funds expended were for activities that principally benefited low- and moderate-income persons.<sup>8</sup> Recent reductions in CDBG formula funding are having a devastating effect on the efforts of states, cities, and counties to secure decent housing, suitable living environments, and expanded economic opportunities for low- and moderate-income Americans.

255,569 fewer elderly persons to be served

Persons 65 and over now account for 12 percent of the total U.S. population.<sup>9</sup> CDBG provides critical resources for programs that serve America's senior citizens, including meals on wheels, housing rehabilitation, and improvements to nursing homes and other facilities that serve the elderly.

391,823 fewer children and youth to be served

More than 29 million children in the United States are growing up in low-income families.<sup>10</sup> CDBG provides funding for programs that meet the needs of children and youth, including child care services, after school enrichment programs, and services for abused and neglected children.

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<sup>7</sup> Doaks, Michael; Athey, Lois; Fuller, Stephen; and Pitcoff, Winton, "More than Bricks and Mortar: The Economic Impact of the Community Development Block Grant Program," National Association of Housing and Redevelopment Officials, 1999.

<sup>8</sup> U.S. Department of Housing and Urban Development, "Highlights of FY 2004 CDBG Accomplishments," <http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/fy04accomplishments.cfm>.

<sup>9</sup> United States Census Bureau.

253,187 fewer persons with special needs to be served

CDBG helps to fund programs and services that improve the lives of those with physical and mental disabilities. Examples include improvements required to remove barriers to handicap access and recreational programs for developmentally disabled individuals.

196,150 fewer homeless persons to be served

The Bush Administration has set a goal of ending chronic homelessness within 10 years. Reductions in CDBG formula funding place this goal in jeopardy. CDBG funds address homelessness by supporting services and programs such as emergency shelter, transitional housing, special needs housing, and supportive services for basic needs such as food, transportation and health care.

50,046 fewer households to be assisted through housing rehabilitation activities, including 5,225 elderly households

CDBG is a leading source of funding for housing rehabilitation programs serving low-income and elderly households. These programs make possible improvements to the safety, habitability, and accessibility of homes occupied by persons unable to make those improvements themselves.

1251 new city and county public improvement projects to be canceled or delayed and 473 fewer state public improvement projects

CDBG strengthens the nation's infrastructure through the funding of water and sewer improvements, street and sidewalk projects, fire stations, public facilities, and the remediation of environmental contamination. The reductions in CDBG formula funding have led to the cancellation or delay of scores of public improvement projects that would have served hundreds of thousands of Americans. Survey results also indicate state programs will fund substantially fewer of these vitally important infrastructure projects than in 2004, leaving hundreds of thousands underserved.

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<sup>10</sup> "Basic Facts About Low -Income Children in the United States," National Center for Children in Poverty .

# Full Results

## Respondents in Detail

*"Thirty years later, CDBG continues to help more than a thousand communities to do what they could not accomplish themselves."*

-HUD News Release (September 13, 2004)<sup>11</sup>

The online survey instrument generated 351 valid responses from CDBG formula grantees. Respondents included 317 entitlement communities and 34 state programs. Entitlement community respondents included 256 entitlement cities and 61 entitlement counties. Overall, responses were received from grantees in 43 states as well as the Commonwealth of Puerto Rico

Respondents represent 30 percent of all CDBG formula grantees (351 of 1182), 68 percent of all CDBG state programs (34 of 50), and 28 percent of all entitlement communities (317 of 1132).

**FY 2004 funding:** The survey's 351 respondents received a total of \$2,167,204,718 in CDBG formula allocations for FY 2004. This represents 50 percent of all FY 2004 CDBG formula funding. The 317 entitlement community respondents received a total of \$1,329,053,310 in FY 2004 CDBG formula allocations, representing 44 percent of the total entitlement share for FY 2004. The 34 state program respondents received a total of \$838,151,408 in FY 2004 CDBG formula allocations, representing 65 percent of the total non-entitlement share for FY 2004.

**FY 2006 funding:** The survey's 351 respondents received a total of \$1,845,407,116 in CDBG formula allocations for FY 2006. This represents 50 percent of all FY 2006 CDBG formula funding. The 317 entitlement community respondents received a total of \$1,128,680,588 in FY 2006 CDBG formula allocations, representing 44 percent of the total entitlement share for FY 2006. The 34 state program respondents received a total of \$716,726,528 in FY 2006 CDBG formula allocations, representing 65 percent of the total non-entitlement share for FY 2006.

**Table 1: Respondents in Detail**

	Respondents	Total FY 2004 CDBG <sup>12</sup>	Total FY 2006 CDBG <sup>13</sup>	Funding loss FY 2004 to FY 2006	
Entitlement Cities	256	\$1,044,529,001	\$889,419,242	-\$155,109,759	-14.85%
Entitlement Counties	61	\$284,524,309	\$239,261,346	-\$45,262,963	-15.91%
<i>Subtotal: All Entitlement Communities</i>	317	\$1,329,053,310	\$1,128,680,588	-\$200,372,722	-15.08%
State Programs	34	\$838,151,408	\$716,726,528	-\$121,424,880	-14.49%
<b>Total: All Respondents</b>	<b>351</b>	<b>\$2,167,204,718</b>	<b>\$1,845,407,116</b>	<b>-\$321,797,602</b>	<b>-14.85%</b>

<sup>11</sup> U.S. Department of Housing and Urban Development, "HUD Recognizes 14 Local Communities for Outstanding Achievement in Community Development," News Release, September 13, 2004, <http://www.hud.gov/news/release.cfm?content=pr04-088.cfm>.

<sup>12</sup> Respondents self-reported FY 2004 CDBG formula allocations. The online survey referred respondents to HUD's "Community Planning and Development Program Formula Allocations for FY 2004," available online at <http://www.hud.gov/offices/cpd/about/budget/budget04/index.cfm>.

<sup>13</sup> Respondents self-reported FY 2006 CDBG formula allocations. The online survey referred respondents to HUD's "Community Planning and Development Program Formula Allocations for FY 2006," available online at <http://www.hud.gov/offices/cpd/about/budget/budget06/index.cfm>.



## Reductions in Persons Served

*"The cuts...will significantly affect the number of programs that we can serve and the number of people assisted by those programs. Additionally, we will need to lay off staff and discontinue many services that serve the homeless and elderly."*

-Respondent representing a California entitlement city<sup>14</sup>

*"The reductions have had a significant impact on our ability to fund public service activities. As our communities' needs change, we find that we are less able to react with new programs. We are facing cuts in services to assist the homeless, victims of domestic violence and their children, and transportation services for the elderly and disabled. Elderly case management services and socialization activities have already been cut."*

-Respondent representing a New Jersey entitlement county

The survey asked respondents to project reductions in persons served by their respective grantee's full range of CDBG-funded activities. In order to make these projections, each respondent was instructed to use results achieved with the grantee's FY 2004 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2006 allocation.

Respondents were asked to project reductions in persons served within each of the following categories: the total number of Low- and Moderate-Income (LMI) persons served (inclusive of other categories), elderly persons, children and youth, persons with special needs, and homeless persons.

### Low- and Moderate-Income Persons (total)

- 83 percent of entitlement respondents and 91 percent of state program respondents projected a reduction in the total number of LMI persons to be assisted through CDBG funding compared to results achieved using FY 2004 allocations.
- 262 entitlement communities projected a total of 3,729,006 fewer LMI persons to be served.
- 31 state programs projected a total of 1,335,402 fewer LMI persons to be served.
- **Overall, respondents projected a total of 5,064,408 fewer LMI persons to be served.**

**Table 2: Reductions in Low- and Moderate-Income (LMI) Persons Served**

	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	209	2,532,695
Entitlement Counties	53	1,196,311
<i>Subtotal: All Entitlement Communities</i>	262	3,729,006
State Programs	31	1,335,402
<b>Total: All Respondents</b>	<b>293</b>	<b>5,064,408</b>

<sup>14</sup> Unless a respondent explicitly provided permission to be quoted, respondents' comments are reproduced anonymously.

## Elderly Persons

- 67 percent of entitlement respondents and 56 percent of state program respondents projected a reduction in the number of elderly persons to be assisted through CDBG funding compared to results achieved using FY 2004 allocations.
- 212 entitlement communities projected a total of 230,223 fewer elderly persons to be served.
- 19 state programs projected a total of 25,346 fewer elderly persons to be served.
- **Overall, respondents projected a total of 255,569 fewer elderly persons to be served.**

**Table 3: Reductions in Elderly Persons Served**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (persons)</b>
Entitlement Cities	171	149,537
Entitlement Counties	41	80,686
<i>Subtotal: All Entitlement Communities</i>	212	230,223
State Programs	19	25,346
<b>Total: All Respondents</b>	<b>231</b>	<b>255,569</b>

## Children and Youth

- 60 percent of entitlement respondents and 24 percent of state program respondents projected a reduction in the number of children and youth to be assisted through CDBG funding compared to results achieved using FY 2004 allocations.
- 189 entitlement communities projected a total of 389,773 fewer children and youth to be served.
- 8 state programs projected a total of 2,050 fewer children and youth to be served.
- **Overall, respondents projected a total of 391,823 fewer children and youth to be served.**

**Table 4: Reductions in Children and Youth Served**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (persons)</b>
Entitlement Cities	158	263,998
Entitlement Counties	31	125,775
<i>Subtotal: All Entitlement Communities</i>	189	389,773
State Programs	8	2,050
<b>Total: All Respondents</b>	<b>197</b>	<b>391,823</b>

## Persons with Special Needs

- 51 percent of entitlement respondents and 38 percent of state program respondents projected a reduction in the number of persons with special needs (persons with physical disabilities, mental disabilities, etc.) to be assisted through CDBG funding compared to results achieved using FY 2004 allocations
- 162 entitlement communities projected a total of 224,586 fewer persons with special needs to be served.
- 13 state programs projected a total of 28,601 fewer persons with special needs to be served
- **Overall, respondents projected a total of 253,187 fewer persons with special needs to be served.**

**Table 5: Reductions in Persons with Special Needs Served**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (persons)</b>
Entitlement Cities	126	146,539
Entitlement Counties	36	78,047
<i>Subtotal: All Entitlement Communities</i>	162	224,586
State Programs	13	28,601
<b>Total: All Respondents</b>	<b>175</b>	<b>253,187</b>

## Homeless Persons

- 51 percent of entitlement respondents and 15 percent of state program respondents projected a reduction in the number of homeless persons to be assisted through CDBG funding compared to results achieved using FY 2004 allocations.
- 161 entitlement communities projected a total of 192,762 fewer homeless persons to be served.
- 5 state programs projected a total of 3,388 fewer homeless persons to be served.
- **Overall, respondents projected a total 196,150 fewer homeless persons to be served.**

**Table 6: Reductions in Homeless Persons Served**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (persons)</b>
Entitlement Cities	131	157,873
Entitlement Counties	30	34,889
<i>Subtotal: All Entitlement Communities</i>	161	192,762
State Programs	5	3,388
<b>Total: All Respondents</b>	<b>166</b>	<b>196,150</b>



## Reductions in Homebuyer Assistance and Housing Rehabilitation Activities

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*"We are on the brink of losing half of our office to budget cuts and with them, the majority of our housing programs. Unless funding levels are restored to at least the Fiscal Year 2002 levels, we are doomed to failure... On average, we assist 130 to 150 homeowners annually. That includes emergency repairs, exterior housing improvements, and rehabilitations, not to mention the first-time homebuyers who will be left out due to the lack of funding. CDBG helps so many people and it has been tragic to see the reductions in assistance."*

-Respondent representing an Oklahoma entitlement city

*"The City has set housing as a goal with CDBG funds. These funds are vital to help build the city back to a viable community. We have helped numerous people and are making an effort but the reduction in funds makes this more and more difficult.... The City focuses on projects that truly help build homeownership and that make neighborhoods desirable and the City a place where people want to live. Decreasing funds lowers the number of people we are able to help each year which is starting to undo the good that we have done with our revitalization efforts. Builders now want to build in the City and believe that it can be turned around. We cannot afford to lose this momentum."*

-Respondent representing a Texas entitlement city

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The survey asked respondents to project reductions in households served through CDBG-funded homebuyer and housing rehabilitation activities. In order to make these projections, each respondent was instructed to use results achieved with the grantee's FY 2004 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2006 allocation.

### Homebuyer Assistance

Respondents were asked to project reductions in households served through homebuyer assistance activities within each of the following categories: total number of households served (inclusive of other categories), first-time homebuyers, and minority households. Respondents were not asked to provide details on any overlap between first-time homebuyers and minority households.

- 37 percent of entitlement respondents and 41 percent of state program respondents projected a reduction in the number of households to be assisted through CDBG-funded homebuyer activities compared to results achieved using FY 2004 allocations.
- 116 entitlement communities projected a total of 4,767 fewer households to be assisted. Of these, 2,281 were classified as first-time homebuyers and 1,539 were classified as minority households.
- 14 state programs projected a total of 1,076 fewer households to be assisted. Of these, 252 were classified as first-time homebuyers and 289 were classified as minority households.
- **Overall, respondents projected a total of 5,843 fewer households to be assisted through homebuyer assistance activities, including a total of 2,533 first-time homebuyers and 1,828 minority households.**

**Table 7: Reductions in Households Served through Homebuyer Assistance Activities**

	Respondents Projecting a Reduction	Total Reduction (households)	Reduction: First-time Homebuyers (households)	Reduction: Minority Households
Entitlement Cities	93	3,452	1,643	1,122
Entitlement Counties	23	1,315	638	417
<i>Subtotal: All Entitlement Communities</i>	116	4,767	2,281	1,539
State Programs	14	1,076	252	289
<b>Total: All Respondents</b>	<b>130</b>	<b>5,843</b>	<b>2,533</b>	<b>1,828</b>

## Housing Rehabilitation

Respondents were asked to project reductions in households served through housing rehabilitation activities within the following categories: total number of households served and elderly households served.

- 66 percent of entitlement respondents and 74 percent of state program respondents projected a reduction in the number of households to be assisted through CDBG-funded housing rehabilitation activities compared to results achieved using FY 2004 allocations.
- 208 entitlement communities projected a total of 46,211 fewer households to be assisted. Of these, 3,716 households were classified as elderly.
- 25 state programs projected a total of 3,835 fewer households to be assisted. Of these, 1,509 were classified as elderly.
- **Overall, respondents projected 50,046 fewer households to be assisted through housing rehabilitation activities, including a total of 5,225 elderly households.**

**Table 8: Reductions in Households Served through Housing Rehabilitation Activities**

	Respondents Projecting a Reduction	Total Reduction (households)	Reduction: Elderly Households
Entitlement Cities	165	44,198	2,927
Entitlement Counties	43	2,013	789
<i>Subtotal: All Entitlement Communities</i>	208	46,211	3,716
State Programs	25	3,835	1,509
<b>Total: All Respondents</b>	<b>233</b>	<b>50,046</b>	<b>5,225</b>

## Reductions in Businesses Assisted, Jobs Created, Jobs Retained, and Jobs to Be Lost within CDBG-Administering Agencies

*“Over 76 percent of those jobs [created by grantees in 2004 using CDBG funding] went to low- and moderate-income persons. History shows that grantees tend to provide loans to businesses in distressed areas with 56 percent of loans going to high poverty areas. Minority-owned businesses receive approximately 25 percent of the loans. Small economic development loans and grants, as well as economic development technical assistance, are often made to targeted low-income neighborhoods.”*

-HUD’s “Highlights of FY 2004 CDBG Accomplishments”<sup>15</sup>

*“The impact [of CDBG] on the state and local economy far exceeds specific economic development activities. Every CDBG dollar invested and expended in the community spurs the local economy by creating and retaining jobs in businesses, non-profit agencies and government agencies as well as through purchasing goods and services. Many of the vendors, contractors, and agencies that provide goods and services are in fact small local businesses comprised of many low and moderate income workers.”*

-Respondent representing a Michigan entitlement community

The survey asked respondents to project reductions in businesses assisted, jobs created, and jobs retained using CDBG funds. In order to make these projections, each respondent was instructed to use results achieved with the grantee’s FY 2004 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2006 allocation.

### Businesses Assisted

- 33 percent of entitlement respondents and 65 percent of state program respondents projected a reduction in the total number of businesses to be assisted through CDBG funding compared to results achieved using FY 2004 allocations.
- 104 entitlement communities projected a total of 5,297 fewer businesses to be assisted.
- 22 state programs projected a total of 291 fewer businesses to be assisted.
- **Overall, respondents projected a total of 5,588 fewer businesses to be assisted.**

**Table 9: Reductions in Businesses Assisted**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (businesses)</b>
Entitlement Cities	86	3,496
Entitlement Counties	18	1,801
<i>Subtotal: All Entitlement Communities</i>	104	5,297
State Programs	22	291
<b>Total: All Respondents</b>	<b>126</b>	<b>5,588</b>

<sup>15</sup> <http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/fy04accomplishments.cfm>

## Jobs Created

- 30 percent of entitlement respondents and 62 percent of state program respondents projected a reduction in the total number of jobs to be created through CDBG funding compared to results achieved using FY 2004 allocations.
- 95 entitlement communities projected a total of 10,912 fewer jobs to be created.
- 21 state programs projected a total of 3,969 fewer jobs to be created.
- **Overall, respondents projected a total of 14,881 fewer jobs to be created.**

**Table 10: Reductions in Jobs Created**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (jobs)</b>
Entitlement Cities	79	9,551
Entitlement Counties	16	1,361
<i>Subtotal: All Entitlement Communities</i>	95	10,912
State Programs	21	3,969
<b>Total: All Respondents</b>	<b>116</b>	<b>14,881</b>

## Jobs Retained

- 22 percent of entitlement respondents and 36 percent of state program respondents projected a reduction in the total number of jobs to be retained through CDBG funding compared to results achieved using FY 2004 allocations.
- 71 entitlement communities projected a total of 2,425 fewer jobs to be retained.
- 12 state programs projected a total of 920 fewer jobs to be retained.
- **Overall, respondents projected a total of 3,345 fewer jobs to be retained.**

**Table 11: Reductions in Jobs Retained**

	<b>Respondents Projecting a Reduction</b>	<b>Total Reduction (jobs)</b>
Entitlement Cities	60	1,811
Entitlement Counties	11	614
<i>Subtotal: All Entitlement Communities</i>	71	2,425
State Programs	12	920
<b>Total: All Respondents</b>	<b>83</b>	<b>3,345</b>

## Agency Job Loss

The survey asked each respondent to estimate how many jobs, if any, would be lost within their own agency in 2006 as a direct result of reduced CDBG funding.

- 38 percent of entitlement respondents and 35 percent of state program respondents estimated that at least one agency job would be lost due to recent cuts to CDBG formula funding.
- 122 entitlement communities projected a total of 469 agency jobs to be lost.
- 12 state programs projected a total of 37 agency jobs to be lost.
- **Overall, respondents projected 506 agency jobs to be lost.**

**Table 12: Agency Jobs to be Lost**

	<b>Respondents Projecting Agency Job Losses</b>	<b>Total Jobs Lost</b>
Entitlement Cities	94	361
Entitlement Counties	28	108
<i>Subtotal: All Entitlement Communities</i>	122	469
State Programs	12	37
<b>Total: All Respondents</b>	<b>134</b>	<b>506</b>



## Canceled or Delayed Public Improvements

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*"Not only have the cuts hampered our efforts to undertake much needed storm sewer (we have flooding problems) and street reconstruction projects, but the rise in oil prices has made all of the project costs increase considerably. We cannot accomplish even close to the amount of work that we used to accomplish with CDBG funding."*

-Respondent representing a Pennsylvania entitlement city

*"In addition to the impact of the reductions on those who will not receive help, the impact is almost as great on the private industry who receives the construction contracts as a result of CDBG. For every dollar lost in construction contracts the impact on the communities in lost commerce is estimated to be 2.5 times as great. The reduction in other associated federal programs - especially in infrastructure programs - will mean that more people will have to go without safe drinking water, safe waste disposal, and adequate fire protection."*

-Respondent representing a state program

*"If our Youth, Family and Community Resources Division has to close one center it will deprive 10,000 low- and moderate-income people of much needed crisis counseling, food, and referrals to shelter and the full range of community resources. This includes many services to the elderly and job referrals."*

-Respondent representing a Florida entitlement city

*"Only about a third of the communities in our county that apply for Program Year 2006 CDBG funds will receive a public facilities grant. That has two results. (1) Communities are unable to meet their infrastructure needs, and (2) it becomes more difficult to convince them to participate in the Urban County Requalification process every three years."*

-Respondent representing an Illinois entitlement county

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The survey asked each entitlement city and county whether their community would be forced to cancel or delay at least one public improvement project that was previously planned but not yet started due to a reduction in the size of the FY 2006 CDBG formula allocation. Respondents answering "Yes" were in turn asked to identify how many planned projects would be canceled or delayed under each of several broad categories. Finally, the survey asked respondents to estimate the total number of persons all canceled and delayed projects within each category would have served. See Table 13 on page 21 for an overview of results. A separate questionnaire asked state programs to estimate how many fewer public improvement projects under each of several similar categories would be funded compared to FY 2004. See Table 14 on page 22 for an overview of results.

- 153 cities and 38 counties indicated that at least one public improvement project would be canceled or delayed.

### Water and Sewer Improvements

- 42 cities reported a total of 104 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 72,072 persons.
  - Of these 104 projects, respondents reported that 13 involved the remediation of real or suspected environmental contamination. Respondents estimated these 13 projects would have served a total of 10,917 persons.

- 28 counties reported a total of 54 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 48,368 persons.
  - Of these 54 projects, respondents reported that 6 involved the remediation of real or suspected environmental contamination. Respondents estimated these 6 projects would have served a total of 3,148 persons.
- **Overall, 70 entitlement communities reported a total of 158 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 120,440 persons.**
  - *Of these 158 projects, respondents indicated that 19 involved the remediation of real or suspected environmental contamination. Respondents estimated these 19 projects would have served a total of 14,065 persons.*
- **Through a supplemental state questionnaire, 18 states reported a total of 93 fewer water and sewer improvement projects would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 181,713 persons.**
  - *Of these 93 projects, respondents estimated that 44 involved the remediation of real or suspected environmental contamination. Respondents estimated these 44 projects would have served a total of 51,104 persons.*

### **Other Projects Involving Remediation of Real or Suspected Environmental Contamination**

- 12 cities reported a total of 24 new projects (excluding water and sewer improvements) involving remediation of real or suspected environmental contamination would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 18,505 persons.
- 3 counties reported a total of 3 new projects (excluding water and sewer improvements) involving remediation of real or suspected environmental contamination would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 19,727 persons.
- **Overall, 15 entitlement communities reported a total of 27 new projects (excluding water and sewer improvements) involving remediation of real or suspected environmental contamination would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 38,232 persons.**
- **Through the supplemental state questionnaire, 2 states reported a total of 5 fewer projects (excluding water and sewer improvement) involving the remediation of real or suspected environmental contamination would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 17,000 persons.**

### **Street Improvements**

- 92 cities reported a total of 221 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 461,152 persons.
- 25 counties reported a total of 82 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 91,773 persons.
- **Overall, 117 entitlement communities reported a total of 303 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 552,925 persons.**

- **Through the supplemental state questionnaire, 15 states reported a total of 114 fewer street improvement projects would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 67,247 persons.**

### **Sidewalk Improvements**

- 68 cities reported a total of 317 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 361,952 persons.
- 17 counties reported a total of 37 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 121,276 persons.
- **Overall, 85 entitlement communities reported a total of 354 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 483,228 persons.**
- The supplemental state questionnaire did not include a question related to sidewalk improvements.

### **Community and Neighborhood Centers (including senior centers; youth centers; centers for children, including childcare centers; centers for the disabled and handicapped; and other centers)**

- 43 cities reported a total 74 new projects involving centers would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 117,433 persons.
- 21 counties reported a total of 53 new projects involving centers would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 222,905 persons.
- **Overall, 64 entitlement communities reported a total of 127 new projects involving centers would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 340,338 persons.**
- **Through the supplemental state questionnaire, 19 states reported a total of 59 fewer projects involving new community and neighborhood centers would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 69,437 persons.**

### **Facilities (including new homeless facilities, health facilities, abused and neglected children facilities, and facilities for AIDS patients)**

- 25 cities reported a total of 33 new projects involving facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 18,035 persons.
- 8 counties reported a total of 15 new projects involving facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 51,515 persons.
- **Overall, 33 entitlement communities reported a total of 48 new projects involving facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 69,550 persons.**

- Through the supplemental state questionnaire, 16 states reported a total of 156 fewer projects involving public facilities would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 217,763 persons.
- The supplemental state questionnaire included homeless facilities under a separate question. Three states reported a total of 4 projects involving homeless facilities would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 3,667 persons.

### **Parks and Recreational Facilities**

- 67 cities reported a total of 172 new projects involving parks and recreational facilities would be canceled or delayed. Respondents estimated these canceled and delayed project would have served a total of 465,749 persons.
- 16 counties reported a total of 36 new projects involving parks and recreational facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 143,571 persons.
- **Overall, 83 entitlement communities reported a total of 208 new projects involving parks and recreational facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 609,320 persons.**
- Through the supplemental state questionnaire, 6 states reported a total of 12 fewer projects involving public facilities would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 11,557 persons.

### **Fire Stations and Equipment**

- 14 cities reported a total of 21 new projects involving fire stations and fire equipment would be canceled or delayed. Respondents estimated these canceled and delayed project would have served a total of 147,321 persons.
- 5 counties reported a total of 5 new projects involving fire stations and fire equipment would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served 16,441 persons.
- **Overall, 19 entitlement communities reported a total of 26 new projects involving fire stations and fire equipment would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served 163,762 persons.**
- Through the supplemental state questionnaire, 12 states reported a total of 30 fewer projects involving fire stations and fire equipment would be funded compared to FY 2004. Respondents estimated these unfunded projects would have served a total of 86,140 persons.

**Table 13: Canceled or Delayed Public Improvement Projects (Entitlement Cities and Counties)**

	Respondents Reporting Canceled or Delayed Projects	Total Projects to be Canceled or Delayed	Total Unservd (persons)
<b>Water and Sewer</b>			
Entitlement Cities	42	104	72,072
<i>Involving Remediation</i>		13	10,917
Entitlement Counties	28	54	48,368
<i>Involving Remediation</i>		6	3,148
<b>All Entitlement Communities</b>	<b>70</b>	<b>158</b>	<b>120,440</b>
<i>Involving Remediation</i>		19	14,065
<b>Other Remediation</b>			
Entitlement Cities	12	24	18,505
Entitlement Counties	3	3	19,727
<b>All Entitlement Communities</b>	<b>15</b>	<b>27</b>	<b>38,232</b>
<b>Street Improvements</b>			
Entitlement Cities	92	221	461,152
Entitlement Counties	25	82	91,773
<b>All Entitlement Communities</b>	<b>117</b>	<b>303</b>	<b>552,925</b>
<b>Sidewalk Improvements</b>			
Entitlement Cities	68	317	361,952
Entitlement Counties	17	37	121,276
<b>All Entitlement Communities</b>	<b>85</b>	<b>354</b>	<b>483,228</b>
<b>Community Centers</b>			
Entitlement Cities	43	74	117,433
Entitlement Counties	21	53	222,905
<b>All Entitlement Communities</b>	<b>64</b>	<b>127</b>	<b>340,338</b>
<b>Facilities</b>			
Entitlement Cities	25	33	18,035
Entitlement Counties	8	15	51,515
<b>All Entitlement Communities</b>	<b>33</b>	<b>48</b>	<b>69,550</b>
<b>Parks and Recreational Facilities</b>			
Entitlement Cities	67	172	465,479
Entitlement Counties	16	36	143,571
<b>All Entitlement Communities</b>	<b>83</b>	<b>208</b>	<b>609,320</b>
<b>Fire Stations and Equipment</b>			
Entitlement Cities	14	21	147,321
Entitlement Counties	5	5	16,441
<b>All Entitlement Communities</b>	<b>19</b>	<b>26</b>	<b>163,762</b>

**Table 14: Reductions in Public Improvement Projects to Be Funded by State Programs**

	<b>Respondents Reporting Reductions in Projects to be Funded</b>	<b>Total Reduction (Projects)</b>	<b>Total Unservd (persons)</b>
<b>Water and Sewer</b>	18	93	181,713
<i>Involving Remediation</i>		44	51,104
<b>Other Remediation</b>	2	5	17,000
<b>Street Improvements</b>	15	114	67,247
<b>Community Centers</b>	19	59	69,437
<b>Facilities</b>	16	156	217,763
<b>Homeless Facilities</b>	3	4	3,667
<b>Parks and Recreational Facilities</b>	6	12	11,557
<b>Fire Stations and Equipment</b>	12	30	86,140

## Unfunded Applications and Unmet Need

*"People are very discouraged in planning for the next year. Subrecipient applicants likewise are reluctant to put substantial funds into preparation of an application, when funding is greatly reduced or eliminated. This is a downward spiral of negative thinking."*

-Respondent representing an Oregon entitlement city

*"These cuts have caused our agency to propose cutting a total program for the 2006 program year. We normally accept Water/Sewer applications in May and General Community Development (all non-water/sewer projects) applications in July. We are proposing to eliminate the General Community Development application round due to the loss of [funding]."*

-Respondent representing a state program

*"Cuts have caused us to be far more selective and stringent when reviewing applications. Competition for funds among our applicants is stiffer. While this would appear to be productive, it is not. Worthy eligible applicants serving needy populations are being penalized by the cuts... These populations appear to have no voice in federal budget cuts."*

-Respondent representing a Pennsylvania entitlement city

The survey asked respondents to consider both the number of applications for CDBG funding they had received and the number they had been able to fund during recent program years. Respondents were instructed to consider only those applications involving legitimate, eligible projects that they would be inclined to fund if resources were available to do so.

Respondents were asked to provide their best estimates of the following:

1. The number of applications for CDBG funding the grantee expects to receive in the coming year
2. The number of applications for CDBG funding the grantee expects to be able to fund in the coming year
3. "Unmet need," defined as the increase to the grantee's FY 2006 CDBG formula allocation that would be needed in order to fund all legitimate applications in the coming year.

States provided similar information through the supplemental questionnaire.

- Overall, 182 entitlement communities estimated that only 5,086 applications would be funded out of a total of 10,586 applications received. These 182 entitlement communities estimated that a total of \$355,683,443 in additional FY 2006 CDBG formula funding would be needed to fund all applications.
- The 182 entitlement communities received a total of \$645,689,837 in FY 2006 CDBG formula funding.
- Through the supplemental state questionnaire, 20 state programs estimated that only 1,500 applications would be funded out of a total of 2,981 applications received.

**Table 15: Unfunded Applications and Unmet Need**

	<b>Total Applications</b>				
	<b>Respondents</b>	<b>To be received</b>	<b>To be funded</b>	<b>Unmet Need</b>	<b>Total FY 2006 CDBG</b>
Entitlement Cities	143	6,374	2,932	\$227,949,675	\$466,040,895
Entitlement Counties	39	4,212	2,154	\$127,733,768	\$179,648,942
<b>Total: All Entitlements</b>	<b>182</b>	<b>10,586</b>	<b>5,086</b>	<b>\$355,683,443</b>	<b>\$645,689,837</b>
<b>States</b>	<b>20</b>	<b>2,981</b>	<b>1,500</b>		



# Appendix A:

## Additional Comments on the FY 2007 Budget Proposal

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A number of communities provided additional comments concerning the potential impact of an additional 25 percent to CDBG formula funding as proposed in the President's FY 2007 budget. Excerpts from these comments are provided below:

*"If CDBG formula funding is cut by an additional 25 percent for FY 2007, [our] CDBG Program would be forced to reduce an already lean staff by an additional 1.5 FTE (fulltime employees) and restructure the way we do business. The restructure would likely include less technical assistance activities and approximately four set-aside programs that are available to the jurisdictions we serve on a year-round basis would be eliminated. These set-asides have enhanced our ability to provide funds when needed and have enabled us to enter into successful partnerships with our economic development, housing and community services divisions. All this would be lost."*

-Respondent representing the Washington State CDBG program

*"The funding reduction for South Carolina from 2004 to 2007 proposed is \$10 million... We would have to reevaluate our housing programs... Another possible impact would be on economic development. In the past, South Carolina has typically allocated 30 percent of its allocation (about \$10 million) for economic development. Our state has the 3<sup>rd</sup> highest unemployment in the country behind only Louisiana and Mississippi. Our ability to use CDBG to try to spur job creation in our rural areas will be significantly hampered at a time when we need it most. Finally, we also spend a significant amount on infrastructure projects to resolve health and safety problems associated with failing septic systems, poor quality wells or other EPA quality standards. The rural, low income communities that we serve cannot afford the expensive solutions that these fixes require. Projects of this sort help our communities and the people who live there to have basic living standards."*

-Respondent representing the South Carolina state CDBG program

*"If approved, the City would receive a \$1,029,716 reduction in entitlement funds. This would have a significant impact on community infrastructure projects and home repair programs... Reductions in public service funds would result in discontinuing community-based crime prevention/education programs, after-school youth activities, and home foreclosure assistance programs. Reductions in administrative funds would impact community planning initiatives and support for fair housing activities. It would also require additional staff reductions in the Community Development Department which would impede our ability to properly administer and monitor these federal resources. Between the City's fiscal year 2001 and the upcoming fiscal year 2007, the City of Grand Rapids has reduced its Community Development Department staff by 4 percent due to reductions in federal and local resources."*

-Respondent representing the City of Grand Rapids, Michigan

*"The proposed 25 percent additional cut in 2007 will bring a definite problem with implementing projects and possible elimination of programs, as well as, at least one staff member that could be laid off. Since the CDBG cuts have been decreasing in the last 4-5 years it has been extremely difficult to maintain programs, staff, etc. Fortunately, up until this point in time, no one has been laid off, and programs have remained, however, we foresee this happening in 2007."*

-Respondent representing a Michigan entitlement city

*We could no longer afford to market the City for business development and provide extensive technical assistance to entrepreneurs, nor could the City afford to fund the financial gap to create jobs available to low income job seekers. The City would drastically cut or eliminate public services offered to the lowest income persons in the City, namely the elderly, the disabled and the homeless... The City would have to determine if it was even worthwhile offering any housing rehabilitation programs, thereby increasing the number of substandard housing available to the lowest income homeowners... Already, due to 2005 and 2006 cut backs, the city reduced funds to demolish placarded single family residences and eliminated the roadway resurfacing program in low income neighborhoods. With a 25 percent cutback, the lowest of income people and neighborhoods are affected immediately, affecting escalation through job opportunities, deteriorated homes and roadways, and lack of services. The downward spiraling effect will demand significantly more funds to fix than to maintain.*

-Respondent representing an Illinois entitlement city



## Appendix B: Background Information on the Survey

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Members of the CDBG Coalition, representing the majority of cities, counties and states that receive CDBG formula grants, conducted this survey in an attempt to better understand the national impact of the Fiscal Year 2006 reduction in CDBG formula funding.

The National Association of Housing and Redevelopment Officials (NAHRO), with substantial input from its coalition partners, designed a web-based survey instrument using the online survey software product *SurveyMonkey*. The online instrument was based in part on a draft list of questions originally developed by the National Community Development Association and the National Association of Counties.

Because entitlement and state programs differ in the way they fund projects, a supplemental email survey was also conducted by the Council of State Community Development Agencies to gather data on the impact of the funding cuts on states' public improvement programming. Results from the supplemental survey are included in this report where applicable.

The survey was conducted from February 7, 2006 through March 6, 2006. NAHRO compiled and analyzed results from the online survey and produced the final report.



# Appendix C: Online Survey Questions

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## 1. Grantee Information

- Agency
- Grantee contact city
- State
- Five digit ZIP Code

## 2. Respondent Information

- Your name
- Your title
- Business phone
- Email address

## 3. Grantee type:

- State/Commonwealth
- Entitlement city/town/township/municipality/borough
- Entitlement county/parish

## 4. FY 2006 CDBG allocation:

## 5. FY 2004 CDBG allocation:

6. Considering the full range of activities you funded using your FY 2004 CDBG allocation and the activities you expect to fund using your FY 2006 allocation, how many fewer of each of the following types of individuals do you predict you will be able to serve in the coming year?

- Low- and Moderate-Income (LMI) persons (total)
- Elderly persons
- Children and youth (under the age of 18)
- Special needs persons (persons with physical disabilities, mental disabilities, etc.)
- Homeless persons

7. How many fewer households do you estimate you will be able to assist through homebuyer programs in the coming year?

- Total
- First-time homebuyers
- Minority homebuyers

8. How many fewer households do you predict you will be able to assist through homeowner rehabilitation and other residential rehabilitation activities in the coming year?

- Total
- Elderly

9. How many fewer businesses do you estimate you will be able to assist in the coming year?

10. How many fewer jobs do you estimate your CDBG program will help to create in the coming year?

11. How many fewer jobs do you estimate your CDBG program will help to retain in the coming year?

12. How many jobs do you estimate will be lost within your agency this year due to the reduction in your CDBG allocation?

13. Due to a reduction in the size of your CDBG allocation, do you believe your community will be forced to cancel or delay at least one public improvement project that was previously planned but not yet started? (State agencies were instructed to skip this question)

- Yes
- No
- Skip  
*(Selecting "No" or "Skip" automatically advanced respondents to Question 25)*

## 14. New Water and Sewer Improvement Projects

- Number of projects to be canceled or delayed
- Of these, number that involve the remediation of real or suspected environmental contamination
- Number of persons that would have been served by all canceled/delayed water and sewer projects
- Number of persons that would have been served by canceled/delayed water and sewer projects involving the remediation of real or suspected environmental contamination

15-21. For each of the following categories, provide your best estimate of the number of projects to be canceled or delayed and the number of persons that would have been served by canceled or delayed projects

- Other new projects involving the remediation of real or suspected environmental contamination
- New Street Improvement Projects
- New Sidewalk Projects
- New Community and Neighborhood Centers/Senior Centers/Youth Centers/Children Centers (including childcare)/Centers for the Disabled and Handicapped
- New Homeless Facilities/Health Facilities/Abused and Neglected Children Facilities/Facilities for AIDS Patients
- New Parks and Recreation Facilities
- New Fire Station and Fire Equipment-related Projects

25. Best estimate of the number of applications for CDBG funding you will receive in the coming year:

26. Best estimate of the number of applications you will be able to fund in the coming year:

27. Best estimate of how much larger your state's or community's FY 2006 CDBG allocation would have to be in order to fund all legitimate applications in the coming year:

28. Please use the space provided below to share any additional information about the impact of recent CDBG cuts on your state or community:



# Appendix D: Questionnaire for State Programs

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1. What is your best estimate of the number of applications for CDBG funding you will receive in the coming year? (Use an average of the past 5 years as a basis.)

2) Taking into consideration the 10 percent cut, what is your best estimate of the number of applications you will be able to fund in the FY 2006 program year?

3) What is your best estimate of how much larger your FY 2006 CDBG allocation would have to be in order to fund all eligible applications that you expect to receive in FY 2006?

4) Due to reduction in your CDBG allocation, compared to the FY 2004 program year, will you fund fewer projects in the following categories? If so, please provide the data on the number of people impacted. Please answer both parts of this question (estimate)

- A. Public Facilities  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- B. Fire Station and Fire Equipment-related Projects  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- C. Parks and Recreation Facilities  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- D. Water and Sewer Improvement Projects  
*Number of projects that will not be funded*  
*Number of persons that will not be served*  
  
Of these water and sewer projects, what is number that involve the remediation of real or suspected environmental contamination  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- E. Remediation of real or suspected environmental contamination projects(excluding water and sewer projects)  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- F. Street Improvement Projects  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- G. New Community and Neighborhood Centers (i.e., Senior Centers/Youth Centers/Child care centers, centers for the Disabled and Handicapped)  
*Number of projects that will not be funded*  
*Number of persons that will not be served*
- H. Homeless Facilities  
*Number of projects that will not be funded*  
*Number of persons that will not be served*



# Appendix E: Respondents

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## State Programs

Arkansas	Kentucky	North Dakota	Ohio	Texas
Arizona	Louisiana	Nebraska	Oklahoma	Utah
California	Maryland	New Hampshire	Pennsylvania	Virginia
Connecticut	Michigan	New Jersey	Puerto Rico	Washington
Delaware	Minnesota	New Mexico	Rhode Island	Wisconsin
Georgia	Missouri	New York	South Carolina	West Virginia
Iowa	Montana	North Carolina	South Dakota	

## Cities

<b>Alaska</b> Anchorage	Sacramento Santa Ana Santa Barbara Santee South San Francisco Stockton Tustin Vallejo Vista	Warner Robins Marietta	<b>Kansas</b> Leavenworth Overland Park	<b>Minnesota</b> Brooklyn Park Minnetonka Plymouth Rochester St. Cloud St. Paul
<b>Alabama</b> Auburn Huntsville	<b>Colorado</b> Arvada Fort Collins Greeley Lakewood Longmont Loveland Pueblo	<b>Hawaii</b> <i>Hawaii County</i> (Hawaii County identified itself as an entitlement city for the purposes of this survey. The counties of Hawaii, Kauai, and Maui receive entitlement grants from the State of Hawaii by formula)	<b>Kentucky</b> Louisville	<b>Missouri</b> Springfield St. Joseph
<b>Arkansas</b> Fort Smith North Little Rock Springdale	<b>Connecticut</b> Bristol East Hartford Fairfield West Haven	<b>Iowa</b> Cedar Falls Cedar Rapids Davenport Dubuque Waterloo Des Moines	<b>Louisiana</b> Shreveport	<b>Montana</b> Billings Great Falls
<b>Arizona</b> Phoenix Tempe	<b>Delaware</b> Wilmington	<b>Idaho</b> Idaho Falls	<b>Massachusetts</b> Boston Brookline Chicopee Fall River Fitchburg Gloucester Lawrence Lynn Malden Medford Newton Salem Taunton Waltham Westfield Weymouth	<b>North Carolina</b> Charlotte Durham Gastonia Goldsboro Greenville High Point Jacksonville Winston-Salem
<b>California</b> Alameda Anaheim Apple Valley Burbank Chino Costa Mesa Culver City Cupertino El Cajon Encinitas Fountain Valley Gardena Gilroy Huntington Beach Inglewood Lakewood Long Beach Los Angeles Lynwood Modesto Oceanside Palo Alto Pasadena Pico Rivera Pleasanton Rancho Cucamonga Redlands Roseville	<b>Florida</b> Deerfield Beach Hialeah Hollywood Lakeland Miami Miramar North Miami Palm Bay Titusville West Palm Beach	<b>Illinois</b> Chicago Cicero Des Plaines Hoffman Estates Naperville Normal Rock Island Schaumburg Village Springfield Wheaton	<b>Maine</b> Bangor Lewiston Portland	<b>North Dakota</b> Grand Forks
	<b>Georgia</b> Atlanta Columbus Marietta Savannah	<b>Indiana</b> Anderson Bloomington Columbus Gary, Indiana Indianapolis Terre Haute	<b>Michigan</b> Battle Creek Dearborn Detroit East Lansing Grand Rapids Livonia Port Huron Sterling Heights Taylor Westland	<b>Nebraska</b> Lincoln
				<b>New Hampshire</b> Nashua Rochester
				<b>New Jersey</b> Atlantic City Bayonne Brick Township Township of Edison Elizabeth Irvington Lakewood Township Long Branch

Newark  
Parsippany - Troy Hills  
Paterson  
Perth Amboy  
Township of Piscataway  
Sayreville  
Vineland

**Nevada**

Henderson  
Las Vegas

**New York**

Buffalo  
Huntington  
Town of Islip  
Mount Vernon  
New York  
Rochester  
Syracuse

**Ohio**

Cleveland Heights  
Columbus  
Fairborn  
Lancaster

Lima  
Middletown  
Warren

**Oklahoma**

Edmond  
Lawton  
Shawnee

**Oregon**

Beaverton  
Medford  
Portland  
Springfield

**Pennsylvania**

Abington Township  
Bethlehem  
Bristol Township  
Erie  
Harrisburg  
Haverford Twp  
Philadelphia  
Pittsburgh

**South Carolina**

Charleston  
Greenville  
Rock Hill

**South Dakota**

Sioux Falls

**Tennessee**

Kingsport  
Nashville

**Texas**

Amarillo  
Austin, Texas  
Baytown  
City of Mission  
Conroe  
Corpus Christi  
Denton  
Flower Mound  
Fort Worth  
Galveston  
Harlingen  
Killeen  
Lubbock

McAllen  
McKinney  
Mesquite  
Midland  
New Braunfels  
North Richland Hills  
Plano  
Waco

**Utah**

Logan  
Orem  
Salt Lake City  
West Valley City

**Virginia**

Alexandria  
Blacksburg  
Chesapeake  
Danville  
Newport News  
Norfolk  
Portsmouth

**Washington**

Auburn  
Bellevue  
Bremerton  
Everett  
Kent  
Pasco  
Seattle  
Tacoma  
Vancouver

**Wisconsin**

Madison  
Racine  
Wauwatosa  
West Alls

**Puerto Rico**

Caguas  
Carolina  
Manati  
San Juan

**Counties**

**Alabama**

Jefferson County

**California**

Contra Costa County  
Kern County  
Los Angeles County  
Sacramento County  
San Bernardino County  
San Diego County  
Ventura County

**Colorado**

Arapahoe County

**Florida**

Collier County  
Miami-Dade County  
Orange County  
Pasco County  
Sarasota County

**Georgia**

Athens-Clarke County  
DeKalb County

**Illinois**

Lake County  
Madison County  
St. Clair County

**Indiana**

Lake County

**Maryland**

Anne Arundel County  
Howard County  
Montgomery County

**Michigan**

Oakland County

**Minnesota**

Dakota County  
Hennepin County  
Ramsey County  
St. Louis County  
Washington County

**Missouri**

St. Louis County

**New Jersey**

Bergen County  
Gloucester County  
Middlesex County  
Monmouth County  
Morris County  
*One additional county from New Jersey participated but asked that its name be withheld.*

**New York**

Orange County  
Rockland County  
Westchester County

**Ohio**

Cuyahoga County  
Montgomery County  
Summit County

**Oregon**

Clackamas County  
Washington County

**Pennsylvania**

Allegheny County  
Beaver County  
Berks County  
Chester County  
York County

**South Carolina**

Lexington County

**Tennessee**

Shelby County

**Texas**

Fort Bend County  
Tarrant County

**Utah**

Salt Lake County

**Virginia**

Arlington County  
Fairfax County  
Prince William County

**Washington**

Clark County  
King County

**Wisconsin**

Dane County  
Waukesha County

## Appendix F: Recent CDBG Allocations

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<b>Federal Fiscal Year</b>	<b>Total CDBG Allocations<sup>16</sup></b>	<b>Total Grantees<sup>17</sup></b>
1993	\$3,888,940,000	938
1994	\$4,286,087,000	986
1995	\$4,490,437,000	1000
1996	\$4,375,569,000	1008
1997	\$4,317,244,000	1030
1998	\$4,202,122,000	1041
1999	\$4,232,700,000	1044
2000	\$4,243,050,000	1063
2001	\$4,406,284,000	1068
2002	\$4,348,000,000	1079
2003	\$4,346,492,000	1089
2004	\$4,337,805,000	1160
2005	\$4,124,729,454	1169
2006	\$3,718,181,800	1186

Source: U.S. Department of Housing and Urban Development, "Historical Funding Allocations," <http://www.hud.gov/offices/cpd/about/budget/history/historical04to93.xls>

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<sup>16</sup> This table includes all CDBG allocations, including formula allocations to entitlements and state programs, as well as reallocated CDBG funding and awards to insular areas.

<sup>17</sup> Includes entitlement cities and counties, state programs, and insular areas

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