

CDBG Funds Critical Community Investments

The Community Development Block Grant (CDBG) program was enacted in 1974 to provide block grant funding for community development programs. The program assists urban, suburban and rural communities to improve housing and living conditions and expand economic opportunities for low and moderate income persons. CDBG helps to create jobs through the expansion and retention of businesses and is an important tool for helping local governments tackle serious challenges facing their communities. CDBG funds are used to partner with the private and non-profit sectors to support economic development and improve community conditions.

If CDBG were eliminated, Ohio would lose \$137,466,074 in direct community investments and approximately \$507,751,170 in leveraged community investments for FY 2018.

CDBG Works

According to the Department of Housing and Urban Development, every \$1 of CDBG funds leverages an estimated \$3.65 in non-CDBG funds. Over the last decade, CDBG created or retained 353,000 permanent jobs and sustained an additional 861,000 jobs.

CDBG funding cuts have already contributed to deficit reduction. Further cuts will hurt local job creation and community development investments.

Funding for the CDBG program should be restored to at least \$3.3 billion in FY 2018. The CDBG program has faced drastic cuts in recent years, falling by over \$1 billion since FY 2010. CDBG was funded at \$3 billion in the FY 2017 Continuing Resolution.



Ferguson Enterprises, Inc., a diverse wholesale distributing company founded in 1953, constructed a new 350,000-square-foot distribution center outside Celina, Ohio. The company invested \$15 million in the project. Mercer County extended public infrastructure to the project using Community Development Block Grant, Ohio Department of Transportation Jobs & Commerce Grant and Ohio Development Services Agency 629 funds. The funding upgraded 2,150 linear feet of streets, 7,060 linear feet of water lines, 878 linear feet of sewer lines, and 817 linear feet of gas lines. As a result of this project, Ferguson created 70 jobs, 36 for people of low- and moderate-income (LMI) by March 2016.

"The CDBG program has been effective and far-reaching... It funds curb-ramps so the handicapped can navigate city streets and sidewalks more easily. It pays for coats, hats and gloves so lower-income kids don't go cold in wintertime. It supports emergency housing programs for the homeless. It's used to fund Habitat for Humanity projects, as well as after-school and summer-work programs for students. It helps to pay for street repairs and to rid blight from impoverished neighborhoods."

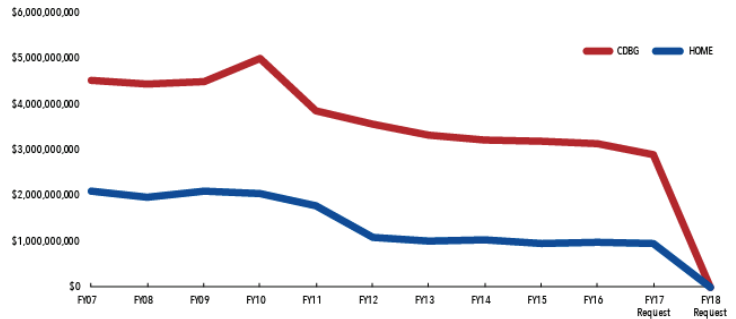
Canton Repository

March 27, 2017, Editorial: *Eliminating CDBG program would be devastating*

As an example, Cleveland will lose \$45,134,208 annually as a result of the proposed budget cuts to HUD. These cuts could impact up to 11,504 households per year.

- Affordable Housing Online

Administration's Proposed Elimination of HOME and CDBG: Recent Historical Context



Note: Figures are based on FY07-16 enacted funding levels and FY17-18 budget requests. Adjusted for inflation.

"The Trump administration's budget for fiscal 2018 calls for slashing HUD's budget by 13% from current levels, largely by eliminating the Community Development Block Grant program and the HOME Investment Partnerships Program. The two programs have combined to support the construction and rehabilitation of millions of affordable housing units since their inception, and if they are eliminated, many projects might never get off the ground."

American Banker

March 15, 2017, Alan Kline, *Banks to Trump: Spare affordable housing programs*



North End Community Improvement Collaborative used CDBG funds for a community gardening initiative in Mansfield, Ohio. Over a few years, 28 community gardens have been established all around the city. The project leveraged support from Home Depot's "Planting Seeds of Hope" project, in which Home Depot donated over \$800 worth of supplies and 8 volunteer employees to renovate a garden serving disabled individuals. NECIC launched the Blust Avenue Teaching Garden, which transformed formerly blighted properties into over 2,000 sq. ft. of growing space. It is a demonstration garden for youth and adults to learn best gardening and market vending practices.

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