



Congressional Action: NRPA calls on Congress to fund CDBG at 4.2 billion for FY11 in order to meet the urgent needs of communities nationwide



Current Need

According to the Department of Housing and Urban Development (HUD), approximately \$100 million of Community Development Block Grants (CDBG) funds are utilized annually for park and recreation projects that are often initiated along with more comprehensive community redevelopment initiatives. Funding is used for the design and construction of local parks; the purchase of playground equipment; ensuring that park and recreation facilities are accessible for people with disabilities; and implementing various community programs run through park and recreation agencies that benefit low and moderate income citizens.

Over the past years, annual appropriations for CDBG have fluctuated going from \$4.4 billion in FY01 to \$3.59 billion in FY08 and back up to \$3.9 billion in FY10. During tough economic times those in low and moderate income areas are often most impacted by a downturn economy. These are the areas most in need of revitalization, job creation and improved quality of life which is what makes consistent funding for programs, such as CDBG, so important.

Background

In 1974, Congress passed the Housing and Community Development Act, Public Law 93-383, creating the Community Development Block Grant (CDBG) Program. For over three decades, the CDBG program has been one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1,180 general units of local government and States. Under the current system, 70% of CDBG funding goes to entitlement communities (metropolitan communities and urban counties) and 30% goes to non-entitlement communities (to states to

serve nonmetropolitan cities and counties) through a competitive process.

The CDBG program is a competitive grant program that can be used for local communities to fight tough issues. Funds from this program help distressed neighborhoods and meet the needs of low-income individuals in urban communities. CDBG funds are federal funds; therefore, there are requirements for how they are used. Specifically, these funds must meet one of the three national objectives, including benefiting low and moderate income individuals; aiding in the prevention of slums; or meeting an urgent need. Additionally, a minimum of 70% of funds must support activities that benefit low income individuals.

Proven Success

CDBG funds serve the community and create jobs. According to the National League of Cities, in 2004, CDBG projects served more than 9 million people by helping to build new or reconstruct existing public facilities, roads, fire stations, libraries, and water and sewer systems. CDBG grants also helped create or retain over 90,000 jobs in 2004 alone.

CDBG funding also stimulates private investment. The National League of Cities has concluded that over the 30-year life of the program, CDBG has leveraged nearly \$324 billion in new private investment in our nation's communities, which is a three to one return on investment.

While an average of \$100 million/year is spent on parks and recreation projects through CDBG, this only amounts to just over 2% of the total funding for the CDBG program. CDBG does not provide dedicated funding for park and recreation projects. These projects must compete with other local projects for funding leaving much uncertainty as to whether park and recreation projects will receive funding through the program. In years when CDBG funding is decreased, competition for the funding is even fiercer. For this reason, Congress must fund CDBG at \$4.2 billion in FY 11.