

SUPPORT LOCAL DEVELOPMENT AND INFRASTRUCTURE PROJECTS THROUGH THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

ACTION NEEDED:

Urge your members of Congress to increase funding for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program to no less than \$4.2 billion in FY 2023. CDBG, funded through the Transportation, Housing and Urban Development (T-HUD) appropriations bill, has been drastically reduced since FY 2010, having been cut by over half a billion dollars.

BACKGROUND:

The CDBG program was enacted in 1974 to provide block grant funding for community development programs. The program assists urban, suburban and rural communities in improving housing and living conditions and expanding economic opportunities for low- and moderate-income persons. CDBG helps create jobs by expanding and retaining businesses and is an essential tool for helping local governments tackle serious challenges facing our communities. Counties use the flexibility of CDBG funds to partner with the private and non-profit sectors to develop and upgrade local housing, water, infrastructure and human services programs. Counties rely on the flexibility of CDBG funds to meet each community's particular development needs.

The CDBG program provides annual grants on a formula basis to over 1,200 metropolitan city and county governments and to state governments. 214 counties receive grants directly. These "entitlement" communities receive 70 percent of CDBG funds, while states receive 30 percent. "Non-entitlement" communities, such as rural counties, must compete for funding via the state formula allocation. HUD determines the amount of each grant by using a formula comprised of several measures of community needs, including the extent of poverty, population, housing overcrowding,

COUNTIES USE THE FLEXIBILITY OF CDBG TO PARTNER WITH PRIVATE AND NON-PROFIT SECTORS TO ADDRESS COMMUNITY AND ECONOMIC DEVELOPMENT, HOUSING, WATER, INFRASTRUCTURE AND HUMAN SERVICE NEEDS

CDBG PROVIDES VITAL RESOURCES FOR LOCAL DEVELOPMENT, JOB CREATION AND RETENTION PROJECTS

EVERY \$1 OF CDBG FUNDS LEVERAGES \$3.64 IN NON-CDBG FUNDS

SINCE 2010, CDBG HAS BEEN CUT BY OVER HALF A BILLION DOLLARS. FUNDING SHOULD BE INCREASED TO \$4.2 BILLION IN FY2023

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age of housing and population growth lag in relationship to other metropolitan areas.

Currently, CDBG is funded at \$3.3 billion under FY 2022 appropriations, a decrease of \$150 million under the FY 2021 level. NACo members are encouraged to contact their members of Congress to support \$4.2 billion in funding for CDBG in the FY 2023 appropriations processes.

KEY TALKING POINTS:

- Funding for the CDBG program should be increased to \$4.2 billion in FY 2023. The CDBG program has faced drastic cuts in recent years, falling by over half a billion dollars since FY 2010. CDBG was funded at \$3.3 billion in FY 2022.
- CDBG funding cuts will hurt job creation and community development investments.
- Counties utilize the flexibility of CDBG funds to support projects that meet their local priorities in addressing community and economic development, housing, water, infrastructure and human service needs.
- The CDBG program provides vital resources for state and local governments to make investments to support economic development and improve community conditions.
- Every \$1.00 of CDBG leverages \$3.64 in non-CDBG funds. Since 2005, CDBG has preserved over 1.25 million units of affordable housing and has created or retained 454,961 economic development jobs.

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