

Transcript: The Role of the CDBG Program in Creating a Viable Community

Since 1974, the community development block grant program has invested \$144 billion to create viable communities nationwide.

In the past ten years alone, CDBG economic development activities have directly created or retained more than 400,000 permanent jobs, rehabilitated more than 1.3 million homes for low and moderate income homeowners and renters and helped more than 33 million people benefit from improved public facilities.

The stories of a few standout projects illustrate how the strategic use of CDBG funds have had dramatic results over time in transforming neighborhoods and creating viable communities.

Despite the images or the impression that a lot of folks may have had of Cecil B. Moore Avenue, and this community ten years ago, it's changing.

So in addition to that, just seeing a lot of folks who are investing their money, their businesses, they're opening up, that to me also is an indicator that from a commerce standpoint, folks are feeling that this is becoming a viable neighborhood.

We have created a neighborhood of choice, a neighborhood that people want to live that has been created for the longtime residents and the longtime residents have been a part of that planning.

It wasn't just something plopped in there with a different group of people or different neighborhood. It's incorporated the neighborhood into it.

One of the biggest challenges that I think the city is facing right now is just how to keep up with our infrastructure. And some of our infrastructure is very old; some of our roads, our water lines, our wastewater lines need to be fully replaced. Those are some of our biggest challenges.

The solar system you see behind us is a concentrated solar system. It actually tracks the sun and it provides electricity for our wells, for our water system for the entire population of 15,000.

Here in Somerton there's a lot of low income families and also a lot of fixed income families. So, with our utilities, you know, the cost is rising every year. So we try to figure out how can we kind of help and maintain a rate that, you know, is kind of fair for the community.

We made a really intentional choice to be in the downtown area to help revitalize and bring business to the downtown.

The benefits, again, you know, the job creation component, the additional tax base, those kinds of things which are very critical for cities as they try to grow and develop, and those are very, those are the nuts and bolts. Projects like this have a much broader impact beyond the economic development.

It really becomes a community development project because you touch on not only the dollars and cents, but you touch on families; you touch on making our downtown that much more livable and just all of those connections that you make as a part of what goes on in a project like that, that ripple effect of just it's huge for a city.

I welcome you here today to join us as we talk about the Community Development Block Grant program.

The three projects that you just heard about, the homeownership project of Philadelphia; the public facility in Somerton and the co-op food market in La Crosse, are all great examples of the use of CDBG as local investments for a range of activities that are going to benefit communities. They really do help demonstrate the breadth and value of the Community Development Block Grant program in communities across the country.

2014 represents the 40th anniversary of the Community Development Block Grant program. It was established in 1974 through enactment of the Housing and Community Development Act of 1974. Over the intervening 40 years, Congress has appropriated \$144 billion for the Community Development Block Grant program to assist states and local governments to carry out a wide range of activities to improve those communities.

These activities focus on things like housing, providing public facilities, economic development, public services, improving all sorts of investments in the community.

The most successful CDBG projects demonstrate vision, a clear strategy and the use of CDBG as a catalyst to bring multiple resources to bear, to transform a neighborhood, a community, or the lives of people in need.

We started with the premise that we needed to do something that was transformative to this neighborhood, to bring it back to its former glory. The residents were very involved, the schools were very involved, the police. There was, there were two neighborhood groups that had stayed through all of the disinvestment in the neighborhood. And we had, along with the neighborhood groups, we had the city planning commission, the redevelopment authority, the public housing development corporation and we hired a lead architect to help us do the planning.

Without the Community Block Grant dollars, this wouldn't be a reality. That's just because of what it takes to do development here today and at this scale, you need those dollars to attract, and they played

a role to attract money at the state level, at the federal level, other foundations and other contributors or stakeholders.

It's really amazing to see what you can do. Now, it took a lot of money and it took a lot of work, but we really have transformed the neighborhood.

This is one of the great partnerships that both the federal government and APS can be very proud of. It's through this joint process of incentives through the utility company and the block grant money provided by CDBG that the city of Somerton has been able to take advantage of all of these different resources and be able to install the solar facilities that, again, help run the water treatment plant. It's a \$700,000 pay back over 20 years that the city of Somerton is able to utilize for the installation of these facilities.

It's really important to understand that there are really great business plans enclosed inside very small organizations that have a lot of potential to grow and have big community impact. A small amount of funding, in our case, \$250,000 out of a \$4.5 million project can be the key between a business that's sustainable five or ten years later, as ours is, and a business that struggles and might not make it through that first couple of really crucial years of development.

The strength I think of really of our program through the CDBG funding is that we really try to be as flexible as we possibly can and, you know, really work with the business to, you know, try to meet their needs.

When they came to this location in really the heart of our downtown and were able to offer a grocery store here, it fit so well with our other larger community development goals in trying to provide, again, a grocery store as a part of that expansion they added the restaurant. You know, again, I think it's just been so critical for just what we've been working on over many decades here in downtown La Crosse to make this not only a place for people to work but a place for people to live.

A tool that expanded in CDBG's maturity has been the Consolidated Plan, which allows communities to document needs and assets as broadly as possible, seek community input and outline the strategies unique to their hometown.

We really invested in a large way in the eCon Planning Suite, to have better data, have better mapping capability, to see how investments are working together at the local level in order to help them make better strategic decisions with the resources that are CDBG and the other formula programs that are funded by HUD.

Collectively over 40 years, America's communities have invested \$144 billion in CDBG funds, and leveraged four times that to make our communities stronger and more viable. Along the way, millions of low and moderate income people's lives have been made better.

There are aspects of this program that have been very successful and we want to keep, and we want to continue to focus on them. Our grantees spend 95% of their dollars on a year in, year out basis to benefit a moderate income person. Given that that is the primary national objective of the program, we want to keep that focus. It really demonstrates that the program is working to its basic objectives and targets. We think about local decision making, the idea that grantees know best where to invest in the community to get the greatest return.

Again, there are various ways of getting to the point of being able to demonstrate low and moderate income benefit and our grantees make great use of these flexibilities in the programs.

We think about participation all in an effort to ensure the public voice is heard and how these assets are used at the local level.

Concurrently, we want to talk about leverage, making sure you get the greatest return on your investment. Again, we want grantee to think about finding partners, bringing other dollars and not being the sole partner, but ensuring these dollars bring other dollars to the table to ensure the greatest investment.

CDBG has been out there talking to communities, to individuals for four decades about these investments in local government all in an effort to ensure that the dollars are appropriately targeted to needs within the community.

On a year in, year out basis, we estimate CDBG funding reaches about 7250 local governments every year. That's an incredible reach into the lives of communities across the country.

We really do encourage grantee to think about how they're using their money; think about how the funds can be deployed to help them develop the foundation for a stronger and better future.

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