

Testimony

Samuel A. Salupo, Mayor, City of Cambridge

Strengthening Ohio: A Review of the Community Development Block Grant

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The Community Development Block Grant program was developed by a Republican President and a Democratic Congress thirty years ago. It replaced hodgepodge of specific grant programs which were designed and approved according to the dictates of bureaucrats in Washington. CDBG put funds and decision making at the State and local level. It permitted communities to try and deal with their needs with locally developed programs and activities. This program has served the country well in most places. CDBG, and attendant programs such as ARC, EDA, HOME, etc. have improved housing, local economies, and infrastructure primarily for lower income household and communities. They have done this with local, rather than Federal decision making.

CDBG funding over the past ten years has been stagnant. It has not even kept up with inflation, and last year it was cut in real terms by ten percent. Given the good this program has done in Cambridge, and hundreds of other communities, this is simply not acceptable. It is not acceptable to balance the budget on the backs of lower income household. To believe this program can survive another 25% cut, and continue to serve hundreds of thousands nationwide, is simply folly. What is needed, and what we want to see, is full funding of the CDBG program at no less

than \$4.5 billion dollars. Even this does not begin to make up for the years budget amounts not covering inflation.

CDBG remains crucial for rural areas such as Cambridge. For decades, the Federal Government has been a strong partner of our community to ensure that our City can provide housing, community and economic development opportunities for our residents. This partnership has resulted in lasting and positive change for our community by producing affordable housing, and creating jobs through business and commercial development. These programs have greatly benefited our City, and to a greater, more specific extent, our elderly, our children, and our LMI population.

It is critical for our federal government to remain a strong partner, keep CDBG as a Housing and Urban Development administered program, and retain the current funding levels. The federal, state and local governments have a duty to ensure all residents have safe and sanitary housing, adequate public infrastructure, and access to employment opportunities. Our community deserves a better quality of life, a quality of life made possible through the assistance of CDBG funds.

To many who do not understand the program, CDBG represents a federal government “slush fund”. I submit to you that it is a comparatively small amount of public dollars to leverage a huge amount of private sector funding. As has been said many times by others, CDBG is truly a “leg up, not a handout”.

Let me illustrate some of the important projects that CDBG has made possible in our community in the past few years, and is demonstrative of the programs made

possible throughout CDBG's 30 year history.

We now enjoy a beautiful, vibrant Downtown area, made possible by one Downtown Revitalization grant totaling \$400,000, with an additional \$150,000 of Discretionary funds, through the ODOB, Office of Community Partnerships grant programs.

These funds made it possible to save a dying downtown, which has, in turn, encouraged the private sector to invest heavily in our efforts to preserve a historic piece of small town, USA.

Our community, as many throughout our Nation, has directly benefited from CDBG Formula funding, in the amount of \$498,000 over the past five years. We have been able to fund projects such as street improvements, renovation of our fire department facilities, curb and sidewalk replacement, street resurfacing, to name a few.

The Water and Sewer CDBG funded program through the Ohio Department of Development provided \$450,000 of critical funding to replace two lift stations and 4600 linear feet of sewer lines, which benefited 1,273 households.

CDBG, HOME and Ohio Housing Trust funds make up the funding for the ODOB Comprehensive Housing Improvement Program (CHIP) program. The CHIP funding from the last three two-year grants total \$1,655,000, and has greatly assisted in preserving our City's neighborhoods. CDBG has provided home ownership opportunities for our LMI population with a new construction program, it has assisted our elderly, single mothers, and large families with emergency repairs which otherwise would not have been possible, it allowed for rehabilitation

of our current housing stock for homeowners who cannot obtain conventional financing. CDBG has helped create partnerships with rental property owners to renovate rental units, providing safe rental housing, while allowing rent amounts to remain at an affordable level. Additionally the funds provided a strong partnership between our local Habitat for Humanity and the City for creation of new housing.

The Appalachian Regional Commission (ARC) further provided CDBG funding in the amount of \$460,000 for sewer and water projects, rail improvements, paving projects, and funding to support our Community Improvement Corporation's (CIC) efforts to strengthen and attract Economic Development and job creation for our area.

In conclusion, CDBG is a program that serves communities and lower income households well. It has made a significant difference in the City of Cambridge, and has improved living conditions for numerous lower income households. We ask that Congress fund this program at a level of no less than \$4.5 billion in the coming FY07 Federal budget.