

Testimony Before
Housing And Community Opportunity Subcommittee
Of The House Committee on Financial Services
By
John E. Riordan
Development Specialist
Ohio Conference of Community Development

The Ohio Conference of Community Development (OCCD) is an organization of 166 Local Governments and related entities that administer state and federal community development programs to the people of Ohio. OCCD was founded in 1964 and has provided training and assistance to local government in their Community and Economic Development efforts to improve the quality of life for their citizens. Attached is a brief history and explanation of our objectives and purpose.

I have been a HUD administrator and state grantee of the Community Development Block Grant program (CDBG) from its conception in the Nixon Administration. Attached is my resume of over 40 years of public service.

Before I begin I want to thank Congressman Ney for your strong support and endorsement of CDBG last year. These Hearings are a great way to get a clear picture of the true value of this program to the people of Ohio.

CDBG has a proven track record of helping local government address and focus on the community needs that result from concentrations of low and moderate income people who do not have sufficient income to pay local taxes to cover the cost of providing themselves with basic services. Limited local public revenue causes communities to focus only on the most critical needs to maintain their communities as decent and safe places to live. This lack of resources deteriorates public infrastructure and fosters a decline in the housing stock and commercial facilities which typifies the areas where low and moderate income are forced to live.

CDBG has been an essential asset to help communities fight the blight that flows from this deterioration. The changes the Administration proposes for 2007 cannot be separated from the 27.5% reduction in funding. The changes reflect the administrations' efforts in 2005 to consolidate all local community assistance programs into an economic development program to be administered by the Department of Commerce. We all know that Good Paying Jobs with health benefits would be the long term solution for many low and moderate income families. The problem is that the vast majority of jobs being generated are Not Good Paying and do not match the number of Good Jobs Lost in Ohio. Communities are faced with trying to deliver basic services without sufficient local tax revenues from employers and citizens. Without CDBG funds in sufficient

amounts Ohio's communities will continue to deteriorate, blight will go unchecked and the quality of life will erode for more and more Ohioans.

CDBG focuses on the basic needs of low and moderate people. Attached are reports by the state of Ohio on the effects of these cuts. The first is a list of reductions to 197 counties and communities in Ohio which were helped by CDBG program through the State's Office of Housing and Community Partnerships of the Ohio Department of Development. Second is a narrative report, "Community Development Block Grant Program Funding Reductions Effects on Ohio" Third is a earlier memo from the Chief of that Office "Funding Reduction Effect on Ohio" These reports tell what jobs facilities and improvements will be lost. For example just down Highway 93 in Jackson County a lady can enjoy a long cool drink of water from her kitchen sink. No big deal you might say, but there are 150 other people in Jackson and Washington Township who also now have safe water because of CDBG. In the unincorporated villages of Ray and Byer 19 wells were contaminated with arsenic. CDBG was the source of \$535,000 to help provide 62,000 linear feet of water lines to connect 55 low income households.

I want to take a moment to reinforce the sentiments in the letter from Mayor Clifford L. Mason of the Village of Hebron which highlights the Success of CDBG to improve the lives his community. I have taken the liberty to include a copy of his letter to Congressman Ney as an attachment to my testimony.

CDBG is often the GAP financing that makes basic needs possible. For example during 3 years CDBG made possible over 3 million feet of water and sewer lines. The 10 % cuts in funding for this year will reduce that by over 100,000 feet. The Administrations proposed 27.5% cut will reduce that by 230,000 feet. If these cuts persist each year hundreds of poor families will be left with contaminated wells, and costly trucked or bottled water.

CDBG constructs rehabs or helps finance thousand of homes for poor people.

Last year in Ohio:

- # 8293 families became home owners because of CDBG
- # 12,698 rental units were built or rehabbed with CDBG GAP financing.
- # 22,397 single family homes were rehabbed.
- # \$68.8 million of CDBG Funds went into housing In addition to the housing these expenditures generate over
- # 200,000 GOOD JOBS.

CDBG has not in the past and does not now provide sufficient funds to address the comprehensive total needs of low and moderate income people, but it has made bad conditions a little better.

CDBG provides the local community the flexibility within parameters to focus on aspects of the total comprehensive need that it determines the most critical.

CDBG could and should be more efficient and effective in addressing these needs.

Some CDBG recipients used their funds for things that they should not.

Some CDBG recipients get more funds than they should.

CDBG needs to be changed.

Changing the formula that determines who gets how much money without a comprehensive analysis of the totality of CDBG's role with local government in their fight against deterioration and blight will lead to massive unanticipated outcomes and unequal consequences.

The Needs Index created to revamp the CDBG Formula is a good approach but it needs further input and analysis. HUD's funds for research and technology are being cut at a time when meaningful data is most needed to determine what communities should get HOW much and for What activities.

OMB's independent effort to change the score keeping methods by which the success of CDBG would be determined was like deciding in mid season that football games will be won by the team with the total number of yards gained rather than points scored. The comprehensive method developed with the HUD, OMB and organizations representing state and local government entities that produced the Outcomes Measurement system is a good way to address the needed changes. However it needs more input from local government administrators and even HUD field staff should be involved in the process.

Our small towns and cities and the poor people who live in them are not going away because of the budget deficit. It is WRONG to make them pay to balance the budget.

The Administration's proposal to drastically reduce CDBG and to give BONUSES to communities that it determines succeeded (gained more yards) while thousands of communities can not address the basic needs of low and moderate income people is WRONG.

Congressional Set Asides of CDBG funds for pet projects that further reduce the efforts of local governments to address the needs of low and moderate income people is WRONG.

I wish to thank you for this opportunity to express my frustration.

Attached are:

1. The History of OCCD,
2. The Objectives and Purpose of OCCD
3. List of OCCD Members
4. My Resume
5. List of the 197 Small Communities and Counties who received CDBG Funds through the Office of Housing and Community Partnerships (OHCP) of the Ohio Department of Development.
6. Report by OHCP, "Community Development Block Grant Funding Reductions effects on Ohio"
7. Memo from OHCP "Funding Reductions Effect on Ohio"
8. Letter From Mayor Wallace of the Village of Hebron

OCCD History

In late 1964, representatives from 17 Ohio cities met to organize a professional association intended to serve the needs of local public agencies engaged in urban renewal in Ohio. The Urban Renewal Association of Ohio, Inc., was established in 1965 and registered in the state as a non-profit corporation.

The Association was activated in 1965 with charter members including the cities of Athens, Akron, Canton, Chillicothe, Cincinnati, Cleveland, Columbus, Dayton, Mansfield, Marietta, Martins Ferry, Middletown, Portsmouth, Springfield, Steubenville, Toledo and Youngstown. Patrick Phelan, Urban Renewal Administrator for the city of Columbus, was elected the first president.

In preparation for anticipated changes in federal legislation affecting urban renewal programs, the Association changed its name to the Ohio Conference of Community Development, Inc., in July 1972. In its 40 year history, the agency membership has grown from 17 in 1965 to some 165 cities, counties and villages in 2005. In addition, numerous consultant members, representing various professional fields in community development, and housing authorities involved in community development programs, belong to OCCD.

Objective and Purpose

The Association's objective is to enhance the livability of the cities, towns and communities of the state of Ohio through the elimination and prevention of urban blight and physical, economic and social obsolescence and through the development and preservation of well-planned and economically-sound urban areas with adequate community facilities, housing and suitable industrial and commercial development. Toward this objective, it shall be the purpose of the Association to help develop, implement and improve federal, state and local programs for community development and to develop and improve the professional standards and practices of all phases of public administration which are related directly or indirectly to community development.

In carrying out its objective and purpose, the Association will provide for the exchange of knowledge and results of experience; engage in special studies and research; publish and distribute the results of such research and studies; conduct meetings, conferences and workshops; develop sound administrative practices; facilitate effective federal-state-local relations by achieving close coordination among agencies, associations and groups, both public and private, having similar or related purposes; and seek to improve the proficiency of agencies and persons engaged in the field of community development.

2005-06 OCCD Members

Full Members

Adams & Brown
Counties Economic Oppor-
tunities, Inc.
Adams County
Akron
Allen County
Alliance
Ashtabula
Ashtabula County
Athens
Barberton
Bowling Green
Brown County
Brunswick
Buckeye Hills-Hocking Valley
Regional Development Dis-
trict
Butler County
Cambridge
Canton
Carroll County
Chillicothe
Cincinnati
Circleville
Clark County
Clermont County
Cleveland
Cleveland Heights
Columbus
Cuyahoga County
Cuyahoga Falls
Darke County
Dayton
Delaware
Delaware County
East Cleveland
Elyria
Erie County
Euclid
Fairborn
Fairfield County R.P.C.
Fayette County

Franklin County
Gallipolis
Geauga County
GMN Tri-County Community
Action Corporation
Greene County
Greenfield
Hamilton
Hamilton County
Hillsboro
Jefferson County R.P.C.
Kent
Kettering
Lake County
Lakewood
Lancaster
Licking County P.C.
Lima
Lorain
Lorain County
Mansfield
Marietta
Marion County R.P.C.
Massillon
Maumee Valley Planning Or-
ganization
Medina County
Meigs County
Mercer County
Miami County
Middletown
Monroe County
Montgomery County
Newark
Oberlin
Ohio Regional Development
Corporation/Coshocton
Parma
Pike County
Piqua
Portage County R.P.C.
Portsmouth

Richland County
Rittman
Ross County
Sandusky
Scioto County
Seneca County
Shelby County RPC
Sidney
Springfield
Stark County R.P.C.
Steubenville
Summit County
Toledo
Troy
Trumbull County P.C.
Urbana
Van Wert
Vinton County
Warren
Warrensville Heights
Xenia
Youngstown
Zanesville

Associate Members

Central City Economic
Development Council
Center City Association of
Springfield
COHHIO
Columbus Housing Partner-
ship
Columbus Metropolitan
Housing Authority
Community Capital
Development Corp
COUNTY CORP
Enterprise Foundation-
Cleveland Office
Family & Community Ser-
vices of Portage County
Fannie Mae, Central and
Southern Ohio

Federal Home Loan Bank of Cincinnati
Federal Reserve Bank of Cleveland
Freed Housing Corporation
Gallia-Meigs Community Action Association
Hocking.Athens.Perry CA
Hocking MHA
Ironton Lawrence County Community Action Organization
Lancaster/Fairfield Community Action
Licking County Coalition for Housing
Lorain County Reinvestment Coalition
Mary McLeod-Bethune Center
Mid-Ohio Regional Planning Commission
Moraine
Neighborhood Development Services
Ohio Capital Corporation for Housing
Ohio CDC Association
Ohio Community Development Finance Fund

Ohio Heartland CAC
Ohio Rural Electric Cooperatives
Ohio State University Extension - South Centers
People Working Cooperatively
Portage Metropolitan Housing Authority
Rural Opportunities, Inc.
Springfield Neighborhood Housing Partnership
Wapakoneta Area Economic Development Council
Warren Redevelopment and Planning Corporation
Community Action Program of Washington & Morgan Counties
Wayne MHA
Wayne/Medina Community Action
WSOS Community Action Agency

Consultant Members

Berquist Consulting
Bleckman & Associates

Burns, Bertsch & Harris, Inc.
Gregory Carr + Associates
CDC of Ohio
CT Consultants, Inc.
Diaz & Associates
E. G. & G., Inc.
Floyd Browne Associates, Inc
Gould Associates
Jones Warner Consultants
Leighty & Snider, Inc.
Lines and Associates
LJB, Inc
McKenna Associates, Inc.
Mullin & Lonergan Associates
MultiCom, Inc.
Orinsby & Co.
Peck, Shaffer & Williams LLP
Poggemeyer Design Group, Inc.
Premier Management LLC
R.F.G. Associates, Inc.
W. D. Schnauffer & Associates
Phil Snider LLC
Squire, Sanders & Dempsey L.L. P.

JOHN E. RIORDAN

Development Specialist for the Ohio Conference of Community Development from July 2004 to the present assigned to originate new services for the local government members.

Deputy Director for the Ohio Department of Development, from June 1997 to January 2004 overseeing State and federal funds provided by three offices to units of local government and non profit organizations. The Office of Housing and Community Partnerships assists local efforts to provide housing, water and sewer systems, economic and development, and community improvement as well as assistance to address the needs of the homeless. The Office of Energy Assistance promotes energy conservation and efficiency for homes and businesses through a variety of programs. The office of Community Services funds to Community Action Agencies and assistance to reduce the cost of gas and electricity to over 225,000 low income families.

Associated with the Department of Housing and Community Development since June 1968, most recently as Director of Community Development for HUD's Ohio operations discharging Community Block Grants, the HOME programs and Funds for the Homeless. He also served as Section 8 Coordinator for Ohio developing and administering HUD's Housing Assistance Payments Program for lower income families. In that capacity, he prepared a "Step-by-Step Guide to Section 8" and conducted numerous conferences explaining the program. Both were instrumental in Ohio leading the country in production under the program during its inaugural years.

Through out his service in Ohio He worked closely with statewide organizations addressing the problems of employment, housing, and the homeless. His help was recognized by the Ohio Conference on Community Development, the Ohio CDC Association and COHHIO. The National Development Council gave him their Award for Excellence. At HUD he was recognized for exceptional service on many occasions, and is a recipient of HUD's Certificate of Superior Service.

Prior to joining HUD, Mr. Riordan was with the Agency for International Development, U.S. Department of State as a Refugee Relief Officer Serving in Vietnam. From 1961 to until his appointment to AID he was associated with "Little Brothers" a non profit service provider to the elderly poor in Chicago, Montreal, and Paris.

Mr. Riordan is married and a resident of Columbus Ohio since 1971. He holds a bachelor's degree in economics from Loyola University. He has post graduate work in Urban Studies and Advanced Management at De Paul University and Wheaton College.

CDBG
BUDGET ALLOCATIONS

	FULL 2004	-5% 2005	-10% 2006	-25% prj'd 2007
ADAMS CNTY	173,000	164,000	148,000	111,000
ALLEN CNTY	238,000	225,000	202,000	175,000
ASHLAND CNTY	132,000	125,000	112,000	85,000
ASHTABULA CNTY	338,000	319,000	287,000	242,000
ATHENS CNTY	203,000	192,000	173,000	155,000
AUGLAIZE CNTY	98,000	93,000	83,000	117,000
BELMONT CNTY	277,000	278,000	251,000	217,000
BROWN CNTY	204,000	193,000	174,000	131,000
CARROLL CNTY	143,000	136,000	122,000	92,000
CHAMPAIGN CNTY	111,000	105,000	95,000	71,000
CLARK CNTY	286,000	299,000	269,000	203,000
CLERMONT CNTY	771,000	730,000	657,000	519,000
CLINTON CNTY	122,000	116,000	104,000	78,000
COLUMBIANA CNTY	364,000	391,000	352,000	265,000
COSHOCTON CNTY	127,000	120,000	108,000	81,000
CRAWFORD CNTY	61,000	87,000	79,000	59,000
DARKE CNTY	159,000	151,000	136,000	102,000
DEFIANCE CNTY	96,000	91,000	81,000	61,000
DELAWARE CNTY	171,000	166,000	150,000	113,000
ERIE CNTY	146,000	164,000	148,000	139,000
FAIRFIELD CNTY	259,000	273,000	246,000	186,000
FAYETTE CNTY	65,000	62,000	55,000	42,000
FULTON CNTY	151,000	143,000	129,000	120,000
GALLIA CNTY	185,000	175,000	157,000	119,000
GEAUGA CNTY	270,000	275,000	248,000	187,000
GREENE CNTY	152,000	234,000	211,000	159,000
GUERNSEY CNTY	171,000	161,000	145,000	110,000
HANCOCK CNTY	120,000	113,000	102,000	77,000
HARDIN CNTY	107,000	102,000	91,000	69,000
HARRISON CNTY	93,000	88,000	79,000	60,000
HENRY CNTY	82,000	78,000	70,000	53,000
HIGHLAND CNTY	142,000	161,000	145,000	135,000
HOCKING CNTY	107,000	101,000	91,000	94,000
HOLMES CNTY	210,000	199,000	179,000	135,000
HURON CNTY	129,000	122,000	110,000	112,000
JACKSON CNTY	120,000	114,000	102,000	127,000
JEFFERSON CNTY	266,000	252,000	255,000	192,000
KNOX CNTY	148,000	140,000	126,000	95,000
LAWRENCE CNTY	255,000	241,000	217,000	164,000
LICKING CNTY	323,000	305,000	275,000	235,000
LOGAN CNTY	137,000	129,000	116,000	88,000
LORAIN CNTY	267,000	350,000	315,000	288,000
LUCAS CNTY	283,000	318,000	286,000	216,000
MADISON CNTY	135,000	128,000	115,000	87,000
MAHONING CNTY	544,000	531,000	478,000	360,000
MARION CNTY	103,000	98,000	88,000	66,000
MEDINA CNTY	220,000	208,000	187,000	141,000
MEIGS CNTY	153,000	145,000	130,000	98,000
MERCER CNTY	122,000	115,000	104,000	78,000
MIAMI CNTY	175,000	166,000	179,000	135,000
MONROE CNTY	91,000	86,000	78,000	59,000
MORGAN CNTY	94,000	89,000	80,000	60,000
MORROW CNTY	140,000	133,000	119,000	90,000
MUSKINGUM CNTY	249,000	236,000	212,000	160,000
NOBLE CNTY	67,000	63,000	57,000	43,000
OTTAWA CNTY	146,000	138,000	124,000	116,000

3/24/2006
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CDBG
BUDGET ALLOCATIONS

	FULL 2004	-5% 2005	-10% 2006	-25% prj'd 2007
PAULDING CNTY	89,000	84,000	75,000	57,000
PERRY CNTY	161,000	182,000	164,000	123,000
PICKAWAY CNTY	164,000	155,000	140,000	105,000
PIKE CNTY	146,000	162,000	145,000	110,000
PORTAGE CNTY	391,000	398,000	358,000	270,000
PREBLE CNTY	147,000	139,000	125,000	119,000
PUTNAM CNTY	156,000	148,000	133,000	100,000
RICHLAND CNTY	235,000	240,000	216,000	163,000
ROSS CNTY	224,000	211,000	190,000	144,000
SANDUSKY CNTY	130,000	150,000	135,000	126,000
SCIOTO CNTY	344,000	325,000	293,000	221,000
SENECA CNTY	117,000	111,000	100,000	75,000
SHELBY CNTY	102,000	96,000	87,000	65,000
TRUMBULL CNTY	483,000	502,000	452,000	367,000
TUSCARAWAS CNTY	273,000	259,000	233,000	200,000
UNION CNTY	103,000	97,000	87,000	66,000
VAN WERT CNTY	58,000	55,000	49,000	37,000
VINTON CNTY	82,000	78,000	70,000	53,000
WARREN CNTY	296,000	369,000	332,000	250,000
WASHINGTON CNTY	175,000	166,000	149,000	136,000
WAYNE CNTY	315,000	298,000	268,000	253,000
WILLIAMS CNTY	132,000	125,000	112,000	111,000
WOOD CNTY	255,000	322,000	290,000	219,000
WYANDOT CNTY	69,000	95,000	85,000	64,000
AMHERST	41,000	39,000	35,000	0
ASHLAND	104,000	98,000	89,000	67,000
ASHTABULA	159,000	151,000	136,000	102,000
ATHENS	112,000	106,000	95,000	72,000
AURORA	30,000	0	0	0
AVON	31,000	0	0	0
AVON LAKE	42,000	0	0	0
BEAVERCREEK	75,000	0	0	0
BELLBROOK	21,000	0	0	0
BELLEFONTAINE	73,000	69,000	62,000	47,000
BELLEVUE	38,000	36,000	33,000	0
BELPRE	37,000	35,000	31,000	0
BRUNSWICK	110,000	104,000	94,000	71,000
BRYAN	41,000	39,000	35,000	0
BUCYRUS	71,000	67,000	61,000	46,000
CAMBRIDGE	83,000	79,000	71,000	54,000
CAMPBELL	57,000	54,000	48,000	36,000
CANFIELD	17,000	0	0	0
CELINA	56,000	53,000	48,000	36,000
CHARDON	21,000	0	0	0
CHILLICOTHE	112,000	106,000	95,000	72,000
CIRCLEVILLE	85,000	81,000	72,000	55,000
CLYDE	28,000	0	0	0
COLUMBIANA	26,000	0	0	0
CONNEAUT	85,000	80,000	72,000	54,000
CORTLAND	21,000	0	0	0
COSHOCTON	62,000	59,000	53,000	40,000
CRESTLINE	31,000	0	0	0
DEFIANCE	77,000	72,000	65,000	49,000
DELAWARE	110,000	104,000	93,000	70,000
DELBHOS	35,000	33,000	30,000	0
DOVER	56,000	53,000	47,000	36,000

3/24/2006
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CDBG
BUDGET ALLOCATIONS

	FULL 2004	-5% 2005	-10% 2006	-25% prj'd 2007
EAST LIVERPOOL	99,000	94,000	84,000	63,000
EAST PALESTINE	23,000	0	0	0
EATON	39,000	37,000	33,000	0
FINDLAY	195,000	184,000	166,000	125,000
FOSTORIA	86,000	81,000	73,000	55,000
FRANKLIN	71,000	67,000	61,000	46,000
FREMONT	102,000	96,000	87,000	65,000
GALION	66,000	62,000	56,000	42,000
GENEVA	40,000	37,000	34,000	0
GIRARD	60,000	57,000	51,000	39,000
GREENFIELD	28,000	0	0	0
GREENVILLE	73,000	69,000	62,000	47,000
HEATH	47,000	45,000	40,000	30,000
HILLSBORO	39,000	37,000	33,000	0
HUBBARD	40,000	38,000	34,000	0
HURON	27,000	0	0	0
IRONTON	63,000	59,000	53,000	40,000
JACKSON	39,000	37,000	33,000	0
KENTON	49,000	46,000	42,000	31,000
LEBANON	70,000	67,000	60,000	45,000
LOGAN	39,000	37,000	33,000	0
LONDON	58,000	54,000	49,000	37,000
MARION	188,000	178,000	160,000	121,000
MARTINS FERRY	44,000	42,000	37,000	0
MARYSVILLE	71,000	67,000	60,000	45,000
MASON	62,000	0	0	0
MAUMEE	56,000	53,000	48,000	36,000
MEDINA	97,000	92,000	82,000	62,000
MILFORD	37,000	35,000	32,000	0
MOUNT VERNON	85,000	80,000	72,000	54,000
NAPOLEON	47,000	45,000	40,000	30,000
NELSONVILLE	38,000	36,000	33,000	0
NEW CARLISLE	31,000	0	0	0
NEW LEXINGTON	31,000	0	0	0
NEW PHILADELPHIA	86,000	81,000	73,000	55,000
NEWTON FALLS	27,000	0	0	0
NILES	99,000	94,000	84,000	64,000
NORTH RIDGEVILLE	70,000	66,000	59,000	45,000
NORTHWOOD	21,000	0	0	0
NORWALK	82,000	77,000	70,000	52,000
OBERLIN	31,000	0	0	0
ONTARIO	19,000	0	0	0
OREGON	79,000	75,000	67,000	51,000
ORRVILLE	43,000	41,000	37,000	0
PATASKALA	44,000	42,000	38,000	0
PERRYSBURG	40,000	0	0	0
PICKERINGTON	30,000	0	0	0
PIQUA	125,000	118,000	106,000	80,000
PORT CLINTON	36,000	34,000	30,000	0
PORTSMOUTH	146,000	138,000	124,000	93,000
POWELL	5,000	0	0	0
RAVENNA	70,000	67,000	60,000	45,000
RITTMAN	36,000	34,000	31,000	0
ROSSFORD	25,000	0	0	0
ST. CLAIRSVILLE	18,000	0	0	0
ST. MARYS	40,000	38,000	34,000	0

3/24/2006
4:13 PM

CDBG
BUDGET ALLOCATIONS

	FULL 2004	-5% 2005	-10% 2006	-25% prj'd 2007
SALEM	68,000	64,000	58,000	44,000
SHEFFIELD LAKE	37,000	35,000	31,000	0
SHELBY	47,000	45,000	40,000	30,000
SIDNEY	107,000	101,000	91,000	69,000
SPRINGBORO	32,000	0	0	0
STREETSBORO	49,000	46,000	42,000	31,000
STRUTHERS	69,000	65,000	59,000	44,000
SYLVANIA	53,000	0	0	0
TIFFIN	89,000	84,000	76,000	57,000
TIPP CITY	35,000	33,000	0	0
TORONTO	34,000	32,000	0	0
TROY	111,000	105,000	94,000	71,000
UHRICHSVILLE	38,000	36,000	32,000	0
UPPER SANDUSKY	31,000	0	0	0
URBANA	68,000	64,000	57,000	43,000
VAN WERT	58,000	54,000	49,000	37,000
VERMILION	43,000	41,000	37,000	0
WADSWORTH	72,000	68,000	61,000	46,000
WAPAKONETA	44,000	42,000	38,000	0
WASHINGTON C.H.	71,000	67,000	61,000	46,000
WAUSEON	36,000	34,000	31,000	0
WAVERLY	24,000	0	0	0
WELLSTON	39,000	37,000	33,000	0
WILLARD	46,000	43,000	39,000	0
WILMINGTON	62,000	59,000	53,000	40,000
WOOSTER	117,000	111,000	100,000	75,000
XENIA	140,000	132,000	119,000	90,000
ZANESVILLE	175,000	165,000	149,000	112,000
Total	22,202,000	21,002,000	18,896,000	14,246,000

Community Development Block Grant Program Funding Reduction Effects on Ohio

For Fiscal Year (FY) 2006 the state of Ohio received 10% less Community Development Block Grant (CDBG) Program funds than in the previous year. Recent projections indicate that the state will receive another 25% reduction in CDBG Program funds in FY 2007. The following is a summary of the effects that the Fiscal Year (FY) 2006 10% reduction and the projected FY 2007 25% reduction of Community Development Block Grant (CDBG) Program funds will have on Ohio.

Impact on Jobs

- According to the Coalition on Homelessness and Housing in Ohio, for every \$10 million invested in Ohio's housing industry, 3,000 jobs are created and more than \$74 million in wages are generated. As a result of the 10% reduction of CDBG funds, \$700,000 of CDBG funds will not be distributed through the Community Housing Improvement Program in FY 2006 and, if the 25% reduction becomes a reality, the program allocation will be reduced by another \$1,950,000 (a \$2,650,000 reduction in just two years).
- During the past three years, the Office of Housing and Community Partnerships (OHCP) awarded 71 Economic Development Program grants and 16 Microenterprise Business Development Program grants, which were funded with CDBG Program funds, totaling more than \$22.4 million, creating 2,568 jobs, retaining 1,290 jobs and leveraging more than \$391 million. Due to the 10 percent reduction of CDBG funds for FY 2006, OHCP anticipates that, at a minimum 86 less jobs will be created, 43 less jobs will be retained and \$13.3 million dollars will not be leveraged. In FY 2007, with a 25% reduction, another 192 jobs will not be created, 97 jobs will not be retained and \$29.3 million will not be leveraged.
- During the past three years, OHCP has awarded more than \$179 million of CDBG funds to complete 877 housing and community and economic development-related projects. Approximately 164 different counties and small communities administer the funds each year and employ individuals to operate the programs and contractors to complete the projects. A 35% percent reduction, over a two-year period, in CDBG Program funds will result in a significant reduction in the number of completed projects and the loss of income for many of these individuals.

Impact on Infrastructure

- The CDBG Program is a major funding source for the improvement of infrastructure in Ohio's smaller communities. For example, 1.2 million linear feet of street improvements, 389,588 linear feet of curbs and sidewalks and 3.1 million linear feet of water and sewer lines were installed or improved during the last three years. In many instances, the CDBG Program funds were the "gap" financing that enabled the projects to be completed.

The FY 2006 10% reduction will decrease infrastructure improvements/installations in Ohio's smaller communities as follows:

- 40,000 linear feet of street improvements will not be improved/installed;
- 12,986 linear feet of curbs and sidewalks will not be improved/installed; and
- 103,333 linear feet of water and sewer lines will not be installed/improved.

The proposed FY 2007 25% reduction will further decrease infrastructure improvements/installations in Ohio's smaller communities as follows:

- 90,000 linear feet of street improvements will not be improved/installed;
- 29,219 linear feet of curbs and sidewalks will not be improved/installed; and
- 232,500 linear feet of water and sewer lines will not be installed/improved.

Impact on Beneficiaries – Low- and Moderate-Income Ohioans

- As part of the grant award application and award process, OHCP requires eligible applicants to undertake long-range planning activities. For community development-related projects, applicants must complete a three-year Community Assessment Strategy (CAS); and for housing-related projects, applicants must complete a Community Housing Improvement Strategy (CHIS). The purpose of the planning requirements is to ensure that awarded funds are targeted, based on this planning process, to address the most critical needs of the low- and moderate-income persons living in the community. Because current funding levels do not allow all applications submitted to be funded, there are numerous low- and moderate-income persons who are unserved or underserved. Additional CDBG Program funding reductions will only increase this number.

Impact on Leveraged Dollars

- During the past three years, \$179 million of Ohio Small Cities CDBG Program funds leveraged more than \$662.7 million – more than a \$1 to \$4 leverage ratio. In many instances, the Ohio Small Cities CDBG Program was the only resource available to fill a “gap” in financing for these economic development, community development and housing projects. Without the “gap” financing, a majority of the projects would not have been completed. Therefore, a 35% reduction in the CDBG Program funds during the next two years will significantly reduce the amount of leveraged dollars invested in Ohio’s infrastructure, housing and economic development projects.

Questions regarding the Ohio Small Cities CDBG Program should be directed to Leslie J. Warner, Office Chief, OHCP by telephone at (614) 466-2285 or by e-mail at lwarner@odod.state.oh.us

January 25, 2005

TO: Dianne Taylor, Executive Director, Council of State Community Development Agencies

FROM: Leslie J. Warner, Office Chief, Office of Housing and Community Partnerships (OHCP)

SUBJECT: Funding Reduction Effects on Ohio

As requested by the Council of State Community Development Agencies (COSCDA), attached is a summary of the effects that a 50 percent funding reduction in the Community Development Block Grant (CDBG) Program would have on the Ohio Small Cities CDBG Program.

The Ohio Department of Development's (ODOD's) Office of Housing and Community Partnerships (OHCP) is responsible for administering the Ohio Small Cities CDBG Program. With the funds, OHCP helps low- and moderate-income Ohioans by funding programs to improve economic development, housing and infrastructure in Ohio's smaller communities and to assist with emergency housing and related supportive services across the state. With OHCP awarded grants, communities plan and implement programs, based on local need, to create jobs and improve housing and infrastructure. A reduction in the CDBG Program funding level would have a significant impact on OHCP's CDBG-funded programs.

Impact on Local Programs

For example, during the past three years, CDBG Program funds have assisted more than 11.8 million low- and moderate-income Ohioans with an infrastructure, housing or employment need. Without the CDBG Program, many of these individuals would be forced to live in areas without safe drinking water or a way to properly dispose of sanitary waste; suffer from homelessness; or be unemployed.

For example, due to the assistance of OHCP, the Ohio Department of Health (ODH) and the Jackson County Water Company, Inc., Rita Ray can enjoy a long, cool drink of tap water. No big deal? It is for Rita and approximately 150 other residents of Jackson and Washington Townships in Jackson County.

In 1999, at the request of local residents, ODH tested 19 water wells in two unincorporated areas of Jackson County known as Ray and Byer, Ohio. Of those wells, three tested above acceptable federal maximum contamination levels for arsenic, five were at or above World Health Organization standards for arsenic contamination, and all of the homes tested positive for arsenic levels greater than normally found in a drinking water supply. Long-term exposure to arsenic may cause anemia, stomach pain, nausea and vomiting, circulatory difficulties, central nervous system problems and increased incidences of skin, bladder, liver and kidney cancers.

To help eliminate the arsenic contamination health hazard, OHCP granted Jackson County a total of \$535,000 via three CDBG-funded programs -- the Formula Allocation Program (\$80,000), the Imminent Threat Set-Aside Fund (\$120,000) and the Water and Sanitary Sewer Program (\$335,000). The project resulted in the installation of 62,000 linear feet of water lines to connect 55 households in Jackson and Washington Townships to the Jackson County Water Company system.

"Everyone who assisted Jackson County with the Ray/Byer water project should be commended. It took a true partnership among everyone at the local, state and federal levels to get this project going and to make it a true success. It saddens me to know that there are many Jackson and Washington Township residents who are currently suffering from the effects of arsenic poisoning. However, this project has brought the need for safe water to the public's attention, and I hope that steps to correct this environmental hazard are embraced countywide." – Rita Ray

Impact on Jobs

If the Ohio Small Cities CDBG Program funding is reduced by 50 percent, approximately 12 ODOD employees will be terminated and five programs will be eliminated. Although the effect that such a reduction would have on external jobs and programs is difficult to determine, the domino effect would be significant based on the following factors:

- According to the Coalition on Homelessness and Housing in Ohio, for every \$10 million invested in Ohio's housing industry, 3,000 jobs are created and more than \$74 million in wages are generated.
- During the past three years, OHCP awarded 49 Economic Development Program grants and 17 Microenterprise Business Development Program grants, which were funded with CDBG Program funds, totaling more than \$17 million, creating 3,192 jobs, retaining 535 jobs and leveraging more than \$440 million. Based on the average of the three years, if CDBG Program funds are reduced by 50%, in one program year, at a minimum, 532 jobs would not be created, 89 jobs would not be retained and \$73.3 million of funds would not be leveraged.
- During the past three years, OHCP has awarded more than \$165 million of CDBG funds to complete 829 housing and community and economic development-related projects. Approximately 164 different counties and small communities administer the funds each year and employ individuals to operate the programs and contractors to complete the projects. A 50 percent reduction in CDBG Program funds would result in a significant reduction in the number of completed projects and the loss of income for many of these individuals.

Impact on Infrastructure

The CDBG Program is a major funding source for the improvement of infrastructure in Ohio's smaller communities. For example, 1.1 million linear feet of street improvements, 408,914 linear feet of curbs and sidewalks and 3.1 million linear feet of water and sewer lines were installed or improved during the last three years. In many instances, the CDBG Program funds were the "gap" financing that enabled the projects to be completed. A 50% reduction in the CDBG Program funds would result in, at a minimum, a 50% reduction in such improvements.

Impact on Beneficiaries

During the past three years, OHCP has received requests for CDBG dollars totaling more than \$214 million to fund 963 projects. At the level of funding provided to OHCP for the CDBG-funded programs during that period, OHCP could only fund 829 projects, totaling more than \$165 million. As a result, approximately 3.4 million low- and moderate-income persons with a housing, economic or community development need did not receive assistance. Therefore, a 50 percent reduction would not only affect those persons who would be assisted at the current funding level, but also those who are already underserved.

Impact on Leveraged Dollars

During the past three years, \$165 million of Ohio Small Cities CDBG Program funds leveraged more than \$720 million – more than a \$1 to \$4 leverage ratio. In many instances, the Ohio Small Cities CDBG Program was the only resource available to fill a “gap” in financing for these economic development, community development and housing projects. Without the “gap” financing, a majority of the projects would not have been completed. Therefore, a 50% reduction in the CDBG Program funds would also significantly reduce the amount of leveraged dollars invested in Ohio’s infrastructure, housing and economic development projects.

Conclusion

OHCP believes that, at a minimum, the CDBG Program should be funded at the current funding level in order to continue to maintain safe, decent housing; improve infrastructure; and create jobs for Ohio’s low- and moderate-income residents. A 50 percent reduction in the CDBG Program funds would, at a minimum, result in approximately 138 fewer economic development, community development and housing projects being completed, 1.9 million fewer low- and moderate-income persons being served and more than \$120 million of leverage lost each year.

Questions regarding the enclosed information should be directed to me by telephone at (614) 466-2285 or by e-mail at lwarner@odod.state.oh.us or to Michael Hiler, OHCP Chief Financial Officer, at the same telephone number or by e-mail at mhiler@odod.state.oh.us.

LJW/MH/MD
Enclosure

The Village of Hebron

Office of the Mayor

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740-928-2261 Fax 740-928-5104*



March 22, 2006

Honorable Chairman Ney, Committee Members and guests:

Thank you for allowing me the opportunity to speak on behalf of the residents of our village this morning. As a former council member and the current Mayor serving our community for more than 20 years I believe I have a unique perspective on the matter before the committee today.

I am a lifetime resident of the Village and while I serve my home community as an elected official I am also a full time Professional Fire Chief for another central Ohio community. As you might suspect, the opportunity to respond as a Firefighter/Paramedic to the needs of citizens in times of crisis has given me cause to consider many solutions to the safety and quality of life of our citizens. The CDBG (Community Development Block Grant) program has been a critical and integral part of implementing many of these solutions. I am before you today to support the CDBG program and to share with the committee what the program has meant and continues to mean to us at the local level.

Our small community does not enjoy the massive amounts of revenue some communities enjoy for large recreational centers, wide landscaped boulevards, fancy street lights and huge community centers. Our needs tend to be much more basic things like a simple sidewalk to get our children off of the edge of a busy State highway. This allows them to walk to parks and the library without being within four feet of semi trucks traveling at a high rate of speed. We need culverts and storm drains to improve drainage in residential areas that are 150 years old so people can stop living in fear of their basement flooding. We need curbs to retain the storm runoff and channel it out of town to alleviate annual flooding. We need shelter houses at our parks to protect the children when the storms roll in quickly and the lightning begins to strike and to have a place to gather for the annual pot luck trophy awards for the various programs. We need paved walkways so disabled grandparents can get up to the fence to watch a great grandchild hit that homerun or maybe kick a goal.

We recognize that it is our local responsibility to find ways to provide these improvements. Our elected officials, village staff and scores of volunteers work many long hours to make projects happen. As everyone knows, the types of community improvements I have mentioned are expensive. Our council has in the past, and will continue, to commit available funds to these improvements every year. Some years grants are not forthcoming and the projects are scaled back to those we can do with 100% funding from the village.

There have been many of these. Other years grants such as CDBG have played a major role in improving the quality of life for our residents and visitors.

Some of the projects have included the following:

1996, 1997, 1998.....A multi phase project to install storm drains, curbs and sidewalks was completed with major support from CDBG. This project not only enhanced the appearance of the area but significantly reduced flooding, created safe walking areas for residents and children and improved the quality of life for everyone in the area. There was one place where no sidewalk existed previously and children had to ride through a yard on bikes or on State Route 40 with high levels of traffic. CDBG helped put them on a sidewalk.

In the early 2000's a local philanthropic foundation was most generous in providing a large piece of ground for a park at the west end of the village. A flurry of activity took place with volunteers and "Natureworks" grants working together to develop soccer fields, baseball fields, a protected wetlands, a concession stand build by volunteers from the local "BIA" group and other Council funded improvements. It is truly a gem for our community. Unfortunately it was located at the end of a busy street that did not have sidewalks for safe access or a bridge to cross a large drainage channel. Children from all over the village had to walk or ride their bikes on a narrow road that is heavily trafficked to reach the park.

CDBG stepped in with a grant that helped Hebron to fund the installation of several sidewalks and a bridge over the stream and now everyone is able to reach the park safely on foot or bicycle or skates or skateboard or...oh well, you get the idea. People love the access and love the park and the amazing improvement in the quality of life it brings.

In 2001 the Village opened a new municipal building on a site at the far west side of the village. Part of the complex is an amazing library that is used extensively by everyone in the area. The Hebron elementary school is also in the west end of town and children often come in groups to tour the municipal complex and to visit the library. Until 2002 there were no sidewalks to reach the facility and once again Hebron found a wonderful partner in CDBG. A grant was issued for the completion of a sidewalk from the existing CDBG funded sidewalk at Ninth Street to the municipal complex and the flow of walkers and children is astounding.

The most recent project in partnership with CDBG is another sidewalk and storm drain that connects an area of low income housing with the sidewalks on West Main Street for access to the rest of the village. This apartment complex and housing area is located in such a way that children going to the local school to catch a school bus had to walk a very narrow strip adjacent to State Route 40 with traffic moving at 35-55 mph. It is amazing to me that no child was maimed or killed in this area. With CDBG assistance a sidewalk and bridge was installed that moved pedestrians 15+ feet from the roadway and a large drain was installed to improve storm runoff in the area.

In summary, CDBG and the Village of Hebron have been great partners in taking steps forward to improve the quality of life for residents and particularly the children of the village. I am very much aware that at high levels these programs appear to just be about concrete and sidewalks and drain pipes and many other very inanimate things. Please be assured that is not how CDBG funding is viewed by this community.

CDBG is about the child who gets to participate in a program at the park that they can safely reach on a bike or on foot and the impact the program has on that child's life. CDBG is about the heartbreaking funeral for the third grader that never happens because a sidewalk was installed. CDBG is about the 85 year old widow on Social Security who lives in her home of 50 years and does not have a flooded basement to cope with because the street storm drains were improved. CDBG is about the wheelchair confined person who can actually leave the house and go from one end of town to the other visiting with friends, having an ice cream cone on a summer day, and doing some shopping because CDBG helped put sidewalks and curbs in place.

CDBG is about people, and from my perspective is one of the most positive and productive programs I have witnessed in my many years of public service. Hebron is a much better place for everyone because of the CDBG funding and we hope to be a partner in this program for many years. Even in times of tight budgets the Village intends to continue helping the people of our community with these types of projects and to creatively find ways to fund them. Without CDBG funding the quantity and quality of projects will be significantly reduced and the safety and quality of life for our residents and children will be greatly diminished.

As a spokesman for the residents of Hebron I strongly encourage those who fund the CDBG program to seriously consider the impact of this program and the value it brings at the local level.

It seems to me that in these times of billions of dollars being dispensed by our Federal government around the world, sustaining and even increasing the funding for this and other programs that so directly benefit our fellow Americans should be of paramount importance to our elected representatives. I applaud your efforts as Chairman of this committee to highlight and support the needs of our local communities.

Thank you for the opportunity to share these comments with you today.

Original signed by

Clifford L. Mason
Mayor