

*Meeting Agenda*  
**City of Wyoming Community Development Committee**

June 1, 2016, 6:30 p.m., Wyoming City Hall, West Conference Room

Agenda Topic

- A. Call to order of the Wyoming Community Development Committee
- B. Approval of the Agenda
- C. Approval of Wyoming Community Development Committee Minutes of the February 3, 2016 meeting
- E. Public Comment on Agenda Items (limit to 3 minutes)
- F. Data Review & Response to Homelessness
  - Salvation Army Contract Change
  - 2016 Kent County Point in Time Count (incl. Media Release)
- G. Fair Housing Items
  - Fair Housing Center of West Michigan Education and Outreach Report (through March 31)
  - HUD Guidance on Use of Criminal Records Checks
- H. Planning and Budget Updates
  - 2016-2020 Consolidated Action Plan Update
  - 2016-2017 Grant, Action Plan and Budget Process Update
- I. Informational Materials
  - NAHRO Impact of CDBG Cuts Summary
  - 2016 CDBG Coalition Survey Report
- J. Committee
  - Member Recruitment
  - Concerns and Suggestions
- K. Replacement of Chairperson Position
  - Affirm officer election schedule
- L. Public Comment in General (limit to 3 minutes)
- M. Motion to Adjourn the Wyoming Community Development Committee Meeting

(Next meeting: August 3, 2016 - Tentative key topics are year-end reports)

COMMUNITY DEVELOPMENT COMMITTEE  
MEETING MINUTES OF FEBRUARY 3, 2016  
CITY HALL WEST CONFERENCE ROOM  
CITY OF WYOMING, MICHIGAN

MEMBERS PRESENT: DeJager, Dunklee, Hall, Krenz, Lopez, Ziemba

MEMBERS ABSENT: McGlaun

STAFF PRESENT: Rebecca Rynbrandt, Director of Community Services  
Kimberly Lucar, Community Development Dept.

OTHERS PRESENT:

Call to Order

Chair Ziemba called the meeting to order at 6:30 p.m.

Approval of Agenda

Motion by Hall, supported by Lopez, to approve the agenda. Motion carried unanimously.

Approval of Prior Committee Minutes

Motion by DeJager, supported by Hall, to approve the prior meeting minutes of January 6, 2016. Motion carried unanimously.

Public Hearing – City of Wyoming Consolidated Housing & Community Development One Year Action Plan, July 1, 2016 – June 30, 2017

Chair Ziemba opened the public hearing at 6:31 p.m. There was no public. Chair Ziemba closed the public hearing at 6:31 p.m.

Public Comment on Agenda Items

There was no public.

2016-2020 Regional Consolidated Plan Update

Rynbrandt noted the Wyoming and Grand Rapids City Councils have approved the 2016-2020 Regional Consolidated Plan. Kent County is still in the approval process. The consultants are making final edits and uploading it into the HUD IDIS software system. Lucar has begun the draft for the One Year Action Plan. Since the first year Action Plan is considered part of the Regional Consolidated Plan, it will not be as detailed as prior Action Plans. Next year it will be a stand-alone plan and more individualized to Wyoming. The Regional Consolidated Plan and Action Plan cannot be submitted until the final grant award amount for 2016-2017 is included in these plans. The grant award amounts should be released by the end of February. Lucar is also

working on the 2016-2017 Environmental Review, which is being completed in HUD's new HEROS software system.

#### 2016-2017 Grant, Action Plan and Budget Process Update

Rynbrandt explained the updated 2016-2017 CDBG budget detail sheet, which is based on the Committee's budget discussions at the last meeting. The budget amounts are tied to the proposed projects to be funded in the Action Plan. The total revenue amount is expected to be \$617,869, but will change based on the final grant award amount. Administrative costs are projected at \$118,530, with the cap at \$119,832. Because of the cap, the maximum grant award to the Fair Housing Center cannot be over \$10,000. The public services cap is at \$92,894.

Chair Ziemba asked if the Fair Housing Center has been made aware of the \$10,000 limitation. Rynbrandt replied the numbers were just recently calculated, but she would inform them of this.

Motion by DeJager, supported by Hall, to recommend to City Council approval of the City of Wyoming Consolidated Housing & Community Development One Year Action Plan, July 1, 2016 – June 30, 2017. Motion carried unanimously.

Rynbrandt noted the City Council public hearing on the 2016-2017 Action Plan will be set for April 4th.

#### Informational Materials

HUD Continuum of Care Report – Rynbrandt referred to this mid-year report submitted by the Heart of West Michigan United Way. Other sub-recipient mid-year reports are due and will be forwarded to the Committee (Fair Housing Center, Code Enforcement and Compassion This Way).

#### Committee Member Concerns and Suggestions

The Committee decided to not meet in March or April unless a meeting is called by the Chair. Rynbrandt would forward any relevant information to the Committee during that time.

Hall announced that the Wyoming Community Foundation is looking for board members. He encouraged Committee members to attend their next meeting and see what the organization is all about.

#### Public Comment in General

There was no public.

Adjournment

Motion by Hall, supported by Lopez, to adjourn the meeting. Motion carried unanimously.

The meeting was adjourned at 6:52 p.m.

The next meeting of the Committee is May 4, 2016.

A handwritten signature in cursive script, reading "Kimberly S. Lucar", written over a horizontal line.

Kimberly S. Lucar  
Planning & Community Development Dept.

## Rynbrandt, Becky

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**From:** Jim Talen <jtalen@hwmuw.org>  
**Sent:** Monday, May 23, 2016 4:46 PM  
**To:** Jim Talen  
**Cc:** Jessica Vail; Rynbrandt, Becky; Tracie Coffman  
**Subject:** 2016 Kent County Point In Time Count Data  
**Attachments:** 2016PITDataRelease-Final.pdf

GRAND RAPIDS, MICHIGAN, May 23, 2016 – The Grand Rapids Area Coalition To End Homelessness has released **preliminary results** for 2016 from its annual **Point In Time (PIT) count** of people experiencing homelessness on a given night in Kent County. Every U.S. community that receives federal funding support for its homelessness work must conduct an annual count of people staying in emergency shelter and transitional housing, as well as those without shelter.

This year's count in Kent County was conducted for the night of **January 27**. Instead of utilizing community volunteers, as in previous years, experienced outreach staff teamed up with other experienced professionals to canvas pre-identified areas around Kent County. **Forty-one people were identified as sleeping in places "not fit for human habitation"** on that night, when temperatures ended up being relatively mild for a January night in Michigan.

Organizations that provide shelter for individuals and families generally enter information into a statewide information system known as HMIS – Homeless Management Information System. That information was verified by staff to ensure its accuracy and submitted to the federal Department of Housing and Urban Development (HUD), along with the "unsheltered" count, on May 2. The data will eventually become part of an annual report to Congress on the effectiveness of HUD's programs.

This year's count showed an overall **12% decrease over last year's count**. The data will be used, **along with information from several other sources**, to understand the extent and scope of homelessness in Kent County and as one of the tools that help the community plan and adjust its response.

The Coalition believes that the **solution to homelessness is housing**. A year ago it updated its strategic plan, focusing intensely on identifying people with the highest level of need and getting them into permanent housing as quickly as possible, along with vital supportive services, under what is known as the **"Housing First" model**.

The Grand Rapids Area Coalition to End Homelessness is a collaboration of over 50 organizations and is part of the Kent County Essential Needs Task Force. In 2004 it facilitated development of a plan to address the root causes of homelessness and get people into permanent housing as quickly as possible. Heart of West Michigan United Way supports this work as the Coalition's fiduciary and employer of record.

A summary document (also attached) and additional detail reports are available on the Coalition website - <http://endhomelessnesskent.org/about/point-in-time-count/>.

Contact Jessica Vail, Program Manager, at (616) 752-8640 or [jvail@hwmuw.org](mailto:jvail@hwmuw.org) for additional information.

## Kent County Point In Time Count 2016

The Point In Time (PIT) Count is a tally of who is experiencing homelessness on a given night and provides a snapshot of homelessness in a community. The count includes individuals and families living in temporary housing, as well as people who are without shelter (“on the street”). Communities who receive Continuum of Care funding from the U.S. Department of Housing and Urban Development (HUD) are required to conduct a count each year during the last week of January.

The PIT Count does not provide comprehensive information about the extent of homelessness in our community. It is only one set of data, among several, that, when taken together, help clarify the extent of homelessness for the purposes of evaluation and planning.

The National Alliance to End Homelessness provides some helpful context for count data:

*Point-in-time counts are important because they **establish the dimensions of the problem of homelessness** and help policymakers and program administrators track progress toward the goal of ending homelessness. Collecting data on homelessness and tracking progress can inform public opinion, increase public awareness, and attract resources that will lead to the eradication of the problem.*

*HUD uses information from the local point-in-time counts, **among other data sources**, in the congressionally-mandated Annual Homeless Assessment Report to Congress (AHAR). This report is meant to inform Congress about the number of people experiencing homelessness in the U.S. and the effectiveness of HUD’s programs and policies in decreasing those numbers.*

*On the local level, point-in-time counts **help communities plan services and programs** to appropriately address local needs, **measure progress** in decreasing homelessness, and **identify strengths and gaps** in a community’s current homelessness assistance system.*

The 2016 Kent County PIT count was conducted by the Grand Rapids Area Coalition to End Homelessness for the evening of January 27. In addition to collecting information from a dozen organizations that provide temporary shelter services and support, experienced homeless outreach staff teamed up with other professionals to contact and interview people sleeping without shelter in areas all over Kent County.

A summary of count data from the past eight years is below. Additional detail from this year’s Count is available on the next page and still more detail can be made available upon request.

	Jan 27, 2009	Jan 22, 2010	Jan 26, 2011	Jan 25, 2012	Jan 23, 2013	Jan 29, 2014	Jan 28, 2015	Jan 27, 2016
Total	868	585	627	712	732	793	912	800
Emergency Shelter	334	296	284	282	260	345	408	594
Transitional Housing	500	279	327	400	428	415	478	165
Unsheltered	34	10	16	30	44	33	26	41

## Point In Time Populations Summary

Count Date – 1/27/2016

### Households and Persons [( ) = Previous year]

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Total Households	479 (347)	86 (229)	37 (24)	602 (600)
Total Persons	594 (408)	165 (478)	41 (26)	800 (912)
Children under age 18	113 (68)	76 (239)	0	189 (307)
Persons 18 to 24	35 (28)	10 (51)	8 (1)	53 (80)
Persons over age 24	446 (312)	29 (188)	33 (25)	558 (525)

### Gender

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Female	205	79	9	293 (388)
Male	389	86	32	507 (523)
Transgender	0	0	0	0 (1)

### Ethnicity

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Non-Hispanic/Non-Latino	528	135	35	698 (795)
Hispanic/Latino	66	30	6	102 (117)

### Race

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
White	255	91	25	371 (388)
Black or African-American	289	68	11	368 (449)
Asian	4	0	1	5 (2)
Amer Indian/Alaska Ntv	7	4	1	12 (10)
Ntv Hawaiian/Pcfc Islndr	1	1	0	2 (2)
Multiple Races	38	1	3	42 (61)

FHCWM Education & Outreach Hours in Wyoming, MI – July 1, 2015 – March 31, 2016

Fair Housing Services	Total Hours of Direct Service	FHIP PEI hours	FHIP EOI hours	GRC hours	KC hours	KCSM hours	MUSK hours	WYO hours	Partners Engaged
Disseminated 20 fair housing best practices to 29 housing provider representatives and 1 local media representative located in and/or serving Wyoming	<b>10.75</b>	2.5	.25	2	4.5	1.5	0	0	<ul style="list-style-type: none"> <li>-Land &amp; Co.</li> <li>-Sunflower Apartments</li> <li>-MLive Media Group Advertising Dept.</li> <li>-Property Management Association of WM</li> <li>-Hope Network</li> <li>-Compass</li> <li>-Brockton Woods</li> <li>-Private landlords</li> <li>-Rental Property Owners Association</li> <li>-Habitat for Humanity of Kent County</li> <li>-Wyoming Housing Commission</li> <li>-Dwelling Place of Grand Rapids</li> <li>-Arbor Lake Apartments</li> </ul>
Provided 6 fair housing trainings or presentations to 49 people located in and/or serving Wyoming	<b>13</b>	4.5	0	2.75	3.75	2	0	0	<ul style="list-style-type: none"> <li>-Compass Property Management</li> <li>-Rental Property Providers Association</li> <li>-Habitat for Humanity of Kent County</li> <li>-Dwelling Place of Grand Rapids</li> </ul>
Attended 6 meetings and provided fair housing expertise/information to agencies and/or or professionals serving Wyoming	<b>9.25</b>	0	0	3.75	4.5	1	0	0	<ul style="list-style-type: none"> <li>-PSH Subcommittee Meeting of the Coordinated Assessment Committee of the Grand Rapids Area Coalition to End Homelessness (GRACEH)</li> <li>-Kent County, Grand Rapids, and Wyoming MI Regional Consolidated Plan Affordable Housing Focus Group Meeting</li> <li>-Coordinated Assessment Committee of the GRACEH</li> <li>-Deaf and Hard of Hearing Services</li> </ul>

FHCWM Education & Outreach Hours in Wyoming, MI – July 1, 2015 – March 31, 2016

Fair Housing Services	Total Hours of Direct Service	FHIP PEI hours	FHIP EOI hours	GRC hours	KC hours	KCSM hours	MUSK hours	WYO hours	Partners Engaged
Disseminated 1,465 fair housing materials (including 3 newsletters, training materials, fair housing outreach materials, fair housing best practice guidebooks) to people living and/or working in Wyoming	108.75	47.5	28.25	10.75	10	5.25	2.5	4.5	-Fair Housing News Volume III - 2015 Newsletter sent to 198 Wyoming residents -Fair Housing News Volume IV- 2015 Newsletter sent to 215 Wyoming residents -Fair Housing News Volume 1 – 2016 Newsletter sent to 208 Wyoming residents -Fair Housing Education invite postcards sent to 50 Wyoming residents -Compassion This Way; Consumer Services, Inc.; New Life Counseling Services; Sunflower Apartments, KMG Prestige; Peppercorn Apartments; Land & Company; Greater Wyoming Community Resource Alliance; Wyoming Public Schools; Wyoming Senior Center; Wyoming-Kentwood Area Chamber of Commerce
<b>Total:</b>	<b>141.75</b>	<b>54.5</b>	<b>28.5</b>	<b>19.25</b>	<b>22.75</b>	<b>9.75</b>	<b>2.5</b>	<b>4.5</b>	



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-0500

April 4, 2016

**Office of General Counsel Guidance on  
Application of Fair Housing Act Standards to the Use of Criminal Records by  
Providers of Housing and Real Estate-Related Transactions**

**I. Introduction**

The Fair Housing Act (or Act) prohibits discrimination in the sale, rental, or financing of dwellings and in other housing-related activities on the basis of race, color, religion, sex, disability, familial status or national origin.<sup>1</sup> HUD's Office of General Counsel issues this guidance concerning how the Fair Housing Act applies to the use of criminal history by providers or operators of housing and real-estate related transactions. Specifically, this guidance addresses how the discriminatory effects and disparate treatment methods of proof apply in Fair Housing Act cases in which a housing provider justifies an adverse housing action – such as a refusal to rent or renew a lease – based on an individual's criminal history.

**II. Background**

As many as 100 million U.S. adults – or nearly one-third of the population – have a criminal record of some sort.<sup>2</sup> The United States prison population of 2.2 million adults is by far the largest in the world.<sup>3</sup> As of 2012, the United States accounted for only about five percent of the world's population, yet almost one quarter of the world's prisoners were held in American prisons.<sup>4</sup> Since 2004, an average of over 650,000 individuals have been released annually from federal and state prisons,<sup>5</sup> and over 95 percent of current inmates will be released at some point.<sup>6</sup> When individuals are released from prisons and jails, their ability to access safe, secure and affordable housing is critical to their successful reentry to society.<sup>7</sup> Yet many formerly incarcerated individuals, as well as individuals who were convicted but not incarcerated, encounter significant barriers to securing housing, including public and other federally-subsidized housing,

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<sup>1</sup> 42 U.S.C. § 3601 *et seq.*

<sup>2</sup> Bureau of Justice Statistics, U.S. Dep't of Justice, *Survey of State Criminal History Information Systems, 2012*, 3 (Jan. 2014), available at <https://www.ncjrs.gov/pdffiles1/bjs/grants/244563.pdf>.

<sup>3</sup> Nat'l Acad. Sci., Nat'l Res. Couns., *The Growth of Incarceration in the United States: Exploring Causes and Consequences 2* (Jeremy Travis, et al. eds., 2014), available at: <http://www.nap.edu/catalog/18613/the-growth-of-incarceration-in-the-united-states-exploring-causes>.

<sup>4</sup> *Id.*

<sup>5</sup> E. Ann Carson, Bureau of Justice Statistics, U.S. Dep't of Justice, *Prisoners in 2014* (Sept. 2015) at 29, appendix tbls. 1 and 2, available at <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5387>.

<sup>6</sup> Bureau of Justice Statistics, U.S. Dep't of Justice, *Reentry Trends in the United States*, available at <http://www.bjs.gov/content/pub/pdf/reentry.pdf>.

<sup>7</sup> See, e.g., S. Metraux, et al. "Incarceration and Homelessness," in *Toward Understanding Homelessness: The 2007 National Symposium on Homelessness Research*, #9 (D. Dennis, et al. eds., 2007), available at: <https://www.huduser.gov/portal/publications/pdf/p9.pdf> (explaining "how the increasing numbers of people leaving carceral institutions face an increased risk for homelessness and, conversely, how persons experiencing homelessness are vulnerable to incarceration.").

because of their criminal history. In some cases, even individuals who were arrested but not convicted face difficulty in securing housing based on their prior arrest.

Across the United States, African Americans and Hispanics are arrested, convicted and incarcerated at rates disproportionate to their share of the general population.<sup>8</sup> Consequently, criminal records-based barriers to housing are likely to have a disproportionate impact on minority home seekers. While having a criminal record is not a protected characteristic under the Fair Housing Act, criminal history-based restrictions on housing opportunities violate the Act if, without justification, their burden falls more often on renters or other housing market participants of one race or national origin over another (i.e., discriminatory effects liability).<sup>9</sup> Additionally, intentional discrimination in violation of the Act occurs if a housing provider treats individuals with comparable criminal history differently because of their race, national origin or other protected characteristic (i.e., disparate treatment liability).

### **III. Discriminatory Effects Liability and Use of Criminal History to Make Housing Decisions**

A housing provider violates the Fair Housing Act when the provider's policy or practice has an unjustified discriminatory effect, even when the provider had no intent to discriminate.<sup>10</sup> Under this standard, a facially-neutral policy or practice that has a discriminatory effect violates the Act if it is not supported by a legally sufficient justification. Thus, where a policy or practice that restricts access to housing on the basis of criminal history has a disparate impact on individuals of a particular race, national origin, or other protected class, such policy or practice is unlawful under the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the housing provider, or if such interest could be served by another practice that has a less discriminatory effect.<sup>11</sup> Discriminatory effects liability is assessed under a three-step burden-shifting standard requiring a fact-specific analysis.<sup>12</sup>

The following sections discuss the three steps used to analyze claims that a housing provider's use of criminal history to deny housing opportunities results in a discriminatory effect in violation of the Act. As explained in Section IV, below, a different analytical framework is used to evaluate claims of intentional discrimination.

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<sup>8</sup> See *infra* nn. 16-20 and accompanying text.

<sup>9</sup> The Fair Housing Act prohibits discrimination based on race, color, religion, sex, disability, familial status, and national origin. This memorandum focuses on race and national origin discrimination, although criminal history policies may result in discrimination against other protected classes.

<sup>10</sup> 24 C.F.R. § 100.500; accord *Texas Dep't of Hous. & Cmty. Affairs v. Inclusive Cmty. Project, Inc.*, \_\_\_ U.S. \_\_\_, 135 S. Ct. 2507 (2015).

<sup>11</sup> 24 C.F.R. § 100.500; see also *Inclusive Cmty. Project*, 135 S. Ct. at 2514-15 (summarizing HUD's Discriminatory Effects Standard in 24 C.F.R. § 100.500); *id.* at 2523 (explaining that housing providers may maintain a policy that causes a disparate impact "if they can prove [the policy] is necessary to achieve a valid interest.").

<sup>12</sup> See 24 C.F.R. § 100.500.

### A. Evaluating Whether the Criminal History Policy or Practice Has a Discriminatory Effect

In the first step of the analysis, a plaintiff (or HUD in an administrative adjudication) must prove that the criminal history policy has a discriminatory effect, that is, that the policy results in a disparate impact on a group of persons because of their race or national origin.<sup>13</sup> This burden is satisfied by presenting evidence proving that the challenged practice actually or predictably results in a disparate impact.

Whether national or local statistical evidence should be used to evaluate a discriminatory effects claim at the first step of the analysis depends on the nature of the claim alleged and the facts of that case. While state or local statistics should be presented where available and appropriate based on a housing provider's market area or other facts particular to a given case, national statistics on racial and ethnic disparities in the criminal justice system may be used where, for example, state or local statistics are not readily available and there is no reason to believe they would differ markedly from the national statistics.<sup>14</sup>

National statistics provide grounds for HUD to investigate complaints challenging criminal history policies.<sup>15</sup> Nationally, racial and ethnic minorities face disproportionately high rates of arrest and incarceration. For example, in 2013, African Americans were arrested at a rate more than double their proportion of the general population.<sup>16</sup> Moreover, in 2014, African Americans comprised approximately 36 percent of the total prison population in the United States, but only about 12 percent of the country's total population.<sup>17</sup> In other words, African Americans were incarcerated at a rate nearly three times their proportion of the general population. Hispanics were similarly incarcerated at a rate disproportionate to their share of the

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<sup>13</sup> 24 C.F.R. § 100.500(c)(1); *accord Inclusive Cmty's. Project*, 135 S. Ct. at 2522-23. A discriminatory effect can also be proven with evidence that the policy or practice creates, increases, reinforces, or perpetuates segregated housing patterns. See 24 C.F.R. § 100.500(a). This guidance addresses only the method for analyzing disparate impact claims, which in HUD's experience are more commonly asserted in this context.

<sup>14</sup> *Compare Dothard v. Rawlinson*, 433 U.S. 321, 330 (1977) ("[R]eliance on general population demographic data was not misplaced where there was no reason to suppose that physical height and weight characteristics of Alabama men and women differ markedly from those of the national population.") with *Mountain Side Mobile Estates P'ship v. Sec'y of Hous. & Urban Dev.*, 56 F.3d 1243, 1253 (10th Cir. 1995) ("In some cases national statistics may be the appropriate comparable population. However, those cases are the rare exception and this case is not such an exception.") (citation omitted).

<sup>15</sup> *Cf. El v. SEPTA*, 418 F. Supp. 2d 659, 668-69 (E.D. Pa. 2005) (finding that plaintiff proved prima facie case of disparate impact under Title VII based on national data from the U.S. Bureau of Justice Statistics and the Statistical Abstract of the U.S., which showed that non-Whites were substantially more likely than Whites to have a conviction), *aff'd on other grounds*, 479 F.2d 232 (3d Cir. 2007).

<sup>16</sup> See FBI Criminal Justice Information Services Division, *Crime in the United States, 2013*, tbl.43A, available at <https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2013/crime-in-the-u.s.-2013/tables/table-43> (Fall 2014) (reporting that African Americans comprised 28.3% of all arrestees in 2013); U.S. Census Bureau, Monthly Postcensal Resident Population by Single Year of Age, Sex, Race and Hispanic Origin: July 1, 2013 to December 1, 2013, available at <http://www.census.gov/popest/data/national/asrh/2014/2014-nat-res.html> (reporting data showing that individuals identifying as African American or Black alone made up only 12.4% of the total U.S. population at 2013 year-end).

<sup>17</sup> See E. Ann Carson, Bureau of Justice Statistics, U.S. Dep't of Justice, *Prisoners in 2014* (Sept. 2015) at tbl. 10, available at <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5387>; and U.S. Census Bureau, Monthly Postcensal Resident Population by Single Year of Age, Sex, Race and Hispanic Origin: July 1, 2014 to December 1, 2014, available at <http://www.census.gov/popest/data/national/asrh/2014/2014-nat-res.html>.

general population, with Hispanic individuals comprising approximately 22 percent of the prison population, but only about 17 percent of the total U.S. population.<sup>18</sup> In contrast, non-Hispanic Whites comprised approximately 62 percent of the total U.S. population but only about 34 percent of the prison population in 2014.<sup>19</sup> Across all age groups, the imprisonment rates for African American males is almost six times greater than for White males, and for Hispanic males, it is over twice that for non-Hispanic White males.<sup>20</sup>

Additional evidence, such as applicant data, tenant files, census demographic data and localized criminal justice data, may be relevant in determining whether local statistics are consistent with national statistics and whether there is reasonable cause to believe that the challenged policy or practice causes a disparate impact. Whether in the context of an investigation or administrative enforcement action by HUD or private litigation, a housing provider may offer evidence to refute the claim that its policy or practice causes a disparate impact on one or more protected classes.

Regardless of the data used, determining whether a policy or practice results in a disparate impact is ultimately a fact-specific and case-specific inquiry.

B. Evaluating Whether the Challenged Policy or Practice is Necessary to Achieve a Substantial, Legitimate, Nondiscriminatory Interest

In the second step of the discriminatory effects analysis, the burden shifts to the housing provider to prove that the challenged policy or practice is justified – that is, that it is necessary to achieve a substantial, legitimate, nondiscriminatory interest of the provider.<sup>21</sup> The interest proffered by the housing provider may not be hypothetical or speculative, meaning the housing provider must be able to provide evidence proving both that the housing provider has a substantial, legitimate, nondiscriminatory interest supporting the challenged policy and that the challenged policy actually achieves that interest.<sup>22</sup>

Although the specific interest(s) that underlie a criminal history policy or practice will no doubt vary from case to case, some landlords and property managers have asserted the protection of other residents and their property as the reason for such policies or practices.<sup>23</sup> Ensuring

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<sup>18</sup> See *id.*

<sup>19</sup> See *id.*

<sup>20</sup> E. Ann Carson, Bureau of Justice Statistics, U.S. Dep't of Justice, *Prisoners in 2014* (Sept. 2015) at table 10, available at <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5387>.

<sup>21</sup> 24 C.F.R. § 100.500(c)(2); see also *Inclusive Cmty. Project*, 135 S. Ct. at 2523.

<sup>22</sup> See 24 C.F.R. § 100.500(b)(2); see also 78 Fed. Reg. 11460, 11471 (Feb. 15, 2013).

<sup>23</sup> See, e.g., Answer to Amended Complaint at 58, *The Fortune Society, Inc. v. Sandcastle Towers Hsg. Dev. Fund Corp.*, No. 1:14-CV-6410 (E.D.N.Y. May 21, 2015), ECF No. 37 (“The use of criminal records searches as part of the overall tenant screening process used at Sand Castle serves valid business and security functions of protecting tenants and the property from former convicted criminals.”); *Evans v. UDR, Inc.*, 644 F.Supp.2d 675, 683 (E.D.N.C. 2009) (noting, based on affidavit of property owner, that “[t]he policy [against renting to individuals with criminal histories is] based primarily on the concern that individuals with criminal histories are more likely than others to commit crimes on the property than those without such backgrounds ... [and] is thus based [on] concerns for the safety of other residents of the apartment complex and their property.”); see also J. Helfgott, *Ex-Offender Needs Versus Community Opportunity in Seattle*, Washington, 61 Fed. Probation 12, 20 (1997) (finding in a survey of 196

resident safety and protecting property are often considered to be among the fundamental responsibilities of a housing provider, and courts may consider such interests to be both substantial and legitimate, assuming they are the actual reasons for the policy or practice.<sup>24</sup> A housing provider must, however, be able to prove through reliable evidence that its policy or practice of making housing decisions based on criminal history actually assists in protecting resident safety and/or property. Bald assertions based on generalizations or stereotypes that any individual with an arrest or conviction record poses a greater risk than any individual without such a record are not sufficient to satisfy this burden.

### 1. Exclusions Because of Prior Arrest

A housing provider with a policy or practice of excluding individuals because of one or more prior arrests (without any conviction) cannot satisfy its burden of showing that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest.<sup>25</sup> As the Supreme Court has recognized, “[t]he mere fact that a man has been arrested has very little, if any, probative value in showing that he has engaged in any misconduct. An arrest shows nothing more than that someone probably suspected the person apprehended of an offense.”<sup>26</sup> Because arrest records do not constitute proof of past unlawful conduct and are often incomplete (e.g., by failing to indicate whether the individual was prosecuted, convicted, or acquitted),<sup>27</sup> the fact of an arrest is not a reliable basis upon which to assess the potential risk to resident safety or property posed by a particular individual. For that reason, a housing provider who denies housing to persons on the basis of arrests not resulting in conviction cannot prove that the exclusion actually assists in protecting resident safety and/or property.

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landlords in Seattle that of the 43% of landlords that said they were inclined to reject applicants with a criminal history, the primary reason for their inclination was protection and safety of community).

<sup>24</sup> As explained in HUD’s 2013 Discriminatory Effects Final Rule, a “substantial” interest is a core interest of the organization that has a direct relationship to the function of that organization. The requirement that an interest be “legitimate” means that a housing provider’s justification must be genuine and not false or fabricated. See 78 Fed. Reg. at 11470; see also *Charleston Hous. Auth. v. U.S. Dep’t of Agric.*, 419 F.3d 729, 742 (8th Cir. 2005) (recognizing that, “in the abstract, a reduction in the concentration of low income housing is a legitimate goal,” but concluding “that the Housing Authority had not shown a need for deconcentration in this instance, and in fact, had falsely represented the density [of low income housing] at the location in question in an attempt to do so”).

<sup>25</sup> HUD recently clarified that arrest records may not be the basis for denying admission, terminating assistance, or evicting tenants from public and other federally-assisted housing. See Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions, HUD PIH Notice 2015-19, (November 2, 2015), available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=PIH2015-19.pdf>.

<sup>26</sup> *Schwabe v. Bd of Bar Examiners*, 353 U.S. 232, 241 (1957); see also *United States v. Berry*, 553 F.3d 273, 282 (3d Cir. 2009) (“[A] bare arrest record – without more – does not justify an assumption that a defendant has committed other crimes and it therefore cannot support increasing his/her sentence in the absence of adequate proof of criminal activity.”); *United States v. Zapete-Garcia*, 447 F.3d 57, 60 (1st Cir. 2006) (“[A] mere arrest, especially a lone arrest, is not evidence that the person arrested actually committed any criminal conduct.”).

<sup>27</sup> See, e.g., U.S. Dep’t of Justice, *The Attorney General’s Report on Criminal History Background Checks* at 3, 17 (June 2006), available at [http://www.bjs.gov/content/pub/pdf/ag\\_bgchecks\\_report.pdf](http://www.bjs.gov/content/pub/pdf/ag_bgchecks_report.pdf) (reporting that the FBI’s Interstate Identification Index system, which is the national system designed to provide automated criminal history record information and “the most comprehensive single source of criminal history information in the United States,” is “still missing final disposition information for approximately 50 percent of its records”).

Analogously, in the employment context, the Equal Employment Opportunity Commission has explained that barring applicants from employment on the basis of arrests not resulting in conviction is not consistent with business necessity under Title VII because the fact of an arrest does not establish that criminal conduct occurred.<sup>28</sup>

## 2. Exclusions Because of Prior Conviction

In most instances, a record of conviction (as opposed to an arrest) will serve as sufficient evidence to prove that an individual engaged in criminal conduct.<sup>29</sup> But housing providers that apply a policy or practice that excludes persons with prior convictions must still be able to prove that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. A housing provider that imposes a blanket prohibition on any person with any conviction record – no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then – will be unable to meet this burden. One federal court of appeals held that such a blanket ban violated Title VII, stating that it “could not conceive of any business necessity that would automatically place every individual convicted of any offense, except a minor traffic offense, in the permanent ranks of the unemployed.”<sup>30</sup> Although the defendant-employer in that case had proffered a number of theft and safety-related justifications for the policy, the court rejected such justifications as “not empirically validated.”<sup>31</sup>

A housing provider with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary to serve a “substantial, legitimate, nondiscriminatory interest.” To do this, a housing provider must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and/or property and criminal conduct that does not.<sup>32</sup>

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<sup>28</sup> See U.S. Equal Emp’t Opportunity Comm’n, *EEOC Enforcement Guidance, Number 915.002*, 12 (Apr. 25, 2012), available at [http://www.eeoc.gov/laws/guidance/arrest\\_conviction.cfm](http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm); see also *Gregory v. Litton Systems, Inc.*, 316 F. Supp. 401, 403 (C.D. Cal. 1970) (holding that defendant employer’s policy of excluding from employment persons with arrests without convictions unlawfully discriminated against African American applicants in violation of Title VII because there “was no evidence to support a claim that persons who have suffered no criminal convictions but have been arrested on a number of occasions can be expected, when employed, to perform less efficiently or less honestly than other employees,” such that “information concerning a . . . record of arrests without conviction, is irrelevant to [an applicant’s] suitability or qualification for employment”), *aff’d*, 472 F.2d 631 (9th Cir. 1972).

<sup>29</sup> There may, however, be evidence of an error in the record, an outdated record, or another reason for not relying on the evidence of a conviction. For example, a database may continue to report a conviction that was later expunged, or may continue to report as a felony an offense that was subsequently downgraded to a misdemeanor. See generally SEARCH, *Report of the National Task Force on the Commercial Sale of Criminal Justice Record Information* (2005), available at <http://www.search.org/files/pdf/RNTFCSCJRI.pdf>.

<sup>30</sup> *Green v. Missouri Pacific R.R.*, 523 F.2d 1290, 1298 (8th Cir. 1975).

<sup>31</sup> *Id.*

<sup>32</sup> *Cf. El*, 479 F.3d at 245-46 (stating that “Title VII . . . require[s] that the [criminal conviction] policy under review accurately distinguish[es] between applicants that pose an unacceptable level or risk and those that do not”).

A policy or practice that fails to take into account the nature and severity of an individual's conviction is unlikely to satisfy this standard.<sup>33</sup> Similarly, a policy or practice that does not consider the amount of time that has passed since the criminal conduct occurred is unlikely to satisfy this standard, especially in light of criminological research showing that, over time, the likelihood that a person with a prior criminal record will engage in additional criminal conduct decreases until it approximates the likelihood that a person with no criminal history will commit an offense.<sup>34</sup>

Accordingly, a policy or practice that fails to consider the nature, severity, and recency of criminal conduct is unlikely to be proven necessary to serve a "substantial, legitimate, nondiscriminatory interest" of the provider. The determination of whether any particular criminal history-based restriction on housing satisfies step two of the discriminatory effects standard must be made on a case-by-case basis.<sup>35</sup>

### C. Evaluating Whether There Is a Less Discriminatory Alternative

The third step of the discriminatory effects analysis is applicable only if a housing provider successfully proves that its criminal history policy or practice is necessary to achieve its substantial, legitimate, nondiscriminatory interest. In the third step, the burden shifts back to the plaintiff or HUD to prove that such interest could be served by another practice that has a less discriminatory effect.<sup>36</sup>

Although the identification of a less discriminatory alternative will depend on the particulars of the criminal history policy or practice under challenge, individualized assessment of relevant mitigating information beyond that contained in an individual's criminal record is likely to have a less discriminatory effect than categorical exclusions that do not take such additional information into account. Relevant individualized evidence might include: the facts or circumstances surrounding the criminal conduct; the age of the individual at the time of the conduct; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts. By delaying consideration of criminal history until after an individual's financial and other qualifications are verified, a housing provider may be able to minimize any additional costs that such individualized assessment might add to the applicant screening process.

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<sup>33</sup> Cf. *Green*, 523 F.2d at 1298 (holding that racially disproportionate denial of employment opportunities based on criminal conduct that "does not significantly bear upon the particular job requirements is an unnecessarily harsh and unjust burden" and violated Title VII).

<sup>34</sup> Cf. *El*, 479 F.3d at 247 (noting that plaintiff's Title VII disparate impact claim might have survived summary judgment had plaintiff presented evidence that "there is a time at which a former criminal is no longer any more likely to recidivate than the average person..."); see also *Green*, 523 F.2d at 1298 (permanent exclusion from employment based on any and all offenses violated Title VII); see Megan C. Kurlychek et al., *Scarlet Letters and Recidivism: Does an Old Criminal Record Predict Future Offending?*, 5 *Criminology and Pub. Pol'y* 483 (2006) (reporting that after six or seven years without reoffending, the risk of new offenses by persons with a prior criminal history begins to approximate the risk of new offenses among persons with no criminal record).

<sup>35</sup> The liability standards and principles discussed throughout this guidance would apply to HUD-assisted housing providers just as they would to any other housing provider covered by the Fair Housing Act. See HUD PIH Notice 2015-19 *supra* n. 25. Section 6 of that Notice addresses civil rights requirements.

<sup>36</sup> 24 C.F.R. § 100.500(c)(3); accord *Inclusive Cmty. Project*, 135 S. Ct. 2507.

D. Statutory Exemption from Fair Housing Act Liability for Exclusion Because of Illegal Manufacture or Distribution of a Controlled Substance

Section 807(b)(4) of the Fair Housing Act provides that the Act does not prohibit “conduct against a person because such person has been convicted ... of the illegal manufacture or distribution of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).”<sup>37</sup> Accordingly, a housing provider will not be liable under the Act for excluding individuals because they have been convicted of one or more of the specified drug crimes, regardless of any discriminatory effect that may result from such a policy.

*Limitation.* Section 807(b)(4) only applies to disparate impact claims based on the denial of housing due to the person’s *conviction* for drug manufacturing or distribution; it does not provide a defense to disparate impact claims alleging that a policy or practice denies housing because of the person’s *arrest* for such offenses. Similarly, the exemption is limited to disparate impact claims based on drug *manufacturing or distribution* convictions, and does not provide a defense to disparate impact claims based on other drug-related convictions, such as the denial of housing due to a person’s conviction for drug *possession*.

**IV. Intentional Discrimination and Use of Criminal History**

A housing provider may also violate the Fair Housing Act if the housing provider intentionally discriminates in using criminal history information. This occurs when the provider treats an applicant or renter differently because of race, national origin or another protected characteristic. In these cases, the housing provider’s use of criminal records or other criminal history information as a pretext for unequal treatment of individuals because of race, national origin or other protected characteristics is no different from the discriminatory application of any other rental or purchase criteria.

For example, intentional discrimination in violation of the Act may be proven based on evidence that a housing provider rejected an Hispanic applicant based on his criminal record, but admitted a non-Hispanic White applicant with a comparable criminal record. Similarly, if a housing provider has a policy of not renting to persons with certain convictions, but makes exceptions to it for Whites but not African Americans, intentional discrimination exists.<sup>38</sup> A disparate treatment violation may also be proven based on evidence that a leasing agent assisted a White applicant seeking to secure approval of his rental application despite his potentially disqualifying criminal record under the housing provider’s screening policy, but did not provide such assistance to an African American applicant.<sup>39</sup>

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<sup>37</sup> 42 U.S.C. § 3607(b)(4).

<sup>38</sup> *Cf. Sherman Ave. Tenants' Assn. v. District of Columbia*, 444 F.3d 673, 683-84 (D.C. Cir. 2006) (upholding plaintiff’s disparate treatment claim based on evidence that defendant had not enforced its housing code as aggressively against comparable non-Hispanic neighborhoods as it did in plaintiff’s disproportionately Hispanic neighborhood).

<sup>39</sup> *See, e.g., Muriello*, 217 F. 3d at 522 (holding that Plaintiff’s allegations that his application for federal housing assistance and the alleged existence of a potentially disqualifying prior criminal record was handled differently than those of two similarly situated white applicants presented a prima facie case that he was discriminated against because of race, in violation of the Fair Housing Act).

Discrimination may also occur before an individual applies for housing. For example, intentional discrimination may be proven based on evidence that, when responding to inquiries from prospective applicants, a property manager told an African American individual that her criminal record would disqualify her from renting an apartment, but did not similarly discourage a White individual with a comparable criminal record from applying.

If overt, direct evidence of discrimination does not exist, the traditional burden-shifting method of establishing intentional discrimination applies to complaints alleging discriminatory intent in the use of criminal history information.<sup>40</sup> First, the evidence must establish a prima facie case of disparate treatment. This may be shown in a refusal to rent case, for example, by evidence that: (1) the plaintiff (or complainant in an administrative enforcement action) is a member of a protected class; (2) the plaintiff or complainant applied for a dwelling from the housing provider; (3) the housing provider rejected the plaintiff or complainant because of his or her criminal history; and (4) the housing provider offered housing to a similarly-situated applicant not of the plaintiff or complainant's protected class, but with a comparable criminal record. It is then the housing provider's burden to offer "evidence of a legitimate, nondiscriminatory reason for the adverse housing decision."<sup>41</sup> A housing provider's nondiscriminatory reason for the challenged decision must be clear, reasonably specific, and supported by admissible evidence.<sup>42</sup> Purely subjective or arbitrary reasons will not be sufficient to demonstrate a legitimate, nondiscriminatory basis for differential treatment.<sup>43</sup>

While a criminal record can constitute a legitimate, nondiscriminatory reason for a refusal to rent or other adverse action by a housing provider, a plaintiff or HUD may still prevail by showing that the criminal record was not the true reason for the adverse housing decision, and was instead a mere pretext for unlawful discrimination. For example, the fact that a housing provider acted upon comparable criminal history information differently for one or more individuals of a different protected class than the plaintiff or complainant is strong evidence that a housing provider was not considering criminal history information uniformly or did not in fact have a criminal history policy. Or pretext may be shown where a housing provider did not actually know of an applicant's criminal record at the time of the alleged discrimination. Additionally, shifting or inconsistent explanations offered by a housing provider for the denial of an application may also provide evidence of pretext. Ultimately, the evidence that may be offered to show that the plaintiff or complainant's criminal history was merely a pretextual

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<sup>40</sup> See, generally, *McDonnell Douglas Corp. v. Green*, 411 U.S. 792 (1973) (articulating the concept of a "prima facie case" of intentional discrimination under Title VII); see, e.g., *Allen v. Muriello*, 217 F.3d 517, 520-22 (7th Cir. 2000) (applying prima facie case analysis to claim under the Fair Housing Act alleging disparate treatment because of race in housing provider's use of criminal records to deny housing).

<sup>41</sup> *Lindsay v. Yates*, 578 F.3d 407, 415 (6th Cir. 2009) (quotations and citations omitted).

<sup>42</sup> See, e.g., *Robinson v. 12 Lofts Realty, Inc.*, 610 F.2d 1032, 1039-40 (2d Cir. 1979) ("A prima facie case having been established, a Fair Housing Act claim cannot be defeated by a defendant which relies on merely hypothetical reasons for the plaintiff's rejection.").

<sup>43</sup> See, e.g., *Muriello*, 217 F.3d at 522 (noting that housing provider's "rather dubious explanation for the differing treatment" of African American and White applicants' criminal records "puts the issue of pretext in the lap of a trier of fact"); *Soules v. U.S. Dep't of Hous. and Urban Dev.*, 967 F.2d 817, 822 (2d Cir. 1992) ("In examining the defendant's reason, we view skeptically subjective rationales concerning why he denied housing to members or protected groups [because] 'clever men may easily conceal their [discriminatory] motivations.'" (quoting *United States v. City of Black Jack, Missouri*, 508 F.2d 1179, 1185 (8th Cir. 1974))).

justification for intentional discrimination by the housing provider will depend on the facts of a particular case.

The section 807(b)(4) exemption discussed in Section III.D., above, does not apply to claims of intentional discrimination because by definition, the challenged conduct in intentional discrimination cases is taken because of race, national origin, or another protected characteristic, and not because of the drug conviction. For example, the section 807(b)(4) exemption would not provide a defense to a claim of intentional discrimination where the evidence shows that a housing provider rejects only African American applicants with convictions for distribution of a controlled substance, while admitting White applicants with such convictions.

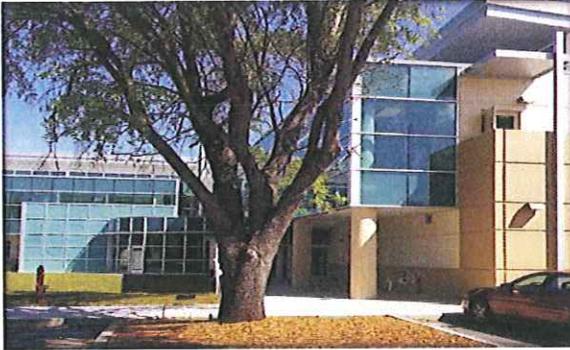
## **V. Conclusion**

The Fair Housing Act prohibits both intentional housing discrimination and housing practices that have an unjustified discriminatory effect because of race, national origin or other protected characteristics. Because of widespread racial and ethnic disparities in the U.S. criminal justice system, criminal history-based restrictions on access to housing are likely disproportionately to burden African Americans and Hispanics. While the Act does not prohibit housing providers from appropriately considering criminal history information when making housing decisions, arbitrary and overbroad criminal history-related bans are likely to lack a legally sufficient justification. Thus, a discriminatory effect resulting from a policy or practice that denies housing to anyone with a prior arrest or any kind of criminal conviction cannot be justified, and therefore such a practice would violate the Fair Housing Act.

Policies that exclude persons based on criminal history must be tailored to serve the housing provider's substantial, legitimate, nondiscriminatory interest and take into consideration such factors as the type of the crime and the length of the time since conviction. Where a policy or practice excludes individuals with only certain types of convictions, a housing provider will still bear the burden of proving that any discriminatory effect caused by such policy or practice is justified. Such a determination must be made on a case-by-case basis.

Selective use of criminal history as a pretext for unequal treatment of individuals based on race, national origin, or other protected characteristics violates the Act.

Helen R. Kanovsky, General Counsel



# CONSEQUENCES FOR AMERICAN COMMUNITIES

A national survey on the impact of recent reductions in  
Community Development Block Grant funding

February 2016



- American Planning Association
- Council of State Community Development Agencies
- Feeding America
- Habitat for Humanity International
- Housing Assistance Council
- International Economic Development Council
- Local Initiatives Support Corporation
- National Association for County Community and Economic Development
- National Association of Counties
- National Association of Development Organizations
- National Association of Housing and Redevelopment Officials
- National Association of Local Housing Finance Agencies
- National Association of Regional Councils
- National Community Development Association
- National League of Cities
- National Recreation and Park Association
- National Rural Housing Coalition
- National Urban League
- Rebuilding Together
- U.S. Conference of Mayors
- YWCA USA

Consequences for American Communities: A national  
survey on the impact of recent reductions in  
Community Development Block Grant funding

A Report of the CDBG Coalition



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## Introduction: The Community Development Block Grant Program

The CDBG program provides annual formula grants to cities, urban counties and states. These grants fund a wide range of community development activities directed towards neighborhood revitalization, affordable housing, economic development, and the provision of improved community facilities and services.

CDBG funding is provided by Congress through annual appropriations. Annual funding is split between states (30 percent) and local jurisdictions (70 percent) called "entitlement communities." Entitlement communities are comprised of principal cities of Metropolitan Statistical Areas, metropolitan cities with populations of at least 50,000, and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). States develop funding priorities and criteria and award grants to units of general local government that do not qualify as entitlement communities.

The U.S. Department of Housing and Urban Development (HUD) calculates each grant amount using a statutory formula. The formula involves several objective measures of community need, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. For Fiscal Year (FY) 2015, over 1,100 entitlement communities received CDBG formula funding, along with 49<sup>1</sup> States and the Commonwealth of Puerto Rico. All CDBG-funded activities must meet one of the three national objectives:

- Provide benefits to low- and moderate-income (LMI) persons;
- Prevent or eliminate slums or blight; and
- Meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the community's health or welfare.

A minimum of 70 percent of CDBG funds must be used for activities that principally benefit LMI, defined as persons at 80 percent or less of area median income. Eligible activities for funds include, but are not limited to:

- Assistance to private businesses to carry out economic development and job creation/retention activities;
- Community revitalization including addressing slums and blight;
- Rehabilitation of residential and non-residential structures;
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- Activities relating to energy conservation and renewable energy resources; and
- Public community development services (e.g., senior support services, child care, homeless operations).

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<sup>1</sup> The State of Hawaii does not participate in the CDBG state program (i.e., "non-entitlement program").

For over 40 years, CDBG has served as the cornerstone of the federal government’s commitment to partnering with states and local governments to strengthen our nation’s communities and improve the quality of life for LMI Americans. On the occasion of the CDBG program’s 40<sup>th</sup> anniversary in 2014, HUD issued a statement<sup>2</sup> commemorating the event in which it said of CDBG:

*“CDBG’s impact can be measured in every corner of the U.S. and in the lives of millions of Americans, 95 percent of whom are low- to moderate-income citizens. Last year alone, the program allowed state and local governments to help nearly 28,000 individuals to find permanent employment or to keep the full-time jobs they have. CDBG also supported the rehabilitation of nearly 95,000 homes and financed public improvement projects that benefitted an estimated 3.3 million residents in communities from coast to coast.”*

### The Decline of CDBG Funding

Unfortunately, the CDBG program is now faced with deep funding cuts - nearly 25 percent (\$900 million) from \$3.9 billion in FY 2010 to \$3 billion in FY 2016. When calculated for inflation, this is a 29 percent decrease from FY 2010. Additionally, CDBG has added nearly 50 new entitlement communities in the last three years alone. As depicted in Figure 1, the ongoing influx of entitlement communities, coupled with declining overall funding, inflation and population growth, means that a growing number of communities are asked to do more with less.<sup>3</sup>

The President’s FY 2017 budget<sup>4</sup> released on February 9, 2017 requests only \$2.8 billion for CDBG, a \$200 million reduction from FY 2016. If enacted, this would reduce CDBG formula funding by an additional 28 percent over the FY 2010 level. Continued cuts to these programs will cause a decline in neighborhoods, downtown areas, and business losses to local economies. Continued cuts will hurt seniors, children, working families, and the homeless, including veterans, through reduced services and housing opportunities. The CDBG Coalition urges Congress to restore these cuts by supporting at least \$3.3 billion for the CDBG program in FY 2017.

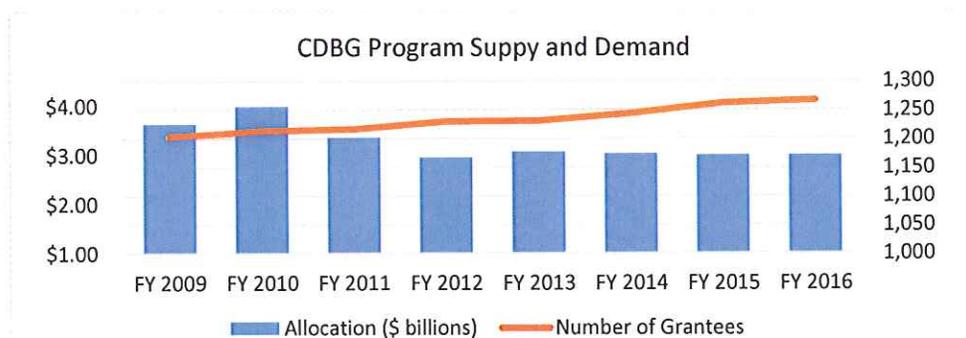


Figure 1. CDBG Allocations Compared to the Number of CDBG Grantees, FY 2009 to FY 2016.

<sup>2</sup> U.S. Department of Housing and Urban Development, “CDBG Program’s 40<sup>th</sup> Anniversary,” [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/CDBG\\_Turns\\_40](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CDBG_Turns_40).

<sup>3</sup> See Appendix D for more information on the total number of CDBG grantees and total CDBG allocations for the past 14 federal fiscal years.

<sup>4</sup> Office of Management and Budget, “Budget of the United States Government, Fiscal Year 2017,” <https://www.whitehouse.gov/omb/budget/overview>

## Understanding the Consequences

The CDBG Coalition consists of twenty-one national associations representing local elected officials, housing and community development professionals, planners, economic development entities, and a wide array of non-profit organizations. Members of the Coalition conducted this survey in an attempt to better understand the national impact of the FY 2015 reduction in CDBG formula funding.

The National Association of Housing and Redevelopment Officials (NAHRO), with substantial input from its Coalition partners, designated a web-based survey instrument<sup>5</sup> using the online survey software product *Survey Monkey*. The online instrument was based in part on a draft list of questions originally developed by the National Community Development Association and the National Association of Counties of the older version of this report that analyzed the impact of CDBG funding cuts between FY 2004 to FY 2006. The survey for this 2016 report was conducted from February 2015 to December 2015. NAHRO compiled and analyzed results from the online survey and produced the final report.

The CDBG Coalition hopes the results of the survey will raise awareness of the real-world impact of decline CDBG funding. The information respondents have provided should also provide insights into the potential consequences of any additional reductions to CDBG formula grants. The Administration and the Congress have made choices concerning CDBG funding. Here are just a few of the consequences of those choices.

### On the Report Cover



Men's Service Center, before and after construction.

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*"The Coalition for the Homeless of Central Florida's new 34,000 square foot Men's Service Center (MSC). The MSC is a two-story residential facility for single, homeless men, offering case management and supportive services for 250 individuals at any given time. Accommodations are dormitory-style for the 200 men in the comprehensive case management programs. An Introductory Phase, with limited case management, accommodates up to 50 men. Breakfast and dinner are served. The CDBG program provided \$5.6 million in funding for the center's construction and project management."*

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<sup>5</sup> See Appendix C to view the online survey questions asked for the CDBG Survey Report

## Summary of Survey Results

The CDBG Coalition Survey generated 161 valid responses from CDBG formula grantees within 40 states. **These respondents represent 13 percent of all CDBG formula grantees**, including 16 percent of all CDBG state programs and 13 percent of all entitlement communities. The survey's 161 respondents received a total of \$403,141,333 in CDBG formula allocations for FY 2015, representing 13 percent of all FY 2015 CDBG formula funding.

The survey asked respondents to provide projections of what they will be able to achieve with their reduced FY 2015 formula allocations as compared to the results they achieved using their FY 2010 grants. The results of the survey suggests that the 25 percent reduction in formula funding for CDBG over the last five fiscal years is having a substantial negative effect on the collective ability of states, cities and counties to serve Americans in need, promote homeownership, grow local economics and strengthen the nation's infrastructure.

Projected reductions from states, cities, and counties include:

- **1,273 fewer businesses to be assisted, 1,450 fewer jobs to be created, and 891 fewer jobs retained:** CDBG is an engine of economic growth, the program leverages \$4.07 for every \$1 of CDBG investment. In its first 25 years, the program created 2.2 million jobs, generated over \$50 billion in personal earnings and produced \$150 billion in total economic benefit.<sup>6</sup>
- **1,748 fewer households to be assisted through homebuyer assistance activities, including a total of 1,034 first-time homebuyers, 6,341 minorities and 257 veterans:** Since the collapse of the housing market in 2008, the federal government has made homeownership a top economic priority, particularly for underserved, creditworthy families. In the past 9 years, CDBG has provided direct and indirect homeownership assistance to almost 40,000 households.
- **936,671 fewer low- and moderate-income persons to be served:** Much of the CDBG program funds are expended towards activities that principally benefit LMI persons. Recent reductions in CDBG formula funding are having a distressing effect on the efforts of states, cities, and counties to secure decent housing, suitable living environments and expanded economic opportunities for LMI Americans.
- **56,698 fewer homeless persons to be served:** The Obama Administration has set a goal of ending veteran homelessness by 2016, end chronic homelessness by 2017, and end family, youth and children homelessness by 2020. CDBG funds often address homelessness by supporting services and programs such as emergency shelter, transitional housing, special needs housing, and supportive services for basic needs such as food, transportation and health care. Between 2005 and 2013, CDBG funds for homelessness activities have benefited over 5 million people.

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<sup>6</sup> Doaks, Michael; Athey, Lois; Fuller, Stephen; and Pitcoff, Winton, "More than Bricks and Mortar: The Economic Impact of the Community Development Block Grant Program." National Association of Housing and Redevelopment Officials, 1999.

- **163,972 fewer elderly persons to be served:** Due to the baby-boom generation and increased longevity, the number of adults in this country aged 50 and over is expected to hit 132 million by 2030, a 70 percent increase since 2000. In 2030, one in five Americans will be at least aged 65. Recent research by Harvard University has found that the United States is ill prepared to meet the housing needs of the aging population.<sup>7</sup> CDBG provides critical resources for programs that serve America's senior citizens, including meals on wheels, housing rehabilitation, and improvements to nursing homes and other facilities that serve the elderly.
- **67,412 fewer children and youth to be served:** More than 31 million children in the United States are growing up in low-income families.<sup>8</sup> CDBG provides funding for programs that meet the needs of children and youth, including child care services, after school enrichment programs, and services for abused and neglected children.
- **178,757 fewer persons with special needs to be served:** CDBG helps to fund programs and services that improve the lives of those with physical and mental disabilities. Examples include improvements that remove barriers to handicap access and recreational programs for developmentally disabled individuals. In the last decade, approximately \$1.2 million persons have benefited from CDBG activities that provide such services for the disabled.<sup>9</sup>
- **5,487 fewer veterans served:** The U.S. Census Bureau estimates there are over 21.8 million veterans of the U.S. armed forces in 2014. Many of the programs that are funded by the CDBG program have touched the lives of the millions of veterans in our country, whether through housing, economic development, public services and public improvements.
- **4,390 fewer households to be assisted through housing rehabilitation activities, including 2,100 elderly households:** CDBG is the leading source of funding for housing rehabilitation programs serving LMI and elderly households. These programs make possible improvements to the safety, habitability, and accessibility of homes occupied by persons unable to make those improvements themselves.
- **439 new city and county public improvement projects to be canceled or delayed that would have served 11,395,715 people:** CDBG strengthens the nation's infrastructure through the funding of water and sewer improvements, street and sidewalk projects, fire stations, public facilities and the remediation of environmental contamination. The reductions in CDBG formula funding have led to the cancellation or delay of scores of public improvement projects that would have served hundreds of thousands of Americans.
- **Overall, 91 entitlement communities estimated that only 1,751 applications (47 percent) would be funded out of a total of 3,702 applications received.** These entitlement communities estimated that a total of \$132,470,399 in additional FY 2015 CDBG formula funding would be needed to fund all applications.

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<sup>7</sup> Joint Center for Housing Studies of Harvard University, "Housing America's Older Adults Meeting the Needs of an Aging Population," 2014.

<sup>8</sup> "Basic Facts about Low-Income Children in the United States," National Center for Children in Poverty, 2015.

<sup>9</sup> U.S. Department of Housing and Urban Development, "National Accomplishment Reports FY 2005-2013," <https://www.hudexchange.info/manage-a-program/cdbg-accomplishment-reports/>

## Full Results – Respondents in Detail

The online survey generated 161 valid responses from CDBG formula grantees. Respondents included 153 entitlement communities and eight state programs. Entitlement community respondents included 126 entitlement cities and 27 entitlement counties. Overall, responses were received from grantees in 40 states.

Respondents represent 13 percent of all CDBG formula grantees (161 of 1,262), 16 percent of all state programs (8 of 50), and 13 percent of all entitlement communities (153 of 1205).

**FY 2010 funding:** The survey’s 161 respondents received a total of \$514,754,629 in CDBG formula allocations for FY 2010. This represents 13 percent of all FY 2010 CDBG formula funding. The 153 entitlement community respondents received a total of \$336,322,571 in FY 2010 CDBG formula allocations, representing 12 percent of the total entitlement share of FY 2010. The eight state program respondents received a total of \$178,432,058 in FY 2010 CDBG formula allocations, representing 15 percent of the total share for the FY 2010 state CDBG program.

**FY 2015 funding:** The survey’s 161 respondents received a total of \$403,141,333 in CDBG formula allocations for FY 2015. This represents 13 percent of all FY 2015 CDBG formula funding. The 153 entitlement community respondents received a total of \$264,159,075 in FY 2015 CDBG formula allocations, representing 13 percent of the total entitlement share for FY 2015. The eight state program respondents received a total of \$138,982,258 in FY 2015 CDBG formula allocations, representing 15 percent of the total share for the FY 2015 state CDBG program.

Table 1: Respondents in Details					
	Respondents	Total FY 2010 CDBG <sup>10</sup>	Total FY 2015 CDBG <sup>11</sup>	Funding Change FY 2010 to FY 2015	
Entitlement Cities	126	\$221,802,948	\$171,135,509	( 50,667,439 )	-22.84%
Entitlement Counties	27	\$114,519,623	\$93,023,566	( 21,496,057 )	-18.77%
<i>Subtotal: All Entitlement Communities</i>	153	\$336,322,571	\$264,159,075	( 72,163,496 )	-21.46%
State Programs	8	\$178,432,058	\$138,982,258	( 39,449,800 )	-22.11%
<b>Total: All Respondents</b>	<b>161</b>	<b>\$514,754,629</b>	<b>\$403,141,333</b>	<b>( \$111,613,296 )</b>	<b>-21.68%</b>

<sup>10</sup> Respondents self-reported FY 2010 CDBG formula allocations. The online survey referred respondents to HUD’s “Community Planning and Development Program Formula Allocations for FY 2010,” available online at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/about/budget/budget10](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget10)

<sup>11</sup> Respondents self-reported FY 2015 CDBG formula allocations. The online survey referred respondents to HUD’s “Community Planning and Development Program Formula Allocations for FY 2015,” available online at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/about/budget/budget15](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget15)

## Reductions in Persons Served

The survey asked respondents to project reductions in persons served by their respective grantee’s full range of CDBG-funded activities. In order to make these projects, each respondent was instructed to use results achieved with the grantee’s FY 2010 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2015 allocation.

### Low- and Moderate-Income Persons (total)

Respondents were asked to project reductions in persons served within each of the following categories: the total number of Low- and Moderate-Income (LMI) persons served (inclusive of other categories), elderly persons, children and youth, persons with special needs, and homeless persons.

- 83 percent of entitlement respondents and 100 percent of state respondents projected a reduction in the total number of LMI persons to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

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*“When you cut funding or reduce funding you stop the momentum of bringing progress to the community. We have yet to ‘cross the finish line’ of solving and providing basic human needs to our community.”*

*-Respondent representing a Massachusetts entitlement city*

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127 entitlement communities projected a total of 741,722 fewer LMI persons to be served.

- Eight state programs projected a total of 184,949 fewer LMI persons to be served.
- **Overall, respondents projected a total of 936,671 fewer LMI persons to be served.**

Table 2: Reductions in Low- and Moderate –Income (LMI) Persons Served		
	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	107	332,747
Entitlement Counties	20	408,975
<i>Subtotal: All Entitlement Communities</i>	127	741,722
State Programs	8	194,949
<b>Total: All Respondents</b>	<b>101</b>	<b>936,671</b>

## Elderly Persons

67 percent of entitlement respondents and 63 percent of state respondents projected a reduction in the number of elderly persons to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

- 102 entitlement communities projected a total of 163,861 fewer elderly persons to be served.
- Five state programs projected a total of 111 fewer elderly persons to be served.
- **Overall, respondents projected a total of 163,972 fewer elderly persons to be served.**

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*“This funding cut has greatly reduced the number of elderly low-to moderate- income homeowners that we can assist to repair their houses. The potential reduction in our staff will lead to fewer activities being undertaken and the remaining staff being overwhelmed with the continuing increase of grant requirements.”*  
*-Respondent representing Arkansas entitlement city*

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	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	87	20,772
Entitlement Counties	15	143,089
<i>Subtotal: All Entitlement Communities</i>	102	163,861
State Programs	5	111
<b>Total: All Respondents</b>	<b>107</b>	<b>163,972</b>

## Children and Youth

59 percent of entitlement respondents and 38 percent of state program respondents projected a reduction in the number of children and youth to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

- 92 entitlement communities projected a total of 67,391 fewer children and youth to be served.
- Three state programs projected a total of 21 fewer children and youth to be served.
- **Overall, respondents projected a total of 67,412 fewer children and youth to be served.**

	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	82	38,350
Entitlement Counties	10	29,041
<i>Subtotal: All Entitlement Communities</i>	92	67,391
State Programs	3	21
<b>Total: All Respondents</b>	<b>95</b>	<b>67,412</b>

## Persons with Special Needs

57 percent of entitlement respondents and 50 percent of state program respondents projected a reduction in the number of persons with special needs (e.g., physical disabilities, mental disabilities) to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

- 91 entitlement communities projected a total of 175,673 fewer persons with special needs to be served.
- Four state programs projected a total of 3,084 fewer persons with special needs to be served.
- **Respondents projected a total of 178,757 fewer special needs persons to be served.**

Table 5: Persons with Special Needs		
	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	74	12,219
Entitlement Counties	17	163,454
<i>Subtotal: All Entitlement Communities</i>	91	175,673
State Programs	4	3,084
<b>Total: All Respondents</b>	<b>95</b>	<b>178,757</b>

## Homeless Persons

53 percent of entitlement respondents and 25 percent of state program respondents projected a reduction in the number of homeless persons to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

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*"We work with a local agency that runs a homeless rapid re-housing program. We would like to be in a position to offer this agency additional CDBG funds, but our CDBG entitlement continues to be reduced."*  
*-Respondent representing a California entitlement city*

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- 81 entitlement communities projected a total of 56,687 fewer homeless persons to be served.
- **Overall, respondents projected a total 56,698 fewer homeless persons to be served.**

Table 6: Homeless Persons		
	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	69	42,533
Entitlement Counties	12	14,154
<i>Subtotal: All Entitlement Communities</i>	81	56,687
State Programs	2	11
<b>Total: All Respondents</b>	<b>83</b>	<b>56,698</b>

## Veterans

27 percent of entitlement respondents and 13 percent of state program respondents projected a reduction in the number of homeless persons to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

- 42 entitlement communities projected a total of 5,486 fewer homeless to be served.
- **Overall, respondents projected a total 5,487 fewer homeless persons to be served.**

	Respondents Projecting a Reduction	Total Reduction (persons)
Entitlement Cities	36	5,081
Entitlement Counties	6	405
<i>Subtotal: All Entitlement Communities</i>	42	5,486
<b>Total: All Respondents</b>	<b>43</b>	<b>5,487</b>

## Reductions in Homebuyer Assistance and Housing Rehabilitation

The survey asked respondents to project reductions in households served through CDBG-funded homebuyer and housing rehabilitation activities. In order to make these projections, each respondent was instructed to use results achieved with the grantee's FY 2010 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2015 allocation.

### Homebuyer Assistance

Respondents were asked to project reductions in households served through homebuyer assistance activities within each of the following categories: total number of households served (inclusive of other categories), first-time homebuyers, minorities, and veterans.

- 41 percent of entitlement respondents and 25 percent of state program respondents projected a reduction in the number of households to be assisted through CDBG-funded homebuyer activities compared to results achieved using FY 2010 allocations.
- 63 entitlement communities projected a total of 1,736 fewer households to be assisted. Of these 1,028 were classified as first-time homebuyers, 6,331 were classified as minority, and 255 were classified as veterans.

- Two state programs projected a total of 12 fewer households to be assisted. Of these, six were classified as a first-time homebuyer, 10 were classified as minority, and two were classified as veteran.
- **Overall, respondents projected a total of 1,748 fewer households to be assisted through homebuyer assistance activities, including a total of 1,034 first-time homebuyers, 6,341 minorities, and 257 veterans.**

Table 8: Reductions in Households Served through Homebuyer Assistance Activities					
	Respondents Projecting a Reduction	Total Reduction (households)	Reduction: First-time Homebuyers (persons)	Reduction: Minority (persons)	Reduction: Veteran (persons)
Entitlement Cities	51	1,463	904	6,170	216
Entitlement Counties	12	273	124	161	39
<i>Subtotal: All Entitlement Communities</i>	63	1,736	1,028	6,331	255
State Programs	2	12	6	10	2
<b>Total: All Respondents</b>	<b>65</b>	<b>1,748</b>	<b>1,034</b>	<b>6,341</b>	<b>257</b>

## Housing Rehabilitation

Respondents were asked to project reductions in households served through housing rehabilitation activities within the following categories: total number of households served and elderly households served.

- 65 percent of entitlement respondents and 63 percent of state program respondents projected a reduction in the number of households to be assisted through CDBG-funded housing rehabilitation activities compared to results achieved using FY 2010 allocations.
- 99 entitlement communities projected a total of 4,218 fewer households to be assisted. Of these, 2,002 households were classified as elderly.
- Five state programs projected a total 172 fewer households to be assisted. Of these, 98 were classified as elderly.
- **Overall, respondents projected 4,390 fewer households to be assisted through housing rehabilitation activities, including a total of 2,100 elderly households.**

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*“As a small Entitlement City with a relatively small CDBG award the impact is deep and far reaching as our funding is stretched among several broad base programs. Housing Rehabilitation is the largest project. With these reductions fewer and fewer lower priced homes are repaired which reduces available homes which are decent, safe, and sanitary. Blighted conditions add to the deterioration of the community increasing crime. Our small projects serve the homeless, provides visiting nurses for shut-ins, food for the hungry, parenting classes for those at risk, substance abuse treatment, and credit counseling. Ever reducing CDBG awards are devastating to people in need of these programs.”*

- Respondent representing an Iowa entitlement city

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Table 9: Reductions in Households Served through Rehabilitation Activities			
	Respondents Projecting a Reduction	Total Reduction (households)	Reduction: Elderly Households
Entitlement Cities	83	3,180	1,408
Entitlement Counties	16	1,038	594
<i>Subtotal: All Entitlement Communities</i>	99	4,218	2,002
State Programs	5	172	98
<b>Total: All Respondents</b>	<b>104</b>	<b>4,390</b>	<b>2,100</b>

## Reductions in Businesses Assisted, Jobs Created, and Jobs Retained

The survey asked respondents to project reductions in businesses assisted, jobs created, and jobs retained using CDBG funds. In order to make these projections, each respondent was instructed to use results achieved with the grantee's FY 2010 CDBG allocation as the benchmark against which to compare the results the grantee expects to achieve using its FY 2015 allocation.

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*"[As a consequence of recent CDBG cuts] the number of technical assistance monitoring visits will be reduced."*  
 -Respondent representing the New Mexico state CDBG program

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### Businesses Assisted

35 percent of entitlement respondents and 50 percent of state program respondents projected a reduction in the total number of businesses to be assisted through CDBG funding compared to results achieved using FY 2010 allocations.

- 53 entitlement communities projected a total of 1,257 fewer businesses to be assisted.
- Four state programs projected a total of 16 fewer businesses to be assisted.
- **Overall, respondents projected a total of 1,273 fewer businesses to be assisted.**

Table 10: Reductions in Business Assisted		
	Respondents Projecting a Reduction	Total Reduction (businesses)
Entitlement Cities	45	484
Entitlement Counties	8	773
<i>Subtotal: All Entitlement Communities</i>	53	1,257
State Programs	4	16
<b>Total: All Respondents</b>	<b>57</b>	<b>1,273</b>

## Jobs Created

31 percent of entitlement respondents and 50 percent of state program respondents projected a reduction in the total number of jobs to be created through CDBG funding compared to results achieved using FY 2010 allocations.

- 48 entitlement communities projected a total of 1,073 fewer jobs to be created.
- Four state programs projected a total of 377 fewer jobs to be created.
- **Overall, respondents projected a total of 1,450 fewer jobs to be created.**

Table 11: Reductions in Jobs Created		
	Respondents Projecting a Reduction	Total Reduction (jobs)
Entitlement Cities	41	917
Entitlement Counties	7	156
<i>Subtotal: All Entitlement Communities</i>	48	1,073
State Programs	4	377
<b>Total: All Respondents</b>	<b>52</b>	<b>1,450</b>

## Jobs Retained

22 percent of respondents and 63 percent of state program respondents projected a reduction in the total number entitlement of jobs to be retained through CDBG funding compared to results achieved using FY 2010 allocations.

- 34 entitlement communities projected a total of 854 fewer jobs to be retained.
- Five state programs projected a total of 37 fewer jobs to be retained.
- **Overall, respondents projected a total of 891 fewer jobs to be retained.**

Table 12: Reductions in Jobs Retained		
	Respondents Projecting a Reduction	Total Reduction (jobs)
Entitlement Cities	30	786
Entitlement Counties	4	68
<i>Subtotal: All Entitlement Communities</i>	34	854
State Programs	5	37
<b>Total: All Respondents</b>	<b>39</b>	<b>891</b>

## Canceled or Delayed Public Improvements

The survey asked each entitlement respondent whether their community would be forced to cancel or delay at least one public improvement project that was previously planned but not yet started due to a reduction in the size of the FY 2015 CDBG formula allocation. Respondents answering “Yes” were in turn asked to identify how many planned projects would be canceled or delayed under each of several broad categories. Finally, the survey asked respondents to estimate the total number of persons all canceled and delayed projects within each category would have served. See Table 14 on page eighteen for an overview of results.

- 70 cities and 13 counties indicated that at least one public improvement project would be canceled or delayed.

## Water and Sewer Improvements

- 21 cities reported a total of 74 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 10,107,069 persons.

Of these 74 projects, 26 involved the remediation of real or suspected environmental contamination. Respondents estimated these six projects would have served a total of 89,650 persons.

- 13 counties reported a total of 13 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 182,431 persons.

Of these 13 projects, respondents reported that four involved the remediation of real or suspected environmental contamination. Respondents estimated these four projects would have served a total of 169,400 persons.

- **Overall, 29 entitlement communities reported a total of 87 new water and sewer improvement projects would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 10,289,500 persons.**

Of these 87 projects, respondents indicated that 30 involved the remediation of real or suspected environmental contamination. Respondents estimated these 30 projects would have served a total of 259,050 persons.

## Other Projects Involving Remediation of Real or Suspected Environmental Contamination

- 10 cities reported a total of 25 new projects (excluding water and sewer improvements) involving remediation of real or suspected environmental contamination would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a 91,214 persons.
- **Overall, 11 entitlement communities reported a total of 27 new projects (excluding water and sewer improvements) involving remediation of real or suspected environmental contamination would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 91,304 persons.**

## Street Improvements

- 30 cities reported a total of 67 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 146,986 persons.
- Six counties reported a total of 12 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 248,000 persons.
- **Overall, 36 entitlement communities reported a total of 79 new projects involving street improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 394,986 persons.**

## Sidewalk Improvements

- 32 cities reported a total of 79 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 250,930 persons.
- Five counties reported a total of 25 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 5,800 persons.
- **Overall, 37 entitlement communities reported a total of 104 new projects involving sidewalk improvements would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 256,730 persons.**

### Community and Neighborhood Centers (including senior centers, youth centers, etc.)

- 26 cities reported a total 40 new projects involving centers would be canceled or delayed. Respondents estimated these projects would have served a total of 37,825 persons.
- Four counties reported a total of 13 new projects involving centers would be canceled or delayed. It is estimated that these projects would have served a total of 65,000 persons.
- **Overall, 30 entitlement communities reported a total of 53 new projects involving centers would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 102,825 persons.**

### Facilities (including new homeless facilities, health facilities, abused/neglected children facilities)

- 15 cities reported a total of 18 new projects involving facilities would be canceled or delayed. It is estimated these would have served a total 17,540 persons.
- One county reported a total of 3 new projects involving facilities would be canceled or delayed. It is estimated that these would have served a total of 25,000 persons.
- **Overall, 16 entitlement communities reported a total of 21 new projects involving facilities would be canceled or delayed. Respondents estimated these canceled and delayed projects would have served a total of 42,540 persons.**

### Parks and Recreational Facilities

- 26 cities reported a total of 56 new projects involving parks and recreational facilities would be canceled or delayed. Respondents estimated these canceled and delayed project would have served a total of 206,990 persons.
- Two counties reported a total of 3 new project involving parks and recreational facilities would be canceled or delayed, that would have served a total of 2,800 persons.
- **Overall, 29 entitlement communities reported a total of 59 new projects involving parks and recreational facilities would be canceled or delayed. Respondents estimated these projects would have served a total of 209,790 persons.**

### Fire Stations and Equipment

- Four entitlement cities reported a total of 9 new projects involving fire stations and fire equipment would be canceled or delayed. Respondents estimated these project would have served a total of 8,040 persons.

**Table 14: Canceled or Delayed Public Improvement Projects (Entitlement Cities and Counties)**

	Respondents Reporting Canceled or Delayed Projects	Total Projects to be Canceled or Delayed	Total Unserved (persons)
<b>Water and Sewer</b>			
Entitlement Cities	21	74	10,107,069
<i>Involving Remediation</i>		26	89,650
Entitlement Counties	13	13	182,431
<i>Involving Remediation</i>		4	168,400
<b>All Entitlement Communities</b>	<b>29</b>	<b>87</b>	<b>10,289,500</b>
<i>Involving Remediation</i>		30	259,050
<b>Other Remediation</b>			
Entitlement Cities	10	25	91,214
Entitlement Counties	1	2	90
<b>All Entitlement Communities</b>	<b>11</b>	<b>27</b>	<b>91,304</b>
<b>Street Improvements</b>			
Entitlement Cities	30	67	146,986
Entitlement Counties	6	12	248,000
<b>All Entitlement Communities</b>	<b>36</b>	<b>79</b>	<b>394,986</b>
<b>Sidewalk Improvements</b>			
Entitlement Cities	32	79	250,930
Entitlement Counties	5	25	5,800
<b>All Entitlement Communities</b>	<b>37</b>	<b>104</b>	<b>256,730</b>
<b>Community Centers</b>			
Entitlement Cities	26	40	37,825
Entitlement Counties	4	13	65,000
<b>All Entitlement Communities</b>	<b>30</b>	<b>53</b>	<b>102,825</b>
<b>Facilities</b>			
Entitlement Cities	15	18	17,540
Entitlement Counties	1	3	25,000
<b>All Entitlement Communities</b>	<b>16</b>	<b>21</b>	<b>42,540</b>
<b>Parks and Recreational Facilities</b>			
Entitlement Cities	26	56	206,990
Entitlement Counties	2	3	2,800
<b>All Entitlement Communities</b>	<b>29</b>	<b>59</b>	<b>209,790</b>
<b>Fire Stations and Equipment</b>			
Entitlement Cities	4	9	8,040
Entitlement Counties	0	0	0
<b>All Entitlement Communities</b>	<b>4</b>	<b>9</b>	<b>8,040</b>

## Unfunded Applications and Unmet Need

The survey asked entitlement respondents to consider both the number of applications for CDBG funding they had received and the number they had been able to fund during recent program years. Respondents were instructed to consider only those applications involving legitimate, eligible projects that they would be inclined to fund if resources were available to do so.

Respondents were asked to provide their best estimates of the following:

1. Number of applications for CDBG funding the grantee expects to receive in the coming year;
2. Number of applications for CDBG funding the grantee expects to be able to fund in the coming year;
3. "Unmet need," defined as the increase to the grantee's FY 2015 CDBG formula allocation that would be needed in order to fund all legitimate applications in the coming year.

**Overall, 93 entitlement communities estimated that only 1,751 applications would be funded out of a total of 3,702 applications received. These 93 entitlement communities estimated that a total of \$132,470,399 in additional FY 2015 CDBG formula funding would be needed to fund all applications.**

- These 93 entitlement communities received a total of \$155,365,631 in FY 2015 CDBG funding.

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*"Increased regulations, enforcement of outdated federal rules and regulations on top of state, local regulations is making the limited funding we have less efficient. If we can't get more money, let's cut the administrative and regulatory burden."*

-- Respondent representing the Vermont state CDBG program

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Table 15: Unfunded Applications and Unmet Need					
	Total Applications				
	Respondents	To be received	To be funded	Unmet Need	Total FY 2015 CDBG
Entitlement Cities	74	2,904	1,276	\$102,115,112	\$94,492,458
Entitlement Counties	19	798	475	\$30,355,287	\$60,873,173
<b>All Entitlements Communities</b>	<b>93</b>	<b>3,702</b>	<b>1,751</b>	<b>\$132,470,399</b>	<b>\$155,365,631</b>

## Most Significant Unmet Community Development Needs

The survey asked respondents to consider all of their significant unmet community development needs in their communities. Respondents were instructed to select up to five most significant unmet needs.

- Out of 100 respondents, 78 percent considered affordable housing as their most significant unmet community development needs, followed by community homeless shelter and services needs

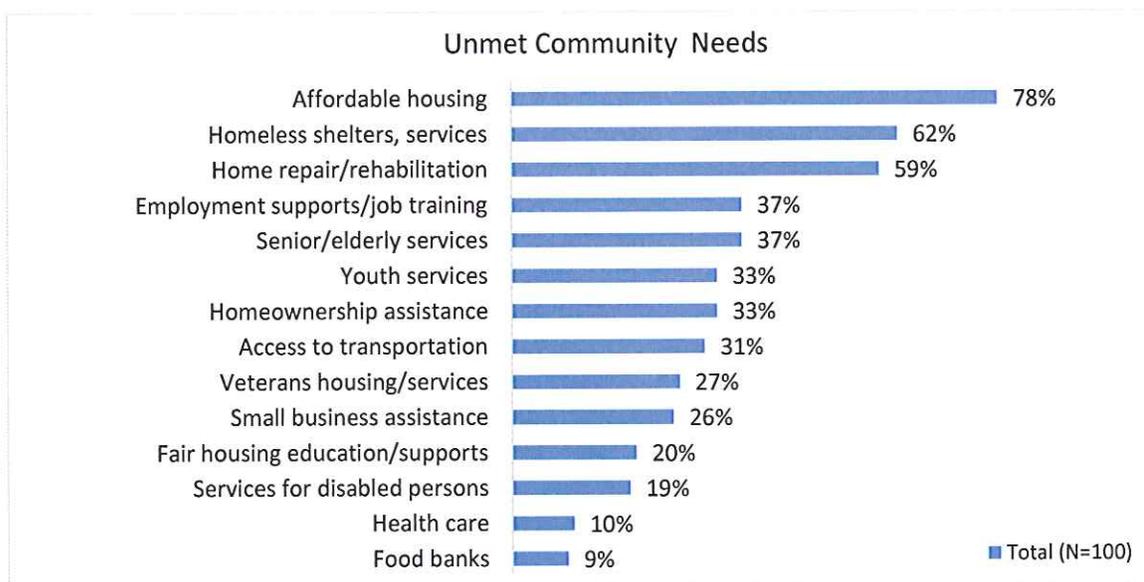


Figure 2. Most Significant Unmet Community Development Needs, Reported by Grantees

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*“Over the past five years, the City of Arlington has received 18.04 million dollars in CDBG funding. The City has seen its allocation decrease by 15 percent from PY 2010 to PY 2015, due to cuts in federal spending. In PY 2010, the CDBG allocation was 3.44 million, and 2.91 million in PY2015. The drastic cuts in CDBG has resulted in the City doing more with less, and in some cases decreasing the level of services, programs, and projects to the most vulnerable population. Every dollar lost in CDBG funding affects essential services provided to low- and moderate-income residents through various public service programs, such as: 1) Senior meals and other services to elderly; 2) Child care, 3) Youth education and mentoring, 4) Healthcare services, 5) Transportation, 6) Public improvements and infrastructure projects, and 7) Affordable housing opportunities. The City of Arlington believes these programs are critical and necessary to our community. Devastating cuts could force the City of Arlington Grants Management team to scale back more or even end certain services, programs or projects to Arlington residents. We, the City of Arlington, support the efforts of the CDBG Coalition in order to protect CDBG funding.”*

– Respondent representing a Texas entitlement city

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## Eliminated Programs Due to Funding Reduction

The survey asked respondents to select all the types of community development programs that has been eliminated altogether due to a reduction in CDBG funding.

- Out of 83 respondents, many reported homeownerships assistance programs have been the most vulnerable to elimination according to respondents, followed by rental rehabilitation and public facilities programs.

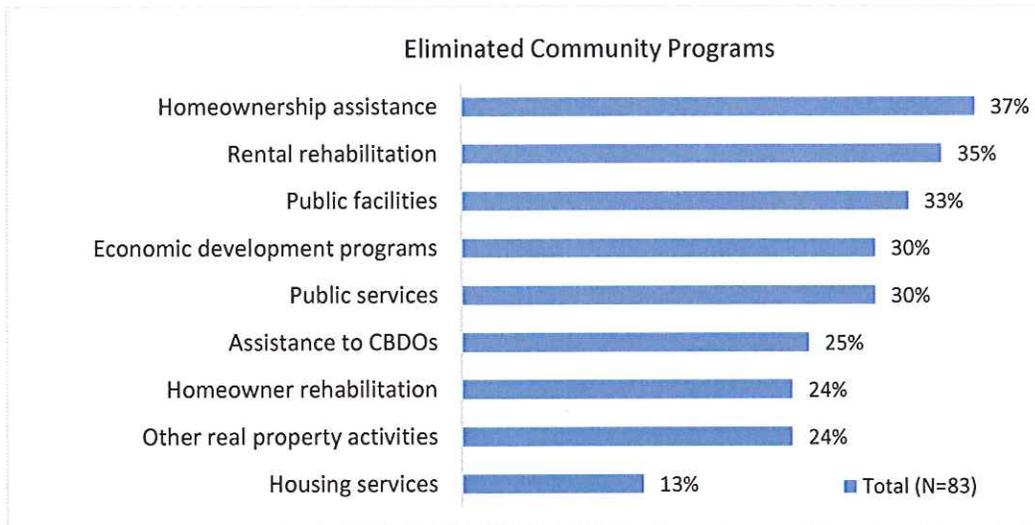


Figure 3. Eliminated Community Development Programs in Communities, Reported by Grantees

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*“Since 2010, we have suspended the City’s first-time home buyer program and the staff position that administered this program and part of the housing rehabilitation program continued to be vacant. In 2012, the cut in CDBG and HOME [Investment Partnership Program] entitlement funds combined with a cut in state funds resulted in our eliminating the housing rehabilitation administrator position and suspending the housing rehabilitation loan program. The suspension of the housing rehabilitation loan program not only has a direct impact on those households needing assistance, it has also impacted the contractors that used to complete rehabilitation projects for use by reducing the number of projects available to them. We now focus our funds on social service projects that assist the neediest and economic development projects that improve the conditions of our downtown area, which has the highest concentration of low- and moderate-income households.”*

*– Respondent representing a Massachusetts entitlement city*

## Appendix A: Additional Comments on the FY 2015 Budget Proposal

Many communities provided additional comments concerning the impact of funding cuts to the CDBG program. Excerpts from these comments are provided below:

*"The cuts to CDBG have required termination of programs previously provided, such as homeowner rehabilitation. We have also reduced CDBG funding to service organizations and other city programs, but have replaced them with City General Funds. The General Fund is stretched, however, due to the elimination of Redevelopment Agencies in California, now there are few sources of funds for improvements to our infrastructure and public facilities."*

– Respondent representing a California entitlement city

*"The 40 percent reduction in CDBG requires a significant decrease in the number of public service non-profit programs funded and a reduction in the amount funded. Several agencies have withdrawn from applying - it is not known at this time if agencies will be successful in raising enough contributions from the private sector to meet the gap due to the reduction in CDBG funding."*

– Respondent representing an Iowa entitlement city

*"Increased regulation and decreased funding allocations are making it incredibly difficult to retain the needed staff to manage local CDBG programs. It is now impossible to finance any bookkeeping staff and project managers entirely out of program administration funds, causing us to have to rely on "project delivery" to keep necessary staff employed. However, as funds for projects also decrease, it becomes increasingly difficult to justify the costs associated with managing complex programs (such as local housing rehabilitation programs). Our local rehab program requires the use of a licensed lead and home inspector and project manager, but the number of properties that can be rehabilitated is constantly decreasing, resulting in HUD constantly monitoring grantees on the "cost-reasonableness" of staff costs to manage rehab programs."*

– Respondent representing a Massachusetts entitlement city

*"The town's first CDBG award was in 1978 at \$1.5 million. Today, that number would be \$5.2 million due to inflation. We will receive \$1.5 million in 2015, over a 70 percent reduction in buying power from 1978."*

– Respondent representing a New York entitlement city

*"The cuts will particularly impact (negatively) public services. We have had to choose whether to fund senior citizen programs like fitness and health programs and transportation to doctor appointments or whether to fund day care slots for the children of low-income households so parents can keep their jobs OR whether to fund meal delivery to severely disabled adults who are homebound. All groups are extremely needy and financially strapped."*

– Respondent representing a Massachusetts entitlement city

*“Due to cuts, we have been planning a few small neighborhood projects and we tend to avoid planning large-scale projects; unfortunately those are the projects that would have the most impact on low-mod neighborhoods. Less funds are available to assist our non-profit developers to acquire/rehabilitate/create housing units, so while we may assist, we are not able to provide as much to fill the funding gaps.”*

– Respondent representing a Massachusetts entitlement city

*“Homelessness is increasing, poverty levels in our community are well above state average, 60 percent of housing stock is built prior to 1940, and unemployment remains among the highest in the state and home ownership levels at 49 percent are well below national levels. Decreased CDBG and HOME funding continue to challenge our community to provide basic housing needs, provide suitable living environments and create and retain jobs.”*

– Respondent representing a Massachusetts entitlement city

*“Murfreesboro's most significant cut came in FY 2011 when allocation dropped from \$700,162 to \$583,344. At that point we trimmed all of our programs and dropped microenterprise and infrastructure. Still suffering from those cuts three years later.”*

– Respondent representing a Tennessee entitlement city

*“Reductions in funding impact the number of rehabilitation, emergency repair, and reconstructions that can be completed in a city with very old housing stock and a large population of low- to moderate-income elderly and minorities. Additionally, our public service agencies are capped at 15 percent of total allocation -- therefore essentials for life such as food, clothing, and shelter not to mention counseling and domestic violence shelters are having to turn families in dire circumstances away daily. The continued downward trend of funding is hurting our community and its ability to assist the most vulnerable.”*

– Respondent representing a Texas entitlement city

*“The recent reduction has delayed construction projects that now need two years of CDBG allocation. It has also reduced the level of staffing and changed how the county funds projects in order to manage the CDBG program. The county has reduced the allowable projects to be funded per participating city in order to assist county staff in managing the program.”*

– Respondent representing a California entitlement county

*“Reductions in funding have resulted in some sub-recipients choosing not to apply for funds. As these agencies go away, it becomes more difficult to meet Consolidated Plan goals. Also, other city departments are giving second thought to using CDBG. The amount available for a project may not merit all the extra contract compliance requirements that are necessary when using CDBG.”*

– Respondent representing a California entitlement city

*"The long-term and ongoing cuts in CDBG funding has had several negative impacts on the Rancho Cordova community. These cuts have hurt two groups particularly. First, it has severely impacted our service providers and the members of the community who desperately rely on those services. The City relies on CDBG to provide gap funding for all of our public service programs. As other State and County funding sources, as well as some key Federal sources have disappeared, the need for CDBG has increased whilst CDBG continues to be slashed. This means that our seniors, youth and residents with a disability have had to face a reduction in critical services, such as meals, youth/anti-gang mentoring and general accessibility to public infrastructure. The second cut has come from a loss of CDBG program knowledge within the City organization. The unreliability of CDBG has resulted in a loss of permanent administrative positions in favor of temporary or term administrative positions. This has resulted in staffing turnover, a loss of general efficiency and issues around meeting the extensive and complicated CDBG reporting and program management requirements. Each year the City plans its CDBG budget prior to the announcement of how much CDBG the City will receive. This timing issue combined with the reduction in funding makes it almost impossible to run stable and effective programs and projects as well as maintain consistent experience and reliable administration."*

– Respondent representing a California entitlement city

*"Cuts will affect a large number of people in our community. Smaller and smaller allocations equates to less money for Public Service agencies that provide a wide array of services to our large low income population. Cuts equate to less money available for all the rehabilitation, emergency repairs, and reconstruction projects that we have a large demand for. Additionally, sidewalk projects and code enforcement activities in our low-moderate census tracts are suffering."*

– Respondent representing a Texas entitlement city

*"It is challenging to meet HUD's requirements regarding activities such as Affirmatively Furthering Fair Housing with fewer administrative dollars to work with infrastructure and housing activities have been scaled back significantly. We are not able to meet the needs of the community."*

– Respondent representing a Pennsylvania entitlement city

*"It will devastate our agency's ability to do rehabilitation projects, code enforcement, infrastructure rehabilitation, and handicap accessibility projects. Our agency has already lost 25 percent of our staff due to CDBG cuts, and the need in the community keeps growing. Code Enforcement is extremely important as well as rehabilitation projects to protect the once stable neighborhoods."*

– Respondent representing a New York entitlement city

*"Osceola County is one of the fastest growing counties in the nation. The comparison of 2010 to 2015 does not take this increase in population into consideration. So, if we are assisting at the same level as in 2010, please consider the fact that the percentage of those in need has dramatically increased therefore the percentage that are not being assisted has dramatically increased proportionately with our population."*

– Respondent representing a Florida entitlement county

*“An understanding of the impact of CDBG budget reductions is incomplete without incorporating inflation and population growth. The reductions are much larger than a simple reading of the allocation amounts. Continual budget reductions over many years and a failure to maintain pace with inflation and population growth has ‘dampened’ expectations of what the CDBG program can achieve. We receive many fewer applications and plan for fewer projects because we have limited funds to distribute.”*

– Respondent representing a Maine entitlement county

*“Recent cuts have resulted in less low-moderate income households being assisted and few infrastructure projects being carried out. While the 2015 versus 2010 comparison show relatively little loss, it must be noted that costs have increased over five years which results in fewer units assisted. The same applies to infrastructure projects. Also, between 2010 and 2015, Shelby County's allocation dipped over time with 2015's allocation being the first time in five years that our allocation is up to 2010 levels. While this is due to population shifts, etc. within the county; it should also be pointed out that with population increases within the county comes more households in need of assistance.”*

– Respondent representing a Tennessee entitlement county

*“At some point the regulatory requirements that come with CDBG money do not make sense if funding continues to be reduced. The funding needs to be increased and the regulatory requirements reduced for the CDBG program to have the greatest impact possible.”*

-Respondent representing the Vermont State CDBG program

## Appendix B: Survey Respondents

<u>State Programs</u>				
Arkansas	Georgia	Mississippi	Tennessee	
Delaware	Michigan	New Mexico	Vermont	
<u>Cities</u>				
<b>Alabama</b>	<b>Colorado</b>	Michigan City	Minnesota	<b>Oregon</b>
Decatur	Arvada		Mankato	Medford
Huntsville	Grand Junction	<b>Louisiana</b>		
Opelika	Longmont	Monroe	<b>Mississippi</b>	<b>Pennsylvania</b>
Tuscaloosa			Hattiesburg	Chambersburg
	<b>Florida</b>	<b>Massachusetts</b>	Moss Point	Harrisburg
<b>Arkansas</b>	Cape Coral	Attleboro		Johnstown
Bentonville	Daytona Beach	Boston	<b>North Carolina</b>	Scranton
Fort Smith	Hialeah	Brookline	Burlington	Williamsport
Conway	Miami Gardens	Fitchburg	Wilmington	
Little Rock	Ocala	New Bedford		<b>Rhode Island</b>
Rogers	Sarasota	Peabody	<b>New Jersey</b>	East Providence
	Sunrise	Gloucester	Cliffside Park	Warwick
<b>Arizona</b>		Lowell	Long Branch	
Yuma	<b>Iowa</b>	Salem		<b>South Carolina</b>
	Cedar Falls	Westfield	<b>Nevada</b>	Greenville
<b>California</b>	Dubuque	Weymouth	Las Vegas	
Anaheim	Davenport		Reno	<b>Tennessee</b>
Costa Mesa		<b>Maryland</b>		Knoxville
Glendale	<b>Idaho</b>	Frederic	<b>New York</b>	Clarksville
Monterey	Boise		Elmira	Murfreesboro
Sacramento	Pocatello	<b>Maine</b>	Hamburg	
Santa Barbara		Auburn	Jamestown	<b>Texas</b>
Davis	<b>Illinois</b>	Biddeford	Tonawanda	Amarillo
Encinitas	Aurora	Portland		Arlington
Napa	Oak Park		<b>Ohio</b>	Austin
Palm Springs	Rantoul	<b>Michigan</b>	Bowling Green	Killeen
Rancho Cordova	Rockford	Battle Creek	Columbus	College Station
San Francisco	Springfield	Clinton	Hamilton	Garland
South Gate	Urbana	Farmington Hills	Lorain	Grand Prairie
Vallejo	Mount Prospect	Grand Rapids		Harlingen
Woodland		Livonia	<b>Oklahoma</b>	McAllen
	<b>Indiana</b>	Westland	Moore	
	East Chicago			

**Utah**  
Salt Lake City  
West Jordan  
West Valley City

**Virginia**  
Alexandria

**Newport News**

**Vermont**  
Burlington

**Washington**  
Auburn

**Bellingham**  
Seattle

**Wisconsin**  
Fond du Lac  
La Crosse

**West Virginia**  
Beckley  
Wheeling

**Wyoming**  
Cheyenne

**Counties**

**California**  
Los Angeles  
Fresno  
San Bernardino  
Sonoma

**Florida**  
Osceola  
Seminole

**Maryland**  
Howard

**Montgomery**

**Maine**  
Cumberland

**Minnesota**  
Dakota  
Ramsey

**New Jersey**  
Monmouth

**Nevada**  
Clark

**Ohio**  
Hamilton  
Montgomery

**Pennsylvania**  
Washington

**South Carolina**  
Richland

**Horry**  
Lexington

**Tennessee**  
Shelby

**Texas**  
Harris

**Utah**  
Salt Lake

**Virginia**  
Fairfax  
Henrico  
Prince William

**Washington**  
Spokane  
Clark

## Appendix C: Online Survey

1. Grantee Information
  - Agency
  - Grantee contact city
  - State
  - Five digit ZIP Code
2. Respondent Information
  - Your name
  - Your title
  - Business phone
  - Email address
3. Grantee type:
  - State/Commonwealth
  - Entitlement city/town/township/municipality/borough
  - Entitlement county/parish
4. FY 2015 CDBG allocation:
5. FY 2010 CDBG allocation:
6. Considering the full range of activities you funded using your FY 2010 CDBG allocation and the activities you expect to fund using your FY 2015 allocation, how many fewer of each of the following types of individuals do you predict you will be able to serve in the coming year
  - Low- and Moderate-Income (LMI) persons (total)
  - Elderly persons
  - Children and youth (under the age of 18)
  - Special needs persons (persons with physical disabilities, mental disabilities, etc.)
  - Homeless persons
7. How many fewer households do you estimate you will be able to assist through homebuyer programs in the coming year?
  - Total
  - First-time homebuyers
  - Minority homebuyers
8. How many fewer households do you predict you will be able to assist through homeowner rehabilitation and other residential rehabilitation activities in the coming year?
  - Total
  - Elderly
9. How many fewer businesses do you estimate you will be able to assist in the coming year?
10. How many fewer jobs do you estimate your CDBG program will help to create in the coming year?
11. How many fewer jobs do you estimate your CDBG program will help to retain in the coming year?
12. Due to a reduction in the size of your CDBG allocation, do you believe your community will be forced to cancel or delay at least one public improvement project that was previously planned but not yet started?
  - Yes
  - No
  - Skip (Selecting "No" or "Skip" automatically advanced respondents to Question 21)
13. New Water and Sewer Improvement Projects
  - Number of projects to be canceled or delayed
  - Of these, number that involve the remediation of real or suspected environmental contamination
  - Number of persons that would have been served by all canceled/delayed water and sewer projects
  - Number of persons that would have been served by canceled/delayed water and sewer projects involving the remediation of real or suspected environmental contamination
- 14-20. For each of the following categories, provide your best estimate of the number of projects to be canceled or delayed and the number of persons that would have been served by canceled or delayed projects
  - Other new projects involving the remediation of real or suspected environmental contamination
  - New Street Improvement Projects
  - New Sidewalk Projects
  - New Community and Neighborhood Centers/Senior Centers/Youth Centers/Children Centers (including childcare)/Centers for the Disabled and Handicapped
  - New Homeless Facilities/Health Facilities/Abused and Neglected Children Facilities/Facilities for AIDS Patients
  - New Parks and Recreation Facilities
  - New Fire Station and Fire Equipment-related Projects
21. Based on recent experience, what is your best estimate of the number of applications for CDBG funding you will receive in the coming year?
22. Based on recent experience, what is your best estimate of the number of applications you will be able to fund in the coming year?
23. What is your best estimate of how much larger your FY 2015 CDBG allocation would have to be in order to fund all legitimate applications in the coming year?
24. What are the most significant unmet community development needs in your community?
  - Employment supports/job training
  - Veterans housing/services
  - Homeless shelters, services
  - Food banks
  - Senior/elderly services
  - Services for disabled persons (including 504 accessibility)
  - Youth services (after school programs, day care)
  - Home repair/rehabilitation
  - Homeownership assistance
  - Access to transportation
  - Small business assistance
  - Health care
  - Affordable housing
  - Fair housing education/supports
  - Other
25. What types of programs in your community have been eliminated altogether, due to the reduction in CDBG funding?
  - Homeownership assistance
  - Homeowner rehabilitation
  - Rental rehabilitation
  - Housing services
  - Other real property activities (acquisition, disposition, clearance and demolition, code enforcement, and historic preservation)
  - Public facilities (infrastructure, special needs or community facilities)
  - Economic development programs (microenterprise assistance, commercial rehabilitation, and special economic development activities)
  - Public services (job training and employment services, homelessness, health care and substance abuse services, child care, crime prevention, and fair housing counseling)
  - Assistance to CBDOs (projects that include neighborhood revitalization, community and economic development, energy conservation)
  - Other
26. Please share any additional information about the impact of recent CDBG cuts on your state or community:

## Appendix D: Recent CDBG Allocations

Federal Fiscal Year	Total CDBG Allocations <sup>12</sup>	Total Allocations Inflation Adjusted <sup>13</sup>	Total Grantees <sup>14</sup>
2000	\$4,236,050,000	\$5,910,132,933	1,059
2001	\$4,399,300,000	\$5,936,830,067	1,065
2002	\$4,341,000,000	\$5,768,641,155	1,075
2003	\$4,339,538,000	\$5,632,811,481	1,084
2004	\$4,330,846,000	\$5,517,822,089	1,155
2005	\$4,109,890,720	\$5,071,212,085	1,162
2006	\$3,703,986,000	\$4,419,412,402	1,179
2007	\$3,703,986,000	\$4,309,912,590	1,183
2008	\$3,586,430,000	\$4,009,487,903	1,195
2009 <sup>15</sup>	\$4,607,966,874	\$5,146,821,154	1,204
2010	\$3,941,288,480	\$4,285,557,380	1,214
2011	\$3,296,034,720	\$3,531,125,266	1,217
2012	\$2,941,090,000	\$3,060,207,846	1,230
2013	\$3,071,195,404	\$3,140,898,930	1,232
2014	\$3,023,000,000	\$3,045,868,792	1,244
2015	\$2,997,399,447	\$2,997,399,447	1,262
2016	\$3,015,780,435	\$2,997,399,447	1,267

**Source:**

U.S. Department of Housing and Urban Development, "CDBG Allocation History by Grantee 1975-2014,"

<https://www.hudexchange.info/onecpd/assets/File/CDBG-Allocations-History-FYs-1975-2014.xlsx>

U.S. Department of Housing and Urban Development, "Community Planning and Development Program Formula Allocations for FY 2015," <http://www.hudexchange.info/onecpd/assets/File/fy2015-formula-allocations-allgrantees.xlsx>

U.S. Department of Housing and Urban Development, "Community Planning and Development Program Formula Allocations for FY 2016," <http://www.hudexchange.info/onecpd/assets/File/fy2016-formula-allocations-allgrantees.xlsx>

<sup>12</sup> This table includes all CDBG allocations, including formula allocations to entitlements and state programs, as well as reallocated CDBG funding and awards to insular areas.

<sup>13</sup> Each Allocation from 2000 to 2015 as been adjusted for inflation to value of the dollar in 2015 by using the annual average Consumer Price Index for the corresponding years

<sup>14</sup> Includes entitlement cities and counties, state programs, and insular areas

<sup>15</sup> Includes 2009 CDBG Recovery Act allocations

# Consequences for American Communities



## A national survey on the impact of recent reductions in the Community Development Block Grant Funding

The CDBG Coalition Survey generated 161 valid responses from CDBG formula grantees within 40 states. These respondents represent 13 percent of all CDBG formula grantees, including 16 percent of all CDBG state programs and 13 percent of all entitlement communities. The survey’s 161 respondents received a total of \$403,141,333 in CDBG formula allocations for FY 2015, representing 13 percent of all FY 2015 CDBG formula funding.

The survey asked respondents to provide projections of what they will be able to achieve with their reduced FY 2015 formula allocations as compared to the results they achieved using their FY 2010 grants. The results of the survey suggests that the 25 percent reduction in formula funding for CDBG over the last five fiscal years is having a substantial negative effect on the collective ability of states, cities and counties to serve Americans in need, promote homeownership, grow local economics and strengthen the nation’s infrastructure.

Projected reductions from states, cities, and counties include:

- **1,273 fewer businesses to be assisted, 1,450 fewer jobs to be created, and 891 fewer jobs retained:** CDBG is an engine of economic growth, the program leverages \$4.07 for every \$1 of CDBG investment. In its first 25 years, the program created 2.2 million jobs, generated over \$50 billion in personal earnings and produced \$150 billion in total economic benefit.<sup>1</sup>
- **1,748 fewer households to be assisted through homebuyer assistance activities, including a total of 1,034 first-time homebuyers, 6,341 minorities and 257 veterans:** Since the collapse of the housing market in 2008, the federal government has made homeownership a top economic priority, particularly for underserved, creditworthy families. In the past 9 years, CDBG has provided direct and indirect homeownership assistance to almost 40,000 households.
- **936,671 fewer low- and moderate-income persons to be served:** Much of the CDBG program funds are expended towards activities that principally benefit LMI persons. Recent reductions in CDBG formula funding are having a distressing effect on the efforts of states, cities, and counties to secure decent housing, suitable living environments and expanded economic opportunities for LMI Americas.
- **56,698 fewer homeless persons to be served:** The Obama Administration has set a goal of ending veteran homelessness by 2016, end chronic homelessness by 2017, and end family, youth and children homelessness by 2020. CDBG funds often address homelessness by supporting services and programs such as emergency shelter, transitional housing, special needs housing, and supportive services for basic needs such as food, transportation and health care. Between 2005 and 2013, CDBG funds for homelessness activities have benefited over 5 million people.

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*“When you cut funding or reduce funding you stop the momentum of bringing progress to the community. We have yet to ‘cross the finish line’ of solving and providing basic human needs to our community.”*

*-Respondent representing a Massachusetts entitlement city*

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<sup>1</sup> Doaks, Michael; Athey, Lois; Fuller, Stephen; and Pitcoff, Winton, “More than Bricks and Mortar: The Economic Impact of the Community Development Block Grant Program.” National Association of Housing and Redevelopment Officials, 1999.

- **163,972 fewer elderly persons to be served:** Due to the baby-boom generation and increased longevity, the number of adults in this country aged 50 and over is expected to hit 132 million by 2030, a 70 percent increase since 2000. In 2030, one in five Americans will be at least aged 65. Recent research by Harvard University has found that the United States is ill prepared to meet the housing needs of the aging population.<sup>2</sup> CDBG provides critical resources for programs that serve America’s senior citizens, including meals on wheels, housing rehabilitation, and improvements to nursing homes and other facilities that serve the elderly.
- **67,412 fewer children and youth to be served:** More than 31 million children in the United States are growing up in low-income families.<sup>3</sup> CDBG provides funding for programs that meet the needs of children and youth, including child care services, after school enrichment programs, and services for abused and neglected children.
- **178,757 fewer persons with special needs to be served:** CDBG helps to fund programs and services that improve the lives of those with physical and mental disabilities. Examples include improvements that remove barriers to handicap access and recreational programs for developmentally disabled individuals. In the last decade, approximately \$1.2 million persons have benefited from CDBG activities that provide such services for the disabled.<sup>4</sup>
- **5,487 fewer veterans served:** The U.S. Census Bureau estimates there are over 21.8 million veterans of the U.S. armed forces in 2014. Many of the programs that are funded by the CDBG program have touched the lives of the millions of veterans in our country, whether through housing, economic development, public services and public improvements.
- **4,390 fewer households to be assisted through housing rehabilitation activities, including 2,100 elderly households:** CDBG is the leading source of funding for housing rehabilitation programs serving LMI and elderly households. These programs make possible improvements to the safety, habitability, and accessibility of homes occupied by persons unable to make those improvements themselves.
- **439 new city and county public improvement projects to be canceled or delayed that would have served 11,395,715 people:** CDBG strengthens the nation’s infrastructure through the funding of water and sewer improvements, street and sidewalk projects, fire stations, public facilities and the remediation of environmental contamination. The reductions in CDBG formula funding have led to the cancellation or delay of scores of public improvement projects that would have served hundreds of thousands of Americans.
- **Overall, 91 entitlement communities estimated that only 1,751 applications (47 percent) would be funded out of a total of 3,702 applications received.** These entitlement communities estimated that a total of \$132,470,399 in additional FY 2015 CDBG formula funding would be needed to fund all application

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*“As a small Entitlement City with a relatively small CDBG award, the impact is deep and far reaching as our funding is stretched among several broad base programs. Housing Rehabilitation is the largest project. With these reductions fewer and fewer lower priced homes are repaired which reduces available homes which are decent, safe, and sanitary. Blighted conditions add to the deterioration of the community increasing crime. Our small projects serve the homeless, provides visiting nurses for shut-ins, food for the hungry, parenting classes for those at risk, substance abuse treatment, and credit counseling. Ever reducing CDBG awards are devastating to people in need of these programs.”*

- Respondent representing an Iowa entitlement city

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<sup>2</sup> Joint Center for Housing Studies of Harvard University, “Housing America’s Older Adults Meeting the Needs of an Aging Population,” 2014.

<sup>3</sup> “Basic Facts about Low-Income Children in the United States,” National Center for Children in Poverty, 2015.

<sup>4</sup> U.S. Department of Housing and Urban Development, “National Accomplishment Reports FY 2005-2013,” <https://www.hudexchange.info/manage-a-program/cdbg-accomplishment-reports/>