



## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

**Request:** Support funding of CDBG at \$3.9 billion nationally.

Reform the CDBG formula for distribution of block grants to communities to rectify the funding disparity between older cities and fast-growing central cities such as Phoenix.

Streamline federal reporting and provide incentives for communities that demonstrate economic leverage and positive social indicators.

**Community Value:**

Effective programming and widespread accomplishments during its 38-year history have developed CDBG into the premiere tool for the city of Phoenix in achieving widespread and sustainable revitalization of its neighborhoods. Phoenix uses CDBG as the catalyst for extensive partnerships and up to five-fold leveraging of resources that has turned neighborhoods around.

During the past 18 years, \$302 million in CDBG funds has leveraged more than \$1.4 billion in private or other funds. Without CDBG dollars in place, the leveraged dollars would not have followed. Key to the success of CDBG in Phoenix and throughout the nation have been the leveraging of CDBG dollars, consistency of funding, local flexibility in addressing needs and citizen participation.



*Phoenix has received CDBG funds since 1975.*

**Background:**

Phoenix has lost \$6 million (28 percent) of its CDBG allocation during the past 10 years, while needs have escalated due to the housing, unemployment and economic crises. The Phoenix

foreclosure rate has been one of the highest in the country. The loss is compounded due to the leveraging effect of these funds. Phoenix could potentially lose another \$1.3 million due to sequestration, raising the total loss to 37 percent.

**Lack of Fair Share Funding:**

One reason that the reductions in funding are so severe for Phoenix is that outdated HUD funding formulas have created a glaring funding disparity between older cities and fast-growing central cities such as Phoenix. For example, Phoenix, the sixth largest city, with poverty and overcrowding rates far greater than the population rate, is 12th in CDBG funding among cities (see table).

**Population and Allocation**

Phoenix is sixth largest city, but 12th in CDBG funding

Name	2010 Pop. Rank	Funding Rank	CDBG 2012 (millions)
New York	1	1	\$149.7
Los Angeles	2	3	\$52.7
Chicago	3	2	\$71.9
Houston	4	6	\$24.2
Philadelphia	5	4	\$38.3
<b>Phoenix</b>	<b>6</b>	<b>12</b>	<b>\$14.9</b>

**Growth Based on 2010 Census:**

Further evidence of the funding disparity can be seen in the per capita funding rates: \$10.29 per capita for Phoenix, compared to a \$33.49 average for the seven cities with larger allocations and less population than Phoenix.

### Per Capita Funding

Phoenix per capita funding averages one third less than cities with larger CDBG allocations than Phoenix

City	CDBG Amount	Population 2010 Census	Per Capita
Detroit	\$33,353,509	713,777	\$46.73
Cleveland	\$20,041,424	396,815	\$50.51
Baltimore	\$17,847,215	620,961	\$28.74
St Louis	\$16,796,248	319,294	\$52.60
San Francisco	\$16,204,214	805,235	\$20.12
Boston	\$15,926,397	617,594	\$25.79
Washington	\$16,328,680	601,723	\$27.14
<b>Average Per Capita of Above Cities</b>			<b>\$33.49</b>
<b>Phoenix</b>	\$14,879,622	1,445,632	<b>\$10.29</b>

### CDBG Accomplishments During the Last 18 Years:

**Economic Development Assistance** – In the city's comprehensive approach to viable communities, business vitality, decent housing, gainful employment in proximity to jobs and decent living conditions have been inseparable. Loans and technical assistance to 5,134 businesses have generated 3,344 new jobs for low-income persons.

**Family Self Sufficiency and Employment Training** – 12,887 families in public housing have received counseling and job training to improve their self sufficiency or transition out of public housing.

**Comprehensive Neighborhood Revitalization** – CDBG has been key to the city's demonstrated success in sustainable revitalization through the three-pronged, community-based strategy of addressing the physical, economic and social needs of the community.

**Tangible Results** - A 2005 Housing Conditions survey by Arizona State University documented that housing conditions improved dramatically in CDBG-targeted areas, even as neighboring areas declined.



*Flag Raising at CDBG-assisted Victory Place for homeless vets.*

**Neighborhood Facilities Resources** – Since the beginning of the program, 247 non-profit agencies serving seniors, young people, homeless and the disabled have used CDBG dollars to rehabilitate or construct their facilities. This has benefited more than a million families.

**Domestic Violence, Homeless Assistance** – CDBG has provided shelter and care to 585,685 families, domestic violence victims, elderly and homeless youth during the past 18 years.

**Infill Housing/First-Time Homebuyers** – Creating new infill housing on vacant lots, replacing unsafe deteriorated structures and finding first-time homebuyers are keys to mobilizing a neighborhood toward sustainable revitalization. The city will leverage its lot inventory and down payment assistance resources to enable private sector development of 1,200 single family units as market conditions improve.

**Housing Rehabilitation** – Approximately 164,350 people have benefited from the rehabilitation of 51,550 deteriorated or blighted homes or rental units in Phoenix. Decent housing is key to stable neighborhoods, employment and business vitality.

**Social Services** – CDBG has funded more than 1,569 youth enrichment, child development, disabled, elderly and public safety projects since the program began. In the past 11 years, proposal requests totaled \$32 million for an available dollar amount of only \$10.6 million, an indicator of the gap between need and available funding for these critical services.



*Rosie's House bolsters self esteem of inner-city youth through music instruction and instruments.*

### Anti-graffiti and Proactive Neighborhood Code

**Enforcement** – Graffiti and visual blight signal neighborhood deterioration. The number of sites cleaned by the city of Phoenix Graffiti Busters program last year totaled 61,271. The program also provided thousands of gallons of paint to volunteers and associations for additional graffiti removal.

**Parks and Infrastructure** – CDBG has improved the viability and quality of life in Phoenix by funding 251 projects for parks facilities and 162 projects to replace substandard or aged infrastructure.

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