

Community Development Block Grant. Provides distress driven, formula based grants to almost 950 large cities and urban counties, and to states for neighborhood revitalization, economic development, and improved community facilities and services. Consolidated plans using locally prioritized needs and action plans are required.

Increased from \$4.0 billion in 1993 to \$4.6 billion in 1995 where it remains for FY 97¹. The FY 96 Senate Budget Resolution (Domenici mark) would have cut funding for CDBG by 50 percent, from \$4.6 billion to \$2.3 billion. The FY 96 House budget resolution would have consolidated a number of housing and community development programs and reduced total funding by 20 percent. These cuts would have diminished the ability of localities to rehabilitate housing, generate jobs, and rebuild local infrastructure.

Urban Institute, November 1994: CDBG "has made an important contribution to City community development, including demonstrated success in achieving local neighborhood stabilization and revitalization objectives...In almost every city, neighborhoods would have been worse off if the program had never existed and certainly cities would not have embarked on housing and redevelopment functions that now comprise a core function of municipal government."

¹While total CDBG funding has remained at \$4.6 billion for FYs 1995-97, the amount of mandated set-asides has been increasing. Thus, the level of funding for formula grants to cities and localities has been decreased slightly: from \$4.485 billion in FY 95 to \$4.37 in FY 96 to \$4.31 in FY 97.