

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANTS
2007 Summary Statement and Initiatives
(Dollars in Thousands)

COMMUNITY DEVELOPMENT BLOCK GRANTS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2005 Appropriation	\$4,739,710 ^a	\$1,307,461 ^b	\$112,073 ^c	\$6,159,244	\$4,976,392	\$4,984,439
2006 Appropriation/Request	4,220,000	1,183,554 ^d	11,457,800 ^e	16,861,354	15,761,357	6,905,640
2007 Request	<u>3,032,000</u>	<u>1,100,000</u>	<u>-356,400</u>	<u>3,775,600</u>	<u>2,876,000</u>	<u>6,787,461</u>
Program Improvements/Offsets	-1,188,000	-83,554	-11,814,200	-13,085,754	-12,885,357	-118,179

a/ Excludes a transfer of \$1.29 million to the DeNali Commission in fiscal year 2005.

b/ Includes \$2,792 thousand of fiscal year 2005 recaptures.

c/ Includes a \$150 million supplemental for disasters, appropriated in P.L. 108-324 and a rescission of \$37.9 million.

d/ Excludes \$2.294 million which expired at the end of fiscal year 2005, but includes \$3 million of recaptures.

e/ Includes an \$11.5 billion supplemental for disasters, appropriated in P.L. 109-148 and a rescission of \$42.2 million.

Section 108 Loan Guarantees

Commitment levels

2005 Enacted loan level	\$275,000	\$223,139	...	\$498,139	\$336,592	NA
2006 Enacted loan level	137,500	145,103 ^f	...	282,603	276,000	NA
2007 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	NA
Program Improvements/Offsets	-137,500	-145,103	...	-282,603	-276,000	NA

f/ Excludes \$16.4 million of commitment level due to the fiscal year 2005 rescission of .80 percent and a lower credit subsidy level compared to the commitment level.

NA=Not Applicable

Community Development Block Grants

Credit Subsidy and Administrative Expenses

2005 Appropriation	\$8,747 ^g	\$5,132	-\$56	\$13,823	\$10,481	\$6,312
2006 Appropriation/Request	6,408 ^h	3,337 ⁱ	-37	9,708	9,708	8,450
2007 Request .....	...	...	...	...	...	<u>5,483</u>
Program Improvements/Offsets	-6,450	-3,337	37	-9,708	-9,708	-2,967

- g/ The appropriation includes \$7.0 million in discretionary appropriations and \$1.7 million in a mandatory appropriation for an upward re-estimate of credit subsidy.
- h/ The appropriation includes \$3.75 million in discretionary appropriations and \$2.7 million in a mandatory appropriation for an upward re-estimate of credit subsidy.
- i/ Excludes \$5 thousand of expired funds.

Summary Statement

The Community Development Block Grant (CDBG) program serves low- and moderate-income families in cities, urban counties, and States as well as in Insular Areas, through a variety of housing, community development and economic development activities. The fiscal year 2007 budget proposes to reform the Community Development Block Grant (CDBG) program to more effectively contribute to local community and economic progress. The reformed CDBG program will serve as an integral part of the broader economic and community development reform effort known as Strengthening America's Communities Initiatives. Formula changes will be proposed to direct more of the program's base funding to communities that cannot meet their own needs; bonus funds will be available to communities that demonstrate the greatest progress in expanding ownership and opportunity for their residents. Other Federal programs that support local development will operate with CDBG within a new, broader framework of clear goals, cross-cutting community progress indicators, and common standards for the award of bonus and competitive funding. HUD programs that duplicate the purposes of CDBG - Brownfields Redevelopment, Rural Housing and Economic Development, and Section 108 Loan Guarantees - will be consolidated with CDBG.

Other Initiatives

The fiscal year 2007 budget proposes \$3.032 billion for the Community Development Fund, including \$2.975 billion for the CDBG program and \$57 million for the Indian Community Development Block Grant (ICDBG) program. Many programs that had previously been appropriated within the Community Development Fund are included in other accounts. HUD's Youthbuild program is proposed for transfer to the Department of Labor, where it can be administered more effectively. The Department of Labor's fiscal year 2007 budget request for Youthbuild is \$50 million. Beginning in fiscal year 2006, the Self-Help Homeownership Opportunity program (SHOP) is funded as a separate account. The fiscal year 2007 budget proposes \$39.7 million for SHOP. Details for SHOP are included in a separate Justification. Beginning in fiscal year 2006, the University Partnerships programs are funded in Policy Development & Research's Research & Technology account. The fiscal year 2007 budget proposes \$28.7 million for the University programs within that account and details are included in that Justification.

Performance Measurement

CPD has been working with grantee members of community development public interest groups over the last few years to develop a performance measurement system that would be used by CPD formula grantees to gather information to determine the effectiveness of their programs. On June 10, 2005 CPD published a Notice in the Federal Register entitled, "Proposed Outcome Performance Measurement System," seeking public comments on the proposed system. In addition, following publication of the notice, five regional meetings were held with grantees across the country to gather feedback on the proposal. It is expected that a final notice will be published in the Federal Register shortly. This performance measurement system is not intended to replace existing local performance measurement systems, but rather will complement such systems while permitting standardized reporting of data that can be aggregated.

The outcome performance measurement system has three overarching objectives: Creating Suitable Living Environments, Providing Decent Affordable Housing, and Creating Economic Opportunities; and three possible outcomes for each objective: Availability/Accessibility, Affordability, and Sustainability. Additionally, there are specific indicators for the various types of activities funded by the formula grants. The appropriate objectives, outcomes, and indicators will be selected by the grantees for each activity and will be entered into the Integrated Disbursement and Information System (IDIS). The combination of those three items will enable IDIS to aggregate data so that national results can be demonstrated.

In addition to providing the notice of the performance measurement system for funded activities, the Department will also endeavor to develop community and national level measures that relate to the broader goals and objectives of HUD and the Federal government. These will be outcome goals, indicators, and targets by which HUD will assess success of community and national efforts and the contribution of its programs in strengthening economically distressed communities.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Summary of Resources by Program
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Entitlement/ Nonentitlement	\$4,109,891	\$691,082	\$4,800,973	\$4,227,176	\$3,703,986	\$572,626	\$4,276,612	\$2,967,580
Insular Area CDBG Program	6,944	...	6,944	...	6,930	6,944	13,874	7,000
Indian Tribes	68,448	74,675	143,123	70,769	59,400	72,208	131,608	57,420
Section 107 Grants	43,350	54,893	98,243	49,375	[29,121]	51,666	51,666	[34,650]
Youthbuild	61,504	66,186	127,690	64,145	49,500	63,545	113,045	[50,000]
Self-Help Homeownership Initiative	24,800	26,841	51,641	26,841	[19,800]	24,800	24,800	[39,700]
Capacity Building for Community Development and Affordable Housing Housing Assistance Council	34,224	34,545	68,769	68,769	[29,700]	...	...	...
National American Indian Housing Council	3,274	...	3,274	3,274	[2,970]	...	...	...
Working Capital Fund ..	2,381	...	2,381	2,381	[990]	...	...	...
Economic Development Initiative Grants	3,437	...	3,437	3,437	1,584	...	1,584	...
Neighborhood Initiative Demonstration	259,904	328,045	587,949	289,431	306,900	297,891	604,791	...
National Housing Development Corporation	40,374	20,691	61,065	20,772	49,500	38,774	88,274	...
National Council of La Raza	4,762	4,971	9,733	9,732	[1,980]	...	...	...
	4,762	4,971	9,733	4,971	[3,960]	4,762	4,762	...

Community Development Block Grants

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Disaster Assistance ...	150,000	547	150,547	132,344	11,500,000	19,373	11,519,373	...
Section 805 Economic Development training .	...	14	14	...	...	213	213	...
Special Olympics	1,984	...	1,984	1,984	[990]	...	...	...
Hudson River Park Trust Benjamin Gilman	30,752	...	30,752	...	...	30,752	30,752	...
Institute Grant	<u>992</u>	<u>...</u>	<u>992</u>	<u>992</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	4,851,783	1,307,461	6,159,244	4,976,393	15,677,800	1,183,554	16,861,354	3,032,000

<u>FTE</u>	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Estimate</u>
Headquarters	97	99	99
Field	<u>186</u>	<u>187</u>	<u>184</u>
Total	283	286	283

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

<u>Entitlement/ Nonentitlement</u>	<u>Amount</u>
2005 Appropriation	\$4,109,891
2006 Appropriation/Request	3,703,986
2007 Request	<u>2,967,580</u>
Program Improvements/Offsets	-736,406

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Entitlement/ Nonentitlement	\$4,109,891	\$691,082	\$4,800,973	\$4,227,176	\$3,703,986	\$572,626	\$4,276,612	\$2,967,580

Proposed Actions

The fiscal year 2007 budget proposes to reform the Community Development Block Grant (CDBG) program to more effectively contribute to local community and economic progress. Formula changes will be proposed to direct more of the program's base funding to communities that cannot meet their own needs; bonus funds will be available to communities that demonstrate the greatest progress in expanding ownership and opportunity for their residents. Legislation to authorize these reforms will be transmitted in 2006.

In February 2005, HUD released a study entitled "CDBG Formula Targeting to Community Development Need." This report, prepared by HUD's Office of Policy Development and Research, provides an assessment of how well the variables used in the CDBG formula continue to target funds toward community development need. Community development need encompasses many elements - housing quality, infrastructure, economic development, poverty, tax base, and others. The research revealed that targeting to communities that have the greatest needs has declined substantially over the past 26 years. Two specific findings were: that many communities with lesser need for CDBG funds received much more per capita than many communities with much greater needs; and that many communities with very similar needs received very different per capita amounts. Formula changes will be proposed to direct more of the program's base funding to communities that cannot meet their own needs.

CDBG funds are provided to entitlement cities, urban counties and States based on the higher of two formulae. Funding for Insular Areas is identified on a separate budget line item; funds are provided to territories on a per capita basis. Funds are used for a broad range of housing revitalization and community and economic development activities, thereby increasing State and local capacity for economic revitalization, job creation and retention, neighborhood revitalization, public services, community development and renewal of distressed communities, and leveraging of non-Federal sources.

Community Development Block Grants

Since the program's inception in 1974, over \$113 billion has been awarded to grantees. For fiscal year 2005, there are 1,112 cities and counties that were eligible to receive a CDBG entitlement grant directly from HUD. In addition, 49 States and the Commonwealth of Puerto Rico awarded more than 3,000 CDBG grants to small cities and counties from their State allocations. Non-entitlement grants were awarded by HUD to Hawaii's three non-entitlement counties on a formula basis. In 2004 the State of Hawaii permanently elected not to assume administration of this funding under the State CDBG program, in response to statutory language contained in the fiscal year 2004 Consolidated Appropriations Act.

In a March 2002 report to the Appropriations Committee, the Department reported that 78 percent of all CDBG expenditures directly or indirectly benefited low- and moderate-income persons. For activities designed to benefit low- and moderate-income persons, 84 percent of the funds expended directly or indirectly benefited low- and moderate-income persons. The use of CDBG funding has reflected a balance between local flexibility and national targeting to low- and moderate-income persons. Local officials have used CDBG funds to take on new challenges in the areas of housing, neighborhood development, public facilities, economic development and provision of social services.

Summary data of expenditure data by grantee is posted on the Internet (<http://www.hud.gov/offices/cpd/communitydevelopment/budget/disbursementreports/index.cfm>) annually and it shows summaries for all individual grantees' expenditures made during each grantee's program year. Expenditure summaries are by broad eligibility categories and cover CDBG program years 2001-2004; 2005 data will be added starting in April 2006. National summaries of spending by all CDBG grantees by fiscal year are also available for fiscal years 2001 through 2005. The Department also makes available on the Internet grantees' local addresses and contacts (<http://www.hud.gov/offices/cpd/communitydevelopment/programs/contacts/index.cfm>) as part of the Department's continuing effort to expand citizen access to program information. The Department posted to the Internet detailed data on individual CDBG grantees' accomplishments in a spreadsheet format to provide all citizens the tools to review and analyze CDBG programs performance (<http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/index.cfm>).

Because of the significant flexibility in the uses of CDBG funds, entitlement cities, urban counties and non-entitlement communities often use the CDBG program in conjunction with many other Federal, state, and local programs. During fiscal year 2005, CDBG grantees expended \$4.848 billion for the following activity categories:

- public facilities acquisition, construction rehabilitation and improvements, including senior centers, centers for the handicapped and disabled, homeless facilities, neighborhood and youth centers, parks and facilities, solid waste facilities, water and sewer improvements, health facilities, and streets and sidewalks, 32.0 percent;
- housing activities, including direct homeownership assistance, rehabilitation of single and multifamily housing, lead based paint and lead hazard testing and abatement, code enforcement, and residential energy efficiency, 24.6 percent;
- public services, including services for seniors, the disabled, the homeless, abused and neglected children, and abused spouses, legal services, youth services, transportation services, substance abuse services, mental health services, and employment training and placement, 11.4 percent;
- economic development, including job creation and retention 8.8 percent;
- acquisition, disposition, clearance, Brownfields, and relocation, 5.7 percent;
- planning and administration expenses 14.4 percent; and
- other, 3.1 percent.

Community Development Block Grants

Timely Expenditures. One management concern for CDBG had been the untimely expenditure of funds by some grantees. The Department has reduced the number of entitlement grantees that are untimely (defined as having undrawn funds exceeding 1.5 times the most recent grant) and the dollars associated with those grantees. HUD implemented a policy that provides an entitlement grantee one year from the date it is identified as untimely to meet the standard. Failure to meet the drawdown standard by the next measurement date, absent a show of circumstances beyond the grantee's control, results in a grant reduction of the amount exceeding the standard. As a result, the number of untimely grantees has been reduced from a high of 309 in 1999 to only 65 grantees in December 2005. In the 6 years since this policy was implemented, only three grantees have been found to be untimely two years in a row for reasons within their control, thereby resulting in a grant reduction for all three grantees.

At HUD's urging, a number of states implemented changes to their programs to increase the rate of expenditure of State CDBG funds by state grant recipients. These changes have borne results. Since 2003, the cumulative expenditure rate for the State CDBG program has increased, and the cumulative balance of unexpended funds has decreased. As of May 2003, states collectively were expending 96.7 percent of their annual allocations per year. As of May 2005, the cumulative national expenditure rate had climbed to 101.9 percent of the annual allocation amount.

President's Management Agenda-Consolidated Plan Improvement Initiative. CPD has completed the Consolidated Plan Improvement Initiative by streamlining the Consolidated Plan with regulatory changes, guidance, and by issuing the Consolidated Plan Management Process Tool (CPMP). The CPMP is a new approach to managing the consolidated planning and reporting process that enables grantees to streamline the submission process, and creates a standardized format that enhances the jurisdiction's ability to track results and facilitate review by HUD, grantees, and the public. This tool will serve as the prototype for a newly re-engineered Integrated Disbursement and Information System that supports local setting and tracking of performance, aggregation of results relative to national goals, and the assessment of progress toward addressing the problems of low-income areas.

PROGRAM DESCRIPTION AND ACTIVITY

1. Legislative Authority. CDBG is authorized by Title I of the Housing and Community Development Act of 1974, as amended.
2. Program Area Organization. The CDBG program provides flexible funding for communities across the nation to develop and implement community and economic development strategies that primarily benefit low- and moderate-income individuals. Grantees access their CDBG funding through the Consolidated Plan process, under which States and localities establish their local priorities and specify how they would measure their performance. A locality's Consolidated Plan serves as the planning and application mechanism for CDBG funds. Grantees report their performance through the Consolidated Annual Performance and Evaluation Report.

a. Program Purpose. Title I of the Housing and Community Development (HCD) Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government and States for the funding of local community development programs. The program's primary objective is to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income. Activities are limited to those that carry out one of the following broad national objectives: (1) benefit low- and moderate-income persons; (2) aid in the prevention or elimination of slums and blight; or (3) meet other particularly urgent community development needs. At least 70 percent of all CDBG funds expended by a grantee have to be used for activities that benefit persons of low- and moderate-income over a period of up to 3 years. Historically, communities have used more than 90 percent of their CDBG funds for such activities.

The underlying principle of the CDBG program is that recipients have the knowledge and responsibility for selecting eligible activities most appropriate to their local circumstances. Instead of competing for categorical project dollars each year, the entitlement communities and States receive a basic grant allocation so they know in advance the approximate amount of Federal funds they would receive annually. States and entitlement communities are accountable for effectively managing resources to improve low-income neighborhoods and to create conditions for community and economic progress.

Community Development Block Grants

b. Eligible Recipients and Activities.

Eligible Recipients. Eligible CDBG grant recipients include States, units of general local government (city, county, town, township, parish, village or other general purpose political subdivision determined to be eligible for assistance by the Secretary), the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Marianas. A separate program, the Indian Community Development Block Grant program, is administered by the Office of Public and Indian Housing and provides funding to recognized Native American tribes and Alaskan Native villages.

Eligible Activities. Section 105 of the HCD Act of 1974, as amended, permits a broad range of activities to be undertaken by communities assisted under the program, ranging from the provision of public facilities or services to economic development or residential rehabilitation, including the reconstruction of housing. Housing activities, public facilities and infrastructure improvements, public services and economic development activities accounted for 82.4 percent of the approximately \$4.8 billion in CDBG formula funds and program income expended during fiscal year 2005.

Fund Distribution. CDBG funds have been allocated to States and localities based on the formulae described below. After deducting a designated amount for the Insular Areas CDBG program, 70 percent of funds are allocated to entitlement communities and 30 percent are allocated to States for nonentitlement communities (small cities).

c. Explanation of Funds Allocated by Recipient Category.

1. Formula Entitlement. The HCD Act of 1974, as amended, provides for the distribution of funds to eligible recipients (metropolitan cities and urban counties) for community development purposes utilizing the higher of two formulas, as shown:

<u>ORIGINAL FORMULA</u>	<u>SECOND FORMULA</u>
Poverty - 50 percent	Poverty - 30 percent
Population - 25 percent	Population growth lag
Overcrowded housing - 25 percent	(1960-2000) - 20 percent
	Age of housing stock - 50 percent

"Age of housing stock" means the number of existing year-round housing units constructed before 1940, based on Census data. "Population growth lag" means the extent to which the current population of a metropolitan city or urban county is less than the population it would have been if its population growth rate between 1960 and the date of the most recent population count had been equal to the growth rate of all metropolitan cities over the same period.

Metropolitan Cities. Cities in Metropolitan Statistical Areas (MSAs) with a population of 50,000 or more, as well as principal cities of MSAs, are entitled to funding on the basis of one of the formulas. For fiscal year 2006, 1,001 metropolitan cities are eligible to receive grants. Of these, 26 elected to enter into joint grant agreements with their urban counties and 39 eligible grantees deferred their status. In response to new OMB definitions and terminology concerning MSAs, HUD revised its regulations to define the new term "principal city" to be treated as having the same meaning as the previous term "central city."

Community Development Block Grants

Urban Counties. The statute also entitles urban counties to formula grants. In fiscal year 2006, 166 counties met the required population threshold and are thus eligible for formula funding. These urban counties include over 4,000 cooperating local incorporated units receiving funding under the program. The urban county has to have authority to undertake essential community development and housing assistance activities in its participating incorporated communities either under State law or through cooperative agreements. These agreements have to express the intention of the urban county and its incorporated jurisdictions to cooperate in essential community development and housing assistance activities, specifically urban renewal and publicly assisted housing. Participation by any included unit of government is voluntary. An urban county's qualification is valid for a 3-year period.

2. Nonentitlement (State/Small Cities Program). None-entitlement funds are allocated among the States according to a dual formula, with the allocation being the higher of amounts determined under the original formula or a second formula which is identical to that used for entitlement communities, except that population was substituted for growth lag. Under the HCD Act of 1974, as amended, any State that elected to administer the Small Cities program in fiscal year 1985 or thereafter was considered to have assumed this responsibility permanently and, if it failed to provide an annual submission, funds would be reallocated among all other States in the succeeding year since 1982. Where the State did not so elect, HUD distributed the funds. The State of Hawaii is the only State that permanently elected not to administer the State CDBG program. HUD therefore administers grants to nonentitlement units of government in Hawaii following the requirements of the Entitlement program, except that the funding comes from the nonentitlement allocation.

d. Reallocation of Entitlement Funds. CDBG amounts allocated to a metropolitan city or urban county in a fiscal year, which become available for reallocation as a result of an eligible community not applying for its allocation, are first reallocated in the succeeding fiscal year to other metropolitan cities and urban counties in the same Metropolitan Statistical Area (MSA). These communities have to follow a simple certification process to qualify for receipt of these funds. Funds recaptured as a result of financial sanctions under Section 104(d) or Section 111 of the Housing and Community Development Act of 1974, as amended, are set aside to provide assistance to metropolitan areas which are the subject of a Presidentially declared disaster.

e. Reallocation of Nonentitlement Funds. Existing law requires that amounts allocated for use in a fiscal year in a State which becomes available for reallocation have to be reallocated according to the following criteria:

- in the case of actions against small cities, amounts that became available for reallocation are to be added to amounts available for distribution in the State in the fiscal year in which the amounts became available; and
- in the case of actions against a State, these amounts are allocated among all States in the succeeding fiscal year.

f. Consolidated Plan Requirement. The Consolidated Plan is the vehicle by which communities identify community and neighborhood development needs, actions to address those needs (including specific activities on which CDBG dollars will be spent), and the measures against which their performance will be judged. The Consolidated Plan also provides a means for identifying key low-income neighborhoods for targeted multi-year investment strategies.

Community Development Block Grants

In order to receive CDBG entitlement funds, a grantee develops and submits to HUD its Consolidated Plan and Annual Action Plans, which are a jurisdiction's plan and application for funding under the following Community Planning and Development formula grant programs: CDBG, HOME Investment Partnerships, Housing Opportunities for Persons With AIDS (HOPWA), and Emergency Shelter Grants (ESG). In its Consolidated Plan, the jurisdiction must identify its goals for these community planning and development programs, as well as for housing programs. In addition, the Consolidated Plan must include the jurisdiction's projected use of funds and required certifications. For CDBG, these certifications include that the grantee is following a current HUD-approved Consolidated Plan, that not less than 70 percent of the CDBG funds received over a 1, 2, or 3 year period specified by the grantee, would be used for activities that benefit persons of low- and moderate-income, and that the grantee is following other applicable laws, regulations, OMB circulars, and is affirmatively furthering fair housing. A Consolidated Plan submission will be approved by HUD unless the Plan (or a portion of it) is inconsistent with the purposes of the National Affordable Housing Act or it is substantially incomplete.

States participating in the State CDBG program also develop and submit to HUD a Consolidated Plan similar to those required of entitlement communities. However, in place of a listing of proposed funded activities, each State has to describe its funding priorities and has to describe the method it intends to use to distribute funds among communities in nonentitlement areas. Each participating State submits certifications that it would: (1) follow the Act's citizen participation requirements and require assisted local governments to follow citizen participation; (2) conduct its program in accordance with the Civil Rights Act of 1964 and the Fair Housing Act of 1988 and affirmatively further fair housing; (3) set forth and follow a method of distribution that ensures that each of the funded activities will meet one or more of the three broad national objectives of the program; (4) consult with affected local governments in determining the method of distribution and identifying community development needs; and (5) comply with Title I of the HCD Act and all other applicable laws. It must also certify that each housing activity funded will be consistent with the State's Consolidated Plan.

g. Performance Review. CDBG grantees (entitlement communities and states) annually review and report to HUD on their progress in carrying out their strategic and action plans for community development. This includes a description of CDBG funds made available to the grantee, the activities funded, the geographic distribution and location of the activities and the types of families or persons assisted (beneficiaries), and a report of the actions taken to affirmatively further fair housing. The report includes an assessment by the grantee of the relationship of its use of funds to the specific objectives identified in the Consolidated Plan.

HUD is required to review or audit a grantees' performance, at least annually, to determine whether activities were carried out in a timely manner, whether activities and certifications were carried out in accordance with all applicable laws, and whether the grantee had continuing capacity to carry out the program. In the case of States, HUD performs reviews to determine if the State had distributed funds in a timely manner, consistent with its method of distribution, was in compliance with CDBG requirements and other applicable laws and whether appropriate reviews of grants awarded to local governments were conducted by the State. HUD is authorized to terminate, reduce or limit the availability of the funds of a grantee according to review findings following the opportunity for a consultation or in some cases following a hearing before an administrative law judge. For nonentitlement grants made by HUD to small cities, HUD could adjust, reduce, or withdraw such funds, or take other action as appropriate according to review findings.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Section 108 Loan Guarantees	<u>Amount</u>
2005 Appropriation	\$8,691
2006 Appropriation.....	6,371
2007 Request .....	...
Program Improvements/Offsets	-6,371

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Section 108 Loan Guarantees	\$8,691	\$5,132	\$13,823	\$10,481	\$6,371	\$3,337	\$9,708	...

Proposed Actions

Section 108 Loan Guarantee Program. No funding is requested for the Section 108 Loan Guarantee program in fiscal year 2007.

Loan Performance

No Section 108 loan is in default or delinquent on a payment. HUD has never paid a claim from a holder of a guaranteed obligation as a result of a default. This record is due in part to the availability of pledged CDBG funds if another payment source is insufficient to repay the Section 108 loan. Since 1998, communities have been required to differentiate their use of CDBG funds for Section 108 debt service with respect to whether such use was planned or unplanned. Planned use of CDBG funds to repay a Section 108 loan typically is associated with projects (e.g., public facilities) that generate little or no program income and are too large to finance from an annual grant allocation. Communities are expected to record an unplanned use when a shortfall in the intended repayment source occurs and CDBG funds must be used to cover that shortfall. In fiscal year 2005, total CDBG outlays were \$4.984 billion. Planned Section 108 outlays were \$129 million (2.59 percent), and unplanned Section 108 outlays were \$2.0 million (.04 percent).

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

<u>Insular Area CDBG Program</u>	<u>Amount</u>
2005 Appropriation	\$6,944
2006 Appropriation/Request	6,930
2007 Request	<u>7,000</u>
Program Improvements/Offsets	+70

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Insular Area CDBG Program	6,944	...	6,944	...	6,930	6,944	13,874	7,000

NOTE: In fiscal year 2004 and previous years, this program was funded in Section 107. Since fiscal year 2005, funding authorization is under Section 106 (formula funding) as a result of the enactment of provisions in the American Dream Downpayment Act (P.L. 108-186).

Proposed Actions

The Housing and Community Development Act of 1974 was amended to provide a Section 106 (formula) CDBG funding mechanism for insular areas by the enactment of Title V of the American Dream Downpayment Act (P.L. 108-186). Beginning in fiscal year 2005, the Insular CDBG program is authorized under section 106(a) rather than 107(a) of the Housing and Community Development Act of 1974, as amended (42USC 5301ff), and regulations are found at 24 CFR Part 570. The Insular areas of Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands are eligible to participate in the Insular CDBG program.

Since 1982, insular areas, with the participation of local citizens, have utilized program flexibility to set funding priorities and design their programs to meet local needs. The program has been the backbone of community development efforts in these areas, supporting a wide range of activities that best serve development priorities, provided that these projects either: (1) benefit low- and moderate-income families (generally defined as members of low- and moderate-income families that earn no more than 80 percent of the median income in the area); (2) prevent or eliminate slums or blight; or (3) meet other urgent community development needs. Since 1982, more than \$130 million has been provided to insular areas.

In fiscal year 2005, HUD published a final rule to implement the statutory changes contained in the American Dream Downpayment Act. This rule provided that Insular Areas CDBG funds continue to be distributed based on population, although the statutory revision gave HUD the authority to develop another formula based on improved Census data for the Insular areas. In fiscal year 2006, HUD will issue a rule implementing specific timely expenditure standards for the Insular Areas CDBG program.

Community Development Block Grants

Insular CDBG funds may be used to improve the housing stock, provide community facilities, improve infrastructure, and expand job opportunities by supporting the economic development of the areas, especially by non-profit organizations or local development corporations. The Insular areas are restricted from using block grants for construction or improvement of governmental facilities or government operations. New housing construction and income payments to individuals are eligible only under very limited circumstances. The 2005 final rule allows Insular area grantees to participate in the Section 108 Loan Guarantee program for the first time.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Indian Tribes	<u>Amount</u>
2005 Appropriation	\$68,448
2006 Appropriation/Request	59,400
2007 Request	<u>57,420</u>
Program Improvements/Offsets	-1,980

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Indian Tribes	68,448	74,675	143,123	70,769	59,400	72,208	131,608	57,420

Proposed Actions

In 1977, the Housing and Community Development Act of 1974 was amended to provide a special funding mechanism, the Indian Community Development Block Grant (ICDBG) program, for Native American communities. Since 1978, more than \$750 million has been provided for ICDBG funding. This Budget proposes \$57.4 million for Native American Housing and Economic Development Block Grant activities in CDBG. Since 1974, the program has been the backbone of improvement efforts in many communities, providing a flexible source of grant funds for local governments nationwide. The program provides funds that they, with the participation of local citizens, can devote to a wide range of activities that best serve their development priorities, provided that these projects either: (1) benefit low- and moderate-income families; (2) prevent or eliminate slums or blight; or (3) meet other urgent community development needs.

These funds are distributed as annual competitive grants. Funds are allocated to each of the six Area Offices of Native American Programs (AONAP), so applicants compete for funding only with other Federally recognized tribes or eligible Indian entities within their area. Examples of eligible activities include: Improving the housing stock, providing community facilities, improving infrastructure, and expanding job opportunities by supporting the economic development of the communities, especially by non-profit tribal organizations or local development corporations. Federally recognized Indian tribes and Alaskan Native Villages are restricted from using block grants for construction or improvement of governmental facilities, government operations, income payments, or unless extraordinary determinations have been made for ner housing construction. Up to \$4 million may be used for imminent threats to health and safety under a separate competition pursuant to the regulations in 24 CFR 1003, subpart E.

The program is authorized by section 106(a) of the Housing and Community Development Act of 1974, as amended (42 USC 5301ff). Regulations are found at 24 CFR Part 1003. The Office of Public and Indian Housing, and the Office of Native American Programs (ONAP) administer it. All Federally recognized Indian tribes and Alaskan Native Villages are eligible to participate in the program. Projects funded by grants must primarily benefit low- and moderate-income persons (generally defined as members of low- and moderate-income families that earn no more than 80 percent of the median income in the area).

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Section 107 Grants	<u>Amount</u>
2005 Appropriation	\$43,350
2006 Appropriation/Request	[29,121]
2007 Request	<u>[34,650]</u>
Program Improvements/Offsets	+5,529

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Section 107 Grants	43,350	54,893	98,243	49,375	[29,121]	51,166 a/	51,666	[34,650]

a/ Includes \$2.8 million of recaptures

Proposed Actions

No funding is requested in fiscal year 2007 for CDBG Technical Assistance. University programs, administered by the Office of Policy Development and Research (PD&R), are included in that budget, but are shown here in brackets for comparison to fiscal year 2005. Following is a breakout of the funding:

DISTRIBUTION OF SECTION 107

	<u>ACTUAL 2005</u>	<u>ESTIMATE 2006</u>	<u>ESTIMATE 2007</u>
		Dollars in Thousands)	
CDBG Technical Assistance	1,389	...	...
Historically Black Colleges and Universities a/	9,920	\$[8,910]	\$[8,910]
Community Development Work Study a/	2,877	...	[2,376]
Hispanic-Serving Institutions Assisting Communities a/	6,646	[5,940]	[5,940]
Alaska Native & Native Hawaiian Institutions Assisting Communities a/	3,968	[2,970]	[2,970]
Tribal Colleges & Universities a/	2,976	[2,574]	[2,574]
Hawaiian Homelands Homeownership b/	8,928	[8,727]	[5,940]
Community Outreach Partnership Centers a/ . .	<u>6,646</u>	<u>...</u>	<u>[5,940]</u>
Total Section 107.	43,350	[29,121]	[34,650]

a/ In fiscal years 2006 and 2007, the University programs were funded in the Research and Technology budget.

b/ Requested as a separate program in fiscal years 2006 and 2007.

Community Development Block Grants

Technical Assistance (TA).

This Budget proposes no funding for Technical Assistance. TA projects provide the support and tools to strengthen local capacity, improve program compliance, ensure cost-effectiveness, and relate innovative approaches to community revitalization. Recently, TA efforts have also focused on improving local performance measures and systems, including the introduction of a new framework for performance measurement, which was developed by public interest groups working closely with HUD. TA funds enabled HUD to obtain informed input from grantees through regional sessions, and will be used intensively to train on the full implementation of the new system. TA funds also enabled HUD to provide targeted assistance to individual states and local entitlement communities upon request, as well as national training courses ranging from basic information on eligible activities to dissemination of techniques for overcoming common problems, such as timely expenditure of funds, to advanced seminars on effective economic development approaches and results-oriented performance measurement. In addition, TA funds enable the production of programmatic materials, written and web-based, to guide States, entitlement communities, and their sub-recipients in the effective and efficient use of CDBG funds. Funds are never used to pay HUD's administrative costs for salaries or expenses.

For example, TA provides assistance on developing performance measures and program evaluation criteria; setting up systems for tracking housing rehabilitation, economic development activities, homeless assistance, and sub-recipients' activities; guides for economic development activities; business planning for grass-roots and neighborhood-based organizations; and implementation of neighborhood development strategies. With almost 100 new grantees since 2003, and constant turnover in staff for existing grantees, TA is a critical means of ensuring compliance and good use of CDBG funds.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Youthbuild	<u>Amount</u>
2005 Appropriation	\$61,504
2006 Appropriation/Request	49,500
2007 Request	<u>[50,000]</u>
Program Improvements/Offsets	+500

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Youthbuild	61,504	66,186	127,690	64,145	49,500	63,545	113,045	[50,000]

Proposed Actions

The fiscal year 2007 budget proposes to transfer the Youthbuild program from HUD to the Department of Labor's Employment and Training Administration (ETA), as recommended by the White House Task Force on Disadvantaged Youth, to allow for greater coordination of the program with Job Corps and other employment and training programs. The fiscal year 2007 request in the Department of Labor's Budget is \$50 million. Youthbuild's mission and strategic goals align directly with those of the ETA's. Youthbuild is a required partner in the Nation's One-Stop Career Center system administered by the Department of Labor under the Workforce Investment Act of 1998 (WIA); consequently, the President's Task Force recommended that a more direct linkage between the program and the system's activities was needed. The Task Force asserted that integrating Youthbuild funding into the Federal agency that is responsible for delivering youth employment services would benefit the program and its participants by streamlining policy development and service delivery. A greater number of individuals could be served in a more effective and comprehensive manner, enhancing program performance and supporting a competitive and prepared workforce.

Youthbuild is currently authorized by Section 164 of the Housing and Community Development Act of 1992 (P.L. 102-550), which amended Title IV of the Cranston-Gonzalez National Affordable Housing Act by adding subtitle D, "HOPE for Youth: Youthbuild." The Youthbuild program is targeted to 16- to 24-year old high school dropouts and provides disadvantaged young adults with education and employment skills through rehabilitating and constructing housing for low-income and homeless people. The Youthbuild program has been successful in encouraging at-risk and adjudicated youth to engage in remedial education, including leadership skills training. The program also furthers opportunities for placement in apprenticeship programs and gainful employment.

Community Development Block Grants

Youthbuild reaches one of the most difficult to serve populations: undereducated, and/or adjudicated, unemployed young adults. According to HUD's technical assistance provider for the Youthbuild program, approximately 91 percent of students entered the program without a high school diploma or General Equivalency Diploma (GED), and nearly 27 percent were on public assistance. Thirty-three percent of students have been adjudicated and an estimated 12 percent have been convicted of a felony. The issues that the young people are facing--poverty, broken homes, alcoholism and drug addiction, welfare and crime--are common across racial lines and among both men and women. The Youthbuild strategy addresses these issues, in both rural and urban areas across the United States, by providing education and skills necessary to be successful. An estimated 58 percent of participants enrolled in the Youthbuild program graduate, and over 78 percent of graduates attain placement in jobs or in school.

Collection of data from active Youthbuild projects for the period of July 1, 2004 through June 30, 2005 found that 4,366 participants were trained and 1,525 received a GED. Furthermore, 876 housing units were constructed and another 1,089 were rehabilitated.

The amendments to the Minimum Wage law enacted in 1996 encourage the hiring of at-risk youth by making the Work Opportunities Tax Credit available to employers who hire these young people. Youthbuild programs market this tax credit to encourage employers to hire Youthbuild graduates in their businesses, thereby helping to break the cycle of poverty and enabling at-risk youth to become contributing members of society.

In addition to the Youthbuild grants, 5 percent of the amounts available are reserved for technical assistance and capacity building activities, as authorized in the Housing and Community Development Act of 1992 (Public Law 102-550), Section 458. These activities include: training, grant application preparation assistance and other technical assistance activities for community-based organizations, and assistance to the Secretary to improve management, supervision and coordination of Youthbuild programs.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Self-Help Homeownership Initiative	<u>Amount</u>
2005 Appropriation	\$24,800
2006 Appropriation/Request	[19,800]
2007 Request	<u>[39,700]</u>
Program Improvements/Offsets	+19,900

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Self-Help Homeownership Initiative	24,800	26,841	51,641	26,841	[19,800]	24,800	24,800	[39,700]

Summary Statement

The fiscal year 2007 budget proposes \$39.7 million for the Self-Help Homeownership Opportunity Program (SHOP) in a separate account and is more fully discussed in its own justification. SHOP is a key component in accomplishing the President's priority to promote homeownership, especially the 10-year goal to have 5.5 million new minority homeowners. Eligible uses of funds are land acquisition, infrastructure improvements and administrative costs. The Budget request includes up to \$990,000 in technical assistance to assist new and existing participants to increase the effectiveness of this program. For more details, please see the separate SHOP justification.

Community Development Block Grants

COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Capacity Building for Community Development and Affordable Housing	<u>Amount</u>
2005 Appropriation	\$34,224
2006 Appropriation/Request	[29,700]
2007 Request .....	...
Program Improvements/Offsets	-29,700

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Capacity Building for Community Development and Affordable Housing	34,224	34,545	68,769	68,769	[29,700]	...	...	...

Proposed Actions

This budget proposes no new funding for the National Community Development Initiative/Section 4 program, reflecting limited overall budget resources and other higher funding priorities. This program is authorized by Section 4 of the HUD Demonstration Act of 1993 which established HUD's participation in the privately organized and initiated National Community Development Initiative (NCDI) in 23 cities, and was amended in 1997 to enable NCDI's intermediaries, Local Initiatives Support Corporation (LISC) and The Enterprise Foundation, as well as Habitat for Humanity International and Youthbuild USA, to serve low-income communities nationwide, including rural and tribal areas.

Community Development Block Grants

COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Housing Assistance Council	<u>Amount</u>
2005 Appropriation	\$3,274
2006 Appropriation/Request	[2,970]
2007 Request .....	...
Program Improvements/Offsets	-2,970

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Housing Assistance Council	3,274	...	3,274	3,274	[2,970]	...	[2,970]	...

Proposed Actions

No funding for the Housing Assistance Council (HAC) is proposed in fiscal year 2007, reflecting limited overall budget resources and other higher funding priorities.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

National American Indian Housing Council	<u>Amount</u>
2005 Appropriation	\$2,381
2006 Appropriation/Request	[990]
2007 Request .....	...
Program Improvements/Offsets	-990

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
National American Indian Housing Council	2,381	...	2,381	2,381	[990]	...	[990]	...

Proposed Actions

This budget proposes no funding for the National American Indian Housing Council (NAIHC) in fiscal year 2007, reflecting limited overall budget resources and other higher funding priorities. In fiscal year 2005, \$2.4 million was appropriated in CDBG and \$2.2 million was appropriated within the Native American Housing Block Grants program. Established in 1974, NAIHC delivers technical assistance and training to Tribally Designated Housing Entities (TDHEs), and researches and provides information on Native American housing issues. NAIHC provides direct support to regional housing associations, Indian Housing Authorities (IHAs) and tribal housing groups in areas such as Low-Income Housing Tax Credits, homebuyer counseling, the HUD Section 184 Loan program, leveraging of funds, and in meeting the monitoring and other requirements outlined in the Native American Housing Assistance and Self Determination Act (NAHASDA).

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Working Capital Fund	<u>Amount</u>
2005 Appropriation	\$3,437
2006 Appropriation/Request	1,584
2007 Request	<u>...</u>
Program Improvements/Offsets	-1,584

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Working Capital Fund ..	3,437	...	3,437	3,437	1,584	...	1,584	...

Proposed Actions

This Budget proposes no funding for transfer to the Working Capital Fund (WCF) in this account for fiscal year 2007.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Economic Development Initiative Grants	<u>Amount</u>
2005 Appropriation	\$259,904
2006 Appropriation/Request	306,900
2007 Request	---
Program Improvements/Offsets	-306,900

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Economic Development								
Initiative Grants	259,904	328,045	587,949	289,431	306,900	297,891	604,791	-306,900

Proposed Actions

No funding is requested for fiscal year 2007, rather a rescission of the \$306.9 million appropriated in fiscal year 2006 is proposed. In recent years, Congress has appropriated funding for Economic Development Initiative-Special Projects. EDI-SP grants authorize earmarks to designated entities for certain specified activities. No more than 20 percent of any EDI-SP grant may be used for planning, management development or administrative costs, except for EDI-SP grants specifically authorized as planning grants. Congress has also directed that no EDI-SP grant funds may be used for program operations.

In fiscal year 2001, Congress authorized 794 EDI-SP grants. In fiscal year 2004, Congress authorized 902 EDI-SP grants, with 209 grants yet to be obligated. Congress authorized 1,127 EDI-SP grants in fiscal year 2006.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Neighborhood Initiative Demonstration	<u>Amount</u>
2005 Appropriation	\$41,664
2006 Appropriation/Request	49,500
2007 Request	<u>---</u>
Program Improvements/Offsets	-49,500

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Neighborhood Initiative Demonstration	40,374	20,691	61,065	20,772	49,500	38,774	88,274	-49,500

Proposed Actions

No funding is requested for fiscal year 2007, rather a rescission of the \$49.5 million appropriated in fiscal year 2006 is proposed.

The Appropriations Acts for fiscal years 1998 through 2006 provided earmarked funding for Neighborhood Initiative Demonstration (NID) projects that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.

In fiscal year 2001, Congress authorized 29 NID projects. In fiscal year 2004, there were 47 NID projects, with seven grants yet to be obligated. Congress authorized 50 NID grants in fiscal year 2006.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

National Housing Development Corporation	<u>Amount</u>
2005 Appropriation	\$4,762
2006 Appropriation/Request	[1,980]
2007 Request .....	...
Program Improvements/Offsets	-1,980

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
National Housing Development Corporation	4,762	4,971	9,733	9,732	[1,980]	...	[1,980]	...

Proposed Actions

No funding is requested for fiscal year 2007, reflecting limited overall budget resources and other higher funding priorities. Prior grants to the National Housing Development Corporation have been for operating expenses and for a program of affordable housing acquisition and rehabilitation.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

National Council of La Raza	<u>Amount</u>
2005 Appropriation	\$4,762
2006 Appropriation/Request	[3,960]
2007 Request .....	...
Program Improvements/Offsets	-3,960

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
National Council of La Raza	4,762	4,971	9,733	4,971	[3,960]	4,762	4,762	...

Proposed Actions

No funding is requested for fiscal year 2007, reflecting limited overall budget resources and other higher funding priorities. Prior grants to the National Council of La Raza have been for the HOPE Fund, of which \$.5 million was for technical assistance and fund management, and the remainder was for investments under the HOPE Fund and financing to affiliated organizations for development of housing, education, day care, health and job training facilities for low- and moderate-income residents in primarily Latino communities.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Disaster Assistance	<u>Amount</u>
2005 Appropriation	\$150,000
2006 Appropriation/Request	11,500,000
2007 Request .....	...
Program Improvements/Offsets	-11,500,000

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Disaster Assistance ...	150,000	547	150,547	132,344	11,500,000	19,373	11,519,373	...

Proposed Actions

Disaster Assistance has historically been funded through supplemental appropriations; therefore no funding is requested for fiscal year 2007.

HUD received supplemental appropriations of \$700 million in fiscal year 2001, and \$2 billion and \$783 million in fiscal year 2002, for assistance for property and businesses (including restoration of utility infrastructure) damaged by, and economic revitalization related to, the September 11, 2001 terrorist attacks on New York City. HUD has obligated the full \$3.483 billion to New York State's Empire State Development Corporation and Lower Manhattan Development Corporation.

Public Law 108-324 provided \$150 million in fiscal year 2005 for disaster relief, long-term recovery, and mitigation in communities affected by disasters designated by the President between August 31, 2003 and October 1, 2004. Those funds were allocated to: Alabama, California, Florida, Maryland, North Carolina, Ohio, Pennsylvania, Puerto Rico, Virginia, and West Virginia. All funds have been obligated.

Public Law 109-148 appropriated \$11.5 billion in fiscal year 2006 for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita, and Wilma. Funds will be allocated to Alabama, Florida, Louisiana, Mississippi, and Texas. All funds should be obligated by the end of fiscal year 2006.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Section 805 Economic Development training	<u>Amount</u>
2005 Appropriation .....	...
2006 Appropriation/Request .....	...
2007 Request	<u>...</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Section 805 Economic Development training	...	14	14	...	...	213 a/	213	...

a/ Includes recapture balances.

Proposed Actions

No funding is requested for fiscal year 2007.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Special Olympics	<u>Amount</u>
2005 Appropriation	\$1,984
2006 Appropriation/Request	[990]
2007 Request .....	...
Program Improvements/Offsets	-990

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Special Olympics	1,984	...	1,984	1,984	[990]	...	[990]	...

Proposed Actions

There is no request for funding for Special Olympics in fiscal year 2007. This set-aside was funded in the SHOP account at \$990,000 for fiscal year 2006.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Hudson River Park Trust	<u>Amount</u>
2005 Appropriation	\$30,752
2006 Appropriation/Request .....	...
2007 Request .....	...
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Hudson River Park Trust	30,752	...	30,752	...	...	30,752	30,752	...

Proposed Actions

There is no request for funding for the Hudson River Park trust in fiscal year 2007. This set-aside was funded at \$30.752 million for fiscal year 2005.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Benjamin Gilman Institute Grant	<u>Amount</u>
2005 Appropriation	\$992
2006 Appropriation/Request .....	...
2007 Request	<u>...</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Benjamin Gilman Institute Grant	<u>992</u>	<u>...</u>	<u>992</u>	<u>992</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>

Proposed Actions

There is no request for funding for the Benjamin Gilman Institute Grant in fiscal year 2007. This set-aside was funded at \$992,000 for fiscal year 2005.

Community Development Block Grants

DISTRIBUTIONS OF FUNDS BY STATE

The following table shows combined entitlement and nonentitlement allocations by State for the 2005, 2006, and 2007 appropriation. The 2007 amounts represent preliminary estimates, which are subject to change.

<u>STATE OR TERRITORY</u>	<u>Actual</u> <u>2005</u>	Estimate <u>2006</u> (Dollars in Thousands)	Estimate <u>2007</u>
Alabama.....	\$55,121	\$49,685	\$39,801
Alaska.....	5,268	4,748	3,804
Arizona.....	60,444	54,643	43,644
Arkansas.....	30,657	27,646	22,136
California.....	525,106	472,940	379,157
Colorado.....	42,709	38,552	30,838
Connecticut.....	46,571	41,989	33,627
Delaware.....	8,078	7,265	5,833
District of Columbia.....	21,317	19,274	15,392
Florida.....	179,685	162,226	129,743
Georgia.....	92,696	83,679	66,932
Hawaii.....	17,081	15,360	12,333
Idaho.....	13,486	12,190	9,738
Illinois.....	196,215	177,014	141,679
Indiana.....	78,262	70,667	56,510
Iowa.....	45,885	41,409	33,132
Kansas.....	31,114	28,065	22,466
Kentucky.....	50,977	45,900	36,808
Louisiana.....	69,448	62,597	50,145
Maine.....	22,219	20,034	16,043
Maryland.....	62,822	56,184	45,361
Massachusetts.....	123,017	111,089	88,825
Michigan.....	147,609	132,829	106,582
Minnesota.....	64,979	58,533	46,919
Mississippi.....	39,235	35,358	28,330

Community Development Block Grants

<u>STATE OR TERRITORY</u>	<u>Actual</u> <u>2005</u>	Estimate <u>2006</u> (Dollars in Thousands)	Estimate <u>2007</u>
Missouri.....	\$76,153	\$68,149	\$54,987
Montana.....	10,237	9,234	7,392
Nebraska.....	21,740	19,561	15,698
Nevada.....	22,414	20,331	16,184
New Hampshire.....	14,704	13,274	10,617
New Jersey.....	112,983	101,729	81,580
New Mexico.....	23,425	21,139	16,914
New York.....	393,506	353,271	284,134
North Carolina.....	79,305	71,585	57,263
North Dakota.....	7,093	6,388	5,122
Ohio.....	181,179	163,276	130,822
Oklahoma.....	33,883	30,491	24,465
Oregon.....	40,835	36,899	29,485
Pennsylvania.....	248,858	223,899	179,690
Rhode Island.....	19,163	17,247	13,837
South Carolina.....	43,346	39,107	31,298
South Dakota.....	8,889	8,021	6,418
Tennessee.....	55,911	50,415	40,371
Texas.....	285,549	258,899	206,183
Utah.....	22,837	20,633	16,490
Vermont.....	9,267	8,366	6,691
Virginia.....	68,542	61,716	49,491
Washington.....	68,791	62,092	49,671
West Virginia.....	28,057	25,271	20,259
Wisconsin.....	74,409	67,184	53,728
Wyoming.....	4,703	4,232	3,396
Puerto Rico.....	124,111	111,704	89,615
Insular Areas.....	6,944	6,929	7,000
Subtotal Entitlement & Non- Entitlement.....	4,116,835	3,710,918	2,974,580
Other activities.....	<u>584,947</u>	<u>466,882</u>	<u>57,420</u>
TOTAL CDBG.....	4,701,782	4,177,800	3,032,000

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANTS
Performance Measurement Table

Program Name: COMMUNITY DEVELOPMENT BLOCK GRANTS					
Program Mission: CDBG is a primary vehicle for the revitalization of our Nation's neighborhoods, providing opportunities for self-sufficiency to millions of lower-income Americans. The program's primary objective is to develop viable urban communities by expanding opportunities, and to provide decent housing and a suitable living environment, principally for persons of low- and moderate-income.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
The number of households receiving homeownership assistance and homeowners receiving housing rehabilitation assistance from CDBG.	Integrated Disbursement & Information System (IDIS)	131,543	132,074	126,977	126,395
The number of rental households and rental housing units receiving housing assistance with CDBG.	IDIS	23,214	34,918	22,408	33,416
Jobs will be created or retained through CDBG and Section 108.	IDIS	76,432	91,287	73,735/11,000	81,400/0
The share of CDBG entitlement funds that benefit low- and moderate-income persons.	IDIS	92%	95.3%	N/A	N/A
The share of State CDBG funds that benefit low- and moderate-income persons.	IDIS	96.0%	96.8%	N/A	N/A
For CDBG Entitlement grantees, increase the number of approved Neighborhood Revitalization Strategy Areas.	IDIS	5%	5.3%	N/A	N/A
The share of completed CDBG activities for which grantees satisfactorily report accomplishments.	IDIS	93%	97.3%	N/A	N/A
The number of youths trained in construction trades through Youthbuild.	Annual Progress Reports	3,728	4,366	3,900	Propose to move program to Dept. of Labor
Streamline Consolidated Plan	Consolidated Plan	Revise regulations	Revised regulations	Implement regulatory changes	Integrate Consolidated Plan into IDIS

Community Development Block Grants

Propose CDBG reform legislation on formula and authorization of bonus funds				Introduce Legislation	Transition and implement reform.
Develop performance measurement framework to define a shared set of goals, standards and indicators of economic progress.				Continue development of the framework	Implement performance measurement framework

N/A = Not Applicable.

Explanation of Indicators

Current measures of CDBG program performance are general output indicators and, where continued in fiscal years 2006 and 2007, reflect projections based on recent appropriations and spendout of resources from fiscal year 2005 and prior years.

CPD has taken initial steps to develop outcome performance indicators to better demonstrate quantitative and qualitative results achieved with CDBG funds. CPD is developing a long-term performance measure to address the CDBG primary statutory objective -- the development of viable urban communities -- by tracking changes that occur in distressed neighborhoods as a result of CDBG funded activities. CPD is operationalizing a 2-year research study published in October 2002 that demonstrated such measures are possible. In addition to development of measurement of neighborhood improvement, CPD is also working with its stakeholders, the National Academy of Public Administration, and others to develop additional local and national outcome performance measures. Data for such additional performance measures is scheduled to be released in HUD's Integrated Disbursement and Information System (IDIS) in the Spring of 2006.

Strategic Goal H: Increase Homeownership Opportunities

The source of data for actual accomplishments is reported using the Integrated Disbursement and Information System (IDIS) and Annual Progress Reports.

The Community Development Block Grant (CDBG) program has provided flexible funding for communities across the Nation to develop and implement housing, community and economic development strategies that primarily benefit low- and moderate-income persons. Housing rehabilitation and other eligible housing activities have accounted for a large percentage (24.6 percent of expenditures in fiscal year 2005) of activities carried out under the CDBG program. By preserving existing housing stock and developing new housing opportunities, the CDBG program, along with the HOME program, has contributed to the strategic goals and objectives related to increasing affordable housing opportunities for families with low- and moderate-incomes. Providing increased resources for these efforts is a key priority within this Strategic Goal.

The CDBG program has directly supported Strategic Objective H.1, "Expand national homeownership opportunities" in that the largest use of CDBG funds is for housing related activities chosen at local discretion. CDBG housing activities not only directly fund homeownership activities, but also support rental activities, which preserve existing affordable housing stock and help transition families from being renters to homeowners. The CDBG program assisted 132,074 households either through homeownership assistance or housing rehabilitation assistance in fiscal year 2005, and plans to assist 126,977 in fiscal year 2006 and 126,395 in fiscal year 2007.

Strategic Goal A: Promote Decent Affordable Housing

The source of data for actual accomplishments is reported using the Integrated Disbursement and Information System (IDIS) and Annual Progress Reports.

Community Development Block Grants

The CDBG program has directly supported Strategic Objective A.1, "Expand access to affordable rental housing." It assisted 34,918 households in fiscal year 2005, and plans on assisting 22,408 households in fiscal year 2006 and 33,416 in fiscal year 2007.

Strategic Goal C: Strengthen Communities

The source of data for actual accomplishments is reported using the Integrated Disbursement and Information System (IDIS) and Annual Progress Reports.

The Community Development Block Grant (CDBG) program has provided flexible funding for communities across the Nation to develop and implement community and economic development strategies that primarily benefit low- and moderate-income individuals or areas.

The CDBG request supports Strategic Goal C, specifically Objective C.1: "Provide capital and resources to improve economic conditions in distressed communities." Through CDBG, 91,287 jobs were created or retained in fiscal year 2005. In fiscal year 2006, 73,735 jobs are expected to be created or retained through CDBG and 11,000 through Section 108. In fiscal year 2007, 81,400 jobs are expected to be created or retained through CDBG.

The Department has done considerable work in developing advanced performance indicators that will better capture the impact of the CDBG program on communities. The recently published Urban Institute study, "Public-Sector Loans to Private-Sector Businesses: An Assessment of HUD Supported Local Economic Development Lending Activities," is a key resource in this area.

Youthbuild supports Strategic Goal C, specifically Objective C.1: "Provide capital and resources to improve economic conditions in distressed communities." Although the fiscal year 2007 Budget proposes to transfer the Youthbuild program to the Department of Labor's Employment and Training Administration (ETA), 4,366 youths were trained in construction trades in fiscal year 2005, and it is estimated that 3,900 will be trained in fiscal year 2006.

President's Management Agenda-Consolidated Plan Improvement Initiative. CPD has completed the Consolidated Plan Improvement Initiative by streamlining the Consolidated Plan with regulatory changes, guidance, and by issuing the Consolidated Plan Management Process Tool (CPMP). The CPMP is a new approach to managing the consolidated planning and reporting process that enables grantees to streamline the submission process and creates a standardized format that enhances the jurisdiction's ability to track results and facilitate review by HUD, grantees, and the public. This tool will serve as the prototype for a newly re-engineered Integrated Disbursement and Information System that supports local setting and tracking of performance, aggregation of results relative to national goals, and the assessment of progress toward addressing the problems of low-income areas.

Efficiency Measure: The Department has developed an efficiency measure to measure any changes in the cost per singly family rehabilitated multifamily units.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANTS
Justification of Proposed Changes in Appropriations Language

The 2007 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

[For the cost of guaranteed loans, \$3,000,000, to remain available until September 30, 2007, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: Provided, that such costs, including the cost of modifying such loans, shall be as defined in Section 502 of the Congressional Budget Act of 1974, as amended; Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$137,500,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended.]

[In addition, for administrative expenses to carry out the guaranteed loan program, \$750,000 shall be transferred to and merged with the appropriation for "Salaries and expenses".]

COMMUNITY DEVELOPMENT FUND

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, [4,220,000,000] \$3,032,000,000, to remain available until September 30, [2008] 2009, unless otherwise specified: Provided, That of the amount provided, [\$3,748,400,000] \$2,974,580,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.): Provided further, that unless explicitly provided for under this heading (except for planning grants provided in the second paragraph and amounts made available under the third paragraph), not to exceed 20 percent of any grant made with funds appropriated under this heading shall be expended for planning and management development and administration: [Provided further, That \$1,600,000 shall be transferred to the Working Capital Fund:] Provided further, That [\$60,000,000] \$57,420,000 shall be grants for federally-recognized Indian tribes notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 305 of this Act), up to [\$4,000,000] \$3,960,000 may be used for emergencies that constitute imminent threats to health and safety: \$50,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That no more than eight percent of any grant award under the YouthBuild program may be used for administrative costs: Provided further, That of the amount made available for YouthBuild not less than \$4,000,000 is for grants to establish YouthBuild programs in underserved and rural areas and \$1,000,000 is to be made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended].

[Of the amount made available under this heading, \$310,000,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this Act: Provided That none of the funds provided under this paragraph may be used for program operations: Provided further, That for fiscal years 2004, 2005 and 2006, no unobligated funds for EDI grants may be used for any purpose except acquisition, planning, design, purchase of equipment, revitalization, redevelopment or construction.]

Community Development Block Grants

Z[Of the amount made available under this heading, \$50,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: Provided, That amounts made available under this paragraph shall be provided in accordance with the terms and conditions specified in the statement of managers accompanying this Act.]

Of the unobligated balances remaining from funds appropriated in fiscal year 2006 under the heading "Community Development Fund," for grants for the Economic Development Initiative (EDI), \$306,900,000 is cancelled.

Of the unobligated balances remaining from funds appropriated in fiscal year 2006 under the heading "Community Development Fund," for grants for the neighborhood initiatives, \$49,500,000 is cancelled.

Explanation of Changes

- (1) Deletes language for the Community Development Loan Guarantees Program Account.
- (2) Deletes language for Youthbuild, Working Capital Fund, Economic Development Initiatives (EDI) and Neighborhood Initiatives Demonstration (NID).
- (3) Proposes Rescission of EDI and NID.

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Crosswalk of 2005 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Entitlement/Nonentitlement	\$4,143,035	-\$33,144	...	...	\$691,082	\$4,800,973
Insular Area CDBG Program	7,000	-56	...	...	...	6,944
Indian Tribes	69,000	-552	...	...	74,675	143,123
Section 107 Grants	43,700	-350	...	...	54,893	98,243
Youthbuild	62,000	-496	...	...	66,186	127,690
Self-Help Homeownership Initiative ..	25,000	-200	...	...	26,841	51,641
Capacity Building for Community Development and Affordable Housing .	34,500	-276	...	...	34,545	68,769
Housing Assistance Council	3,300	-26	...	...	...	3,274
National American Indian Housing Council	2,400	-19	...	...	...	2,381
Working Capital Fund	3,465	-28	...	...	...	3,437
Economic Development Initiative Grants	262,000	-2,096	...	...	328,045	587,949
Neighborhood Initiative Demonstration	42,000	-336	...	-\$1,290	20,691	61,065
National Housing Development Corporation	4,800	-38	...	...	4,971	9,733
National Council of La Raza	4,800	-38	...	...	4,971	9,733
Disaster Assistance .....	...	150,000	...	...	547	150,547
Section 805 Economic Development training .....	...	...	...	...	14	14
Special Olympics	2,000	-16	...	...	...	1,984
Hudson River Park Trust	31,000	-248	...	...	...	30,752
Benjamin Gilman Institute Grant	<u>1,000</u>	<u>-8</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>992</u>
Total	4,741,000	112,073	...	-1,290	1,307,461	6,159,244

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Crosswalk of 2006 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 President's Budget Request</u>	<u>Congressional Appropriations Action on 2006 Request</u>	<u>2006 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Entitlement/ Nonentitlementment .....	...	\$3,741,400	-\$37,414	...	\$572,626	\$4,276,612
Insular Area CDBG Program .....	...	7,000	-70	...	6,944	13,874
Indian Tribes	[\$57,783]	60,000	-600	...	72,208	131,608
Section 107 Grants	[37,853]	[29,415]	[-294]	...	51,666	51,666
Youthbuild	[50,000]	50,000	-500	...	63,545	113,045
Self-Help Homeownership Initiative ..	[30,000]	[20,000]	[-200]	...	24,800	24,800
Capacity Building for Community Development and Affordable Housing .	...	[30,000]	[-300]	...	...	...
Housing Assistance Council .....	...	[3,000]	[-30]	...	...	...
National American Indian Housing Council .....	...	[1,000]	[-10]	...	...	...
Working Capital Fund .....	...	1,600	-16	...	...	1,584
Economic Development Initiative Grants .....	...	310,000	-3,100	...	297,891	604,791
Neighborhood Initiative Demonstration	...	50,000	-500	...	38,774	88,274
National Housing Development Corporation .....	...	[2,000]	[-20]	...	...	...
National Council of La Raza .....	...	[4,000]	[-40]	...	4,762	4,762
Disaster Assistance .....	...	...	11,500,000	...	19,373	11,519,373
Section 805 Economic Development training .....	...	...	...	...	213	213
Special Olympics .....	...	[1,000]	[-10]	...	...	...
Hudson River Park Trust .....	...	...	...	...	30,752	30,752
Benjamin Gilman Institute Grant .....	...	...	...	...	...	...
Total	[175,636]	4,220,000	11,457,800	...	1,183,554	16,861,354