

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANTS
2008 Summary Statement and Initiatives
(Dollars in Thousands)

COMMUNITY DEVELOPMENT BLOCK GRANTS	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2006 Appropriation	\$4,220,000	\$1,180,557	\$16,630,800 ^a	\$22,031,357	\$15,798,239	\$5,012,157
2007 Full-Year CR Estimate.....	4,215,000	6,235,902 ^b	...	10,450,902	10,450,902	7,828,000
2008 Request	<u>3,036,570</u>	...	<u>-356,400</u>	<u>2,680,170</u>	<u>2,680,170</u>	<u>8,000,000</u>
Program Improvements/Offsets	-1,178,430	-6,235,902	-356,400	-7,770,732	-7,770,732	+172,000

a/ Includes supplemental funding for disasters, P.L. 109-148 in the amount \$11.5 billion and P.L. 109-234 in the amount 5.173 billion (\$5.2 billion less \$27 million in transfers including \$12 million for Salaries and Expenses (S&E), \$9 million for the Inspector General and \$6 million for the Working Capital Fund). It also includes a 1 percent rescission of \$42.2 million reducing the fiscal year 2006 appropriation (P.L. 109-115) of \$4.2 billion.

b/ Excludes recaptures of \$911 thousand, transfers of \$3 million and expirations of \$1.123 million.

Section 108 Loan Guarantees

Commitment levels

2006 Enacted loan level.....	\$135,000	\$151,698	...	286,698	\$220,321	NA
2007 Full-Year Request.....	138,249 ^c	67,202 ^c	...	205,451	138,000	NA
2008 Request.....	...	<u>67,451</u>	...	<u>67,451</u>	<u>44,000</u>	NA
Program Improvements/Offsets.....	-138,249	249	...	-138,000	-94,000	NA

c/ This is based on a revised credit subsidy rate of 2.17 percent.

NA=Not Applicable.

Credit Subsidy and Administrative Expenses

2006 Appropriation/Request	\$6,408 ^d	\$3,337	-\$37	\$9,708	\$8,248	\$11,056
2007 Full-Year Request.....	10,799 ^e	1,458	...	12,257	10,794	16,000
2008 Request.....	...	<u>1,463</u>	...	<u>1,463</u>	<u>990^f</u>	<u>5,000</u>
Program Improvements/Offsets.....	-10,799	5	...	-10,794	-9,664	-11,000

d/ 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.

e/ The appropriation includes \$3 million in discretionary appropriations and \$7.8 million in a mandatory appropriation for an upward re-estimate of credit subsidy.

f/ Based on a 2.25 percent credit subsidy rate.

Community Development Block Grants

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. On May 25, 2006, the Secretary submitted to Congress the CDBG Reform Act which proposed extensive revisions to the CDBG funding distribution formula in order to better target funds to community development needs and to create a minimum grant threshold. In addition, the CDBG Reform Act proposed establishment of a CDBG Challenge Grant program to be funded at a level of \$200 million to be available to those grantees that demonstrate success in targeting CDBG funds to highly distressed neighborhoods.

The fiscal year 2008 budget proposes \$3,036.6 million for the Community Development Fund, which is \$4.57 million more than the fiscal year 2007 President's request and \$1.534 billion less than the fiscal year 2007 Continuing Resolution amount. The fiscal year 2008 request includes \$2.978 billion for the CDBG program (including \$3 million for Technical Assistance), \$57 million for the Indian Community Development Block Grant (ICDBG) program, and a \$1.57 million transfer to the Working Capital Fund. Many programs that had previously been appropriated within the Community Development Fund are included in other accounts as in fiscal year 2006. As mentioned, the Department's fiscal year 2008 request represents an increase of approximately \$4.57 million over the fiscal year 2007 request to reflect the funding for Technical Assistance and a transfer to the Working Capital Fund. The Reform Act, if enacted, would alter the existing funding formula and trigger a redistribution of CDBG funds among grantees. Changes in the CDBG formula are needed to ensure that available resources are properly targeted to the most economically distressed communities.

The Reform Act included provisions that would better enable HUD to hold grantees accountable for achieving their own performance goals. 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 would be consolidated as part of CDBG Reform include Brownfields Redevelopment, Rural Housing and Economic Development, and Section 108 Loan Guarantees. In the Spring of 2007, HUD intends to re-submit the CDBG Reform Act as part of the fiscal year 2008 budget.

Other Initiatives

The fiscal year 2007 budget proposed the transfer of the Youthbuild program to the Department of Labor. The Congress passed the Youthbuild Transfer Act (P.L. 109-281) on September 6, 2006 to transfer the program. The Department of Labor's fiscal year 2007 budget request for Youthbuild is \$50 million.

Performance Measurement

The CDBG program has a multi-faceted approach to demonstrating the need for the program and the results for the over 1,157 entitlement communities, 49 States, Puerto Rico, insular areas and the District of Columbia. CDBG remains the largest and most flexible community development assistance program, and the priority of this program is also demonstrated by the Congressionally enacted \$16.7 billion in supplemental disaster assistance to aid in the recovery of the devastated Gulf Coast States.

CPD has been working with grantee members of community development public interest groups over the past few years to develop a performance measurement system to be used by CPD formula grantees 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 proposed framework. A final Notice was published on March 7, 2006, which included a discussion of the comments received, and which incorporated appropriate changes made based on that input. 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.

Community Development Block Grants

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. These data elements were incorporated into HUD's Integrated Disbursement and Information System (IDIS) in May 2006 to allow for simplified data collection. A grantee selects a performance objective and outcome in IDIS for each activity, and also reports on various indicators depending on the type of activity assisted. The combination of these three items will enable IDIS to aggregate data so that results can be demonstrated at the national level. A series of 15 training sessions, held between May and August 2006, educated grantees on the implementation of the performance measurement system. Grantees started reporting on the new data in IDIS on October 1, 2006 and one full-year's worth of improved data will be available at the end of fiscal year 2007.

In addition to providing the Notice on 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.

CDBG grantees must, by law, use at least 70 percent of the funds expended during a period of up to 3 years for activities that benefit low- and moderate-income persons. The use of CDBG funding has reflected a balance between local flexibility in identifying and designing activities to meet local needs and targeting the use of funds to benefit low- and moderate-income persons. Local officials have used CDBG funds to take on new challenges in the area of housing, neighborhood development, public facilities, economic development and the provision of social services, yet have historically exceeded the 70 percent threshold, generally by significant amounts. For example, in fiscal year 2006, the share of entitlement funds that benefited low- and moderate-income persons was 95.09 percent and for States, 96.75 percent.

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 2001-2005; 2006 data will be added starting in April 2007. National summaries of spending by all CDBG grantees by fiscal year are also available for fiscal years 2001 through 2006. 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>).

The CDBG program will continue to report on homeownership, rental housing and job related activities as in past years. In addition, the Department is adding several outcome indicators to capture the results of the program as follows:

- In fiscal year 2007, a baseline will be established to measure increased economic opportunity through the use of CDBG funds in communities that have unemployment rates above the national unemployment rate;
- In fiscal year 2007, a baseline will be established to measure increases in median mortgage loan amounts in CDBG Neighborhood Revitalization Strategy Areas (NRSAs) using Home Mortgage Disclosure Act Data with the goal of increasing such loan amounts in 10 percent of NRSAs;
- Beginning in fiscal year 2007, a newly established goal to eliminate the blighting influence of 5,000 vacant, boarded up or abandoned properties through improvement or demolition will be in effect; and
- During fiscal year 2007, metrics will be developed to measure the results of the CDBG supplemental Gulf State recovery efforts.

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>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Entitlement/Non-entlmt	\$3,703,986	\$572,729	\$4,276,715	\$3,816,495	\$3,880,580	\$459,738	\$4,340,318	\$2,967,580
Insular Area CDBG Prg .	6,930	6,944	13,874	6,944	7,000	6,930	13,930	7,000
Indian Tribes	59,400	72,208	131,608	70,231	57,420	62,180	119,600	57,420
Section 107 Grants	[20,394]	39,838	39,838	38,238	[11,000]	4,401	4,401	3,000
Youthbuild	49,500	63,545	113,045	63,497	...	49,549	49,549	...
Self-Help Homeownership Initiative	[19,800]	24,800	24,800	24,800	...	[19,800]	[19,800]	[39,700]
Capacity Building for Community Development and Affordable Housing	[29,700]	...	...	...	...	[29,700]	[29,700]	[30,000]
Housing Assistance Council	[2,970]	...	...	[2,970]	[2,970]	...	[2,970]	...
National American Indian Housing Council	[990]	...	...	[990]	[990]	...	[990]	...
Working Capital Fund ..	1,584	...	1,584	1,584	...	...	...	1,570
Economic Development Initiative Grants	306,900	297,891	604,791	255,268	250,000	348,404	598,404	...
Neighborhood Initiative Demonstration	49,500	38,774	88,274	40,893	20,000	47,380	67,380	...
National Housing Development Corporation	[1,980]	...	...	[1,980]	[1,980]	...	[1,980]	...
National Council of La Raza	[3,960]	4,762	4,762	4,762	[3,960]	...	[3,960]	...
Disaster Assistance ...	16,673,000	19,373	16,692,373	11,436,343	...	5,256,611	5,256,611	...
Section 805 Economic Development training .	...	13	13	...	...	213	213	...
Special Olympics	[990]	...	...	[990]	[990]	...	[990]	...
Hudson River Park Trust	...	30,752	30,752	30,752	...	...	...	...
Native Hawaiian Block Grants	[8,727]	8,928	8,928	8,432	...	496	496	[5,940]
Total	20,850,800	1,180,557	22,031,357	15,798,239	4,215,000	6,235,902	10,450,902	3,036,570

Community Development Block Grants

The fiscal year 2008 budget request includes rescission proposals for Economic Development Initiative in the amount of \$306.9 million and Neighborhood Initiative Demonstration in the amount of \$49.5 million. The net budget request in fiscal year 2008 is \$2,680.17 million.

<u>FTE</u>	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Estimate</u>
Headquarters	103	99	99
Field	<u>198</u>	<u>184</u>	<u>184</u>
Total	301	283	283

NOTE: The bracketed programs are no longer funded in CDBG, but are funded in other programs.

Community Development Block Grants

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

Entitlement/Non-entlmt	<u>Amount</u>
2006 Appropriation	\$3,703,986
2007 Full-Year CR Estimate.....	3,880,580
2008 Request	<u>2,967,580</u>
Program Improvements/Offsets	-913,000

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Entitlement/ Non-entitlement	\$3,703,986 a/	\$572,729	\$4,276,715	\$3,816,495	\$3,880,580	\$459,738	\$4,340,318	\$2,967,580

a/ Includes a 1 percent rescission.

Proposed Actions

On May 25, 2006, the Secretary submitted to Congress the CDBG Reform Act which proposes extensive revisions to the CDBG funding distribution formula in order to better target funds to community development needs and to create a minimum grant threshold. The Reform Act has three basic components: first, formula reform to better target funding to communities with the greatest needs; second, a focus on performance and holding communities accountable for results; and third, the establishment of a Challenge Fund to reward communities that have demonstrated results in improving economic conditions. In the spring of 2007, HUD intends to re-submit this proposal as part of the fiscal year 2008 budget.

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 more per capita than many communities with much greater need; and that many communities with very similar needs received very different per capita amounts.

CDBG funds are currently 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 \$116 billion has been awarded to grantees. For fiscal year 2007, 1,157 cities and counties 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. HUD awarded non-entitlement grants 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.

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 2006, CDBG grantees expended \$4.715 billion in formula funds for the following activity categories:

- acquisition, construction, and rehabilitation of public facilities 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, 31.8 percent;
- housing activities, including direct homeownership assistance, rehabilitation of single family 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, 11.1 percent;
- economic development, including job creation and retention, 8.1 percent;
- acquisition, disposition, clearance, Brownfields, and relocation, 7.0 percent;
- planning and administration expenses, 14.2 percent; and
- other, 3.2 percent.

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 1 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 92 grantees in August 2006. In the 7 years since this policy was implemented, only 3 grantees have been found to be untimely 2 years in a row for reasons within their control, thereby resulting in a grant reduction for all 3 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 December 2006, the cumulative national expenditure rate was 109.3 percent of the annual allocation amount, thereby reducing accumulated balances. Since June 2004, the average expenditure rate has often exceeded 100 percent of the States' cumulative allocation.

Community Development Block Grants

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. Entitlement grantees report their performance through the Consolidated Annual Performance and Evaluation Report; States prepare a Performance 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.

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, acquisition and economic development activities accounted for 82.6 percent of the approximately \$4.7 billion in CDBG formula funds and program income expended during fiscal year 2006.

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 non-entitlement communities, as well as other set-asides (small cities).

Community Development Block Grants

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 (1960-2000) - 20 percent
Overcrowded housing - 25 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 2007, 979 metropolitan cities are eligible to receive grants. Of these, 26 elected to enter into joint grant agreements with their urban counties and 16 eligible grantees deferred their status.

Urban Counties. The statute also entitles urban counties to formula grants. In fiscal year 2007, 178 counties met the required population threshold and are thus eligible for formula funding. These urban counties include over 4,000 cooperating local incorporated units of government 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 cooperation 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. Non-entitlement (State/Small Cities Program). Non-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 non-entitlement units of government in Hawaii following the requirements of the Entitlement program, except that the funding comes from the non-entitlement 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 Presidential declared disaster.

Community Development Block Grants

e. Reallocation of Non-entitlement 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 Hawaiian small cities, amounts that became available for reallocation are to be added to amounts available for distribution in Hawaii in the fiscal year after the year in which the amounts became available; and
- in the case of actions against a state or if a state does not successfully apply, 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 multiyear investment strategies.

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. HUD will approve a Consolidated Plan submission 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 non-entitlement 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.

Community Development Block Grants

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

Section 108 Loan Guarantees	<u>Amount</u>
2006 Appropriation	\$6,408
2007 Full-Year CR	10,799
2008 Request .....	...
Program Improvements/Offsets	-10,799

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Section 108 Loan Guarantees	\$6,371 a/	\$3,337	\$9,708	\$8,248	\$10,799 b/	\$1,458	\$12,257	...

a/ 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.

b/ The appropriation includes \$3 million in discretionary appropriations and \$7.8 million in a mandatory appropriation for an upward re-estimate of credit subsidy.

Proposed Actions

Section 108 Loan Guarantee Program. No funding is requested for the Section 108 Loan Guarantee program in fiscal year 2008. The Program would be consolidated as part of the CDBG Reform Act.

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 2006, total CDBG formula outlays were \$4.7 billion. Planned Section 108 outlays were \$126 million (2.67 percent), and unplanned Section 108 outlays were \$1.8 million (.04 percent).

Community Development Block Grants

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

Insular Area CDBG Prg	<u>Amount</u>
2006 Appropriation	\$6,930
2007 Full-Year CR Estimate.....	7,000
2008 Request	<u>7,000</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Insular Area CDBG								
Program	6,930	6,944	13,874	6,944	7,000	6,930	13,930	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 in CDBG funding 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 2007, HUD will issue a final rule implementing specific timely expenditure standards for the Insular areas CDBG program.

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>
2006 Appropriation	\$59,400
2007 Full-Year CR Estimate.....	57,420
2008 Request	<u>57,420</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Indian Tribes	59,400	72,208	131,608	70,231	57,420	62,180	119,600	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 new 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>
2006 Appropriation	[\$20,394]
2007 Full-Year CR Estimate.....	[11,000]
2008 Request	<u>3,000</u>
Program Improvements/Offsets	-8,000

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Section 107 Grants	[20,394]	42,638 a/	42,638	38,238	[11,000]	4,401	4,401	3,000

a/ Includes \$2.8 million of recaptures.

Proposed Actions

This budget requests \$3 million in fiscal year 2008 for CDBG Technical Assistance. There is a significant need for technical assistance funds to support and improve the effectiveness of the CDBG program at the local level. HUD directly funds almost 1,200 state and local CDBG grantees, and has provided almost \$4 billion annually for a broad range of housing, economic development, infrastructure, and public services. Entitlement cities fund thousands of sub-recipient organizations while states and urban counties, in turn, pass CDBG funds through to more than 7,000 local governments. All these entities have staff that must be familiar with the full range of CDBG program and cross-cutting Federal requirements and it is critical that local government staff be highly conversant with CDBG requirements. The focus of technical assistance funds would include provision of CDBG basic training, implementing performance measurement requirements, improving grantee utility of HUD's Integrated Disbursement and Information System (IDIS), and promoting local use of new technologies and approaches in areas such as energy conservation and land use policies. Provision of funds for these types of CDBG technical assistance efforts will create economies of scale and greater efficiencies as opposed to individual grantees securing such assistance via their own means.

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:

Community Development Block Grants

DISTRIBUTION OF SECTION 107

	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u>	<u>ESTIMATE</u> <u>2008</u>
(Dollars in Thousands)			
Section 107 Program			
Historically Black Colleges and Universities a/ Hispanic-Serving Institutions Assisting Communities a/	\$[8,910} [5,940]	\$[4,806] [3,204]	[8,476] [5,650]
Alaska Native & Native Hawaiian Institutions Assisting Communities a/	[2,970]	[1,602]	[2,825]
Tribal Colleges & Universities a/	[2,574]	[1,388]	[2,449]
Community Outreach Partnership Centers a/ . . . . .	...	[...]	[5,940]
Subtotal, University Programs	[20,394]	[11,000]	[25,340]
CDBG Technical Assistance . . . . .	...	...	3,000
Total Section 107.	[20,394]	[11,000]	[28,340]

a/ In fiscal years 2006, 2007, and 2008, the University programs were funded in the Research and Technology budget.

Community Development Block Grants

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

Youthbuild	<u>Amount</u>
2006 Appropriation	\$49,500
2007 Full-Year CR Estimate.....	...
2008 Request .....	...
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Youthbuild	49,500	63,545	113,045	63,497	...	49,549	49,549	...

Proposed Actions

The fiscal year 2007 budget proposed 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. Legislation to affect this transfer was passed by Congress on September 6, 2006 (the Youthbuild Transfer Act, P.L. 109-281). The fiscal year 2007 request in the Department of Labor's Budget was \$50 million. Youthbuild's mission and strategic goals align directly with those of the ETAs. 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.

The Youthbuild program is targeted to 16- to 24-year old high school drop-outs, 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

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

Self-Help Homeownership Initiative	<u>Amount</u>
2006 Appropriation	[\$19,800]
2007 Full-Year CR Estimate.....	...
2008 Request	<u>[39,700]</u>
Program Improvements/Offsets	+39,700

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Self-Help Homeownership Initiative	[19,800]	24,800	24,800	24,800	...	[19,800]	[19,800]	[39,700]

Summary Statement

The fiscal year 2008 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>
2006 Appropriation	[\$29,700]
2007 Full-Year CR Estimate.....	...
2008 Request	<u>[30,000]</u>
Program Improvements/Offsets	+30,000

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Capacity Building for Community Development and Affordable Housing	[29,700]	...	[29,700]	...	...	[29,700]	[29,700]	[30,000]

Proposed Actions

The fiscal year 2008 budget proposes \$30 million for the National Community Development Initiative (NCDI)/Section 4 program within the Self-Help Homeownership Opportunity Program (SHOP) account. 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. These funds are provided to national non-profit intermediaries (Local Initiatives Support Corporation (LISC) and Enterprise Community Partners, Inc.) to develop the capacity of community development corporations to undertake community development and affordable housing projects.

Community Development Block Grants

COMMUNITY DEVELOPMENT BLOCK GRANTS
 Program Offsets
 (Dollars in Thousands)

Housing Assistance Council	<u>Amount</u>
2006 Appropriation	[\$2,970]
2007 Full-Year CR Estimate.....	[2,970]
2008 Request .....	...
Program Improvements/Offsets	-2,970

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Housing Assistance Council	[2,970]	...	[2,970]	[2,970]	[2,970]	...	[2,970]	...

Proposed Actions

No funding for the Housing Assistance Council (HAC) is proposed in fiscal year 2008, 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>
2006 Appropriation	[\$990]
2007 Full-Year CR Estimate.....	[990]
2008 Request .....	...
Program Improvements/Offsets	-990

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
National American Indian Housing Council	[990]	...	[990]	[990]	[990]	...	[990]	...

Proposed Actions

This budget proposes no funding for the National American Indian Housing Council (NAIHC) in fiscal year 2008, 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 for NAIHC. Established in 1974, NAIHC delivers technical assistance and training to Tribally Designated Housing Entities (TDHEs), conducts research 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>
2006 Appropriation	\$1,584
2007 Full-Year CR Estimate.....	...
2008 Request	<u>1,570</u>
Program Improvements/Offsets	+1,570

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Working Capital Fund ..	1,584	...	1,584	1,584	...	...	...	1,570

Proposed Actions

This budget proposes \$1.57 million for transfer to the Working Capital Fund (WCF) from this account for fiscal year 2008. This funding will allow for the maintenance, development, or re-engineering of the Community Planning and Development systems, including the Integrated Disbursement and Information System (IDIS).

Community Development Block Grants

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

Economic Development Initiative Grants	<u>Amount</u>
2006 Appropriation	\$306,900
2007 Full-Year CR Estimate.....	250,000
2008 Request	<u>---</u>
Program Improvements/Offsets	-250,000

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Economic Development Initiative Grants	306,900	297,891	604,791	255,268	250,000	348,404	598,404	-306,900

Proposed Actions

No funding is requested for fiscal year 2008, reflecting limited overall budget resources and other higher funding priorities. In addition, the budget requests a rescission of \$306.9 million, reflecting pre-fiscal year 2008 rounds of EDI funding. Until recently, Congress has appropriated funding for Economic Development Initiative-Special Projects (EDI-SP). EDI-SP grants provide 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. Since 1998, 6,467 EDI-SP grants have been funded.

Community Development Block Grants

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

Neighborhood Initiative Demonstration	<u>Amount</u>
2006 Appropriation	\$49,500
2007 Full-Year CR Estimate.....	20,000
2008 Request	<u>---</u>
Program Improvements/Offsets	-20,000

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Neighborhood Initiative Demonstration (NDI)...	49,500	38,774	88,274	40,893	20,000	47,380	67,380	-49,500

Proposed Actions

No funding is requested for fiscal year 2008, reflecting limited overall budget resources and other higher funding priorities. In addition, the budget requests a rescission of \$49.5 million reflecting pre-fiscal year 2008 rounds of NID funding.

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 out migration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives. NID grants provide earmarks to designated entities for certain specified activities. Since 1998, 297 NID grants have been funded.

Community Development Block Grants

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

National Housing Development Corporation	<u>Amount</u>
2006 Appropriation	[\$1,980]
2007 Full-Year CR Estimate.....	[1,980]
2008 Request .....	...
Program Improvements/Offsets	-1,980

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
National Housing Development Corporation	[1,980]	...	[1,980]	[1,980]	[1,980]	...	[1,980]	...

Proposed Actions

No funding is requested for fiscal year 2008, 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>
2006 Appropriation	[\$3,960]
2007 Full-Year CR Estimate.....	[3,960]
2008 Request	<u>...</u>
Program Improvements/Offsets	-3,960

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority/ Request</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
National Council of La Raza	[3,960]	4,762	4,762	4,762	[3,960]	...	[3,960]	...

Proposed Actions

No funding is requested for fiscal year 2008, 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 PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANTS
Program Offsets
(Dollars in Thousands)

Disaster Assistance	<u>Amount</u>
2006 Appropriation	\$16,673,000
2007 Full-Year CR Estimate.....	...
2008 Request	<u>...</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Disaster Assistance ...	16,673,000	19,373	16,692,373	11,436,343	...	5,256,611	5,256,611	...

Proposed Actions

Disaster Assistance has historically been funded through supplemental appropriations; therefore, no funding is requested for fiscal year 2008.

HUD received supplemental appropriations of \$700 million (P.L. 107-73) in fiscal year 2001, and \$2 billion (P.L. 107-38 and P.L. 107-117) and \$783 million (P.L. 107-206) 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. Of the \$3.483 billion, \$1.903 billion has been drawn down through December 2006.

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 have been allocated to Alabama, Florida, Louisiana, Mississippi, and Texas. All funds have been obligated. As of January 2007, substantial progress is being made by the five states. Of the total \$16.673 billion of funds from the two supplementals, HUD has approved \$10.5 billion in disaster recovery action plans and approximately \$1.2 billion has been expended by states. Substantial acceleration of funding is expected through fiscal year 2007 in terms of compensation grants made to households, infrastructure planning and development as well as economic development.

Community Development Block Grants

Public Law 109-234 appropriated an additional \$5.2 billion in fiscal year 2006 for additional disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita or Wilma. These funds are expected to be obligated by the end of the second quarter of fiscal year 2007. Not less than \$1 billion from funds made available on a pro-rata basis according to the allocation made to each state shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas. These funds cannot be used as a matching requirement, share, or contribution for any other Federal program. Also included within this \$5.2 billion is \$6 million that is to be transferred to HUD's Working Capital Fund for the enhancement of the capabilities of the Disaster Recovery Grant Reporting system by building additional electronic controls that will increase accountability while further decreasing the risk of fraud, waste, or abuse. In addition, \$12 million is to be transferred to HUD's Salaries & Expenses account, of which \$7 million is for administrative costs, including IT costs and \$9 million shall be transferred to the Office of Inspector General. The Office of Community Planning and Development is developing a plan for the use of the \$5 million allocated to it for administration of these disaster recovery funds.

The Community Planning and Development's (CPD's) disaster assistance capability is being increased to support recovery efforts in the Gulf Coast and to ensure that the large sums are utilized appropriately. Twelve positions, including CPD Representatives and Financial Analysts, were advertised and have been filled. They are located in Washington, D.C., as well as in the Gulf Coast States impacted by Hurricanes Katrina, Rita, and Wilma.

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>
2006 Appropriation .....	...
2007 Full-Year CR Estimate.....	...
2008 Request	<u>...</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Section 805 Economic Development training	...	213 a/	213	...	...	213	213	...

a/ Includes \$200 thousand in recapture balances.

Proposed Actions

No funding is requested for fiscal year 2008, 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)

Special Olympics	<u>Amount</u>
2006 Appropriation	[\$990]
2007 Full-Year CR Estimate.....	[990]
2008 Request .....	...
Program Improvements/Offsets	-990

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Special Olympics	[990]	...	[990]	[990]	[990]	...	[990]	...

Proposed Actions

There is no request for funding for Special Olympics in fiscal year 2008, reflecting limited overall budget resources. 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>
2006 Appropriation .....	...
2007 Full-Year CR Estimate.....	...
2008 Request	<u>...</u>
Program Improvements/Offsets .....	...

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Hudson River Park Trust	...	30,752	30,752	30,752	...	...	...	...

Proposed Actions

There is no request for funding for the Hudson River Park trust in fiscal year 2008, as it was a one-time appropriation.

Community Development Block Grants

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

Native Hawaiian Block Grants	<u>Amount</u>
2006 Appropriation	[\$8,727]
2007 Full-Year CR Estimate.....	...
2008 Request	<u>[5,940]</u>
Program Improvements/Offsets	+5,940

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 Budget Authority</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Native Hawaiian Block Grants	[8,727]	8,928	8,928	8,432	...	496	496	[5,940]

Proposed Actions

Funding of \$5.9 million is requested for the Native Hawaiian Block Grants in fiscal year 2008 as a separate program.

Community Development Block Grants

DISTRIBUTIONS OF FUNDS BY STATE

The following table shows combined entitlement and non-entitlement allocations by State for the 2006, 2007, and 2008 appropriations (excluding fiscal year 2006 CDBG disaster recovery supplemental funding). The 2007 and 2008 amounts represent preliminary estimates of budget authority, which are subject to change.

<u>STATE OR TERRITORY</u>	<u>ACTUAL</u> <u>2006</u>	ESTIMATE 2007 (Dollars in Thousands)	ESTIMATE 2008
Alabama.....	\$49,685	\$51,956	\$37,198
Alaska.....	4,748	4,966	3,555
Arizona.....	54,643	56,969	40,787
Arkansas.....	27,646	28,958	20,733
California.....	472,940	492,314	352,475
Colorado.....	38,552	40,312	28,862
Connecticut.....	41,989	43,946	31,463
Delaware.....	7,265	7,588	5,433
District of Columbia.....	19,274	19,570	14,011
Florida.....	162,226	169,636	121,452
Georgia.....	83,679	86,888	62,208
Hawaii.....	15,360	16,034	11,480
Idaho.....	12,190	12,807	9,169
Illinois.....	177,014	184,729	132,258
Indiana.....	70,667	73,973	52,961
Iowa.....	41,409	43,378	31,057
Kansas.....	28,065	29,402	21,050
Kentucky.....	45,900	48,021	34,381
Louisiana.....	62,597	65,464	46,869
Maine.....	20,034	20,828	14,912
Maryland.....	56,184	58,583	41,943
Massachusetts.....	111,089	115,618	82,777
Michigan.....	132,829	138,827	99,394
Minnesota.....	58,533	61,168	43,794
Mississippi.....	35,358	37,051	26,527

Community Development Block Grants

<u>STATE OR TERRITORY</u>	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u> (Dollars in Thousands)	<u>ESTIMATE</u> <u>2008</u>
Missouri.....	\$68,149	\$71,029	\$50,854
Montana.....	9,234	9,688	6,936
Nebraska.....	19,561	20,440	14,634
Nevada.....	20,331	21,316	15,261
New Hampshire.....	13,274	13,919	9,965
New Jersey.....	101,729	106,359	76,148
New Mexico.....	21,139	22,157	15,863
New York.....	353,271	368,230	263,636
North Carolina.....	71,585	74,998	53,695
North Dakota.....	6,388	6,693	4,792
Ohio.....	163,276	170,739	122,241
Oklahoma.....	30,491	31,883	22,827
Oregon.....	36,899	38,602	27,637
Pennsylvania.....	223,899	233,915	167,473
Rhode Island.....	17,247	18,067	12,935
South Carolina.....	39,107	40,929	29,303
South Dakota.....	8,021	8,416	6,025
Tennessee.....	50,415	52,727	37,750
Texas.....	258,899	268,828	192,469
Utah.....	20,633	21,689	15,528
Vermont.....	8,366	8,789	6,293
Virginia.....	61,716	64,541	46,208
Washington.....	62,092	64,748	46,357
West Virginia.....	25,271	26,452	18,938
Wisconsin.....	67,184	70,376	50,386
Wyoming.....	4,232	4,430	3,172
Puerto Rico.....	111,704	116,634	83,505
Insular Areas.....	<u>6,930</u>	<u>7,000</u>	<u>7,000</u>
Subtotal Entitlement & Non-Entitlement.....	3,710,918	3,872,580	2,774,580
Other activities.....	<u>466,882</u>	<u>342,420</u>	<u>261,990</u>
TOTAL CDBG.....	4,177,800	4,215,000	3,036,570

**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	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
The number of households receiving homeownership assistance and homeowners receiving housing rehabilitation assistance from CDBG.	Integrated Disbursement & Information System (IDIS)	126,977	139,136	120,001	121,005
The number of rental households and rental housing units receiving housing assistance with CDBG.	IDIS	22,408	38,178	31,726	33,203
Jobs will be created or retained through CDBG/Section 108.	IDIS	73,735/11,000	55,967/10,166	77,284/0 a/	50,228/0 a/
The share of CDBG entitlement funds that benefit low- and moderate-income persons is no less than 92 percent.	IDIS	92%	95.1%	92%	92%
The share of State CDBG funds that benefit low- and moderate-income persons is no less than 96 percent.	IDIS	96%	96.8%	96%	96%
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 is no less than 94 percent.	IDIS	94%	96.2%	94%	94%
Median loan values as reported in the Home Mortgage Disclosure Act data will increase in the CDBG Neighborhood Revitalization Strategy Areas that have concentrated community development investments.	IDIS	N/A	N/A	10%	10%

Community Development Block Grants

Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
Eliminate the blighting influence of vacant, boarded up, or abandoned properties.	IDIS	N/A	N/A	5,000	5,000
Increase economic opportunity through the use of CDBG funds in communities that have unemployment rates above the national unemployment rate.	Bureau of Labor Statistics	N/A	N/A	Yes	Yes
Assist disaster recovery on the Gulf Coast region.	Grantee reports	N/A	N/A	Yes	Yes
The number of youths trained in construction trades through Youthbuild. Fiscal year 2008 - Facilitate the transfer of the Youthbuild program to the Dept. of Labor.	Annual Progress Reports	4,000	4,397	Program transferred to Department of Labor	Program moved to Department of Labor
Propose CDBG reform legislation on formula and authorization of bonus funds. Implement the transition & operation of the proposed reform.				Introduce Legislation	Transition and implement reform.

N/A = Not Applicable.

a/ Section 108 projected jobs are based upon current budget requests. Therefore, since no Section 108 credit subsidy is requested in fiscal years 2007 and 2008, no projections for jobs are included for those years.

Explanation of Indicators

Previous measures of CDBG program performance were general output indicators and, where continued in fiscal years 2007 and 2008, reflect projections based on recent appropriations and spendout of resources from fiscal year 2006 and prior years.

CPD has taken significant steps to develop outcome performance indicators to better demonstrate quantitative and qualitative results achieved with CDBG funds. The Department is adding several outcome indicators to capture the results of the program as follows:

- In fiscal year 2007, a baseline will be established to measure increased economic opportunity through the use of CDBG funds in communities that have unemployment rates above the national unemployment rate;
- In fiscal year 2007, a baseline will be established to measure increases in median mortgage loan amounts in CDBG Neighborhood Revitalization Strategy Areas (NRSAs) using Home Mortgage Disclosure Act Data with the goal of increasing such loan amounts in 10 percent of NRSAs;
- Beginning in fiscal year 2007, eliminate the blighting influence of 5,000 vacant, boarded up or abandoned properties through improvement or demolition; and
- During fiscal year 2007, metrics will be developed to measure the results of the CDBG supplemental Gulf State recovery efforts.

Community Development Block Grants

In March 2006, HUD published in the Federal Register a notice implementing a performance measurement system that covers all four formula programs administered by CPD - CDBG, HOME, HOPWA and ESG. The performance measurement framework identified in that notice was the product of almost 2 years effort involving HUD, public interest groups representing CPD's grantee stakeholders and OMB. The framework establishes a matrix of objectives and outcomes based on the broad statutory purposes of the four CPD programs. Beyond the objectives and outcomes, grantees will be required to report on indicators that are applicable to the individual activities they are funding. Some indicators are common to nearly all program activities while others are activity specific indicators that are relevant only for the specific activity being undertaken. All reporting pursuant to the performance measurement framework is being implemented through HUD's Integrated Disbursement and Information System (IDIS). IDIS was revised in May 2006 to incorporate screens to capture the required data and HUD eagerly anticipates reviewing and analyzing the fiscal year 2007 data, the first full fiscal year for which such data will be available. The data will provide a substantially richer and more detailed view of the impact of CDBG funds at the local level.

Strategic Goal A: 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 (24.4 percent of expenditures in fiscal year 2006) 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 A.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 139,136 households either through homeownership assistance or housing rehabilitation assistance in fiscal year 2006, and plans to assist 120,001 in fiscal year 2007 and 121,005 in fiscal year 2008.

Strategic Goal B: 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.

The CDBG program has directly supported Strategic Objective B.1, "Expand access to affordable rental housing." It assisted 38,178 households in fiscal year 2006, and plans on assisting 31,726 households in fiscal year 2007 and 33,203 in fiscal year 2008.

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.

Community Development Block Grants

The CDBG program supports Strategic Goal C, specifically Objective C.2: "Enhance sustainability of communities by expanding economic opportunities." Through CDBG, 55,967 jobs were created or retained in fiscal year 2006. In fiscal year 2007, 77,284 jobs are expected to be created or retained through CDBG. In fiscal year 2008, 50,228 jobs are expected to be created or retained through CDBG.

In addition, the Section 108 loan guarantee program provides financial assistance that promotes job creation and retention activities. In fiscal year 2006, Section 108 assistance was instrumental in creating or retaining 10,166 jobs.

Community Development Block Grants

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

The 2008 President's Budget proposes appropriations language listed and explained below.

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$3,036,570,000, to remain available until September 30, 2010, unless otherwise specified; Provided, That of the amount provided, \$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 \$1,570,000 shall be transferred to the Working Capital Fund: Provided further, That \$3,000,000 is for technical assistance as authorized by section 107(b)(4) of such Act: Provided further, That \$57,420,000 shall be for grants to 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 \$3,960,000 may be used for emergencies that constitute imminent threats to health and safety.

Of the unobligated balances remaining from funds appropriated in fiscal year 2007 and prior years under this heading, for grants for Economic Development Initiative (EDI), \$306,900,000 is cancelled.

Of the unobligated balances remaining from funds appropriated in fiscal year 2007 and prior years under this heading, for grants for neighborhood initiatives, \$49,500,000 is cancelled.

Community Development Block Grants

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

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Entitlement/Non-entlmt	\$3,741,400	-\$37,414	...	...	\$572,729	\$4,276,715
Insular Area CDBG Prg	7,000	-70	...	...	6,944	13,874
Indian Tribes	60,000	-600	...	...	72,208	131,608
Section 107 Grants	[20,600]	[-206]	...	...	39,838	39,838
Youthbuild	50,000	-500	...	...	63,545	113,045
Self-Help Homeownership Initiative ..	[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 .....	...	16,673,000	...	...	19,373	16,692,373
Section 805 Economic Development training .....	...	...	...	...	13	13
Special Olympics	[1,000]	[-10]	...	...	...	...
Hudson River Park Trust .....	...	...	...	...	30,752	30,752
Native Hawaiian Block Grants	[8,727]	...	...	...	8,928	8,928
Total	4,220,000	16,630,800	...	...	1,180,557	22,031,357

Community Development Block Grants

COMMUNITY PLANNING AND DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANTS
 Crosswalk of 2007 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	2007	2007			<u>Carryover</u>	<u>Total 2007 Resources</u>
	<u>President's Budget Request</u>	<u>FY 2007 CR Estimate</u>	<u>Supplemental/ Rescission</u>	<u>Reprogrammings</u>		
Entitlement/Non-entlmt	\$2,967,580	\$3,880,580	...	...	\$459,738	\$4,340,318
Insular Area CDBG Prg	7,000	7,000	...	...	6,930	13,930
Indian Tribes	57,420	57,420	...	...	62,180	119,600
Section 107 Grants	[34,650]	[11,000]	...	...	4,401	4,401
Youthbuild	[50,000]	...	...	...	49,549	49,549
Self-Help Homeownership Initiative ..	[39,700]	...	...	...	[19,800]	[19,800]
Capacity Building for Community Development and Affordable Housing .	...	...	...	...	[29,700]	[29,700]
Housing Assistance Council .....	...	[2,970]	...	...	...	[2,970]
National American Indian Housing Council .....	...	[990]	...	...	...	[990]
Working Capital Fund .....	...	...	...	...	...	...
Economic Development Initiative Grants .....	...	250,000	...	...	348,404	598,404
Neighborhood Initiative Demonstration	...	20,000	...	...	47,380	67,380
National Housing Development Corporation .....	...	[1,980]	...	...	...	[1,980]
National Council of La Raza .....	...	[3,960]	...	...	...	[3,960]
Disaster Assistance .....	...	...	...	...	5,256,611	5,256,611
Section 805 Economic Development training .....	...	...	...	...	213	213
Special Olympics .....	...	[990]	...	...	...	[990]
Hudson River Park Trust .....	...	...	...	...	...	...
Native Hawaiian Block Grants .....	...	...	...	...	<u>496</u>	<u>496</u>
Total	3,032,000	4,215,000	...	...	6,235,902	10,450,902