

16A TUESDAY, MARCH 14, 2017 // THE ENQUIRER

opinion

Can't build up communities by cutting out federal grants



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Since 1995, Cincinnati Neighborhood Business Districts United (CNBDU), a nonprofit comprised of small-business leaders from across 32 neighborhoods, has worked with the city of Cincinnati to invest federal Community Development Block Grant (CDBG) dollars alongside local funds in deserving projects.

Each year, representatives from each business district review and then vote on the best projects, which typically include renovations of public squares, new sidewalks, expanded parking, and enhanced lighting that can entice foot traffic and safety while stabilizing and growing small businesses.

The CNBDU model is a great example of the kind of local driven public-private partnership President Donald Trump should support. But on Wednesday, the Washington Post published a story describing the Trump administration's proposed cuts to the Department of Housing and Urban Development budget, including elimination of the CDBG program. This story follows on the heels of Trump's address to Congress where he promised, "To launch our national rebuilding, I will be asking Congress to approve legislation that produces a \$1 trillion investment in infrastructure of the United States – financed through both public and private capital – creating millions of new jobs."

This lofty ambition for new spending would start by having to dig out of a \$3 billion dollar hole created by eliminating CDBG and its flexible infrastructure funds for everything from sidewalks to recreation centers in rural and urban communities. These projects might be small, but they are prioritized by local leaders and focus on projects ranging from the historic business district projects led by CNBDU and the city to road repairs in low- and moderate-income communities, lead pipe replacement programs, and handicapped-accessibility improvements in senior and community centers. Approximately 8,000 of these types of projects, sup-



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Covington has used federal money for the Goebel Park playground. Federal funds are clearly working in communities, the author says.

ported with an average of \$146,000 in CDBG funds, break ground annually across America.

These relatively small projects stand in contrast to the massive public-private partnerships envisioned for the president's plan. A 2015 study by the U.S. Treasury examined 20 conventional public-private partnership projects that had an average size of just over \$700 million each. An average cost of this magnitude would suggest that the president's investment plan would result in fewer than 1,400 projects over the entire life of the \$1 trillion program. Despite their small size, parking and water treat-

ment facilities financed by CDBG have a social impact on American communities that toll roads, while necessary, do not.

The Washington Post notes that CDBG funding may be replaced with in broader infrastructure spending, but as many observers know, once HUD funds are cut, they rarely ever return. Current CDBG funding levels are less than a third of what was available on an inflation-adjusted basis at the beginning of the second Bush administration.

The country would be well-served by keeping the community-based public-private partnerships that are

supported by CDBG funds and that are clearly working, while also working to address the goal of fixing the massive infrastructure problems that have been accumulating for decades.

Thomas Jackson served as a senior economic development officer and special projects manager with the city of Cincinnati. He is now director of training for the National Development Council, which has worked in Cincinnati for more than 40 years on community and economic development. NDC was founded in New York City in 1969 to bring capital expertise and investment to distressed communities across the U.S.