



CITY OF BOSTON, MASSACHUSETTS
Office of the Mayor
Thomas M. Menino

For Immediate Release:
Friday, February 11, 2011

For More Information Contact:
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****MEDIA ALERT****

**Mayor Menino to Meet with Community Members on
Potential Cuts to Community Development Block Grants**

*Boston could lose up to \$3 million in federal CDBG funding that
helps strengthen neighborhoods and creates jobs*

WHEN: TOMORROW! Saturday, February 12, 2011

TIME: 10:30 AM

WHERE: Ecumenical Social Action Committee (ESAC) 3313 Washington St., Egleston Square,
Jamaica Plain

WHO: Mayor Thomas M. Menino; Newton Mayor Setti Warren, Chair of the United States
Conference of Mayor's Community Development and Housing Committee; six community
members representing homeless services, community development organizations, small
businesses, youth and homeowners

WHAT: Mayor Menino will convene a roundtable discussion of key city officials and local
community members to discuss and raise awareness about potential cuts to federal Community
Development Block Grant funding. Under the currently proposed cuts Boston's social service
providers and other recipients could lose over \$3 million. Mayor Warren will speak about the
national effort by mayors to oppose cuts to the program.



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Mayor Menino Meets with Community Members About Potential Cuts to Federal CDBG Funding

*Joined by Newton's Mayor Warren, Says Boston Could Lose \$3M in Human
Service Grants Critical to Strengthening Neighborhoods, Job Creation*

Mayor Thomas M. Menino and Newton Mayor Setti D. Warren today convened a roundtable discussion with Boston City officials and community members at Jamaica Plain's Ecumenical Social Action Committee (ESAC) to discuss this year's proposed federal budget cut of 13.5% in Community Development Block Grant (CDBG) funding, which could affect non-profit agencies in both communities serving some of the cities' most vulnerable residents.

"Federal Community Development Block Grants give us the flexibility to make decisions locally about what works for our neighborhoods. We use these funds to create housing for the homeless, revitalize our Main Streets, provide assistance to first time homebuyers and small businesses, and support the strong middle class base of our city," said Mayor Menino. "We must state our case loudly – CDBG works. And we simply cannot afford to lose any of this critical funding."

Under the current FY 2011 budget plan, CDBG funding would receive a reduction of \$600 million – resulting in a direct loss of as much as \$3 million for Boston that makes possible some of the community's most vital services. The City of Newton, which typically receives about a \$2.4 million CDBG allocation, would be affected by the same 13.5% cut.

"At a time when our economy is only beginning slowly to recover and states and local governments are still making drastic cuts in their budgets, CDBG is an investment that will stimulate much needed job growth and leverage crucial private and public investments." said Mayor Warren, who also serves as Chair of the United States Conference of Mayors' Community Development and Housing Committee. "We know that the Obama Administration is committed to a strong CDBG program. But those of us at the local level must actively pledge our support and do our part to ensure that this resource is available to us long into the future."

For 37 years, the CDGB program has been a mainstay in the partnership between the federal government and cities and states' efforts to improve the lives of low- and moderate-income families. The program's reach spans a broad spectrum of activities, including: creating homeownership and other affordable housing opportunities; improving infrastructure such as roads, water, and sewer systems; creating or improving fire stations and community centers; providing adult day care, after school care for

children, employment training, transportation services, crime awareness programs, business and job creation opportunities, and support for programs to end homelessness.

The City's Department of Neighborhood Development (DND) is the primary administering agency for the City's CDBG allocation, which it has been receiving since 1975, with allocations fluctuating from a high of \$32.1 million in 1975, to a low of \$17.3 million in 1990. The funding allocations vary from year to year due to the amount of funds appropriated by Congress, the number of communities eligible to receive funding, and demographics. In 2010, Boston received just over \$21 million.

Some specific examples of what the City of Boston has allocated CDBG funding for:

Senior Homeowner Services: grants and loans are provided to hundreds of low-income senior homeowners to make needed improvements.

Homebuyer Assistance: downpayment and closing cost assistance is provided to hundreds of families each year to help them become successful homeowners.

Housing Development: funds are allocated to assist the production and/or preservation of hundreds of units of affordable housing.

Human Services: grants to hundreds of social service organizations that provide services to thousands of low-income persons each year.

Boston Main Streets: funds are allocated to support the revitalization of small neighborhood business centers, creating hundreds of new jobs each year, and leverage close to a million dollars in private investment throughout the city's 19 Main Street districts.

