



### **For Immediate Release**

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## **OMB Reorganization Plan Would Effectively Eliminate CDBG**

**Washington, DC (June 25, 2018)** - In its newly released reform plan, "Delivering Government Solutions in the 21<sup>st</sup> Century," the Office of Management and Budget (OMB) proposes moving CDBG from the Department of Housing and Urban Development (HUD) to the Department of Commerce under a new Bureau of Economic Growth. Under the proposal, CDBG would be moved to the Department of Commerce and combined with EDA's Economic Development Assistance Program, USDA's rural business and community facility grants, Delta Regional Authority, Denali Commission, and Northern Border Regional Commission. The combined programs would focus solely on economic development. By stripping CDBG of most of its eligible activities and moving and combining its economic development activities with other programs at the Department of Commerce, presumably under a new program name, this proposal kills CDBG as we know it.

CDBG is much more than economic development. Less than 10% of CDBG funding is allocated to economic development activities. The *majority* of CDBG funding is allocated to affordable housing, public services and public improvements/infrastructure. The 1,268 CDBG grantees (every Congressional district) would be deprived of these critical resources if this proposal moves forward.

The Bush Administration put forward a similar proposal, the Strengthening America's Communities Initiative (SACI), in 2005. The SACI proposal would have eliminated funding for CDBG and moved the program's eligible activities to the Department of Commerce. NCDA and other groups were successful in fighting back that attempt to eliminate CDBG. "We have gone down this road before with previous attempts to eliminate CDBG. CDBG is an important resource for communities and we will fight against any endeavor to diminish the program," said Vicki Watson, NCDA's Executive Director.

### **ABOUT NCDA**

NCDA is a non-partisan, national non-profit member-based organization that represents local government departments across the country that administer federally-supported community and economic development and affordable housing programs, principally the Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, HUD's homelessness assistance programs and HUD's economic development programs. NCDA is an association of people committed to assist local governments to achieve high quality, locally-responsive programs for making communities better places in which to live and work, particularly for low- and moderate-income people.