

February 24, 2011

Mayor Dan Devine and
Members of the Common Council
City Hall
West Allis, WI 53214

Dear Honorable Mayor and Members of the Common Council:

The Department of Development would like to inform you that the 2011 Community Development Block Grant Program (CDBG) could be facing a reduction in funding based on current Congressional legislation. For FY 2011, the City developed an annual plan and budget based on an annual entitlement of \$1.5 million. The amount of funding the City receives is derived through the Congressional budget process and allocated through a formula developed by the Housing and Urban Development program (HUD) based on a communities low to moderate-income population. During the weekend of February 18, the U.S. House of Representatives passed a continuing funding resolution (H.R.1) that reduced CDBG funds by 60%. The Senate must now act on the resolution by the first week in March in order to keep the federal government operating. This is not the first time Congress discussed reductions to CDBG funding, but the 60% is the highest in the history of the program. Past sessions of Congress have been able to reach compromises on the reduction of funding, but the City's Congressional representatives shared concern and remain uncertain based on the level of political discourse occurring in Washington.

On Tuesday, February 22, the Department of Development provided an email to all CDBG recipients and City Departments notifying them of a possible reduction in funding for their respective programs and activities. If Congress enacts a reduction in funding, the plan for the CDBG program would be to reconvene the citizen Block Grant Committee to reconsider the budget and form a recommendation on how to reallocate CDBG funds. The recommendation would be forwarded to the Common Council for approval.

For your convenience, the chart highlights the level of funding for the CDBG program over the past 15 years. During this time, the City has received nearly \$25 million in federal dollars. The funds are for the purpose of serving low to moderate-income residents of the City and to address the removal of slum and blight conditions. During the years, funds helped improve neighborhood parks such as Liberty Heights, both Rogers Playgrounds, and Honey Creek; enhanced storefront facades in the Downtown; fought crime through gang prevention and supported of over 200 neighborhood block watch groups; assisted senior citizens to find resources or volunteers to assist with daily needs and improved the Senior Center; financed business start-ups and expansions that create jobs such as ReGENco, Amalga Composites, and Freese's Candy Shoppe; provided funds for City staff working on the plans that foster redevelopment projects for the City, and much more.

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The CDBG program is an important element to the operations of the Department of Development. As the City continues the tradition of positive redevelopment projects such as Summit Place and Quad Graphics and looks forward for new opportunities and forms plans for additional success within the 84th and Greenfield, former Teledyne, and Highway 100 and Oklahoma corridors, the impact of decreased CDBG funding on the Department of Development may effect the daily operations and how the City serves a variety of community programs.

Staff will continue to monitor the situation and continue to inform the Mayor and Common Council. If you have questions, comments or ideas relating to the CDBG program, please do not hesitate to call my office. Thank you for your time and consideration.

Sincerely,

Patrick Schloss
Community Development Manager

PS:bjb

Attachment

cc: Paul M. Ziehler, City Administrative Officer
John F. Stibal, Director, Department of Development
Kristi S. Johnson, Planner II