

Community development funding poses dilemma for Republicans

The GOP is determined to reduce the federal budget deficit, but trimming the \$4.4-billion federal program that helps seniors, low-income residents and rundown neighborhoods could leave constituents unhappy.

By Richard Simon, Los Angeles Times

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Congressman Howard "Buck" McKeon is in a tough spot.

The former Santa Clarita mayor's hometown is eager to receive its share of federal aid to fund neighborhood improvements, such as patching roofs on seniors' homes, building a youth center in a low-income area and paying for a "community preservation officer" to fight blight.

But McKeon also is a member of the House Republican majority, which is determined to reduce the federal budget deficit.

The \$4.4-billion Community Development Block Grant, or CDBG, program — which has long had bipartisan support because it shows constituents they're getting something back for the money they send to Washington — stands as an example of the tough choices ahead for McKeon and his GOP colleagues.

"I raised six children, and I couldn't always give them exactly what they wanted," McKeon said. "We're going to have to cut things that a lot of us don't want to cut.... It's going to be very tough."

The decades-old federal aid program has become important to fiscally fragile cities and counties, and is a key funding source for many local efforts to generate jobs, revitalize rundown neighborhoods and help low-income residents. The money also provides funding for Meals on Wheels, fitness classes and other programs that benefit seniors, an important voting bloc.

"We don't expect Congress to balance their budget on the backs of the most needy in America," said Santa Clarita City Manager Kenneth R. Pulskamp, whose city is due to receive \$1.7 million this year under the program. "This

amount is less than a drop in the bucket in the overall scheme of the entire federal budget, and there is no way the federal government can resolve their complex federal budget issues by cutting CDBG funds."

House Republicans on Friday proposed a whopping \$2.9-billion cut for the current year to the Community Development Fund, most of which goes to the block grant program. A group of House conservatives has pushed for eliminating the funding altogether.

President Obama, in the budget he will release Monday, is expected to propose a more modest \$300-million cut to the program for the next fiscal year.

Though the program has been targeted before, local officials worry that this year will be particularly brutal because of heightened political anxiety in both parties over a projected \$1.5-trillion budget deficit and the stampede by House Republicans, especially "tea-party"-inspired newcomers, to wield the ax.

Tad DeHaven, a budget analyst at the libertarian Cato Institute, said the program is a prime target because it no longer meets its original goal of funneling money to large cities in decline. Instead, money is handed out to communities rich and poor.

"It is the federal government spending money on activities that are properly the domain of local government," he said. "Local government officials love it because it's free money. They don't have to go out and raise people's taxes."

The program, ironically, was born out of the "new federalism" advocated by a Republican president, Richard Nixon, aimed at giving local officials the flexibility to deal with their own problems because they know their communities better than Washington bureaucrats.

The block grant debate is symbolic of the broader struggle between congressional Republicans who call the \$14-trillion national debt a national crisis that warrants drastic action, no matter how painful, and Democrats who warn that massive cuts would set back the nation's economic recovery.

"While everyone is going to have to make sacrifices, CDBG remains maybe the single most important, flexible funding that cities receive that they can use to bolster their economies," said Mark Muro of the Brookings Institution, a Washington think tank.

California cities and counties are expecting to receive \$500 million this fiscal year. Los Angeles County, which was due to get about \$32 million this year, will deal with federal cuts by making proportionate decreases to their programs, said County Supervisor Don Knabe. The city of Los Angeles, with an annual budget of \$6.75 billion, had anticipated \$78 million.

Some House Republicans are unmoved by appeals from cities within their districts.

"A lot of these things have been increased a great deal in the last few years. Guess what? The country got along OK at a lower level of spending than we're at today," said Rep. John Campbell (R-Irvine), calling the debt the greatest threat to the country.