



Hocking, Athens, Perry Community Action Agency

11100 State Route 550

PO Box 340

Athens, OH 45701

800.686.1093/740.592.6601

740.592.4237 – FAX

Bob Garbo, Executive Director

Testimony for the Subcommittee on Housing and Community Opportunity Field Hearing

“Strengthening Rural Ohio: A Review of the Community Development Block Grant”

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Hello. My name is Jessica Stroh and I am the Community Development Coordinator at Hocking, Athens, Perry Community Action, also known as HAPCAP, based in Athens, Ohio. HAPCAP has been administering CDBG funding in Hocking, Athens and Perry Counties for over seventeen years. Before I begin, I would like to thank Congressman Ney and the entire subcommittee on Housing and Community Opportunity for allowing small rural communities to have a voice on the proposed changes to the Community Development Block Grant program.

CDBG funding is unique and vital to our rural region. It is the only source of flexible funding that communities can access to address critical needs for low to moderate income neighborhoods and residents. CDBG leverages other funding for projects that could not otherwise be completed and the citizen participation component allows for projects to be selected and prioritized at a local level. CDBG funds provide the basic necessities of human life and are the building blocks needed for attracting businesses to our area. Safe, clean and sanitary water and sewer systems,

affordable housing and basic infrastructure are the driving force behind economic development in our region.

Unfortunately, since 2002, each county we serve has faced a steadily decreasing Formula allocation resulting in a 25% total reduction. An additional 25% cut, as proposed in the president's 2007 budget would further devastate low-income communities and residents. Rural areas are already at a disadvantage because they receive only one-third as much federal money for community resources as do urban areas. Continued reduction in CDBG would further limit opportunities for poverty stricken rural communities to create economic development.

In order to illustrate the impact of this cut, I would first like to offer some insight into each county's program. From 2000-2004, Athens County received more than \$3.2 million in total CDBG funding and was able to leverage an additional \$14.7 million that would not otherwise have been available. However, the countless needs in the County far outweigh the funds available. Athens County averages over \$1 million in requests each year from local officials and organizations for Formula funding. With the proposed cuts, Athens County would receive only \$155,000 in 2007, down from \$276,000 in 2002. Obviously, there is already a major gap between the need and the money available to meet that need. Basic infrastructure should not be a luxury. Safe and sanitary water and sewer systems are a basic human right that each county strives to provide residents utilizing CDBG funding. As one resident in the Sunday Creek Valley Water District in Athens County wrote to her representatives last year, "We desperately need water. Until you have to live this way, you don't realize what a gift water is. My family can be poverty-level and get by. We, however, cannot keep going without water."

Perry County was able to undertake 29 community development projects leveraging an additional \$8.5 million between 2000-2004. I am going to share the story of only one of these projects with you. After being awarded funds to create a park, a resident of the community of Congo, population 47, wrote, CDBG “is a wonderful program created by the government...because it does such a great deal of good for the smaller, forgotten communities” that have suffered from, “coal mining, logging, strip mining and in later years were left to die. Slowly, we hope to rebuild our community...to make a better place for our children to raise their children. ...I am glad that you are helping to make our families’ and community’s struggle a little easier to maintain our heritage and the love for our community.” As you can hear in her own words, CDBG helps residents gain a sense of pride in their communities.

Hocking County was able to complete 28 projects with the almost \$800,000 in formula funding they received between 2000-2004. If the cuts take affect, Hocking County would receive a mere \$94,000 in FY ‘07. Southeastern Ohio Counties already face larger challenges and higher costs when installing and maintaining critical infrastructure because of the unique topography and the rural nature of the communities. Once administration costs are paid and higher construction material expenses are taken into consideration, there will be little left. Hocking County would be devastated by the proposed cuts.

If these cuts are allowed to stand, housing stock and infrastructure, like water and sewer systems, will continue to deteriorate, communities will not be able to attract businesses, construction

companies throughout the region and administrative agencies, like HAPCAP, will have to lay off staff and finally, communities, like the little town of Congo, will lose hope and may fade away.

I know that the outcomes of this funding and its impact are not easily measured on paper.

However, I witness the outcomes firsthand everyday. I see the impact a shelter house has on a community, the way a contractor goes the extra mile so that funding can be stretched and the faces on a family when they are finally able to purchase a home or access clean water. Just last year, we struggled to protect this money from cuts. The quality of life for residents in our area depends on CDBG. On behalf of the County Commissioners and other local officials, contractors and residents of Hocking, Athens and Perry Counties, I urge you to make CDBG a priority in the 2007 budget by not only maintaining funding, but by restoring it to its highest funding level so that we don't have to fight year after year to save this critical program.