

## Planners Say 2006 Budget Bad for Communities

The Bush administration's 2006 fiscal year budget, released February 7, takes a huge swipe at domestic funding, sharply cutting or eliminating 150 programs. Many of those cuts, if approved by Congress, could have serious implications for U.S. communities.

The proposed budget, say planners, will hurt community economic development and affordable housing efforts; land conservation, water quality improvements, and other environmental activities; and transportation of all sorts.

### HUD practically dismantled

The most startling change is the removal of a number of programs from the Department of Housing and Urban Development. Eighteen programs—which the budget refers to as duplicative—would be all but scrapped. Some version of many of those programs would be rolled together into one new, all-encompassing program, Strengthening America's Communities Grants, which would be administered by the Department of Commerce.

In the FY 2005 budget, the Community Development Block Grant program received \$4.7 billion in funding. Under the proposed budget, CDBG would join the 17 other former HUD programs, such as the Empowerment Zones/Enterprise Community and the Brownfields Economic Development Initiative, to vie for a much smaller pie; the budget allocates a scant \$3.71 billion for the entire Commerce Department program.

A second new program within the Commerce Department—also part of the \$3.71 billion—is the Economic Development Challenge fund, to be awarded to communities that meet goals set by No Child Left Behind, the Bush administration's education reform program.

The proposed budget kills some programs entirely, including the Housing Assistance Council, the Rural Housing and Economic

Development program, and HOPE VI, the public housing replacement program. It also calls for unspent 2005 HOPE VI allocations to be rescinded.

Planners—especially those in urban areas—are particularly concerned about what Candace Stowell, AICP, calls “the gutting of CDBG.” Stowell, who chairs APA's Housing and Community Development Division, is the supportive housing development officer for the North Carolina Housing Finance Agency. She

notes that while the 30-year-old program has problems, the Bush proposal doesn't fix anything. “It's like throwing the baby out with the bathwater,” she says. “Fort Worth, like many cities and counties across the country, has come to rely heavily on the CDBG program for a variety of initiatives,” says Fernando Costa, AICP, the city's planning director. The money is also important for leveraging funding from other sources, he says. Every dollar of CDBG funding in FY 2004 leveraged about \$2.79 in private funding, according to the U.S. Conference of Mayors. The organization has joined forces with at least five other groups to fight for the program. “This new proposal is totally unacceptable,” says Akron Mayor Don Plusquellic, the group's president. “CDBG is good business and is the foundation of our nation's communities.”

## The gutting of CDBG is like throwing the baby out with the bathwater.

Planners should be worried about more than just the cuts, says AICP President Sue Schwartz, FAICP, the chief of neighborhood planning in Greensboro, North Carolina. New allocations will be based on an assessment of available housing stock and poverty rates, rather than on population and census data, as in the past. With a much smaller pot available, only the cities in direst need might get help, she notes.

Greensboro received nearly \$2.3 million in CDBG funds in 2004. That money went toward the development and rehabilitation of affordable housing, economic development, homelessness prevention, job creation, and other projects. Schwartz says that her city's allocation could drop 40 to 100 percent if the proposed changes take effect. Within two weeks of the budget announcement, Greensboro officials had written to the city's congressional representatives outlining how the loss of CDBG might affect the community and others like it, she says.

### Transportation stalled

The proposed 2006 budget for the Department of Transportation, which totals \$59.5 billion, boosts spending for the Transportation Equity Act for the 21st Century. Last year the administration proposed a \$256 billion, six-year authorization for TEA-21, which authorizes federal surface transportation programs. This year's proposal is up by \$28 billion over six years. It's not clear, however, whether that would be enough to equalize transportation disbursements to states, says Whit Blanton, AICP, vice president of the

*Orlando's mixed-income, mixed-use City View project—with market-rate and affordable apartments, office space, and parking—was built using \$700,000 in CDBG funds and \$1.55 million in HOME funds. The HUD money helped to leverage private investment for the \$52 million project.*



Renaissance Planning Group in Orlando, and former chair of APA's Transportation Planning Division. "It's a dramatic increase based on a year ago," he says, "but I'm not sure where this would leave us."

Transit funding would go up slightly, to nearly \$7.8 billion. Over the six-year period of the administration's reauthorization proposal, however, the ratio of transit to highway spending would decline to about 16 percent, from 20 percent.

Calling Amtrak "flawed and unsustainable," the administration proposes to eliminate its

D.C., is calling for the continuation of federal funding. Individual state loan funds, which currently administer the federal money, are expected to be self-sufficient by 2011. AMSA has joined with environmental groups to propose a trust fund.

The overall reduction of funding for the Environmental Protection Agency totals \$500 million, including a \$115 million cut in land preservation efforts. The EPA's brownfield program—which focuses on identifying and cleaning contaminated sites (as opposed to the HUD brownfield redevelopment program)—and the

#### SHIFTS IN BUSH BUDGET

Program	Agency	FY05 Enacted	FY06 Proposed
Community Development Block Grants	HUD	\$4.7 bil.	0
Brownfields Economic Development Initiative	HUD	\$24 mil.	0
Empowerment Zones/Enterprise Communities	HUD	\$10 mil.	0
Rural Housing & Economic Development	HUD	\$24 mil.	0
Strengthening America's Communities Grants	Commerce	n/a	\$3.7 bil.
HOPE VI	HUD	\$143 mil.	0
Project-based Rental Assistance	HUD	\$5.3 bil.	\$5.1 bil.
HOME Formula Grants	HUD	\$1.8 bil.	\$1.7 bil.
American Dream Downpayment Assistance	HUD	\$50 mil.	\$200 mil.
Stateside Land Water Conservation Fund	Interior	\$91 mil.	0
Clean Water State Revolving Loan Fund	EPA	\$1.1 bil.	\$730 mil.
Brownfields	EPA	\$163 mil.	\$210 mil.
Transit	DOT	\$7.7 bil.	\$7.8 bil.
TEA-21 Reauthorization Request	DOT	n/a (\$256 bil.)	\$284 bil.

Lisa Barone, compiled by the APA Policy Department

operating subsidy, although it promises \$360 million to continue limited commuter service along the Northeast Corridor. Ralph Willmer, AICP, chair of APA's Environment, Natural Resources, and Energy Division and environmental planning director of McGregor & Associates in Boston, says the implications of Amtrak's demise reach across several areas of planning, not just transportation. "This is horrific and shortsighted, in my view," he says. Among other things, he continues, "it decreases the capacity of finding alternative transportation to get people out of their cars."

#### Environmental woes

The budget also delivers several blows to environmental efforts. Loans to states under the Clean Water State Revolving Loan Fund would drop by a third to \$730 million. The current lack of loan funds for the sewer projects that the program helps to finance already affects municipalities all over the country, which must delay new projects or put ongoing ones on hold, Willmer says. That, in turn, stifles development opportunities.

In response, the Association of Metropolitan Sewerage Agencies, based in Washington,

Superfund program, which finances the cleanup of the nation's worst hazardous waste sites, would both receive additional funding, but Willmer says he is not impressed by modest increases to programs that have always been "historically underfunded."

In addition, Energy Department funding for energy efficiency and renewable resources, including wind and solar power, would be decreased by four percent. Funding for FEMA's program to modernize flood hazard mapping would stay the same at \$200 million and the Pre-Disaster Mitigation Fund, also part of FEMA, would go up \$50 million to \$150 million.

Congress typically accepts administration budget proposals only after making changes during the budget and appropriations processes, which take place in the spring and fall, respectively. Sweeping changes to HUD would require separate authorizing legislation.

APA opposes the administration's efforts to cut federal support for community development, and has launched an online action center at [www.planning.org](http://www.planning.org).

*Meghan Stromberg*

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## Washington State Faces Its Own 'Measure 37'

When Oregon voters approved a so-called property rights law in November, they jarred that state's decades-old reputation for having the strictest land-use rules in the nation. They also inspired property rights advocates in Washington to imitate the new law. In January, some of the state's most powerful interest groups gathered in Olympia to consider an initiative similar to Oregon's Measure 37.

Gary Tripp of Bainbridge Citizens United organized the meeting, which was attended by building industry groups and initiative veterans, including the Building Industry Association of Washington and the Washington State Grange.

"The time [is] ripe for such an initiative," Tripp says. Proponents have not decided whether to pursue an initiative this fall or to wait until next year. To win a spot on this fall's general election ballot, they would have to collect the signatures of at least 225,014 registered voters by July 8.

It's not exactly clear how environmentalists and planners will fight the initiative, but they are gearing up. Tim Trohimovich, AICP, planning director for the environmental group Futurewise (formerly known as the 1000 Friends of Washington), says Washington voters support growth management and are likely to oppose such an initiative.

In 1995, the Washington legislature approved a law requiring local governments to compensate property owners for land-use restrictions. In response, environmentalists put Referendum 48 on the ballot. Voters approved the referendum, which overturned the law. "We got it repealed by a 20-point margin," Trohimovich says. "That's what we'll be looking for this time."

The Oregon measure, which voters approved 60 percent to 40 percent, mandates that local governments do one of two things for property owners who can show that land-use regulations have reduced property values: compensate them or waive the regulations.

It's unclear what a Washington version of Measure 37 would do to the state's 1990