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WASHINGTON-MORGAN COUNTIES COMMUNITY  
ACTION

TESTIMONY BEFORE THE  
COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON HOUSING AND COMMUNITY  
OPPORTUNITY

March 25, 2006

Logan, Ohio

Good morning. My name is David Brightbill. I am the Executive Director of Washington-Morgan Counties Community Action. The Agency is a private nonprofit corporation located in Southeastern Ohio along the Ohio River. Washington-Morgan Counties Community Action has been in business since 1967 and operates a variety of programs designed to help low and moderate income families. In 1990 Washington-Morgan received its first housing rehabilitation program funded with Community Development Block Grant (CDBG) funds through the Washington County Commissioners. In addition to that partnership we now work with the Morgan County Commissioners and the City of Marietta to rehabilitate homes in all three communities. CDBG funds are used in conjunction with HOME dollars to provide comprehensive housing rehabilitation services to low and moderate income families. Each local community develops a Comprehensive Housing Investment Strategy (CHIS) which serves as a basis for allocation of funds, assuring that housing funds including CDBG are used according to well thought out goals and objectives. CDBG funds have contributed significantly to the lengthening the useful life of housing stock in our two counties and improved the lives of dozens of families.

The CDBG has been and continues to be a very valuable tool for governmental subdivisions and non-profit organizations in our area of Appalachian Ohio. CDBG funds an array of important economic and community development projects. Ohio and its Appalachian region are not feeling the effects of the economic recovery that is being reported in the rest of the country. Our area continues to lose good paying manufacturing job. We struggle to replace those jobs and in most cases the replacements are lower wage service jobs or require traveling great distances. CDBG provides local government flexible money to help provide needed infrastructure, ie water and sewer, access roads, revolving loan funds and matching funds for non profits and rural emergency services. As you know infrastructure improvements are a necessary factor in job creation especially in rural areas such as ours

As I mentioned above Washington-Morgan Counties Community Action works with commissioners in both Washington and Morgan Counties. Their CDBG funds come through the State of Ohio, both through formula allocations and as competitive grants for water and sewer projects, housing programs and economic development. Our agency also works with the City of Marietta, which as an entitlement community, receives its CDBG allocation directly from HUD.

The Morgan County Commissioners because of the relatively small amount of formula CDBG funds available to the county have not been able to provide match for the Comprehensive Housing Improvement Program (CHIP). They have been the grantee and active partner in several CHIP grants. Their partnership with our agency has generated \$215,000 in CDBG dollars from the Office of Housing and Community Partnership over the past four years. Those CDBG dollars along with HOME funds resulted in four home ownership opportunities, 24 owner occupied unit rehabs, 9 rental unit rehabs and 15 minor home repairs in the last four years alone. For a county that often ranks at the top of Ohio's unemployment statistics and finds local resources stretched even further than most Appalachian Counties these outside resources not only help prolong the life of existing housing stock, they provide opportunities for local contractors and jobs for the

local workforce.

In Washington County the Commissioners have utilized some their CDBG funds to provide match for the CHIP. Again the assistance provided by this program provides owner occupied housing rehabilitation, down payment assistance (along with rehab), rental rehabilitation with the landlords contributing 40% of the cost. The flexibility of CDBG also allows for minor repair, ie ramps, septic systems, electrical systems and heating units. Thirty Eight families in Washington County have been assisted with CDBG and HOME funds. The Office of Housing and Community Partnerships has provided 209,000 in CDBG dollars and the County has added about \$40,000 in formula funds again over the past four years.

Marietta as an entitlement community receives its CDBG funds directly from HUD. They also use their funds for community and economic development activities. Our partnership with Marietta City has resulted in \$40,000 worth of CDBG entitlement funds being committed to the CHIP program. These funds have helped generate over \$4000,000 in HOME dollars. This has allowed for one home ownership opportunity with rehab, two rental unit rehabs and twelve owner occupied homes being rehabilitated in the last year and a half.

The over five and one half million dollars in CDBG cuts Ohio received this year obviously will have a negative impact on activities such as those listed above. Local dollars are already stretched to the breaking point. It is not possible for Appalachian counties or cities to make up these dollars. Projects which would have provided housing and other infrastructure needs will not be done and the jobs which would have been created by these projects will not be filled. If the President's proposed 27% cut is maintain in the FY 2007 the impact will be staggering. Ohio could lose an additional thirteen and a quarter million dollars in CDBG funds. Making the overall two year reduction almost 40%. As an example Morgan County received 80,000 formula dollars in 2006 which is down from \$94,000 in 2004, if the President's budget numbers are adopted they would fall to \$60,000 a 36% cut. Another example is the water and sewer fund the state sets aside for non-entitlement communities currently 9.8 million dollars has been allocated for projects, these funds are normally all utilized long before the end of the fiscal year. A 27% cut to CDBG would of necessity lead to cuts to this set aside further reducing important infrastructure investment. These dollars will not be made up. State and local governments certainly do not have the funds to replace them. An economy which is barely making any progress toward recovery will be set back even further. Given the nature and benefits of CDBG I would advocate for additional funds not less. The flexibility and local spending of the dollars not only enhances housing and infrastructure it generates direct jobs and indirect jobs though the projects completed.

I urge you to look for ways to increase not decrease funds for this program and to maintain its targeting to low and moderate income individuals and families. Our counties, cities and non-profits need help in turning local economies around not more obstacles and less funding.

Thank you for allowing me to testify today I will be happy to answer any questions.

David Brightbill's biography:

I am a 1970 graduate of Ohio University with a Bachelors Degree in Education. I have been employed with our agency since July of 1970, serving in progressively more responsible positions and in October 1987, I became executive director. I am a past two-term president of the Ohio Association of Community Action Agencies; former two-term president of The Corporation of Appalachian Ohio Development, (a regional association of Appalachian Ohio Community Action Agencies); currently I serve on the national boards of the Community Action Program Legal Services, Inc. and the Ohio University Alumni Association.

I have not received a direct benefit from our current sub-contracts (or former sub-contracts) with the Morgan County Commissioners, Washington County Commissioners or the City of Marietta to operate Comprehensive Housing Improvement Programs although part of my salary and fringe benefits are allocated expenses to operating these programs following our cost allocation plan.