

Bogging Down the Neighborhood: Community Development Block Grant Social Service Provision and Community Participation

Megan Gilster

The Community Development Block Grant (CDBG) was passed in 1974 and is a major source of federal funding for urban social services. While social planning, e.g. planning with attention to community well-being, is often regulated to the margins of the field, there is a relationship between the process and outcomes of social planning for the effectiveness of urban policy as a whole. This paper reviews the implementation of community participation and social service provision and finds that the incorporation of multiple stakeholders is a key component of effective participation and policy implementation. The differences in priorities between local residents, activists, service providers, and leadership should not be ignored. Social service provision became a dominant activity because of the dominance of service providers in community participation. This paper concludes by offering suggestions for urban policy in a renewed era of participation.

Social planning is urban planning with special emphasis on the social well-being of a community. At the same time, the physical/social divide in urban planning places community-level social intervention at the margins of the field. This paper examines the funding of social service agencies through US Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG), in an attempt to highlight the role of community participation in effective implementation of urban policy.

This paper analyzes the history of the Community Development Block Grant with particular attention to the causes and consequences of community participation and social service provision (defined broadly by HUD as education, child care, elderly, etc...). First, it looks at how community participation was shaped initially by the historical context and then by politics at the local and federal levels. Then, it examines social planning with particular attention to how community participation and the political context that influenced participation also influenced social planning as an anti-poverty and development strategy. It focuses on evidence that the variable components of the program—social service provision, community participation, and the redistribution of resources to low- and moderate-income persons—are interwoven in interesting ways. To do this, it examines the evolution and effectiveness of community development

programs from the 1950s through the 1980s and then explores the implications of this historical context for current urban policy.

Background and Social Context

In the 1940s and 1950s the federal government's main "community" intervention strategy was the practice of urban renewal. The Housing Act of 1949 established the first federal urban renewal program with the objectives of eliminating substandard housing, stimulating development, and establishing suitable living environments (Anderson 1964). Under urban renewal, the federal government seized blighted private properties through eminent domain.

For residents of poor neighborhoods, urban renewal was synonymous with housing demolition and relocation. In theory, federal urban renewal should have seized property for the purpose of public use, but in practice, it resold it to private developers for their benefit (Halpern 1995). When rebuilding occurred, it focused primarily on central business districts benefiting local elites. Urban renewal policies also reinforced neighborhood segregation along race and class lines by disproportionately dislocating African Americans. When seeking alternative housing, they were limited to areas immediately surrounding the demolished neighborhood because of racist restrictive covenants, housing discrimination, and lending discrimination (Anderson 1964; Hall 1996).

At the same time, urban planners were building high-rise public housing projects—in a sense recreating the poor neighborhoods they were destroying in other parts of the city. Housing projects enforced tight income requirements as a means to ward off fraudulent tenants (Hays 1995). This likely created high turnover (i.e., residents who became slightly upwardly mobile would be evicted) and may have been an additional social blow to these communities, eliminating leaders and creating instability (Hays 1995). Although planners believed that the physical attributes of the buildings would be beneficial for building social ties, there was little about the structures that were not socially harmful (Halpern 1995). Corrupt local officials hired contractors who used shoddy construction practices for financial gains. Stigmatizing deficiencies, such as toilets without seats and elevators that stopped on every other floor, were found throughout (Hays 1995). Social service agencies attempted to provide services but often were unable to serve the entire population or address all of the social problems. The relationship between the social service providers and the local public housing authorities was tenuous; housing authorities were often reluctant to share control (Halpern 1995).

The 1960s could be characterized as a reaction to preceding policies at both the community and national levels. The failure of federal housing policy—both in addressing the needs of the poor and exacerbating social problems in poor neighborhoods—served as a catalyst around which neighborhoods organized as part of the larger civil rights movement. Some organizers targeted local elites who profited from corrupt development practices. Others focused on the need for services to address the problems associated with these policies. As we will see below, the government often responded to activists by trying to appease residents, but rarely eradicated social problems.

Early Foundation & Government Programs

Initial responses to the context of urban disinvestment came from private foundation initiatives rather than the federal government. With private funding sources, foundations had more flexibility to create new responses to social problems. The Ford Foundation, for example, planned and funded initiatives that experimented with community participation and social service provision. Two small federal programs, the Community Action Program (CAP) and Model Cities, grew out of these foundation initiatives. Both foundation and government programs lead the way for CDBG, a large-scale federal blanket program.

Foundation programming was a response to the growing awareness of problems in poor communities and fear of continued social unrest in the early 1960s and laid the groundwork for later War on Poverty

programs (O'Connor 1996). Launched in 1961, The Ford Foundation's Gray Areas Program aimed to revitalize the neighborhood as a social system (Ylvisaker 1963). The philosophy of the Gray Areas Program, as outlined by Ford Foundation programmatic director Ylvisaker (1963), was to change neighborhoods socially with a "spirit" akin to "cool-headed generals and far-sighted diplomats" not "fiery patriots" (i.e., militant leaders) who should "give way to avoid...permanent civil war," (4). Thus, it was clear that an attempt to create common welfare would come from a middle ground strategy rather than through radical means. But Ylvisaker also saw that social problems were ignored or exacerbated by the physical orientation of urban renewal. Social services—especially those focused on education, employment, and the justice system—were therefore important aspects of the Gray Areas Program strategy. He also saw the need to create "indigenous leadership and the spirit of self-help" (4), but his examples of indigenous leadership highlight the participation of professionals in the city rather than community members of targeted neighborhoods.

Mobilization for Youth (MFY) was another initiative funded by the Ford Foundation and others that addressed social problems in poor neighborhoods. MFY was similar to the Gray Areas Program in its assumptions, but its mode of action—orientation towards community members—was quite different. Although its purpose was to improve social services and opportunities in neighborhoods to end delinquency, the program focused on organizing neighborhood residents in response to social issues that were important to them. This was significant in that it was the first initiative to encourage residents to define the agenda (Halpern 1995).

The Federal government responded by instituting the Community Action Program (CAP). Influenced by MFY, CAP required maximum feasible resident participation (Halpern, 1995). This emphasis on resident participation was a major shift in policy from the earlier Urban Renewal programs in which elites maintained control of decision-making (Cole 1975). Local governments and social service organizations resisted the call for extensive participation because they wanted to maintain control over the local community action agencies (CAA; Halpern 1995). In 1966 after local leaders refused to comply, the House Labor and Public Welfare Committee passed amendments requiring that one third of CAA boards be comprised of poor people. Still, the poorest, and most disenfranchised were not on CAA boards. Activists and black militant leaders began asking for positions on the board. Although they were eventually accepted onto the boards, many scholars and activists have questioned the motives for their inclusion. Halpern believes this was an attempt to co-opt direct action oriented groups into the system of social service provision. By helping to divert

these activist groups away from direct action and towards social service provision, the threat of unrest was tempered. At the same time, some politicians argued that allowing poor people to guide the War on Poverty was like allowing the sick to run a hospital (Halpern 1995). Participation by area residents was a federal requirement that was met with a great deal of resistance. When forced to comply with the legislation, the resistance became rhetorical—poor people were dangerous and ill equipped and must be pacified.

Model Cities, a second federal program, was a component of the Demonstration Cities and Metropolitan Development Act of 1966 that targeted disadvantaged neighborhoods. President Johnson originally proposed the program, but Congress passed it only after decreasing funding and increasing the number of cities allowed to participate—effectively diluting the program's efforts. Model Cities was the first to include social and economic improvements along with physical improvement, making it substantially different from previous legislation. Model Cities stressed community participation, but not to the extent required in CAP (Nathan, Dommel, Liebschutz, & Morris 1977). It did not specify either the extent or manner in which community members should participate and because local governments received the funding, it left room for political elites to influence how community participation was executed (Cole 1975).

Community Development Block Grant

The Community Development Block Grant (CDBG) was authorized in 1974 after a two-year moratorium on federal housing programs in an effort to improve and repackage previous programs (Hays 1995). The CDBG program combined the following established federal grant programs: urban renewal, model cities, water and sewer facilities, open spaces, neighborhood facilities, rehabilitation loans, and public facility loans. CDBG aimed to simplify federal grant-making and increase flexibility of federal funds at the local level. Although CDBG was less restrictive than the previous programs (termed “categorical” programs), it had the following requirements: a three-year community development plan, an annual program statement for community development, a housing assistance plan, citizen participation in implementation, information dissemination about implementation, and spending priority for low- and moderate-income families (Nathan, et al. 1977). Both urban renewal and Model Cities were influential in framing the community participation and social planning aspects of CDBG. CDBG retained

the language of participation, but created a flexible environment that could easily thwart it.

CDBG was part of Nixon's plan to overhaul federal approaches, yet it was not a decisive break from previous programs. Nixon subscribed to new federalism, an approach to government favoring a diminished role of the federal government especially in local policies. To meet the conditions of new federalism, HUD sought a limited role in the implementation of CDBG. HUD did this by not publishing a handbook interpreting the CDBG in the first years of implementation. This approach was an attempt to foster flexibility in implementation at the local level, but it failed to anticipate the questions that would arise regarding implementation and eligibility. The legislation did not clearly define the role of community participation,

“The federal government has the unique opportunity to reframe CDBG by emphasizing participation of residents of poor communities and a broader focus on addressing inequality.”

redistribution of resources, or the provision of social services; therefore, local officials were frequently unsure about these requirements (Nathan, et al. 1977).

In their analysis of 61 CDBG funded sites, Nathan and colleagues (1977) found that most local governments attempted to meet the requirements of community participation as interpreted. However, even among those who believed citizen participation was important, there was wariness. For example, in Cleveland Heights, Ohio, city officials carefully fulfilled HUD expectations without raising the expectations of community members about the benefits of CDBG funding. Similarly, in Carbondale, Illinois, officials claimed, “citizens have neither the time nor the expertise for a very active role,” (Nathan et al., 1977, 424). They found that in every locality they examined either elected officials or government-employed professionals made the decisions about the role and power of citizen participation.

Community participation looked quite different in various communities, but the following three dominant models were identified: public hearings, neighborhood meetings, and advisory boards. Of the studied communities, thirteen localities relied solely on public hearings, which were typically held before drafting a CDBG application. Most often, community activists and organization leaders (Rimmerman 1985) attended public hearings. Seventeen localities held neighborhood meetings prior to holding a public hearing. The neighborhood meetings were a way of informing residents about CDBG and gathering their input on neighborhood issues. The public hearings, which followed, were held to get input on draft proposals. Neighborhood meetings had higher attendance than public

hearings. Finally, thirty-one localities relied on advisory boards as a form of citizen participation. Advisory boards were more likely to represent the entire city, and less likely to represent members of poor communities. Less than half of the advisory boards had a role in drafting an application.

Nathan et al. (1977) found that the attitudes of local officials towards community participation were the most influential factor in determining the extent to which community views were reflected in the grant process. In the first program year, those communities in which public hearings and neighborhood meetings were held had the most influential citizen participation (Nathan et al. 1977). This is significant because neighborhood meetings were also the easiest point of access for unorganized citizens.

Cole (1975) argues that organizations become active in the decision making process to gain better access to funding sources (especially given the ambiguous context of revenue sharing in CDBG). He therefore suggests that, through these organizations, communities have greater political power. Although Model Cities emphasized participation by residents of target areas, CDBG removed this clause. Under CDBG, participation and control over decision-making closely resembled the CAAs. Instead of area residents, community organizations and local leaders were invited to participate and accepted in hopes of getting federal money (Cole 1975). However, Cole fails to examine the extent to which these now active organizations advocated for residents of the neighborhoods versus their own institutional gains.

As the political climate changed over the subsequent decades, so did community development legislation. Consistent with the Carter administration's goals, which were more in line with the 1960s War on Poverty programming, the 1977 legislation renewing CDBG required a written plan for citizen participation and encouraged the participation of residents in blighted neighborhoods and those with low or moderate incomes. HUD also established stricter guidelines about implementation in 1979 and published several handbooks. It also began examining CDBG grantees with much more scrutiny (HUD 1982). This increased role of HUD in the new legislation should have increased community participation, but failed to do so.

Community participation in decision-making increased as the legislation became institutionalized and community participants acquired more knowledge of the program, but the form of participation changed (Dommel, Bach, Liebschutz, & Rubinowitz 1980).

Advisory councils, neighborhood groups, and special interest groups dominated community participation. Members of neighborhood and special interest groups continued to attend public hearings (Dommel et al. 1980), but records of neighborhood meetings disappeared from reports. The most common approach to the increased federal regulations for community participation appears to be the inclusion of advocates and leaders from community advisory boards. The form of community participation allowing the least organized individuals to participate was replaced by more formal participation of select members from advisory boards.

In the 1980s, more drastic problems with housing and neighborhood poverty became apparent. Homelessness emerged as a social problem, gaining national attention primarily because of the change in the demographic composition of the homeless population from single males to women and children (Hays 1995). Still, the Reagan administration reversed recent changes to CDBG, minimizing the federal role.

This backdrop of major social problems exacerbated by policy failings is reminiscent of the 1950s. Yet this time, because of the political environment of the

Reagan administration, subsequent changes in policy did not address the problems. Distressed communities experienced more hardships in the

1980s, but CDBG failed to meet the growing need. The amount of CDBG spending decreased in comparison to community need (Rich 1991).

At the same time, more information about the implementation of CDBG was available in the 1980s and as such, many began to critique the program. Some evaluators found that executive dominance in decisions about fund allocations diminished any incentive for community participation (Maier & Nachmias 1990). Lovell (1983) reviewed research on community participation and low income targeting, finding that low income targeting improved when HUD enforced it and community participation was strong. This implies that allowing more discretion at the local government level was detrimental to low income communities. Yet this is precisely the direction that the Reagan administration took with CDBG policy. While similar tensions existed in the 1980s as they did in the late 1960s, allies to community participation did not exist in the anti-interventionist federal government.

Lessons from Community Participation

It is clear from this review of the history of CDBG that local control plays heavily into the patterns

“The tie between development programs in neighborhoods and funding community organizations can be traced throughout this history.”

of community participation. Hays (1995) points out that this issue of local control was something that had political support from unlikely coalitions. Both local liberal officials and conservative federal officials were in favor of increased local control and diminished federal intervention into local and state politics. It was not until the 1980s, that local control became less favorable among liberal officials as the gap between citizen participation and local control became evident.

While programs that preceded CDBG used methods that empowered communities, CDBG did just the opposite. By giving the more power to the local government, community participation (especially by residents of poor neighborhoods) was marginalized. As neighborhood and social service organizations became the easiest, most common point of access to the decision-making structure, individual residents and activists were less likely to be involved in the process. Additionally, local control turned these organizations into advocates for their own self-interest. Organizations positioned themselves to advocate for funds to be allocated to their neighborhoods or organizations, but they had little control over larger local priorities.

Social Planning and Social Service Provision

For CDBG and the foundation and government programs immediately preceding it, social planning and social service provision was an important break from the problematic policies of urban renewal. Social planning, e.g. neighborhood planning geared toward improving the social conditions, could encompass the provision of social services, e.g., afterschool programs, but the plan should address the impact of physical planning on social and economic conditions of residents. However, social planning was not always carried out, leaving decisions about social service provision more susceptible to influence from social service agencies seeking funding. Although social service provision was an important innovation, its effectiveness was hampered because of haphazard implementation.

The relationship between social planning and social service provision under CDBG can best be understood by examining the preceding programs. According to James L. Sundquist (1969), who helped plan the War on Poverty program as a member of President Johnson's poverty task force, the CAAs turned towards social service provision and away from integrative planning. CAAs continued to be controlled by local government officials and social service organizations. Early programs overlapped in neighborhoods diffusing this decision-making structure. The Gray Areas Program, for example, encouraged localities to apply for federal CAP and Model Cities funding (Hays 1995). Social service agency leaders therefore became involved in all of these programs.

With CDBG, social planning and social service provision was broadened. Social services could now be provided, not just for targeted neighborhoods, but also for whole communities. Although the legislation allowed for increased flexibility, the specifics of social service provision were so unclear, and interpreted so differently by HUD officials at federal and local levels, that social planning was weakened.

While HUD legislation stated that social services "may be funded only if they are essential to physical development projects, and further, only if the jurisdiction had applied unsuccessfully for funding from other federal sources." (p. 61 and section 105(a)(8) of the act), the provision of social services looked very different in each locality. Nathan et al. (1997) found that localities did not follow the regulations regarding social services. Most often they did not fund social services at all, and when they did, they followed a 20% ceiling for social services, which was proposed by the Senate but was not included in the final bill. Because a handbook was not issued, HUD would handle local questions by issuing public memos, which served as unofficial guidelines. As an example of misinterpretation, CDBG funds in a Texas community were allocated for the construction of multipurpose service centers but not social service programming costs in a rigid interpretation of the "physical development" component of the legislation (Nathan et al. 1997). Despite HUD's attempt to give local government more flexibility, local government still worried about the consequences of misinterpreting federal requirements (i.e., losing funding) and therefore did not use CDBG flexibility for improving social planning or social services.

The Relationship between Participation and Social Service Provision

Cole (1975) finds that when community participation was allowed, cities spent a larger proportion of their funds in such areas as parks and recreation, social services, health facilities, and other amenities. Advocacy groups, in particular, increased the proportions of funds spent on social service provision. Dommel and colleagues (1980) found that allocations to social services were often a product of community group influence as well as homeostasis (i.e., a program that had been funded stays funded). Without the specific call for participation by residents of target areas, advocacy groups and community leaders dominated community participation. Their participation resulted in a bias towards social service provision. But because participation was still generally low, funding for social service provision declined during the first four years of the CDBG program and the distribution of social service funds to previous Model Cities neighborhoods declined from 40% to 25% (Dommel et al 1980).

Rosenfeld (1979) examined the transition of city community development plans from categorical programs to the CDBG. He found that plans differed by neighborhood type before CDBG implementation. For example, a Model Cities neighborhood was more likely to spend money on public services and less likely to spend money on physical infrastructure. Maier and Nachmias (1990) find that, in a city with an elite-dominated citizen advisory board, public entities were disproportionate recipients of CDBG funds. Similarly, in several Michigan cities, expenditures for economic development and social services were related to local political characteristics (Rosenfeld, Reese, Georgeau, & Wamsley 1995).

Despite the hands-off role of the federal government in initial CDBG legislation, local experiences of the program were quite opposite of these intentions. Rosenfeld (1984) examined the perceptions of “red tape” in the CDBG program among recipients. He found that, compared to previous categorical grants, many at the local level believed that requirements for bookkeeping and paperwork had increased. The irony is that the block grant program was designed specifically to reduce excessive bureaucracy.

This analysis reveals problems between the three levels of decision-making—community, local government, and federal government. At each level, control was seen to be too strong at the other two levels and this control was viewed with distrust. Differences in control at the community level directly impacted the amount of service provided. Changes in federal policy had significant impacts on funding social services. Most importantly, local discretion about community participation and interpretation of policy was key in determining social service provision expenditures.

Conclusion

Community participation, defined broadly (using the HUD definition to include community groups as well as individual actors), consistently resulted in additional community services. Yet the dominance of community service agency leaders in community advisory groups and in the later “citizen participation” process creates questions about the purpose of this participation. It appears that these organizations were not necessarily advocating for the needs of their community, but for the expansion of their agencies. This tie between development programs in neighborhoods and funding community organizations can be traced throughout this history. Early foundation programs and Community Action Program emphasized social service provision and the CDBG program retained this framework.

It is clear from this review of the history of CDBG that social service provision and community participation are interwoven in interesting ways with

the contradiction between local control and community control, constraining the program’s benefits to residents of poor communities. Placing local officials in a superior decision making position to community members creates barriers to including community voices in the decision-making process. Because organizational representatives are often self-interested, decisions about community needs are biased by the organization’s agenda. Community participation, which should have given residents a voice, allowed organizations to prevail instead. Thus, the process became less about local planning and more about obtaining grants for local organizations.

Finally, CDBG located the problem within poor communities, which ruled out an analysis of the larger economic situation and therefore hampered its effectiveness. That is, instead of targeting economic inequality, the program attempted to fix disinvested neighborhoods. This restriction put strict boundaries on the type of activities that were fundable. Neighborhoods could get services and small development projects, but broader plans to address segregation, discrimination, or the political economy of cities were not discussed. Citizen groups trying to advocate for their neighborhoods eventually became advocates for their organizations. As expected, attempting to alleviate broad economic social problems by providing social services to residents of poor neighborhoods has done little to end the phenomenon of race and class segregation. CDBG has provided funds for communities for over 30 years, but in this time, poor urban neighborhoods have continued to decline.

Implications for a New Era of Urban Policy

According to his policy statement, President Obama plans to create an office of Urban Policy, which will, among other things fund programs that can show results and fully fund CDBG (The White House, Urban Policy, http://www.whitehouse.gov/agenda/urban_policy/). However, this policy statement does not address community participation. With the emphasis on proven programs at the federal level, CDBG may become much more federally controlled than in the years reviewed in this essay. Still, the Obama plan has the possibility of reinforcing two of the problems associated with social service provision and social planning under the CDBG: lack of local community participation and community organization participation focused on obtaining grants.

Although this administration is aware of the history, CDBG is one area in which President Obama and his advisors should be prudent about understanding the past. The federal government has the unique opportunity to reframe CDBG by emphasizing participation of residents of poor communities and a broader focus on addressing inequality. First, the federal government should produce a vision statement for social planning

that addresses inequality and require local decision makers to adhere. The next priority should be the inclusion of community members who are not affiliated with grant-eligible organizations in the community planning process. A renewed focus on neighborhood meetings as a tool to encourage community participation may be the best avenue. In general, social planning and physical planning, together, should be brought to the forefront of CDBG administration to avoid the local fight for control of funding which will simply continue to bog down efforts at changing neighborhoods.

References

- Anderson, M. (1964). *The federal bulldozer: A critical analysis of urban renewal, 1949-1962*. Cambridge, Massachusetts: MIT Press.
- Cole, R. L. (1975). Revenue sharing: Citizen participation and social service aspects. *Annals of the American Academy of Political and Social Sciences*, 419, 63-74.
- Dommel, P. R., Bach, V. E., Liebschutz, S. F., & Rubinowitz, L. S. (1980). *Targeting community development: Third report on the Brookings institution monitoring study of the community development block grant program, prepared under contract H-2323R*. Washington, D.C.: U. S. Department of Housing and Urban Development.
- Hall, P. (1996). *Cities of tomorrow*. Cambridge, Massachusetts: Blackwell Publishers.
- Halpern, R. (1995). *Rebuilding the inner city: A history of neighborhood initiatives to address poverty in the United States*. New York: Columbia University Press.
- Hays, R. A. (1995). *The federal government and urban housing: Ideology and change in public policy*. Albany, NY: SUNY Press.
- Lovell, C. (1983). Community development block grant: The role of federal requirements. *Publius*, 13(3), 85-95.
- Maier, P., & Nachmias, D. (1990). An evaluation of community development block grant decision making: Executive dominance vs. issue networks. *Policy Studies Journal*, 18(3), 573-590.
- Nathan, R. P., Dommel, P. R., Liebschutz, S. F., & Morris, M. D. (1977). *Block grants for community development: First report on the Brookings institution monitoring study of the community development block grant program, prepared under contract H-2323R*. Washington, D.C.: U. S. Department of Housing and Urban Development.
- O'Connor, A. (1996). Community action, urban reform and the fight against poverty: The Ford Foundation's gray areas program. *Journal of Urban History*, 22(5), 586-625.
- Rich, M. J. (1991). Targeting federal grants: The community development experience, 1950-1986. *Publius*, 21(1), 29-49.
- Rimmerman, C. (1985). Citizen participation and policy implementation in the Columbus, Ohio, CDBG program. *Public Administration Quarterly*, 9(3), 328.
- Rosenfeld, R. A. (1979). Local implementation decisions for community development block grants. *Public Administration Review*, 39(5), 448.
- Rosenfeld, R. A. (1984). An expansion and application of Kaufman's model of red tape: The case of community development block grants. *Western Political Quarterly*, 37(4), 603-620.
- Rosenfeld, R. A., Reese, L. A., Georgeau, V., & Wamsley, S. (1995). Community development block grant spending revisited: Patterns of benefit and program institutionalization. *Publius*, 25(4), 55-72.
- Sundquist, J. L. (1969). Co-ordinating the War on Poverty. *Annals of the American Association of Political and Social Sciences*, 385, 41-49.
- U.S. Department of Housing and Urban Development. (1982). *Implementing community development: A study of the community development block grant program*. Washington, D.C.: U. S. Department of Housing and Urban Development.
- Ylvisaker, P. N. (1963). *Community Action: A Response to some Unfinished Business*. New York: Ford Foundation.