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August 19, 2020

Mr. Jim Strickland
Mayor
Memphis City Hall
125 N. Main St. Room 700
Memphis, TN 38103
901.636.6000

Dear Mayor Strickland,

I am writing to express similar concerns to those raised in *The Commercial Appeal* article, “City thinks it deserves more federal money” and share my efforts in Congress to address them. As detailed in the article, Memphis receives significantly less funding in Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds than similarly situated cities because this grant is distributed based on an outdated formula established in 1977. Unfortunately, Memphis’ share of CDBG entitlement funds has remained between 0.28% and 0.31% since 2012, despite the city’s need.

HUD has administered periodic analyses to determine the efficacy of its CDBG formulas in targeting need. Such studies were published in 1983, 1995, 2005 and 2014. Taken together, these studies found HUD’s dual formula system for CDBG has become increasingly ineffective at identifying and funding the communities the program was designed to support. Each study proposed alternative formulas that would better direct these federal grants, yet no changes have been made.

Based on the resources your office shared with me and my office's consultations with the Congressional Research Service (CRS), I believe CDBG grants should be distributed through a new, single formula. That would allow HUD to most accurately target funding to need. Incidentally, such a formula would substantially increase Memphis' CDBG allocation.

Todd Richardson, a Policy Development Researcher for HUD, developed a set of alternatives for HUD in 2005. After reviewing these alternatives and other proposals, the following formula would most accurately target funds to needs based on CDBG's programmatic goals:

1. *Poverty rate per person in families and elderly households*—weight (50%)
2. *Female headed households with children under 18*—weight (10%)
3. *Pre-1950 housing occupied by a poverty household*—weight (30%)
4. *Overcrowded housing units (more than 1.01 persons per room)*—weight (10%)

Based on an analysis by the CRS, assuming all conditions remained the same, the above formula would produce a 77% increase in the CDBG appropriation for Memphis.

I am planning to introduce legislation to that effect in the coming weeks and would greatly appreciate your input. Additionally, in crafting our proposal, my office has discussed legislation options with the House Financial Services Committee, the House committee of jurisdiction. One issue with changing the CDBG formula would be that, by definition, it would create “winners and losers.” To alleviate this concern, in addition to a change in the formula, my legislation will increase funds for the CDBG program and have that amount increase based on inflation.

The CDBG program is a critical tool for our city, as the funding helps to strengthen families and communities through homeownership, create jobs through the expansion and retention of businesses, create safer communities, invest in our next generation and help seniors live independently.

I appreciate your leadership on this issue and look forward to working together to ensure that Memphis receives adequate CDBG funding. Should you have any questions, please contact Alex Schnelle in my office at alex.schnelle@mail.house.gov or 202-225-3265.

As Always, I remain,

Most sincerely,



Steve Cohen
Member of Congress