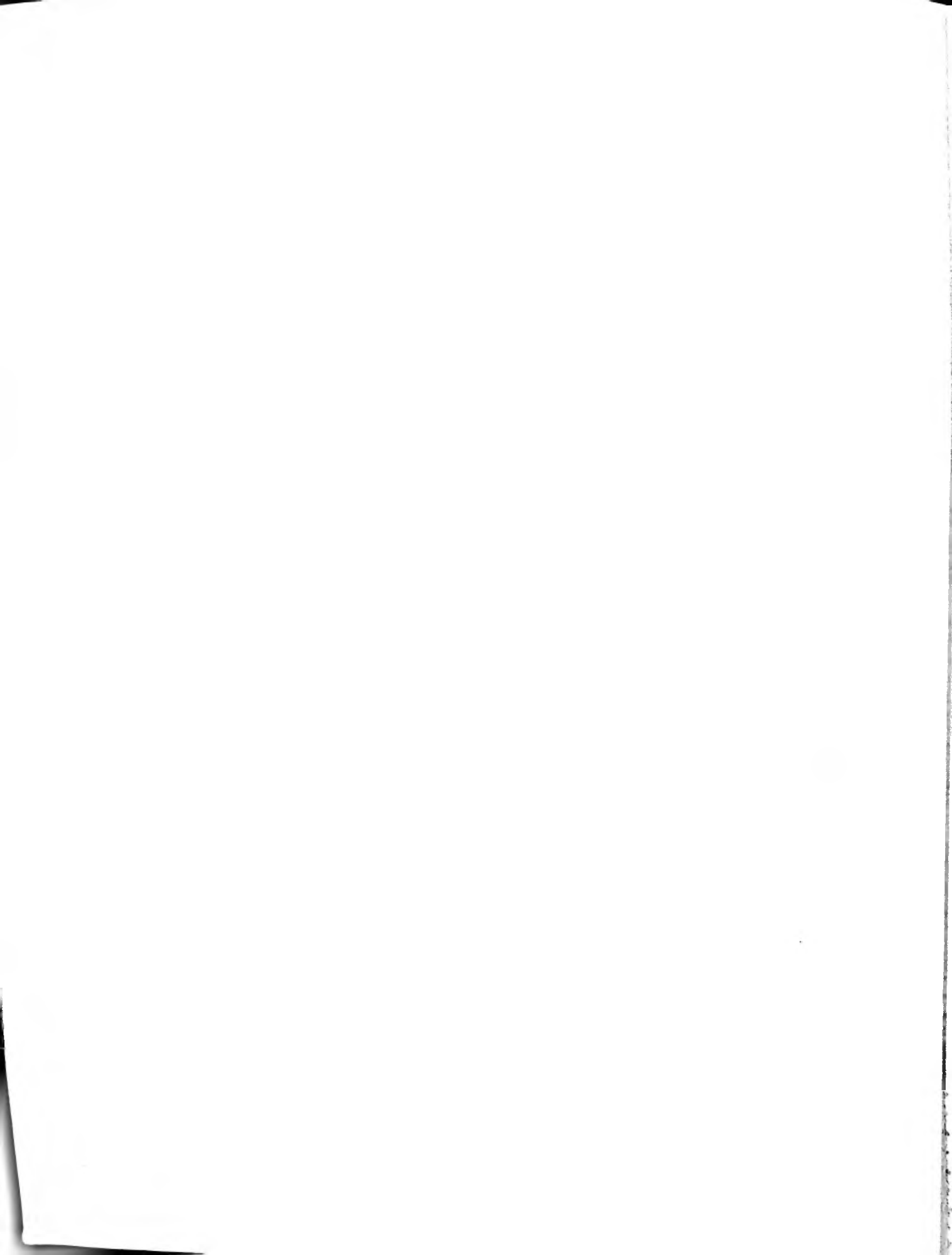# Effect of the 1990 Census on CDBG Program Funding

Effect of the 1990 Census on CDBG Program Funding

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ACKNOWLEDGEMENTS

FOREWORD

This report was prepared by the Department of Housing and Urban Development (HUD) in response to a Congressional directive that the Department evaluate the effect of the 1990 census on funding distribution in the Community Development Block Grant (CDBG) Program. Congress required the Secretary of Housing and Urban Development to report on the adequacy, effectiveness, and equity of the formula used to allocate funds in the CDBG Program.

First authorized in 1974, the CDBG Program has provided a flexible resource with which America's communities can address their development needs. The CDBG Program distributes funds by formula to cities, urban counties, and States, allowing these grantees a great deal of discretion in designing programs and selecting projects. Over the years, countless housing, public works, economic development, and public services projects that principally benefit people with low and moderate incomes have been financed through CDBG.

This report continues a series of analyses conducted by HUD of community development funding. During the 1970s, analysts in the Department devised the allocation formula that is still used today; the 1979 report, "City Need and Community Development Funding," presented data from the 1970 census to develop a "dual formula," which has been well accepted for the equity with which it has distributed CDBG funds. In 1983, "Effects of the 1980 Census on Community Development Funding" found that the formula continued to distribute funds according to community need after incorporating data from the 1980 census. This report uses the same methods as these earlier studies to assess the effect of using 1990 census data on the adequacy, effectiveness, and equity of CDBG funds distribution.

The original CDBG formula continues to distribute funds according to community need even after data from the 1990 census are incorporated. Even though the formula is more than twenty years old and was designed using data from the 1970 census, on average it still gives larger per capita grants to communities with the greatest needs and smaller per capita grants to communities with fewer needs.

This report shows that introducing 1990 census data will continue an historical trend of weakening the formula's targeting to community need. It then shows how making relatively minor adjustments to the factors in the current formula could improve targeting to needy communities. The Department recommends that the CDBG formula should be changed only as part of broader efforts to consolidate and restructure HUD programs along the lines proposed by the Department in its December 19, 1994 report entitled "Reinvention Blueprint." The analysis presented here will help inform the discussion and debate within the Department and in Congress.

Michael A. Stegman
Assistant Secretary for
Policy Development and Research

TABLE OF CONTENTS

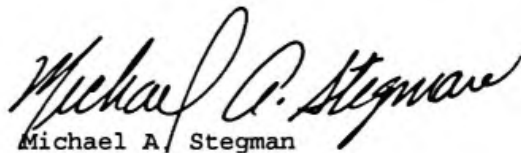Appendices

EXECUTIVE SUMMARY

This report was prepared by the Department of Housing and Urban Development (HUD) in response to a congressional directive that the Department evaluate the effect of the 1990 census on funding distribution in the Community Development Block Grant (CDBG) Program. The House of Representatives Report accompanying the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1991, required:

> The Secretary of Housing and Urban Development shall, not later than June 1, 1993, report to the Congress with respect to the adequacy, effectiveness, and equity of the formula used for allocations of funds under Title I of the Housing and Community Development Act of 1974, with specific analysis and recommendations concerning the structure of the formulas, the eligibility criteria, the formula factors, and the actual weight that is assigned to the formula factors. The study should also specifically examine the appropriateness of using pre-1940 housing as a factor without considering the occupants of such housing, the effects of increasing the emphasis on poverty, and the effects on grants caused by the increasing number of entitlement communities. The study should be completed using data derived from the 1990 census (pages 32-33).

This report is intended to satisfy these requirements, which are similarly stated in Section 920 of the National Affordable Housing Act of 1990.

Background

The CDBG Program, which was authorized by the Housing and Community Development Act of 1974, allocates about 4 billion dollars annually to cities, counties, and States to support a wide variety of community development activities. These funds are allocated by formula.

The CDBG Program has two major components, one that provides funds directly to large cities and urban counties, and one that funds small communities through their States or through competition conducted by HUD. The former is known as the CDBG Entitlement Program. That latter portion, for nonentitlement communities, is called the State CDBG Program or the HUD-administered Small Cities Program depending on the mode of administration in each State. Under current law, the entitlement portion receives 70 percent of the funds, and the nonentitlement receives 30 percent.

The current formula was first used in allocating 1978 funds. It is a "dual formula," which means that grant amounts are calculated for each eligible jurisdiction using two different formulas. The community then receives the larger of the two grant amounts that the formulas generate.

For entitlement communities, the first formula (Formula A) is based on size of population (weighted at .25), number of persons in poverty (weighted at .5), and number of overcrowded housing units (weighted at .25). The second formula (Formula B) is based on number of housing units built before 1940 (weighted at .5), number of persons in poverty (weighted at .3), and population change since 1960 ("growth lag,[1]" weighted at .2). The formula for nonentitlements uses population in the second formula instead of growth lag. Since this dual formula was introduced, there have been two decennial censuses that have documented many changes in the communities that receive funding in the CDBG Program.

Use of 1990 Census Data in the Formula

In making awards through the formula, the Department uses the most current data from the census. Data from the 1990 census have become available over several years, and that has prompted the Department to phase in the use of these new data into the formula over a multi-year period. In the 1992 allocations, 1990 population figures were used for the first time. The 1990 poverty data were first used in 1993. In 1994, 1990 data on pre-1940 and overcrowded housing were scheduled to be introduced into the formula. The Department instead continued to use 1980 data for these variables in the 1994 allocations so that the Congress has an opportunity to consider the findings of this report before using the 1990 housing data in formula allocations.

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[1] Growth lag is the difference between a jurisdiction's population and what its population would be if it grew at the same rate as the average entitlement city since 1960.

Redistributive Effect of 1990 Census Data

The use of 1990 data in the CDBG formula causes a redistribution of CDBG funds.[2] Entitlement communities in the West and Southwest tend to receive funding increases when 1990 data are used in the formula. For example, the HUD region that contains California receives a funding increase of 20 percent from the combined effect of the 1990 data on poverty and housing conditions. The HUD region that contains Texas receives a 9 percent increase.

In contrast, the use of the 1990 data results in funding reductions for other parts of the country. For example, the HUD region that contains New York experiences a funding reduction of about 8 percent of its funds and the region that contains Philadelphia experiences approximately a 6 percent decline.

Among nonentitled areas, the use of 1990 census data causes a redistribution of funds from the South and North Central States to the Northeast and West.

Targeting CDBG Resources on the Basis of Community Needs

Ever since the dual formula was first implemented in 1978, it has given more funding per capita to communities with greater need and less funding to communities with less need. When 1990 data are used in the formula, this pattern continues. For example, on a composite indicator of city need developed for this study[3], the 63 entitlement cities in the highest decile of need

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[2] All comparisons presented in this report use 1993 as a base year. That is, the comparisons use the 1993 appropriations level and the communities that received entitlement grants in 1993 and vary the formula or data used in the formula. The alternatives labelled "no change" and "adjusted formula" represent the 1993 allocation under different formula assumptions. The no change option uses the current formula with a complete set of 1990 census data, including the values for pre-1940 housing and overcrowded housing. The adjusted formula uses a complete set of 1990 census data and also makes four adjustments to the current formula. The 1994 appropriation was greater than it was in 1993, but the 1994 distribution used the same formula as in 1993. Thus, the percentage differences indicated by the no change option and adjusted formula as presented here also apply to changes from the 1994 grant year.

[3] Need is based on a composite index developed in Chapter 3. It is based on the 634 cities with data for all of the need variables in the composite index. Chapter 3 discusses the implications of using the needs index.

would receive an average of $42.30 per person when a complete set of 1990 Census data are used in the formula. The 63 cities in the lowest decile of need would receive an average of $8.11 per person.

Figure ES-1
Per Capita Funding by Needs Decile with 1990 Data

Per Capita Grant

[Bar chart showing per capita grant values increasing across needs deciles from Low to High. Legend: Avg. Grant $. X-axis labels: Low, 2, 3, 4, 5, 6, 7, 8, 9, High. X-axis title: Needs Decile. Y-axis from 0 to 50.]
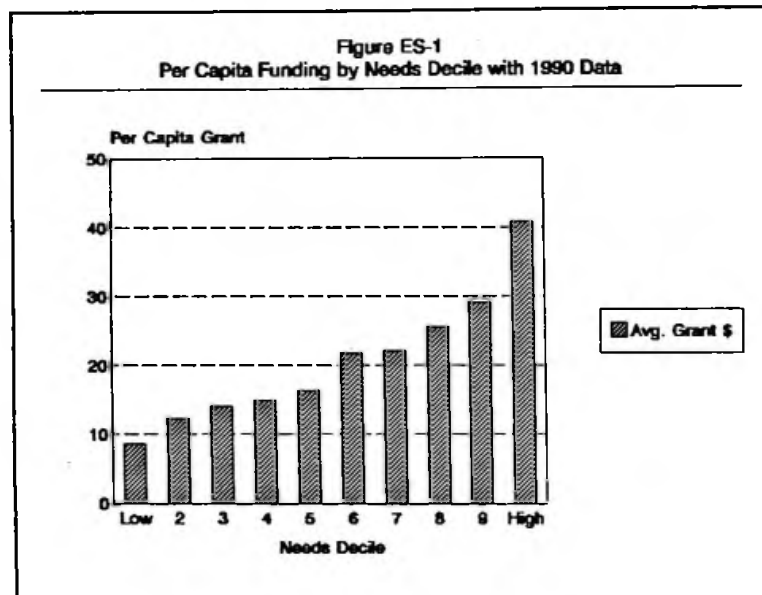
Due to the diversity within nonentitled portions of States, it is difficult to assess need. However, based on a number of measures, the use of 1990 census data in the nonentitlement formula shows virtually no targeting to need. Funding of nonentitlements is approaching a flat per capita distribution. For example, the States with the highest unemployment rates in nonentitled areas would receive only 1.26 times as much funding per capita as the States with the lowest unemployment rates.

Using 1990 Data Reduces Targeting to Need

Although the CDBG Program for entitlement communities continues to be targeted to community need, the use of 1990 census data reduces this effect. The 63 entitlement cities with the highest need would experience average funding reductions of $3.06 per person in CDBG funding as a result of using 1990 census data. The 87 cities with the lowest need would average an increase in per capita funding of $1.02.

When the effects of the 1980 census on the CDBG formula were studied, the Department found that those data caused some weakening of the formula's targeting. This study has found that targeting to need is further reduced using 1990 census data.

Figure ES-2
Change in Per Capita Funding by Needs Decile with 1990 Data

Percent Change

(bar chart with values: Low ~13, 2 ~9, 3 ~11, 4 ~6, 5 ~1, 6 ~4, 7 ~10, 8 ~-2, 9 ~-6, High ~-7)

Needs Decile

Pct. Change
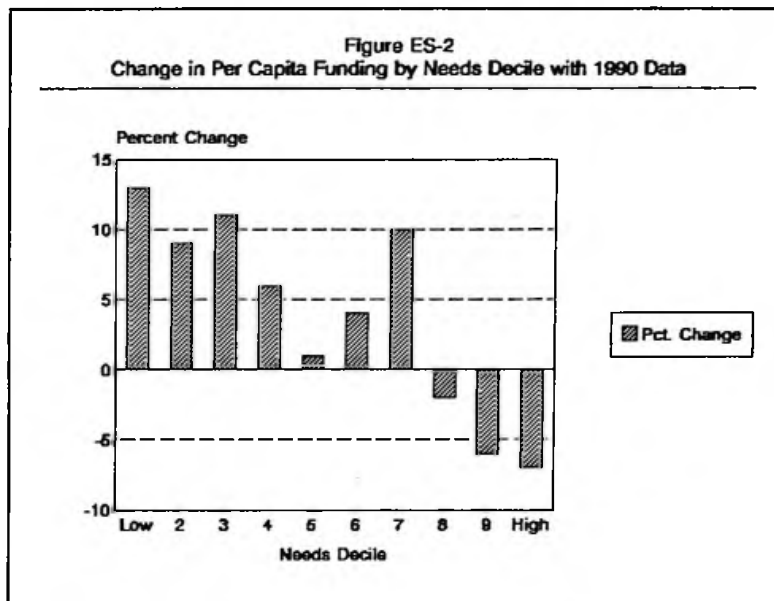
Why the 1990 Census Data Reduces Targeting

Three basic trends explain why incorporating 1990 Census data weakens the CDBG formula's ability to target resources to needs:

- The **population** variable in the formula directs resources to communities on the basis of their size. Growing communities -- which tend to be healthy -- receive increased funding, while communities that are losing population -- many of which are also experiencing economic and social distress -- receive smaller grants.

- The **growth lag** variable directs resources to communities that are growing at a slower rate than other entitlement communities. In most cases, this is a good indicator of distress. However, several older communities that qualify as growth lagged are very healthy communities.

- The **pre-1940 housing** variable directs resources to communities on the basis of the number of older housing units. In many distressed communities, older units were

ix

abandoned and removed from the housing stock during the 1980s. In healthier communities, a larger share of these units were preserved and rehabilitated, due to stronger housing market demand.

Specific Formula Issues

Congress identified several specific formula issues for examination:

o   the effects on grants caused by the increasing number of entitlement communities,

o   the appropriateness of using pre-1940 housing as a factor without considering the occupants of such housing, and

o   the effects of increasing the emphasis on poverty.

In addition, this report examines two related formula issues:

o   the effects of college students on the poverty variable, and

o   the effect of growth lag.

Effects of the increasing number of entitlement communities[4].   Since 1981, the number of communities eligible to receive entitlement grants under the CDBG formula has increased by 33 percent. Although these new entitlement communities typically receive small grants, their status as entitlements has the effect of reducing funding for existing entitlement communities. The communities that became entitled since 1981 received about seven percent of the funds available for entitlement communities in 1993.

Appropriateness of using pre-1940 housing. Older housing occupied by poverty households is a better indicator of housing, neighborhood, and community need than is the pre-1940 housing variable currently used in the formula. For example, while about 15 percent of all housing units built before 1940 are physically inadequate, 25 percent of housing units built before 1950 and occupied by a poverty household are inadequate.

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[4] To be eligible for an entitlement grant, a city must have a population of 50,000 or more or be a central city in a Metropolitan Statistical Area (MSA). To become an urban county a county must have a population in excess of 200,000 net of any entitlement cities and must meet certain powers tests.

Pre-1940 housing was a good indicator of community need when the dual formula was first used in the late 1970s. Since then, the needier communities have been the ones that have destroyed the most older housing. Relatively affluent older communities have maintained their older housing stock and thus receive added funding from this variable. The pre-1940 housing variable continues to direct funds to the Northeast and North Central parts of the country. However, within these regions, it no longer distinguishes well between more and less needy communities.

Increasing the emphasis on poverty. Because poverty is a good indicator of community need, increasing the emphasis on poverty and deemphasizing variables that are less closely associated with need would improve targeting to community need. The population variable in formula A does not reflect community need. Increasing the weight on poverty and lowering the weight on population in formula A would improve targeting.

Effect of college students. The poverty variable, generally a very good indicator of community need, works less well in communities with large numbers of college students, who frequently are poor, although for most this is a temporary condition. Entitlement communities with large populations of college students tend to be generously funded by the formula because college students boost their poverty populations.

If the formulas' poverty variable were redefined to exclude college students, funding for college towns would be reduced, and resources would be reallocated to more needy communities.

Effect of Growth Lag. In general, the growth lag variable, which targets resources to communities with slow population growth, is a good indicator of community need. However, a few affluent communities that are no longer experiencing rapid population growth may receive substantial CDBG funding from growth lag. Rather than indicating need, the stable populations of these mature suburbs suggests absence of fiscal stress. For this type of community, growth lag is not a good indicator of need, although for most communities it reflects need well.

Formula Adjustments

It is possible to adjust the current dual formula to correct these problems and improve the allocation of funds according to community need. The adjustments examined in the report include:

o   replacing pre-1940 housing with pre-1950 housing occupied by a poverty household;

o   increasing the weight on poverty to .6 in formula A and lowering the weight on population in formula A to .15;

xi

o   removing college students from the variable indicating number of persons in poverty; and

o   reducing growth lag funding for communities with high per capita incomes and low poverty rates.

These formula adjustments would improve the extent to which the formula targets funds according to community need. Figure ES-3 shows that one effect of making the three adjustments would be to increase the per capita grants for the entitlements in the highest decile of need by $5.77 from making no change to the formula. The changes would reduce funding for communities that were less needy on this and other criteria.

Figure ES-3
Effect of Formula Adjustments on City Targeting by Needs Decile
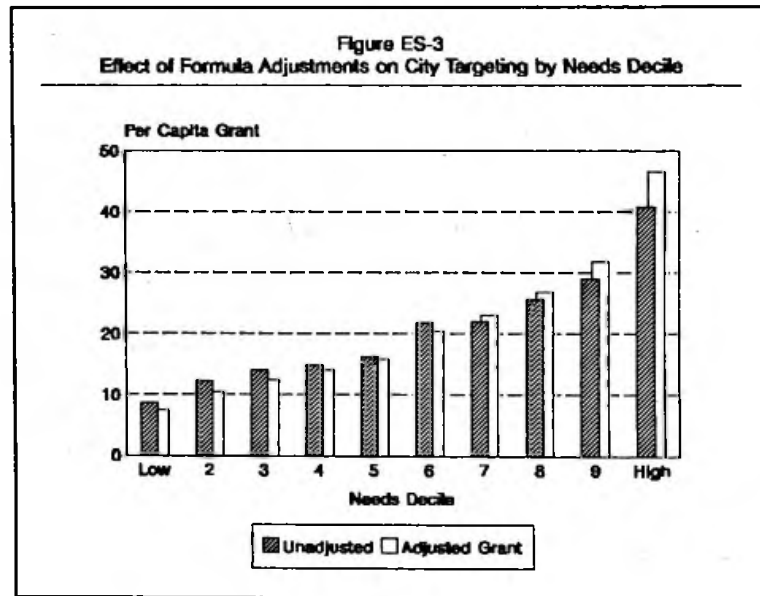
For nonentitled areas the adjustments to the formula also would improve targeting to need. States that are worst off on a series of indicators of need would receive funding increases if the formula were adjusted. For example, the 10 States whose nonentitled areas had the highest rates of unemployment would receive about a $1.25 per capita funding increase and the States with the lowest unemployment rates would experience funding reductions of about $.76 per capita.

However, adjusting the formula to improve targeting to need would result in a much larger change in funding levels for most communities than simply replacing 1980 Census data with 1990 Census data in the formula. Specifically, 60 percent of the grantees would experience a decrease in funding if the formula was adjusted with 20 percent of the grantees losing more than 20 percent. In contrast, maintaining the current formula and adding

1990 Census data would cause only 1 percent of entitlement communities to experience a funding reduction of greater than 20 percent.

Table ES-1
Percent of entitlement grantees experiencing funding
increases and reductions,
adjusted formula with no change option

Percent of funds gained or lost	Percent of communities gaining or losing	
	no change	adjusted
- 20% or more	1%	20%
- 10 — 20	9	15
- 5 — 10	22	10
- 0 — 5	27	13
+ 0 — 5	20	11
+ 5 — 10	9	11
+ 10 — 20	10	11
+ 20 or more	4	9
All entitlements	100	100

*Detail may not add because of rounding.

Recommendations

The Department is currently developing recommendations to consolidate and streamline its programs, including CDBG. It recommends that the Congress change the CDBG formula only as part of a comprehensive revision of HUD programs. The analysis presented in this report will inform discussion about how to reinvent HUD's programs.

1. CDBG FUNDING FORMULAS

This chapter provides a brief summary of the history of the CDBG Program with regard to the eligibility of jurisdictions and the formulas through which they have been allocated funds. It then discusses the formulas and how they allocate funds.

Program Overview

The CDBG Program was authorized by the Housing and Community Development Act of 1974. It replaced eight categorical programs -- Urban Renewal, Neighborhood Development, Model Cities, Water and Sewer Grants, Open Space Land Grants, Neighborhood Facilities Grants, Rehabilitation Loans, and Public Facilities Loans -- with flexible grants that jurisdictions could use in a variety of ways. The legislation established the primary purpose of the Act to be "the development of viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities principally for persons of low and moderate income."

In developing individual CDBG programs, jurisdictions must certify that "the projected use of funds has been developed so as to give maximum feasible priority to activities which will benefit low and moderate income families or aid in the prevention of slums or blight; the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other resources are not available to meet such needs."

There are two components of the CDBG Program: an entitlement program, which distributes funds by formula among large cities and urban counties, and a nonentitlement component, which distributes funds among States (also by formula) for allocation to their nonentitled units of general local government. Currently, 70 percent of the funds available for distribution go to entitlement communities and 30 percent go to the non-entitled portion.

In the entitlement component, cities that are central cities in Metropolitan Statistical Areas (MSAs), non-central cities with populations in excess of 50,000, and urban counties receive funds directly from HUD. Urban counties are those that meet specified population thresholds and powers requirements. Generally, the county must have a population in excess of 200,000 net of any entitlement city and must have the authority to carry out community development and housing assistance activities in areas participating in the urban county.

For all but two States, in the nonentitled component, HUD makes grants to the States, which then fund eligible projects in nonentitled units of general local government. Generally, States distribute funds to local governments through competitions in which the best projects are selected, but a few States also use formulas to distribute funds. New York and Hawaii have elected not to administer the CDBG Program. Instead, HUD competitively allocates funds to nonentitled communities in these States.

Formula History

Since the CDBG Program started in 1974, there have been two major changes to the formula. The original single formula of 1974 was changed to a dual formula in 1977. In 1981, separate pots of money were established for the entitlement and nonentitlement portions of the program, although the formula factors and their weights did not change.

Original formula. The Housing and Community Development Act of 1974, which established the CDBG Program, specified only a single formula to distribute funds. This formula included persons in poverty (weighted at .5), population (weighted at .25), and number of overcrowded housing units (weighted at .25) to determine the funding level for participants. However, communities that had received more funding under the prior categorical program than they would receive through formula were "held harmless." That is, communities received the greater of the formula amount and what they would have received through the prior categorical programs.

In the original formula, communities that would receive significantly more funds than they had received through the prior categorical programs were "phased in" to the CDBG Program. These communities initially received a portion of their formula amounts, and this portion was increased over time so that their grants would gradually reach the formula amount.

The original law stipulated that communities would be held harmless for the first 3 years of the CDBG Program -- fiscal years 1975 through 1977. Then the hold harmless period was to end with a phase out of the formula between 1978 and 1980. The original intent of the law was that by 1980 all funds would be allocated by the fully operative single formula.

The dual formula. Shortly after the enactment of the 1974 Act, HUD and the Brookings Institution conducted a series of studies of city need and CDBG formula allocations (Bunce, 1976; Nathan, et al., 1977; Bunce and Goldberg, 1979). They found multiple dimensions of community development need among CDBG-eligible communities. One important dimension was poverty, which the original formula addressed. Another dimension was age and decline, which was distinct from poverty. This dimension of need

was not well addressed by the formula, although it was reflected in the hold harmless provision. HUD recommended the addition of a second formula that included pre-1940 housing (weighted at .5), poverty (weighted at .3), and "growth lag" (weighted at .2). Growth lag is the difference between a community's population and what its population would be if it grew at the same rate as all entitlement cities since 1960. For nonentitled participants, population replaces growth lag in the second formula. In 1977, Congress enacted the dual formula.

Under dual formula funding, the total funds are divided among the jurisdictions using both formulas. Each jurisdiction received the larger amount generated by the two formulas. Then, because this procedure allocates more funds than are available, each jurisdiction's grant amount is subjected to a pro rata adjustment so that allocations equal appropriations.

The State CDBG portion. The single formula divided funds so that nonmetropolitan areas got about 20 percent and metropolitan areas got about 80 percent of funds. As it worked out in the dual formula, nonentitled areas (which include all nonmetropolitan areas and some metropolitan areas) got about 25 percent, and entitled areas got about 75 percent. These portions would fluctuate somewhat annually as new entitlements were created and as population figures were updated. Briefly, an entitlement community got a portion equal to its formula factors over the sum of the factors for all metropolitan areas. A nonentitled area got a portion equal to its formula factors divided by the sum of the factors for all nonentitled areas. The sum of these two denominators was more than 100 percent of the United States total, and this had the effect of giving nonentitled areas greater funding than they otherwise would have.

In 1981, the Omnibus Budget Reconciliation Act offered States the option of administering the CDBG Program for their nonentitled jurisdictions. This Act also established that nonentitled areas would receive 30 percent of the CDBG allocation available for formula distribution. This was the last major modification to the formula; it first distributed funds in 1982.

Effect of the 1980 census. The original formula and the transition to the dual formula used data primarily from the 1970 census (population figures, including those used in calculating growth lag, are updated with census estimates approximately biennially throughout the decade between censuses). Congress recognized that city needs may have changed during the 1970s and directed HUD to assess whether the dual formula continued to target funds appropriately to need when information from the 1980 census was considered. This report (Bunce and Neal, 1983) concluded that there had been some diminishing of the extent to

which the dual formula targeted funds to community need as indicated by the 1980 census. Nonetheless, neither HUD nor the Congress deemed the observed loss in targeting to be sufficient to warrant changing the formula.

How the Dual Formula Works in Entitlement Jurisdictions

While HUD uses two basic formulas known as formula A and formula B, to allocate CDBG funds, in practice there are really five formulas used in this annual process. Three formulas allocate 70 percent of funds to entitlement communities, and two formulas allocate 30 percent of funds for the State or HUD-administered Small Cities Program. Each eligible entity receives the amount it would receive under the formula that would give it a larger grant. (The formula as it applies to nonentitlements is discussed in Chapter 7 below.)

For entitlement communities, formula A is:

$$\left(.25\ \frac{Pop(a)}{Pop(MSA)} + .5\ \frac{Pov(a)}{Pov(MSA)} + .25\ \frac{Ocrowd(a)}{Ocrowd(MSA)}\right) \times \$2.725\ billion$$

Formula B for cities is:

$$\left(.2\ \frac{GLag\ (a)}{GLag(MC)} + .3\ \frac{Pov(a)}{Pov(MSA)} + .5\ \frac{Age(a)}{Age(MSA)}\right) \times \$2.725\ billion$$

Formula B for counties is:

$$\left(.2\ \frac{GLag(a)}{GLag(ENT)} + .3\ \frac{Pov(a)}{Pov(MSA)} + .5\ \frac{Age(a)}{Age(MSA)}\right) \times \$2.725\ billion$$

Where:

(a)	is the value for the jurisdiction.
(MSA)	is the value for all MSAs.
(MC)	is the value for all entitlement cities.
(ENT)	is the value for all entitlement jurisdictions.

$2.725 billion is the amount available for allocation to entitlement jurisdictions in 1993.

Pop is the total resident population.

Pov is the extent of poverty -- the number of persons in poverty as defined by criteria from the Office of Management and Budget.

Ocrowd is the number of overcrowded housing units --those with more than 1.01 persons per room.

Age is the number of existing year-round housing units built in 1939 or earlier.

GLag is growth lag. It is defined as the difference between a jurisdiction's population and what its population would be if it had grown at the same

rate as all entitlement cities since 1960. The growth rate for all entitlement communities between 1960 and 1990 was 23.61 percent. If a city or county grew at a rate greater than 23.61 percent between 1960 and 1990, it receives a growth lag value of zero.

The computations of formula A and formula B are somewhat different for States than for entitlement jurisdictions (discussed below in Chapter 7). Also, as the foregoing shows for entitlement jurisdictions, the computations for growth lag are slightly different for cities and for counties.

After the Department determines the amounts for each jurisdiction under each formula, it adjusts the grants so that they equal the amount available to distribute. The sum of the shares of the entitlement jurisdictions never has equalled exactly 100 percent. This is because each jurisdiction receives the larger of the amounts under the two formulas. It has always been the case that the total of the larger of the two formulas has exceeded the amount available. The Department, thus, has used a pro rata reduction -- reducing each jurisdiction's grant by the proportion that the sum of the larger formula amounts exceeds the amount available to allocate. In 1993, for example, the pro rata reduction was about .085 (that is, the amount the formula produces for a community is multiplied by about .915 to generate the actual grant amount). Note that there conceivably could be a pro rata increase required, since the sum of the values in each numerator (entitlement jurisdictions) is less than the denominator (all MSAs, portions of which are not entitled). There never has been a pro rata increase used.

Formula: 1993 Example

The following example illustrates the calculations that would have determined the 1993 grant for a hypothetical city. This city had 500,000 persons in 1990, 65,000 persons in poverty in 1990, 10,000 overcrowded housing units in 1980, 80,000 housing units in 1980 that were built before 1940, and a growth lag of 70,000 persons between 1960 and 1990. It would receive the larger of the amounts generated by the two formulas.

This hypothetical city would receive funds under formula B, which generates the larger grant for it. The actual grant would be about $10,086,000 because of the pro rata reduction of about 8.5 percent.

Formula A

$$(.25 \ \frac{500,000}{195,516,455} + .5 \ \frac{65,000}{24,179,413} + .25 \ \frac{10,000}{2,874,711})$$

x $2.725 billion = $7,775,000

Formula B

$$(.2 \ \frac{70,000}{19,095,628} + .3 \ \frac{65,000}{24,179,413} + .5 \ \frac{80,000}{15,949,721})$$

x $2.725 billion = $11,029,000

Factors that affect each jurisdiction's grant

1. The overall program appropriation. Other things being
    equal, if Congress appropriates more funding for the
    program, each jurisdiction will receive a larger grant.

2. The split between entitlement and nonentitlement programs.
    This has not changed since 1982, when Congress established
    the split as 70 percent for entitlement jurisdictions and 30
    percent for States and the HUD-administered Small Cities
    Program. Other things being equal, to increase the 70-
    percent share would mean a larger grant for each entitlement
    jurisdiction and a smaller grant for each state's
    nonentitled areas.

3. The incidence of formula variables in the jurisdiction. In
    effect, the formula gives some money to each jurisdiction
    for every variable that is in the formula under which it
    receives funds. Formula A communities receive some money
    for every person, for every person in poverty, and for every
    overcrowded housing unit in their jurisdiction. Formula B
    communities receive some money for every housing unit built
    before 1940, for every person in poverty, and for every
    person their populations are below what they would have been
    if they had grown at the same rate as all entitlement cities
    since 1960. Most of the data used in the formula are from
    the decennial census. Thus, they are constant for a decade
    and then may change dramatically. Population, both by
    itself and as a component of growth lag, is modified
    throughout the periods between the decennial censuses. The
    value of these two factors thus change somewhat about every
    2 years.

4. The relative proportion of a formula measure that is in
    entitlement communities as opposed to outside entitlement
    jurisdictions, but within MSAs. This factor determines the

size of the pro rata adjustment. The more a formula variable is located within entitlement jurisdictions, the more funding a community using a formula with that variable receives. Referring to the formulas presented above, as more overcrowded housing is located in entitlement jurisdictions, the denominator Ocrowd(MSA) shrinks relative to the numerator and increases the amount going to a jurisdiction under formula A.

5.   The factor weights. Other things being equal, greater nominal weight to a factor increases the grant to a community that uses a formula containing that factor.

Entitlement and Nonentitlement Shares

During the past decade, changes in entitlement geography and demographics have caused funding to shift more toward nonentitlement areas. Nonentitled areas have higher average poverty rates than do entitlement communities, and they continue to receive less CDBG funding per capita. However, changes since 1982 have led to relatively more CDBG funds going to nonentitled areas than was true a decade ago.

Beginning with the 1982 allocation, the proportion of CDBG funds going to entitlement communities had been fixed at 70 percent of the allocation, with the remaining 3? percent going to nonentitlement communities. At that time, entitlement communities contained about 55 percent of the Nation's population and about 54 percent of the persons in poverty. Thus, entitlements got about 70 percent of the money for about 55 percent of the people.

Since then, the number of entitlement communities has increased considerably. In 1982, there were 732 entitlement jurisdictions. By 1993, this number had grown to 889, a 21 percent increase. New entitlements do not necessarily indicate a transfer of population from nonentitlement areas to entitlement areas. Some new entitlements result from smaller nonentitled places growing to and beyond the population thresholds, and thereby qualifying for entitlement status. Other new entitlements result from cities that are part of urban counties (and therefore already entitled) becoming entitled on their own. Where this happens, the total population competing for the 70 percent entitlement share does not increase.

Over the last 10 years, changes in entitlement geography and demographics have resulted in an increased share of both general population and poverty population residing in entitlement areas (Table 1-1). In 1993, the 70-percent entitlement share went to 60 percent of the United States population, compared with the 55 percent who would have received those funds in 1982. Although

nonentitled areas continue to have a higher rate of poverty than do entitlement areas, 58 percent of the poverty population was in entitlement areas in 1993, compared with 54 percent in 1982.

Table 1-1
Entitlement and Nonentitlement shares
of funding and population

Characteristic	Entitlement Communities		Non-Entitlement Jurisdictions	
	1982	1993	1982	1993
Share of Population	55%	60%	45%	40%
Share of Poverty	54	58	46	42
Share of Funds	70	70	30	30
Poverty Rate	12.2	13.0	12.5	13.5
Funding per Capita	$18.99	$18.12	$ 9.85	$11.28
Funding per Person in Poverty	$156.23	$139.16	$78.60	$83.76

The lower portion of Table 1-1 shows that funding levels per person and per person in poverty continue to be higher in entitlement communities than in the nonentitled share. In 1993, compared with 1982, however, funding has dropped in entitlement areas and has increased in nonentitled areas.

In light of these data, it is impossible to say whether the 70-30 split between entitlements and nonentitlements is appropriate. Nonentitlement areas always have received proportionately fewer CDBG funds. During the past decade, they have become more equal, although they still receive less.

2. REDISTRIBUTIVE EFFECTS OF THE 1990 CENSUS

At the direction of Congress, the Department phased in its use of data from the 1990 census in the CDBG formula. In the 1992 program allocations, the Department continued to use 1980 census data, except for population and growth lag, which used 1990 population figures. In the 1993 program allocations, 1980 data on poverty was replaced with poverty data from the 1990 census. In tracking the effect of the 1990 census data on CDBG distribution, this analysis looks at 1993 program distributions. It asks first about the effect that the use of 1990 poverty data had on 1993 allocations. Then it examines the effect that using 1990 data on overcrowded housing and pre-1940 housing would have on the 1993 allocations. The analysis focuses on 1993 entitlement recipients and the 1993 program allocation.[1]

Given the focus of this chapter on how 1990 poverty and housing data would affect 1993 allocations, the analysis presented here does not highlight the role of population data in formula allocations. Population (weighted at .25 in formula A) and growth lag (weighted at .2 in formula B) distributed about 31 percent of all 1993 CDBG funds. Unlike housing and poverty data, which are updated in the CDBG formula only every 10 years, population figures are modified every 2 years or so, based on census estimates. This means that introducing new population data from the decennial census has less instant impact than does the introduction of other data. Also, population data from the 1990 census had been used for CDBG allocations beginning in 1992, instead of 1993, which is the base year for this assessment. For these reasons, population data used in this chapter are from 1990 only. The role of the population variables relative to other factors in the formula is discussed below in Chapter 6.

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[1] Although this report uses 1993 appropriation amounts and entitlement geography, the conclusions of the report are applicable to the 1994 formula as well. The 1994 CDBG distribution used the same formula as in 1993 with a larger amount of funds and several new entitlement communities, and these affect the grant sizes. But the effect of using poverty data from the 1980 census or housing data from the 1990 census in the formula would be substantially the same if the base formula assumptions were those used in the 1994 distribution instead of the 1993 distribution.

Data Used in the 1992 and 1993 Formulas

In allocating 1992 and 1993 program funds, HUD used a mixture of data from the 1980 and 1990 censuses (as well as 1960, which is the baseline for calculating growth lag). In both years, the Department used data on overcrowding and pre-1940 housing from the 1980 census and population data from the 1990 census. In 1992, the formula used poverty data from the 1980 census. In 1993, poverty data from the 1990 census were used. Thus, the formula factors used in allocating 1992 funds were as follows:

Formula A

| | Allocations for fiscal year | |
| | 1992 | 1993 |
Factor	Data source	Data source
Population	1990 Census	1990 Census
Poverty	1980 Census	1990 Census
Overcrowded housing	1980 Census	1980 Census

Formula B

| | Allocations for fiscal year | |
| | 1992 | 1993 |
Factor	Data source	Data source
Pre-1940 housing	1980 Census	1980 Census
Poverty	1980 Census	1990 Census
Growth lag	1990 & 1960 Censuses	1990 & 1960 Censuses

Availability of the 1990 census data was a major factor for continuing to use 1980 data. By the time of the 1992 allocations, population data were available for all entitlement jurisdictions, but the other formula factors were not. By the time of the 1993 allocations, data on poverty levels, overcrowded housing, and pre-1940 housing had become available. But Congress recognized that use of the 1990 data on housing could significantly redistribute CDBG funds and directed the Department not to use the 1990 data on housing in 1993 allocations. Section 813 of the Housing and Community Development Act of 1992 stated that the Department shall use "no data derived from the 1990 Decennial Census, except those relating to population and poverty," in allocating 1993 CDBG funds. The delay in the availability of the 1990 housing data provides an opportunity to analyze its effect on the distribution of CDBG program funds.

Distribution of 1993 Funds

In 1993, 889 entitlement communities received a total of $2,725,450,000. The average entitlement community received a grant of $3.066 million, or about $18.12 per person.

Table 2-1 shows how 1993 entitlement funds varied by community size, type, and region. On a per capita basis, a larger share of funds went to central cities than satellite (a term used throughout this report for noncentral entitlement cities, or suburbs), which in turn received more funding than did urban counties. Communities in Puerto Rico and in HUD Region 1 received more funding per capita than communities in other regions. Communities in the West and South, HUD Regions 4, 8, 9, and 10 received the lowest funding per capita. In Table 2-1, and throughout this chapter, Puerto Rico (PR) is broken out separately from the HUD regions (HUD Regions are defined further in Appendix A).

TABLE 2-1
1993 CDBG distribution of funds

Grantee characteristic	Number	Average grant size (000)	Grant $ per capita
Overall	889	$3,066	$18.12
Type			
- Central city	520	3,724	24.51
- Satellite city	236	1,053	13.74
- Urban county	133	4,065	10.13
HUD region			
- 1, New England	69	1,929	25.98
- 2, NY, NJ	90	5,008	21.62
- 3, Mid-Atlantic	81	3,953	19.89
- 4, Southeast	130	2,233	14.30
- 5, Midwest	172	3,156	20.61
- 6, Southwest	90	2,921	17.26
- 7, Great Plains	28	3,208	19.73
- 8, Rocky Mountain	31	1,563	13.60
- 9, Pacific/Hawaii	154	2,932	14.48
- 10, Northwest/Alaska	30	2,292	12.68
- Puerto Rico	14	4,774	37.10
Community Size			
1,000,000 or more	13	52,074	24.72
200,000-999,999	187	5,987	15.36
100,000-199,999	137	2,483	17.44
50,000- 99,999	335	1,252	18.11
49,999 or fewer	217	780	22.51

Using 1990 Census Poverty Data to Allocate 1993 Grants

The use of poverty data from the 1990 census significantly redistributed 1993 CDBG funding among entitlement communities, with formula A communities in the West and Southwest the principal beneficiaries.

TABLE 2-2
Change in per capita CDBG 1993 entitlement
caused by using 1990 poverty data

Grantee characteristic	Per capita CDBG funding			Percent change
	1993 actual	1993 Formula w.1980 Poverty	Change	
Overall	$18.12	$18.12	NA	NA
Type				
- Central city	24.51	24.60	-$ .09	- *%
- Satellite city	13.74	13.71	- .03	- *
- Urban county	10.13	9.99	+ .14	+ 1
HUD region				
- 1, New England	25.98	26.89	- .91	- 3
- 2, NY, NJ	21.62	22.76	- 1.14	- 5
- 3, Mid-Atlantic	19.89	20.68	- .79	- 4
- 4, Southeast	14.30	14.73	- .43	- 3
- 5, Midwest	20.61	20.71	- .10	- *
- 6, Southwest	17.26	15.61	+ 1.62	+10
- 7, Great Plains	19.73	19.72	+ .01	+ *
- 8, Rocky Mountain	13.60	12.95	+ .65	+ 5
- 9, Pacific/Hawaii	14.48	13.54	+ .94	+ 7
- 10, Northwest/Alaska	12.68	12.37	+ .31	+ 3
- PR	37.10	40.61	- 3.51	- 9
Community size				
1,000,000 or more	24.72	24.87	- .15	- 1
200,000-999,999	15.36	15.39	- .03	- *
100,000-199,999	17.44	17.34	+ .10	+ 1
50,000- 99,999	18.11	17.93	+ .18	+ 1
49,999 or fewer	22.51	22.49	- .02	- *

*   Less than .5

Table 2-2 compares the actual distribution of 1993 program funds with the distribution that would have resulted if 1980 poverty figures were used for the 1993 allocations. It shows a substantial shifting of funds from one region to another. The West and Southwest received large per capita increases, as indicated especially by HUD Regions 9 (includes California) and 6

(includes Texas). The Northeast and North Central parts of the country would have smaller per capita grants, as indicated by HUD Regions 1 through 4. Puerto Rico, whose poverty rate dropped during the 1980's as the rate nationwide climbed, was particularly adversely affected by the use of 1990 poverty data.

On average, no distinct patterns of funding changes were caused by using 1990 poverty data with regard to community type (central city, satellite city, or urban county) or jurisdiction size. However, the largest entitlement jurisdictions lost some funding as did central cities as a result of using 1990 poverty data in allocating 1993 funds.

Table 2-2 shows the changes in the funding that an average community in a number of categories would receive from the use of only 1990 census data in the formula. It does not indicate the magnitude of the funding change on individual communities. Table 2-3 shows the effect using 1990 poverty data on individual communities' grants.

Table 2-3
Distributional effect of using
1990 poverty data in 1993 formula

Using 1990 data caused a:	Entitlement jurisdictions	
	Number	Percent
Loss of more than 20%	1	.1%
10-20% loss	51	5.7
5-10% loss	132	14.8
0- 5% loss	283	31.8
0- 5% gain	172	19.3
5-10% gain	86	9.7
10-20% gain	100	11.2
Gain of more than 20%	64	7.2
Totals	889	100.0%

About 48 percent of all entitlement jurisdictions gained funding as a result of the decision to use 1990 poverty data, and the other 52 percent lost funding (Table 2-3). Those that lost funding tended to lose relatively small portions of what they would have received -- only one grantee lost more that 20 percent of its grant. Communities that gained funding tended to gain more. About 7 percent of all communities received a funding increase of more than 20 percent because 1990 poverty data were used in the 1993 allocations.

Appendix B lists individual 1993 entitlement communities along with their grants and what their grants would be if 1980 poverty data continued in use.

Why 1990 Poverty Data Redistribute Funds

Using 1990 census data on poverty benefitted formula A communities and those located in the West and Southwest. The principal reason for this effect is that poverty grew most rapidly in those parts of the country. Entitlement communities located there receive their CDBG funding primarily through formula A, which provides a greater weight to poverty than does formula B. That the incidence of poverty grew most in communities in the West and Southwest, which also are formula A recipients, contributed to the redistribution of CDBG funds in 1993.

Communities changing formula because of poverty. One way a change in data can affect the distribution of CDBG funds is by changing the formula under which a community receives funding. If a community that had been a formula B recipient had a large increase in the number of its residents who are in poverty in 1990 compared with 1980, it is possible that this community would receive greater funding through formula A when 1990 poverty data are used.

In fact, this was not much of a factor in explaining the changes in funding levels that occurred as a result of using 1990 poverty data. Only six communities changed formula as a result of using 1990 poverty data, four from B to A and two from A to B (Table 2-4).

Table 2-4
Communities changing formula because
1990 poverty data were used in 1993 allocations

	Entitlement communities	
Formula used* :	Number	Percent
AA	514	57.8%
AB	2	.2
BA	4	.5
BB	369	41.5
Total	889	100.0%

* The first letter is the formula under which a community would have received funds in 1993 if the formula used 1980 poverty, data. The second letter is the formula under which the community actually received 1993 funds.

Distribution of poverty. The way the national increase in poverty was distributed among entitlement communities was much more important than the changes in the formula under which communities received funding in the changed distribution of funds in 1993.

Table 2-5 shows how poverty in MSAs was distributed across regions using 1980 and 1990 data. As in the CDBG formula, the percents noted are the proportion of all persons in poverty living in MSAs who live in entitlement jurisdictions in each region and Puerto Rico. Thus, 1993 Region 1 entitlement communities had 3 percent of poor persons living in MSAs in 1980 and 2.5 percent in 1990.

Table 2-5 illustrates two important points. First, poverty was more concentrated in the West and Southwest in 1990 than it was in 1980, as Northern and Eastern entitlements lost poverty shares. For example, while 12.4 percent of the Nation's poor lived in Region 2 entitlement communities in 1980, only 10.1 percent of the poor lived in these communities in 1990. Note that this is not the same as the poverty rate or even the number of persons in poverty. A region could have a growing rate of poverty and a growing number of persons in poverty while losing some of its share, if the poverty population grows more rapidly elsewhere.

Second, 1993 entitlement communities had a greater share of MSA poverty in 1990 than they did in 1980 (81.1 percent compared with 80.5 percent). This leads to a slightly larger pro rata reduction for communities when 1990 poverty data are used in the formula.

Table 2-5
Distribution of poverty by region
1980 and 1990 census data

HUD Region	Share of MSA poverty 1980 data	1990 data	Change	Number of communities
1 - New England	3.0%	2.5%	- .5%	69
2 - NY, NJ	12.4	10.1	- 2.3	90
3 - Mid-Atlantic	8.0	6.8	- 1.2	81
4 - Southeast	11.9	11.2	- .7	130
5 - Midwest	13.5	13.9	+ .4	172
6 - Southwest	9.0	11.2	+ 2.2	90
7 - Great Plains	2.2	2.3	+ .1	28
8 - Rocky Mntn	1.4	1.7	+ .3	31
9 - Pacific/HI	12.9	15.5	+ 2.6	154
10 - Northwest/AK	2.0	2.2	+ .2	30
PR	4.2	3.8	- .4	14
Totals	80.5%	81.2%	+ .7%	889

Between 1980 and 1990 the number of persons in poverty in entitlement communities increased by more than 17 percent. In communities that received funds through formula A in 1993 the increase in poverty persons was 28 percent, while in formula B the increase was about 5.5 percent. If a community did not

change formula, in order not to lose funding as a result of the use of 1990 poverty data, its poverty population would have to increase at least as much as the average for the entitlement communities receiving grants under the same formula.

Components of funding change due to 1990 poverty data. In distributing CDBG funds, the formula essentially gives each community a certain amount of funds for every increment of the formula factors. Formula A communities receive some funding for each person, for each person in poverty, and for every overcrowded housing unit. Formula B communities receive funding for each housing unit built before 1940, for every person in poverty, and for every person its population is below what it would be if it grew at an average rate since 1960. Table 2-6 shows how funding changed in 1993 from what it would have been if the formula continued to use 1980 poverty data, and then it shows the contribution of each formula factor to that funding change.

The "percent change in funding" column in Table 2-6 shows the change in funding that a region experienced as a result of replacing 1980 poverty data with 1990 poverty data. For example, region 1 lost 3.3 percent and region 6 gained 10.35 percent. The "formula factor" columns indicate the portion of funding change that was due to each factor. That is, the sum of the six columns is equal to the overall change in funding (within rounding errors). Thus, Region 1 lost 3.3 percent; 2.6 percent because of poverty, .5 percent because of pre-1940 housing, and .3 percent because of the growth lag factor. Since no formula A communities are in Region 1, the formula A factors had no impact on the distribution.

Of course, in 1993 allocations, the only data that changed were poverty data. Thus, in both formula A and formula B, the greatest components of regional funding shifts are the poverty factors.

Table 2-6§
Components of 1992-93 funding changes caused by
replacing 1980 poverty data with 1990 poverty data+

HUD Region[a]	Pct. change in funding	Portion of overall change due to:					
		Formula A factor			Formula B factor		
		Pop.#	Pov.	Ocr.	Pre-40	Pov.	GLag#
1	- 3.4%	NA	NA	NA	-.5%	-2.6%	-.3%
2	- 5.1	- *%	- .9%	- *%	-.5	-3.5	-.3
3	- 3.8	-.1	- .8	- *	-.4	-2.3	-.2
4	- 3.0	-.2	- 1.7	-.2	-.1	- .8	-.1
5	- .3	-.1	+ .2	-.*	-.3	+ .2	-.2
6	+ 9.5	-.2	+10.0	-.2	- *	- .1	-.1
7	+ *	-.1	+ 1.1	- *	-.3	- .4	-.4
8	+ 4.5	-.2	+ 4.6	-.1	-.2	+ .6	-.6
9	+ 6.3	-.2	+ 7.1	-.3	-.1	- .2	-.2
10	+ 2.4	-.2	+ 2.7	-.1	-.3	+ .2	-.2
PR	- 9.7	-.1	- 9.4	-.2	NA	NA	NA

§   The method used to develop this table is explained in Appendix I.

+   Data exclude the six communities that changed formulas as a result of the change to 1990 poverty data. Detail may not add due to rounding.

NA   Region has no communities funded under the formula.

*   Less than .5.

Over the period in question (1992-1994), there would be no change in population data. The observed changes in funding by population and growth lag result from changes in the pro rata reduction as a result of changes to the other formula elements.

[a]   HUD Regions are defined further in Appendix A

1990 poverty data and the pro rata adjustment. Even though poverty data was the only change shown in Table 2-6, the other factors are shown to have contributed to the overall regional funding changes. This is because of the pro rata reduction, which is larger when 1990 poverty data are used. Because more of MSA poverty is in entitlements in 1990, the formula allocates relatively more funding than is available through the CDBG program. This requires a larger pro rata reduction (communities would get about .9224 of what the formula indicated using 1980 poverty data but only about .9145 when 1990 poverty data are used) to make the allocated amount equal the funds available. In essence this means that poverty becomes more important in allocating program funds and an increment of any other formula

factor is worth a little less. Even though Region 1, for example, has just as many pre-1940 housing units and the same proportion of MSA pre-1940 housing units when the formula uses 1990 poverty data as when using 1980 poverty data, the larger pro rata reduction means that each pre-1940 housing unit brings with it a little less funding.

Effect of Overcrowding and Pre-1940 Housing

Unless there is a statutory change to the CDBG formula, future allocations will use the 1990 census data for the formula factors on housing in place of these indicators from the 1980 census. That is, 1990 census data on overcrowded housing and housing constructed prior to 1940 would replace the values from the 1980 Census. Use of the 1990 housing data would give some communities additional funding gains (or losses) from what 1990 poverty data provided. For other communities, using 1990 housing data would tend to offset the changes that resulted from using 1990 poverty data.

This section estimates the distribution of CDBG entitlement funds when a complete set of 1990 data are used in the current formula. In this section, the distribution that would result from using 1990 values for pre-1940 and overcrowded housing are labelled "Formula with 1990 data." This estimate uses 1990 census data on the number of overcrowded housing units and the number of housing units constructed prior to 1940 in place of the 1980 housing data that were used in the 1993 allocation. Note that the actual effect that using 1990 census data on housing factors would have on future allocations depends on the overall funding level, new entitlement communities that may be designated, the composition of urban counties, and other considerations not discussed here.

Overall distributional effect of 1990 housing data. Table 2-7 compares the 1993 funding distribution across a series of community characteristics with the distribution that would have resulted if the formula used a complete set of 1990 census data. The use of 1990 data on overcrowding and pre-1940 housing redirects some funds away from central cities to the suburbs. The use of 1990 poverty data in the formula also resulted in a slight decline of funding for central cities (Table 2-2).

The West, which benefitted from using 1990 data on poverty, would receive an even larger benefit if 1990 housing data were used. Puerto Rico, which lost about 10 percent of its funding from the use of 1990 poverty data, would lose another 10 percent from introducing 1990 housing data. Regions 2, 3, and 4 would lose smaller funding portions from 1990 housing numbers than they did from 1990 poverty data.

Table 2-7
Change in per capita CDBG 1993 entitlement
funding if 1990 data are used throughout

| Grantee characteristic | Per capita CDBG funding | | | Percent change |
	1993 Actual	Formula with 1990 Data	Change	
Overall	$18.12	$18.12	NA	NA
Type				
- Central city	24.51	24.28	-$ .23	- 1%
- Satellite city	13.74	14.36	+ .62	+ 5
- Urban county	10.13	10.25	+ .12	+ 1
HUD region				
- 1, New England	25.98	26.46	+ .46	+ 2
- 2, NY, NJ	21.62	21.04	- .61	- 3
- 3, Mid-Atlantic	19.89	19.56	- .35	- 2
- 4, Southeast	14.30	13.83	- .46	- 3
- 5, Midwest	20.61	19.90	- .73	- 4
- 6, Southwest	17.26	17.07	- .19	- 1
- 7, Great Plains	19.73	19.15	- .61	- 3
- 8, Rocky Mountain	13.60	13.44	- .16	- 1
- 9, Pacific/Hawaii	14.48	16.23	+ 1.77	+12
- 10, Northwest/AK	12.68	13.13	+ .45	+ 4
- PR	37.10	33.21	- 3.89	-10
Community size				
1,000,000 or more	24.72	24.84	+ .11	+ *
200,000-999,999	15.36	15.36	NC	NC
100,000-199,999	17.44	17.46	- .02	- *
50,000- 99,999	18.11	18.16	+ .06	- *
49,999 or fewer	22.51	21.92	- .61	- 3

*   Less than .5.
NC   No change.

For Region 1 (New England) and Region 6 (Southwest), the
1990 housing data would help offset the effect of the
redistribution caused by 1990 poverty data. Region 6 gained the
most from the poverty data, but would relinquish some of that
gain if the housing data were introduced. This is because its
increase in poverty was not matched by an increase in
overcrowding. Conversely, 1990 housing data would help Region 1
to offset some of the losses it experienced in the 1993
allocations. This is because the data show Region 1 losing
housing built before 1940 at a slower rate than did other regions
during the 1980s.

The redistribution that would be caused by 1990 housing data would give about 57 percent of all entitlement communities a funding cut (Table 2-8). On average, this decrease would be small, with only two communities affected by more than 20 percent. What the 57 percent of communities would lose, the remaining 43 percent would gain, and the average gain would be a little larger than the average loss. Using 1990 housing data would give 39 communities funding increases of at least 20 percent.

Table 2-8
Distributional effect of using
1990 housing data in 1993 formula

Using 1990 data would cause a:	Entitlement jurisdictions	
	Number	Percent
Loss of more than 20%	2	.2%
10-20% loss	80	9.0
5-10% loss	186	20.9
0- 5% loss	242	27.2
0- 5% gain	173	19.5
5-10% gain	78	8.8
10-20% gain	89	10.0
Gain of more than 20%	39	4.4
Totals	889	100.0%

Appendix B lists individual 1993 entitlement communities, their grants, and what their grants would be if 1990 housing data had been used in the formula.

Communities changing formula because of 1990 housing data. Part of the effect of using 1990 housing data would be that 21 communities would change the formula through which they are funded. Two communities would change from formula B to formula A, and the other 19 would switch to formula B (Table 2-9). The two communities that would switch from formula B to formula A are both in region 9 and would change as a result of a large increase in overcrowding. They would receive larger grants.

Formula B communities in 1993 that would switch to formula A as a result of using 1990 housing data would lose funding in this redistribution. This loss results from a diminished share of overcrowded housing in 1990 relative to 1980. For the most part, they preserved their pre-1940 housing at rates higher than the national average. Consequently, the switch to formula B allows them to mitigate somewhat their funding loss.

Table 2-9
Communities changing formula if 1990
housing data were used in 1993 allocations

Formula Used*:	Entitlement communities		Percent change in grant amount
	Number	Percent	
AA	499	56.1%	+ 2.6%
AB	2	.2	+ 4.6
BA	19	2.1	- 6.1
BB	369	41.5	- 2.0
Total	889	100.0%	

* The first letter is the formula under which a community received funds in 1993. The second letter is the formula under which the community would have received 1993 funds if the formula used 1990 data on overcrowding and pre-1940 housing.

Distribution of overcrowded and pre-1940 housing. Between 1980 and 1990 the number of overcrowded housing units in the 889 communities that received entitlement grants in 1993 increased by about 35 percent. In the same period, the number of housing units constructed prior to 1940 decreased by about 14 percent[2]

Table 2-10 compares the different distributions of overcrowding and pre-1940 housing for 1993 entitlement communities using 1980 and 1990 data. Overcrowded housing in MSAs was far more concentrated in entitlement communities in 1990 (88 percent, as compared with 83 percent in 1980). Also, the increase in the number of overcrowded units took place primarily in the West, specifically region 9, which contains California.

The distribution of pre-1940 housing from the 1990 census is not dramatically different from that resulting from the 1980 data. Entitlement communities contain about the same portion of MSA pre-1940 housing with 1980 data as they do with 1990 data. Moreover, there is little variation in the regional share of MSA pre-1940 housing.

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[2] Note that it would be illogical for the number of housing units constructed prior to 1940 to increase during the 1980's. A decrease as old housing is destroyed is to be expected. However, sample error in the census and errors in reporting by respondents also account for some unknown portion of the difference.

Table 2-10
Distribution of overcrowding and pre-1940
by region, 1980 and 1990 census data

HUD Region[a]	Overcrowding data			Pre-1940 housing data		
	1980	1990	Change	1980	1990	Change
1	2.1%	1.8%	- .3%	6.3%	6.7%	+ .4%
2	12.7	13.1	+ .4	19.3	19.3	NC
3	5.6	4.5	- 1.1	12.1	12.1	NC
4	10.6	9.8	- .8	4.9	4.5	- .4
5	11.0	8.0	- 3.0	19.1	19.1	NC
6	10.8	11.1	+ .3	3.6	3.4	- .2
7	1.7	1.2	- .5	3.3	3.3	NC
8	1.2	1.2	NC	1.3	1.3	NC
9	23.1	33.7	+10.6	7.9	8.2	+ .3
10	1.4	1.9	+ .5	2.3	2.5	+ .2
PR	2.3	1.4	- .9	.2	.2	NC
Totals	82.5%	87.7%	+ 5.2%	80.3%	80.6%	+ .3%

NC   No change.

[a]   HUD Regions are defined further in Appendix A

Funding implications of using 1990 housing data. Using 1990
data on overcrowded housing and pre-1940 housing primarily
benefits the West and New England and hurts all other parts of
the country. Puerto Rico would experience a funding loss of more
than 10 percent, which is more than other regions of the country.
The "percent change in funding" column in Table 2-11 shows how
changes in the incidence of these housing variables in the 1990
census from the 1980 census contribute to funding changes when
the 1990 data are used (from the 868 communities that would not
change formula as a result of the new data).

As Table 2-7 indicated, Region 9 would gain most from the
use of 1990 housing data. Puerto Rico would lose the most, but
still would receive the largest per capita grants. Regions 1 and
10 would gain some funding, while communities in all other
regions on average would lose some share of CDBG entitlement
funding.

The six columns under the heading "Portion of Overall
Change" in Table 2-11 show the portion of the region's funding
change caused by each of the formula factors (these six columns
add horizontally to the percent change in funding, within
rounding errors). They show that Region 9 would receive a
funding increase mainly because of the effect of overcrowded
housing. In Region 9 (which includes California), there were
about twice as many overcrowded housing units in 1990 than there
were in 1980. For formula A communities in this region, that
translates into a large average CDBG funding increase. Since

2-14

Region 9 lost pre-1940 housing at a smaller rate than the rest of the country's entitlement communities, the pre-1940 housing factor contributes a little to the region's overall funding increase.

Table 2-11@
Components of funding changes caused by
replacing 1980 housing data with 1990 housing data+

HUD Region[a]	Pct. change in funding	Portion of overall change due to:					
		Formula A factor			Formula B factor		
		Pop.#	Pov.	Ocr.	Pre-40	Pov.	GLag#
1	+ 1.7%	0%	0%	0%	+2.7%	-.3%	-.6%
2	- 2.8	- *	- *	- .2	-1.5	-.4	-.7
3	- 1.8	- *	- .1	+ .4	- .9	-.3	-.7
4	- 3.0	- .5	- .9	- .8	- .5	-.1	-.2
5	- 3.5	- .2	- .2	- .8	-1.3	-.3	-.8
6	- 1.1	- .4	-1.1	+ .7	- .1	-.1	-.1
7	- 3.0	- .2	- .2	- .9	- .7	-.3	-.7
8	- 1.1	- .4	- .6	+ .1	+ .4	-.2	-.3
9	+12.3	- .5	- .9	+13.2	+ .6	- *	- *
10	+ 3.6	- .4	- .6	+2.7	+2.3	-.2	-.3
PR	-10.3	- .2	-1.6	-8.5	0	0	0

@   The method used to develop this table is described in
     Appendix I.

+   Data exclude the 21 communities that changed formulas as a
     result of the change to 1990 housing data. Detail may not
     add due to rounding.

*   Less than .5.

Over the period in question (1992-1993), there would be no
     change in population data. The observed changes in funding
     by population and growth lag result from changes in the pro
     rata reduction as a result of changes to the other formula
     elements.

[a] HUD Regions are defined further in Appendix A

     The effect of the 1990 housing data on Region 10's funding
is similar to that in Region 9, although the volume of change is
smaller. There, an increase in overcrowding and relatively small
loss of pre-1940 housing contribute to a 3.6-percent average
increase.

     All entitlement communities in Region 1 (New England) are
formula B communities. They would receive a funding increase
through the use of 1990 housing data because they lost pre-1940

housing at a slower rate during the 1980s than did the rest of the country. The increase of .4 percent of share of MSA pre-1940 housing in this region ir 1990 compared with 1980 would mean afunding increase that averaged about 1.8 percent for these communities.

All 14 Puerto Rican entitlement cities receive funding through formula A. These communities experienced the largest funding reductions when 1990 poverty data were used in the 1993 allocations. These would lose significantly more if 1990 housing data were used. While overcrowding was increasing in Metropolitan America during the 1980s, it was declining in Puerto Rico. This accounts for the large loss of funding for Puerto Rican cities from using 1990 housing data.

All other regions of the country, as illustrated in Table 2-11, would lose funding if 1990 housing data were used in the 1993 allocations. This is because in most parts of the country overcrowding did not increase at nearly the same rate that it did in the West. And a larger loss of pre-1940 housing was experienced in regions other than Regions 1, 9, and 10. This would result in a funding loss for formula B communities in these regions. The increase in overcrowding in region 3 would translate into a funding increase for formula A communities there, although on average the region would lose funding when 1990 housing data are used.

1990 housing data and the pro rata adjustment. The funding changes resulting from the use of 1990 housing data are mainly the effect of the overcrowding factor. Part of this effect was due to the variance of the change -- formula A communities with large increases or losses would experience significant funding fluctuation. Another part of the change is that the greater concentration of overcrowding in the entitlement portions of MSAs in 1990 causes an increase in the pro rata reduction (A community received about .9145 of what the formula produced in 1993. It would receive about .8925 if 1990 housing data had been used)

Combined Effect of Using 1990 Census Data

The effect of replacing data from the 1980 census on poverty, overcrowding, and pre-1940 housing would be to redistribute funds from central cities to suburbs and from the East to the West and Southwest. Table 2-12 summarizes the effect of the 1990 census on the distribution of CDBG entitlement funds by comparing two hypothetical distributions of funds. The first column is the distribution that would have resulted if 1993 allocations had used 1980 census data on poverty, overcrowding, and pre-1940 housing. It thus estimates what funding for 1993

entitlements would be using the formula that was used for the 1992 distribution.   The second column is the distribution that would have resulted if the 1993 allocations had used 1990 census data for these three factors.

Table 2-12
Change in per capita CDBG 1993 entitlement
funding caused by using 1990 census data§

Grantee characteristic	Per capita CDBG funding			Percent change
	1980 Data	1990 Data	Change	
Overall	$18.12	$18.12	NA	NA
Type				
- Central city	24.60	24.28	-$ .32	- 1%
- Satellite city	13.71	14.36	+ .65	+ 5
- Urban county	9.99	10.25	+ .26	+ 3
HUD region				
- 1, New England	26.89	26.46	- .43	- 2
- 2, NY, NJ	22.76	21.04	- 1.72	- 8
- 3, Mid-Atlantic	20.68	19.56	- 1.12	- 5
- 4, Southeast	14.73	13.83	- .90	- 6
- 5, Midwest	20.71	19.90	- .81	- 4
- 6, Southwest	15.61	17.07	+ 1.46	+ 9
- 7, Great Plains	19.72	19.15	- .57	- 3
- 8, Rocky Mountain	12.95	13.44	+ .49	+ 4
- 9, Pacific/Hawaii	13.54	16.23	+ 2.69	+20
- 10, Northwest/AK	12.37	13.13	+ .76	+ 6
- PR	40.61	33.21	- 7.40	-18
Community size				
1,000,000 or more	24.87	24.84	- .02	- *
200,000-999,999	15.39	15.36	- .03	- *
100,000-199,999	17.34	17.46	+ .12	+ 1
50,000- 99,999	17.93	18.16	+ .23	+ 1
49,999 or fewer	22.49	21.92	- .57	- 3

§   The "1980 data" column estimate represents 1993 funds distributed to 1993 grantees with housing and poverty data from the 1980 census. The "1990 data" column estimate represents 1993 funding to 1993 grantees with the current formula using a complete set of 1990 census data.

*   Less than .5.

As Table 2-12 indicates, the overall effect of the 1990 census data would be to shift CDBG funds away from central cities and to the suburbs and from the East to the West and Southwest. California (Region 9) and Texas (Region 6) would gain the most, and Puerto Rico would lose the most. Region 2 (New York and New Jersey) also would experience considerable funding reductions.

Table 2-13§
Components of regional funding changes caused by
replacing 1980 housing and poverty data
with 1990 housing and poverty data+

HUD Region[a]	Pct. change in funding	Portion of overall change due to:					
		Formula A factor			Formula B factor		
		Pop.#	Pov.	Ocr.	Pre-40	Pov.	GLag#
1	- 1.6%	0%	0%	0%	+2.1%	-2.9%	- .9%
2	- 7.4	-.1	- .6	- .2	-1.9	-3.8	- .9
3	- 5.3	- 2	- .7	+ .3	-1.2	-2.5	- .9
4	- 5.8	-.6	- 2.4	- 1.0	- .5	- .9	- .3
5	- 3.9	-.2	+ .*	- .9	-1.6	- .1	-1.1
6	+ 9.2	-.6	+ 9.8	+ .5	- .2	- .2	- .2
7	- 3.0	-.2	+ .9	- .9	-1.0	- .7	-1.0
8	+ 3.7	-.6	+ 4.2	0	+ .2	+ .4	- .5
9	+20.0	-.7	+ 6.6	+13.8	+ .6	- .3	- .1
10	+ 6.1	-.6	+ 2.2	+ 2.7	+2.1	+ .*	- .4
PR	-18.2	-.3	-10.1	- 7.9	0	0	0

§   The method used to develop this table is described in Appendix I.

+   Data exclude the 25 communities that would use different formulas if 1990 data replaced 1980 data on poverty and housing. Detail may not add due to rounding.

*   Less than .5%.

Over the period in question (1992-1994), there would be no change in population data. The observed changes in funding by population and growth lag result from changes in the pro rata reduction as a result of changes to the other formula elements.

[a]   HUD Regions are defined further in Appendix A

The reasons underlying these changes are shown by Table 2-13. Region 9 gains primarily because of an increase in overcrowding and poverty among its formula A communities, although its formula B communities also gain on average from an increased share of pre-1940 housing. Region 10 gains for the same reasons, but to a lesser extent. Regions 6 and 8 would gain some funding, almost all of which is due to an increase in poverty.

2-18

Puerto Rico's entitlements all receive funding through formula A. They lose funding because the incidence of overcrowding in Puerto Rico declined and the incidence of poverty increased at a rate that was considerably less than the average for entitlement communities. Despite the substantial losses caused by using 1990 data, Puerto Rico's average per capita entitlement grants would remain higher than those of other cities.

Formula B communities in Regions 1, 2, and 3 would lose funds mainly because of their declining share of the poverty population (Table 2-13). Region 4 would experience a funding reduction funding mainly because of a loss of poverty share among its formula A communities. A loss of pre-1940 housing would be the primary factor in a funding loss in Region 5. In Region 7, a loss of pre-1940 housing among formula B communities and less overcrowding among formula A recipients would be the primary reasons for a funding reduction there.

Central cities lose funding to the suburbs when 1990 data are used in the formula. The biggest contributor to this 1 percent average loss is the poverty variable in formula B (Table 2-14). Satellite cities and urban counties gain funds, principally from the effects of poverty and overcrowding in formula A.

Table 2-14@
Components of funding changes by community type caused by
replacing 1980 housing and poverty data
with 1990 housing and poverty data+

| | | Portion of overall change due to: | | | | | |
| | | Formula A factor | | | Formula B factor | | |
Type	Pct. change in funding	Pop.#	Pov.	Ocr.	Pre-40	Pov.	GLag#
Central	- 1.1%	-.2%	+1.2%	+ .9%	- .8%	-1.4%	- .8%
Sat.	+ 5.0	-.6	+1.2	+5.6	+ .2	-1.0	- .5
County	+ 2.8	-.8	+1.9	+3.0	- .3	- .8	- .2

§   The method used to develop this table is described in Appendix I.

+   Data exclude the 25 communities that would use different formulas if 1990 data replaced 1980 data on poverty and housing. Detail may not add due to rounding.

Over the period in question (1992-1994), there would be no change in population data. The observed changes in funding by population and growth lag result from changes in the pro rata reduction as a result of changes to the other formula elements.

2-19

The discussion in this chapter focuses on how 1990 census data have and would cause a redistribution of CDBG entitlement funds. It does not address the issue of whether the changes caused by using 1990 census data are "deserved." For example, if Puerto Rico is better off when compared to the average entitlement community in 1990 than it was in 1980, perhaps it "deserves" a smaller portion of CDBG funds. That California has much more overcrowding and poverty in 1990 than it did in 1980 may suggest that it "deserves" a larger share of CDBG funds. The next chapter addresses community need for CDBG funds, and develops a standard against which we can measure the equity of funding distribution.

3. NEED FOR COMMUNITY DEVELOPMENT FUNDS

The previous chapter showed how CDBG entitlement funds would be redistributed among communities as a result of using 1990 census data in the formula. It did not address the issues of whether the redistribution was appropriate. The next step in the analysis, begun in this chapter, is to try to determine how much of the CDBG entitlement funds each eligible community ought to receive.

It is difficult to rank all entitlement communities in terms of their need for community development funds. Different types of communities have different types of needs. Which needs do we choose to consider? How much weight do we give each need in trying to rate one community's need against anothers?

In previous CDBG formula studies, HUD used a methodology to develop standard measures of needs across entitlement cities. That method also will be used in this study. It starts by looking at the legislation that authorizes the CDBG Program to identify the types of community needs the program is intended to address. It then takes into account variables that indicate each community's amount of need in each of those areas.

This procedure produces a list of hundreds of cities with scores on some 18 variables. In order to make sense of this mass of information, the analysis then uses factor analysis. The analysis essentially identifies groups of variables that tend to occur together in the cities. From an array of 18 needs indicators, this procedure summarizes community need in 1990 down to 3 dimensions. The analysis then translates every city's needs on each dimension into a needs score, which it then summarizes further into an overall needs score.

For example, most observers agree that a high rate of poverty makes a community deserving of community development funding. Since the CDBG Program is intended also to address housing needs, conditions such as the incidence of substandard housing would also suggest a need for assistance. However, these "factors" may not always occur together -- communities with high rates of poverty may not turn out to be the ones with large proportions of substandard housing. The analysis then would need to weigh the factors and summarize them so that communities with both high rates of poverty and large portions of substandard housing receive high needs scores, while those with high scores on only one measure receive lower scores, and those wity low scores on both measures receive still lower scores.

After developing this needs index, and a similar index for measuring urban county need, the next chapter examines the extent to which the current formula, using data from the 1990 census, distributes funds according to community need.

Indicators of Community Development Need

The first step in analyzing community development problems is to select indicators of need. A need indicator (or "distress" indicator), such as poverty rate or rate of overcrowded housing, is a variable whose greater incidence in a city implies greater need. For example, other things being equal, a city with a higher poverty rate is more needy than a city with a lower poverty rate.

The community needs that are the subject of this study are those that the Congress has written into the CDBG legislation. The Housing and Community Development Act of 1974 (Public Law 93-383, 88 Stat. 633, 42 U.S.C. 5301, Section 101(c)) established as the primary objective of the Act to be "the development of viable urban communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." Consistent with this objective, Federal aid is to be provided for support of community development activities directed toward specific objectives, including:

(1) the elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;

(2) the elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities;

(3) the conservation and expansion of the Nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income;

(4) the expansion and improvement of the quantity and quality of community services; principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities;

(5)   a more rational utilization of land and other natural
      resources and the better arrangement of residential,
      commercial, industrial, recreational, and other needed
      activity centers;

(6)   the reduction of the isolation of income groups within
      communities and geographical areas and the promotion of
      an increase in the diversity and vitality of
      neighborhoods through the spatial deconcentration of
      housing opportunities for persons of lower income and
      the revitalization of deteriorating or deteriorated
      neighborhoods;

(7)   the restoration and preservation of properties of
      special value for historic, architectural, or aesthetic
      reasons;

(8)   the alleviation of physical and economic distress
      through the stimulation of private investment and
      community revitalization in areas with population out-
      migration or a stagnating or declining tax base; and

(9)   the conservation of the Nation's scarce energy
      resources, improvement of energy efficiency, and the
      provision of alternative and renewable energy sources
      of supply.

These objectives suggest that, ideally, indicators selected
should include measures of slum, blight, and detrimental living
conditions; neighborhood instability; the level of public
services for low-income persons; and the rate of economic or
population decline. However, except for population decline,
reliable intercity data on these conditions are not readily
available.

Lacking direct measures of these conditions, this study
relies on indirect indicators or proxies. These proxies are
variables that are correlated with neighborhood blight and
detrimental living conditions. Before proceeding further, it is
useful to note some of the important characteristics of the needs
indicators used here. All of the needs indicators fall into one
of two categories. They are either per capita measures or they
are proportions. They attempt to characterize the "average"
person in a community. In contrast to formula variables, which
provide more money to larger places and so are based on counts of
conditions, needs measures determine which communities are more
needy than others, regardless of size. In other words, the
measures of community need being developed here are not
necessarily correlated with community size. The most needy
communities need not be the largest.

Proportions. The indicators used here compare communities
with one another. Each of the measures used is a continuum from
those with high proportions to those with low proportions of the
measures of community need (for example, percent of population in
poverty). This analysis does not attempt to impose cutoffs in
terms of need. For example, one might determine that below
certain levels some variables do not signify need (for example,
below 5 percent poverty) or conversely, above certain levels (for
example, above 40 percent poverty) the need no longer increases.
As used here, the needs indicators are taken at face value --
across all cities included, higher scores on an indicator suggest
greater need and lower scores suggest lesser need.

Per capita measures. The other type of indicators are per
capita measures. One illustration of these is per capita income.
These are standardized based on population. In contrast to the
measures that are proportions, per capita measures used here tend
to be inversely related to need. That is, the higher the per
capita count of something, the less community need it tends to
suggest, and vice versa. As with the proportional measures, the
per capita measures are assumed to indicate need throughout their
range in the communities considered.

The City Needs Indicators

This analysis uses 18 different indicators of city need,
which were selected for a number of reasons. Many of the
indicators are the same as those used in the previous HUD studies
of community need (Bunce and Goldberg, 1979 and Bunce and Neal,
1983). Those studies have withstood considerable scrutiny, and
this effort chooses to build on the foundation of credibility
they have established. Some of the indicators are static, and
some indicate change. This is to reflect potentially different
aspects of need -- level and direction. For example, communities
with similar poverty rates may experience different needs,
depending on whether their overall populations are growing or
declining.

Missing data. Ideally, this analysis would develop a single
indicator of need for all entitlement communities. In fact, it
includes 634 entitlement cities out of 756 entitlement cities and
133 urban counties. The reason for this loss of cases is that
several variables considered important in characterizing
community need were not available for all entitlement
jurisdictions. In the case of urban counties, the jurisdiction
tends to have places in the county not in the urban county, and
it thus becomes difficult to acquire meaningful data on just the
urban county.   In the case of entitlement cities, some of the
data used in this analysis were taken from the County and City
Data Book for 1989. This source contained information on all

entities considered places by the census, but a substantial number of places that qualify as entitlement cities are not considered places by the census, and so data were unavailable on them from this source. For cities in Puerto Rico and Federal Way, Washington, by the time this analysis was prepared, even most data from the 1990 census were unavailable. Unless a complete set of data was available for a place, it was lost to this analysis. The distribution and relevance of the missing data are discussed below in this chapter and in Appendix C.

Change variables. Population decline is assumed to indicate need. One of the specific objectives of the community development legislation is to assist areas with population out-migration. Population change between 1960 and 1990 and 1980 and 1990, which are two variables used in this analysis, directly measure that concept. Additionally, population loss generally signifies loss of fiscal capacity associated with middle-class flight from the central cities, a declining tax base, and a decrease in the demand for inner-city housing. The base year for noting population change is 1960, since that census marks a time of change in the nature of American cities. By then, the post war boom was over and the pace of suburbanization accelerated, and cities began to decline about then. The decline has continued since then, but has levelled off somewhat during the 1980s. Of 64 cities with populations of more than 200,000 in 1960, 45 percent lost population between 1960 and 1970, 59 percent lost population between 1960 and 1980, and 45 percent lost population between 1980 and 1990. According to Ladd (Ladd and Yinger, 1989), population decline increases the per capita spending of city governments because cities are unable or unwilling to reduce spending in line with the loss of residents.

Change in per capita income is used as an indicator of the direction of local economic vitality and fiscal capacity. The data used here compare per capita income in 1969 and 1987.

Change in the poverty rate, like per capita income, is included as an indicator of local economic performance and fiscal capacity. It also suggests the local demand for government services, particularly those for which CDBG may pay.

Change in retail sales is an indicator of economic performance. One of the objectives of the CDBG Program is to stimulate private investment in areas with a declining tax base. A decline in economic activity may suggest a need for the economic development assistance that may be provided through CDBG Program. The indicator used here is change in the level of retail sales between 1977 and 1982. These data are dated, but they were the most recent available for a reasonably complete

set of entitlement communities. It was judged better to include this indicator than not to have such a measure of economic change.

Level variables. High poverty and low incomes suggest a needy population that ordinarily places greater demand on community services than they provide in tax revenues. Thus, they proxy both a need for services and community fiscal distress.

Social and demographic variables also indicate populations in need of community services. In particular, female-headed households with children, the elderly, and working-age adults without a high school education all suggest a need for the assistance CDBG provides, along with lower community revenues.

A change from previous studies of the CDBG formula is that instead of using poverty rates, this study uses a family and elderly poverty rate. That is, it uses the proportion of all households that are families in poverty or are elderly poverty households with one or two people. This is primarily an effort to avoid including those who may be temporarily poor, particularly college student households, which are significant in a number of entitlement communities.[1] Note that for other indicators involving poverty, such as housing occupied by a poverty household, the measure includes all poverty households.

Employment and unemployment rates indicate both the population that is in need of services as well as the economic viability of the community. Once again, people who are not employed tend to be net consumers of public services. Low levels of employment suggest a need for local services beyond the fiscal capacity of the community to provide them. Unemployment rates illustrate the ability of the local economy to create jobs for the people who want them. Thus, they provide a point-in-time measure of the vitality of the local economy.

The static housing indicators are a more direct indicator of the physical need for CDBG assistance. One of the objectives of the Act is to provide suitable housing for people with low and moderate incomes. Older housing is more likely to have problems that require repair. Poorer families are more likely to live in

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[1] When this analysis was performed, data that removed college students from poverty counts were unavailable. Thus, this portion of the analysis used family and elderly poverty to approximate this revised poverty rate. The more precise measure, which adjusts poverty by subtracting college students, was available when the analysis of formula alternatives was performed, and thus is included in chapter 8. For purposes of analyzing community need, there is little difference between the family and elderly poverty rate and a poverty rate that removes college students.

older housing or housing that has problems. Poorer families are more likely to rent, and the units they rent are likely to be older or have problems.

The previous HUD studies have focused on housing built prior to 1940 as housing most likely to be deficient. In addition to indicating housing need, pre-1940 housing also indicated aging infrastructure, such as roads, bridges, and water and sewer systems. This analysis uses two indicators of old housing: housing built prior to 1940 that is occupied by a poverty household, and housing built prior to 1960 that is occupied by a poor renter. Generally, renter-occupied housing, particularly that occupied by a family in poverty is likely to be in worse condition than is owner-occupied older housing. Focusing on renters and poverty renters here thus emphasizes housing quality. A pre-1960 housing indicator is used because of changes over time that have made pre-1940 housing less useful as an indicator of need. For one thing, many cities have destroyed a lot of their pre-1940 housing. Where old housing has been lost, it is no longer there to indicate the old infrastructure. Also, much of the still existing pre-1940 housing may actually be gentrified housing that is of good quality -- the emphasis here on rental stock helps minimize this problem. In many parts of the country that have grown since World War II, housing built during the 1950s and 1960s now is old and in poor condition. The 1960 poverty renter variable is intended to capture this need.

Crime and density are other needs indicators used in previous studies and also used here. Density suggests more intensive use of community facilities and resulting adverse externalities. The rate of violent crime is another indicator of social need within the city.

I.   Income variables

    POVFAM   Percent of households are either poor
                            families or are headed by an elderly
                            person in poverty, 1990

    CPOVERTY   Change in the percentage of poor
                            persons, 1980-1990

    INCOME   Real per capita income, 1989

    CINCOME   Net change in real per capita income,
                            1967-1987

II. Social and demographic variables

FEMALEH   Percent of families with a female head
                   with children under 18, 1990

POPAGE65   Percent of population over 65, 1990

MINORITY   Percent of households that are not white
                   or that are Hispanic, 1990

WOHSED   The proportion of the population between
                   25 and 65 with less than a high school
                   education, 1990

III. Economic variables

EMPRATE   Percent of the population between 16 and
                   64 that is employed, 1990

UNEMRATE   Percent of persons who are 16 years of
                   age or older who are in the labor force
                   and who are unemployed, 1990

CRETAIL   Percent change in the volume of retail
                   sales, 1977-1982.

IV. Housing variables

POVINP40   Percent of occupied housing units that
                   were built before 1940 and that are
                   occupied by a poverty household, 1990

P60POVR   Percent of occupied housing units that
                   were built before 1960 and that are
                   occupied by a poverty renter

RPROBLEM   Percent of 1990 occupied housing that is
                   renter-occupied and with at least one of
                   the four following conditions -- (1)
                   overcrowding; (2) without complete
                   plumbing; (3) without complete kitchen
                   facilities; and (4) occupants pay more
                   than 30 percent of their incomes as rent

V. Population trends

CPOP6090   Percent change in population, 1960-1990

CPOP8090   Percent change in population, 1980-1990

VI. Other indicators

CRIME   Number of murders, assaults with
                         weapons, incidents of non-negligent
                         manslaughter, and robberies per 1,000
                         persons, 1990

DENSITY   Number of persons per square mile

Appendix D presents the correlations of these variables.

Developing a City Community Development Needs Index

It is a very complicated matter to determine whether one
city is more needy than another. Many different factors affect
this consideration. This study uses the 18 different measures of
community need that are discussed above. Even with 18 different
measures, there are many different ways that the variables can
interact, and this can make the task of sorting out the less
needy from the more needy difficult.

To help simplify an analysis of city need, this study, like
the previous efforts of the Department to determine the equity of
CDBG funding, uses a technique called factor analysis. Factor
analysis helps us reduce the 18 variables chosen to indicate city
need to just 3 factors. As in the previous studies, these
factors are interpreted to be poverty, density, and age and
decline.

Factor analysis is a statistical procedure that is used to
reduce a relatively large number of indicators to just a few that
measure the same thing (Kim and Mueller, 1978). This technique
is used to measure and develop distinct dimensions of community
development need using the 18 variables for the 634 entitlement
cities with complete data. The analysis starts by noting that
certain variables tend to vary together across cities regardless
of what the other variables do. In the analysis presented here,
for example, cities with high (low) crime rates also tend to be
cities with high (low) portions of their housing stock occupied
by renters with housing problems, and that these variables move
together, regardless of what the per capita income of the city
is. Factor analysis then infers that some unmeasured "factor"
causes renter problems and crime to move together and identifies
that factor according to how it correlates with the variables in
the analysis.

In the analysis here, 3 factors emerged to explain the
differences among the 634 entitlement cities on the 18 indicators
of need used in the analysis.

Interpreting the factors. Table 3-1 groups the variables used in the analysis according to the factors with which they correlate most strongly. We have labelled the first factor "poverty," because of the variables that are highly correlated with the factor. Because families and elderly households in poverty, per capita income, and employment rates move together in cities regardless of other variables, we infer that there is a poverty dimension to city need. Cities that have high rates of families and elderly households in poverty, high unemployment, and low labor force participation rates; have had an increase in the portion of their population that is in poverty; and have had relatively small increases in per capita income are needy on this dimension.

The second factor noted in Table 3-1 appears to be a social dimension. As was the case in the previous HUD studies, we have called this dimension "density." This dimension is characterized by high rates of crime, problems in rental housing, such as overcrowding and rents that are high relative to income, and large populations per square mile.

Table 3-1
Dimensions of community development need

Factor	Dimension name	Variables defining dimension
1	Poverty	Low per capita income Little change in per capita income Families in poverty Low employment rate High unemployment rate Female-headed households Lack of high school education Poverty in pre-1940 housing
2	Density	Renters with housing problems Crime rate Minority population Density Lack of high school education
3	Age/decline	Population over age 65 Loss of population, 1980-1990 Poverty renters in pre-1960 housing Loss of retail establishments Poverty households in pre-1940 housing Loss of population 1960-1990

This third factor clearly suggests age and decline. It is characterized by population loss, a decline in retail sales, and relatively large rates of old housing occupied by renters and poverty renters and people over the age of 65.

That there are three factors means that city need is multidimensional. Need on the poverty dimension is distinct from need on the age dimension, and need on the age dimension is distinct from need on the density dimension. Clearly a city that scored high on all three dimensions would be very needy -- it would have high poverty, low income, high crime and other problems associated with density, combined with a population loss and old age. A city that scored low on all three dimensions would be less needy -- it would have low poverty, high incomes, low crime and social problems, and would be growing and would have new structures. But the point of the analysis is that in many cities these factors are not closely correlated. Many cities that are needy on the poverty dimension are not needy on the density dimension or on the age/decline dimension.

City factor scores. For each of the three factors, the analysis gives each city a score according to its need on that factor relative to other cities. The average score on each factor is zero, and individual scores range above and below zero based on how much better or worse off the city is relative to the average city.

Table 3-2 presents actual selected cities and their scores on the three factors. It shows that cities like Detroit, Cleveland, New Orleans, and San Antonio score high on the poverty dimension. They likely have large poverty populations, an increase in poverty, low income growth, and high unemployment. Cities like Newark, Miami, New York, and Washington, score high on the density dimension. This suggests that they likely have high rates of crime and widespread problems in rental housing. Cities such as Buffalo, Louisville, and Philadelphia score high on the age dimension. This suggests that they have been losing population, have an aging population, and have a housing stock that is old and occupied by poor people.

Table 3-3 helps to show how values on individual indicators translate into factor scores. It is divided into three parts, one for each of the three needs dimensions. It presents the same 10 cities sorted from least needy to most needy on each of the three dimensions, along with their values on variables that contribute highly to the scores on each dimension. Thus, the first part is the poverty dimension and cities are ranked from least needy, Plantation, Florida with a score of -2.0, to most needy, Benton Harbor, Michigan, with a poverty score of 5.9. In the listing here, it can be seen that the variables that go into the factor score generally increase or decrease from least to most needy on this dimension. That is, in general, cities

Table 3-2
Examples of high-need and low-need
cities on three dimensions of community need

Poverty dimension

High need	Score	Low need	Score
E. St. Louis, IL	3.4	Palo Alto, CA	-4.0
Detroit, MI	2.7	New Rochelle, NY	-2.3
Compton, CA	2.0	San Francisco, CA	-1.8
Cleveland, OH	2.1	Seattle, WA	-1.3
El Paso, TX	1.9	Washington, DC	-1.1
New Orleans, LA	1.6	Charlotte, NC	-1.0
Buffalo, NY	1.2	Boston, MA	- .7
San Antonio, TX	1.2	San Diego, CA	- .3
Milwaukee, WI	1.1	Omaha, NE	- .3
Miami, FL	.3	Dallas, TX	- .2

Density dimension

High need	Score	Low need	Score
Newark, NJ	3.0	Cedar Falls, IA	-2.0
Miami, FL	2.8	Altoona, PA	-1.6
New York, NY	1.8	Bismarck, ND	-1.5
Atlanta, GA	1.2	Oak Ridge, TN	-1.5
Washington, DC	1.1	Sherman, TX	-1.3
Detroit, MI	1.1	Salt Lake City, UT	-1.2
Baltimore, MD	1.0	Minneapolis, MN	-1.0
San Francisco, CA	.6	Phoenix, AZ	- .6
St. Louis, MO	.5	Syracuse, NY	- .5
Dallas, TX	.3	Cincinnati, OH	- .2

Age dimension

High need	Score	Low need	Score
Cumberland, MD	2.7	Irvine, CA	-2.5
Wheeling, WV	2.3	Naperville, IL	-2.2
Buffalo, NY	1.9	Virginia Beach, VA	-1.8
Terre Haute, IN	1.4	Austin, TX	-1.2
Gadsden, AL	1.4	San Jose, CA	-1.1
Louisville, KY	1.4	State College, PA	-1.0
Philadelphia, PA	1.3	Houston, TX	- .8
St. Petersburg, FL	1.3	Phoenix, AZ	- .8
Chicago, IL	.8	Charlotte, NC	- .7
Greenville, SC	.6	Sacramento, CA	- .7

Table 3-3
Selected cities factor scores and
values on key constituent variables

City	Poverty				Values on key constituent variables				
		POVFAM	INCOME	CINCOME	UNEMRATE	EMPRATE	CPOVERTY	FEMALEH
Plantation, FL	-2.0	3%	$21,702	$15,091	4%	84%	-*%	4
Plano, TX	-1.0	2	21,820	12,968	3	85	-1	5
Philadelphia, PA	.4	15	12,091	6,895	11	70	-*	13
Pittsburgh, PA	.6	14	12,580	7,917	10	70	5	10
Houston, TX	.7	13	14,261	8,729	8	75	8	10
San Antonio, TX	1.2	16	10,884	6,377	9	72	2	11
New Orleans, LA	1.6	23	11,372	6,635	14	66	5	17
Johnstown, PA	2.0	21	8,500	5,803	17	59	10	9
Detroit, MI	2.7	23	9,443	6,453	20	57	11	23
Benton Harbor, MI	5.9	44	5,622	4,004	29	44	19	41
634 City mean	0	11	14,252	8,674	7	72	2	10

City	Density		Values on key constituent variables			
		WOHSED	MINORITY	CRIME	DENSITY	RPROBLEM
Johnstown, PA	-1.5	36%	10%	2	4,936	28%
Plantation, FL	-.7	12	1	1	3,206	13
Pittsburgh, PA	-.7	27	26	8	6,677	32
San Antonio, TX	-.1	31	54	5	3,563	20
Houston, TX	-.0	29	49	11	2,931	25
Plano, TX	-.0	7	12	3	2,750	10
Philadelphia, PA	.3	35	42	10	11,659	34
New Orleans, LA	.8	32	59	18	2,492	31
Detroit, MI	1.1	38	75	20	7,581	40
Benton Harbor, MI	2.6	53	88	28	11,659	34
634 City mean	0	21	33	5	4,398	16

Table 3-3 (continued)

		Values on key constituent variables				
City	Age	POPAGE65	CRETAIL	CPOP8090	POVINP40	P60POVR
Plano, TX	-5.5	3%	213%	78%	*%	*%
Plantation, FL	-1.7	14	122	37	*	*
Houston, TX	-.8	8	27	1	1	4
San Antonio, TX	-.8	10	23	15	2	5
Benton Harbor, MI	-.2	9	8	-13	14	25
New Orleans, LA	*	13	5	-11	9	15
Detroit, MI	1.0	12	-22	-15	11	20
Philadelphia, PA	1.3	15	-10	- 6	10	8
Pittsburgh, PA	1.6	18	8	-13	9	11
Johnstown, PA	2.9	23	-29	-21	12	15
634 City mean	0	11	14+	7	4	6

*   Less than .5.

\+   This is an average of the rates for the 634 cities.

that score low on this factor have lower rates of poverty among
their families, lower rates of unemployment, fewer female headed
households with children, and smaller increases in poverty during
the 1980s. They also tend to have higher per capita incomes,
greater increase in per capita income in recent years, and a
higher rate of employment.

Of course, the relationship is not perfect. For example,
Philadelphia had a higher unemployment rate than San Antonio, but
taking into account all of the variables, San Antonio had a
higher needs score on the composite poverty factor.

Distribution of need across cities. City need as measured
by the three factors is different in different parts of the
country and in different types of cities (Table 3-4). The North
Central and South regions are more needy than average in terms of
poverty. Large central cities tend to be more needy on the
density dimension than are smaller or suburban cities, and this
is true regardless of census region.

Cities in the Northeast and North Central regions are more
needy than average on the age and decline dimension. Within each
region, it is generally true that larger central cities are more
needy than are smaller central cities, which are more needy than
satellite cities, on each of the three dimensions. There are
exceptions to this, however. For example, satellite cities are
more needy on the density dimension in the West than are small
central cities, and small central cities are the most needy on
the poverty and age dimensions in the South.

Table 3-4
Average factor scores
by census region and city type#

| | Dimensions of need | | | Number of cities |
	Poverty	Density	Age/decline	
Northeast	-.12	-.29	.84	113
Large CCs	.24	.85	1.09	6
Small CCs	.10	-.46	.86	84
Satellites	-1.04	.00	.71	231
North Central	.21	-.97	.50	164
Large CCs	.52	-.27	.74	14
Small CCs	.61	-1.02	.52	113
Satellites	-1.12	-1.09	.34	37
South	.36	-.50	-.11	187
Large CCs	.36	.08	-.29	25
Small CCs	.46	-.58	.09	143
Satellites	-.41	-.63	-1.40	19
West	-.30	-.20	-.84	170
Large CCs	-.19	-.02	-.64	20
Small CCs	-.03	-.61	-.46	68
Satellites	-.55	.10	-1.20	82
All 634 Cities	*	*	*	634

\#   In contrast to other tables, which use HUD regions, this
    uses the larger census regions. Otherwise, some of the
    cells when cut by city type contain too few cases to be
    meaningful. "Large" for this table is population greater
    than 250,000 in 1990.

*   Factor scores average zero when the indicators are weighted
    by population.

A Composite City Needs Index

These three dimensions of city need can be combined into a single needs indicator. A single indicator on community need is useful because it identifies the cities with the worst community development problems. In the analysis that follows, we have built a single needs indicator by weighting equally the three factors that emerged from the factor analysis. The needs index used below is derived as follows:

NEED = .33 * (Poverty) + .33 * (Age/decline) + .33 * (Density)

This method of developing the single composite indicator of community need is a little different from that used in previous HUD formula studies. In their 1983 study, for example, Bunce and Neal elected to weight the three separate factors unequally before summing them up. The needs index in the previous study of the formula thus was constructed as follows:

NEED = .40 * (Poverty) + .35 * (Age/decline) + .25 * (Density)

The previous efforts applied the weights noted based on a judgment that they mirrored the legislative intent of the CDBG program. Since CDBG funds must primarily benefit people with low and moderate incomes, it may be appropriate to give that factor the most weight. Since more of CDBG funds are used to construct, reconstruct, and rehabilitate the built environment than to provide social services, it is appropriate to weight age/decline more than density. That is to say, the weights were rationally based, but somewhat arbitrary.

In this analysis of the effect of 1990 census data, we chose to weight the needs dimensions equally because we do not believe that we can say that one of the dimensions is more important than the others, or, if so, exactly how much more important. Thus, we believe it is more appropriate not to make that judgment, but rather to weight the factors equally. Appendix E discusses the implications of this choice to weight the factors equally and the sensitivity of the overall index to these alternative assumptions.

Regional Distribution of City Need

Using the single needs index, large central cities in every region tend to be needier than smaller central cities, which are more needy than satellite cities (Table 3-5). For example, in the Northeast, central cities with populations greater than 250,000 have average needs scores of .73. Smaller central cities are less needy, as their average needs score of .17 suggests. And satellite cities in this region are the least needy, with an average needs score of -.11.

On average, cities with needs scores in the Northeast tend to be neediest, as the overall index of .14 for this region indicates. On average, cities in the North Central and Southern regions have about the same needs scores. Cities in the West tend to be less needy.

Table 3-5
Average need score by census region
and city size and type

Census region	Large central	Small central	Satellite	All cities	Number
Northeast	.73	.17	-.11	.14	113
North Central	.33	.04	-.62	-.09	164
South	.05	-.01	-.81	-.08	187
West	-.28	-.37	-.55	-.44	170
Overall/total	.07	-.02	.-53	*	634

* This is 0, when weighted by population.

Although, on average, cities in the West tend to be less needy than other parts of the country, cities in each of the 10 HUD regions rank among the top 2 quintiles in terms of city need. For example, HUD Regions 9 and 10 are in the West census region, but 28 entitlement cities in these regions rank in the top 2 quintiles in terms of overall city need.

Table 3-6 also shows the regional distribution of missing data on city need. One effect of the missing cases is that they make the East seem needier than it probably is. For example, complete data were available for just 37 of 69 entitlement cities in Region 2. And of the cities with composite needs scores, 78 percent were in the highest two quintiles of need. Generally, the missing cases are considered by the census to be "minor civil divisions," and particularly in the East and in some places in the Midwest, these tend to be suburban communities. If data on these communities were available, in all probability, they would

3-18

have low needs scores. Thus, the extreme right column is
presented as an alternative way to assess need across regions.
Cities in the East, and especially Region 3, still appear most
needy, but the difference is less dramatic. Appendix C attempts
to assess the comparative need of the missing cities ry Region.

Table 3-6
Cities in the two highest quintiles
of city need by HUD region

HUD region[a]	Total entitlement cities	Entitlement cities with needs scores	In two highest needs quintiles		
				Percent of:	
			Number	ent. cities with scores	all cities
1	69	55	21	38%	30%
2	69	37	29	78	42
3	59	46	36	78	61
4	106	92	47	51	44
5	146	133	57	43	39
6	83	73	26	35	31
7	26	26	7	27	27
8	28	27	3	11	11
9	135	126	25	20	19
10	20	19	3	16	15
Totals	741	634	254	40%	32%

[a]   HUD Regions are defined further in Appendix A

Table 3-7
Cities with populations of more than 300,000
(and cities with 1980 populations over 250,000)
by their need scores in 1990

Rank	City	Need score	Rank	City	Need score
1.	Detroit	1.6	30.	Houston	-.*
2.	Newark	1.4	31.	Long Beach	-.*
3.	Cleveland	1.3	32.	St. Paul	-.1
4.	Buffalo	1.1	33.	Denver	-.1
5.	New Orleans	1.1	34.	Tucson	-.1
6.	Miami	1.0	35.	Portland	-.1
7.	St. Louis	.9	36.	Minneapolis	-.1
8.	Baltimore	.7	37.	Fort Worth	-.1
9.	Chicago	.7	38.	Columbus	-.2
10.	Philadelphia	.6	39.	Sacramento	-.2
11.	Atlanta	.6	40.	Dallas	-.2
12.	Birmingham	.6	41	San Francisco	-.2
13.	Louisville	.5	42.	Oklahoma City	-.2
14.	New York	.5	43.	Baton Rouge	-.2
15.	Pittsburgh	.5	44.	Nashville-	
16.	Cincinnati	.5		Davidson	-.3
17.	Memphis	.4	45.	Tulsa	-.3
18.	Milwaukee	.5	46.	Wichita	-.3
19.	Oakland	.3	47.	Omaha	-.3
20.	Toledo	.3	48.	Albuquerque	-.4
21.	Norfolk	.3	49.	Seattle	-.4
22.	El Paso	.3	50.	Phoenix	-.4
23.	Boston	.2	51.	San Diego	-.4
24.	Washington	.2	52.	Indianapolis	-.4
25.	San Antonio	.2	53.	Jacksonville	-.4
26.	Tampa	.2	54.	Austin	-.5
27.	Kansas City	.1	55.	Charlotte	-.6
28.	Los Angeles	.1	56.	Honolulu	-.6
29.	Fresno	.1	57.	San Jose	-.6
			58.	Virginia Beach	-.9'

* Less than +/- .05.

Comparison of this needs index with other measures. It
is appropriate to do some testing of this index to determine
whether in fact it worked to approximate city need. One basic
test of the measure is to compare it with the results of HUD's
previous efforts in this regard. Table 3-8 is a reproduction of
a table similar to Table 3-7, which was used in the 1983 formula
study (Bunce and Neal, 1983, page 77). It lists cities with
populations greater than 250,000 in 1980 by their needs score at
that time. A quick comparison of Table 3-7 and Table 3-8
indicates that the lists are quite similar. Cities like Detroit,
Cleveland, and Buffalo are among the neediest on both lists.
Cities like San Jose, Phoenix, and Austin are among the least

needy on both lists. The Pearson's correlation coefficient between the 1980 needs score and the one developed in this chapter for cities in the 1980 list is .92, suggesting a strong relationship between the needs index in 1980 and 1990.

Of course, there is no necessary reason for a 1990 needs indicator to correlate very highly with one from a decade ago. The needs of individual cities may have changed during that time, both absolutely and relative to one another. However, assuming that major cities have not changed much over the decade, the similarity of the needs indices suggests that the one developed here works to measure the same concept as that used previously.

Table 3-8
Cities with populations of more than 250,000
in 1980 by their need score in 1980

Rank	City	Need score	Rank	City	Need score
1.	Newark	1.6	29.	San Antonio	.2
2.	Detroit	1.1	30.	Long Beach	.1
3.	Cleveland	.9	31.	Fort Worth	.*
4.	St. Louis	.9	32.	El Paso	-.*
5.	Atlanta	.9	33.	Sacramento	-.*
6.	Baltimore	.9	34.	Columbus	-.1
7.	Buffalo	.8	35.	Portland	-.1
8.	Chicago	.7	36.	St. Paul	-.1
9.	New Orleans	.7	37.	Denver	-.1
10.	Philadelphia	.7	38.	Omaha	-.1
11.	New York	.7	39.	Seattle	-.1
12.	Washington	.6	40.	Indianapolis	-.2
13.	Boston	.6	41.	Dallas	-.2
14.	Birmingham	.6	42.	Charlotte	-.3
15.	Miami	.5	43.	Jacksonville	-.3
16.	Cincinnati	.5	44.	Baton Rouge	-.3
17.	Louisville	.5	45.	Nashville-Davidson	-.4
18.	Oakland	.5			
19.	Norfolk	.4	46.	Wichita	-.4
20.	Pittsburgh	.4	47	Oklahoma City	-.4
21.	Memphis	.3	48.	Tucson	-.5
22.	Milwaukee	.2	49.	San Diego	-.5
23.	Tampa	.2	50.	Tulsa	-.5
24.	San Francisco	.2	51.	Albuquerque	-.6
25.	Toledo	.1	52.	Houston	-.6
26.	Kansas City	.1	53.	Austin	-.6
27.	Los Angeles	.1	54.	Honolulu	-.6
28.	Minneapolis	.1	55.	Phoenix	-.7
			56.	San Jose	-.8

* Less than +/- .05.

Studies of fiscal health. A recent report assessed the current fiscal stress of 30 major cities (Dearborn, et al., 1992). While the authors did not develop a needs index for city fiscal need, or rank cities according to need, they presented brief summaries of the fiscal outlook for the following 13 cities: Detroit, East St. Louis, Philadelphia, Bridgeport, Cleveland, St. Louis, Chicago, Boston, San Francisco, San Antonio, New Orleans, Milwaukee, and New York. Their characterizations of the fiscal status of these 13 cities is not inconsistent with the needs score developed here. Some examples follow.

Of Detroit, the large city that scored most needy on the index developed in this chapter, The Urban Institute team wrote, "Among large cities, Detroit comes closest to a city without viable local options" (Chapter 3, page 2).

The report said of East Saint Louis, Illinois that its "public services have been cut to levels that even in third world cities would be considered bare bones, or less" (page 7). The writers further noted that although State receivership "provides for the literal survival of East Saint Louis, it is analogous to life support for a terminally ill patient" (page 8). Of all cities for whom distress scores were calculated in this chapter, East Saint Louis' rating of 2.1 was surpassed only by the city of Benton Harbor, Michigan, another city that is clearly very distressed.

Dearborn, et al. wrote the "while the San Francisco economy has slowed, it is still relatively healthy despite the recession" (page 23). On the needs index used here, San Francisco's score was -.2, which is not among the most needy big cities.

And of San Antonio, they wrote that "budget restraint and tax increases (kept) the city fiscally healthy" (page 25). On the needs score used here, San Antonio's rating of .2 is in the moderate range of big city need.

It is difficult to use the sketches of city fiscal need presented in The Urban Institute's paper to rank cities according to need. However, the descriptions provided by the authors seem to be consistent with the needs index developed in this chapter. Most of the cities discussed by The Urban Institute are described as quite stressed, and the needs index used here shows them as highly needy. The needs index clearly identified as most needy two cities The Urban Institute found to be in severe fiscal distress. Cities that they found to be fiscally healthy generally have scores on the needs index that suggest less need.

City need and conditions in 64 cities. Data from the
American Housing Survey (AHS) provide another vehicle for testing
the validity of the needs index. In recent years, the AHS has
information on a sufficient number of households in selected
cities to permit use of those data to indicate housing and
neighborhood conditions in those cities.

Table 3-9 summarizes the relationship between data that
directly indicate housing and community development need and city
needs scores for 64 AHS sample cities with recent data. (See
Appendix G for a discussion of the AHS and the method used in
producing this table). The correlations presented here suggest
that as the proportion of households experiencing the adverse
conditions noted increase in a city, so does the city's need
score. Additionally, the fact that the combined needs index is
more highly correlated with three of the four indicators of
neighborhood conditions than are the individual needs factors
suggests that the composite indicator works to identify
communities with overall neighborhood problems.

Table 3-9
Dimensions of community development need
correlated with housing and neighborhood problems
in 64 large cities

	Dimensions of need			
Housing conditions	Poverty	Density	Age/decline	Needs index
Households unsatisfied with their homes	.30	.64*	.04	.50*
Households in severely inadequate housing	.18	.66*	.21	.54*
Neighborhood conditions				
Households unsatisfied with their neighborhoods	.52*	.61*	.25*	.72*
Homes with abandoned homes in neighborhood	.40*	.49*	.41*	.68*
Homes near homes with bars on windows	.18	.61*	.17	.49*
Homes with a major trash problem nearby	.43*	.31*	.54*	.67*
Road conditions				
Homes on a road in need of major repair	.43*	.54*	.31*	.58*

* Correlation significant at the .01 level or higher.

Community Development Need in Urban Counties

Among entitlement communities, there is a distinct division between urban counties and cities. A city qualifies as an entitlement if it is a designated central city or it has a population in excess of 50,000. In contrast, a county can qualify as an entitlement grantee if it has a population greater than 200,000 net of any entitlement city and meets certain powers tests. The powers tests relate to a county's authority to carry out community development and housing assistance activities in its unincorporated areas and in those incorporated areas that sign cooperative agreements with the county for purposes of the program.

The data that are used to calculate urban counties' grant allocations are based on the population in the urban county areas that it will serve. As a result, most urban counties have one or two "bites" taken out of them by entitlement cities and noncooperating incorporated areas. Further, urban counties tend to include multiple urban environments -- small cities, suburban developments, and rural areas. The different mix of these environments in each urban county makes it difficult to generalize about county need.

Due to the heterogeneous nature of urban counties and limited data availability on their entitlement portion (because of aggregation problems), a needs index can only have limited scope. While the needs index developed in this section uses the same general methodology as the one used to measure city need, it does not capture as many economic and infrastructure variables.

Further, instead of using factor analysis to condense the various needs into a few factors, as done in the city analysis, actual variables are used, such as family and elderly households in poverty, which tend to proxy a number of other variables. The motivation to not use factor analysis is due to the few number of cases (133) and the limited number of variables available to use in the analysis.

Indicators of Urban County Need

Three needs indicators are used in this section, family and elderly households in poverty, renter households with one of four problems, and change in the percent of persons in poverty from 1980 to 1990.

The urban county needs indicators were selected by taking the following steps:

1) identifying variables with an incidence greater than 5 percent and a moderate amount of variation;

3-24

2) running correlations on the remaining variables and identifying variables that correlate to a high degree; and

3) selecting from each group of correlating variables the one variable that most represents a social, economic, or infrastructure need and has a high level of variation.

These three steps identified family and elderly households in poverty, as well as renters with housing problems as variables that separately represented different types of housing need. Growth in poverty rate was selected independently for reasons discussed later in this section.

Conveniently, the family and elderly households in poverty variable along with the renters with problems variable appear to represent similar needs as the "poverty" and "density" factors from the city needs indicators.

Family and elderly households in poverty. In addition to being a direct measure of need, the percent of family and elderly households in poverty also correlates highly with unemployment rates, individuals without high school education, low per capita income, and little change in per capita income from 1980 to 1990. Of those variables, family and elderly households in poverty has the greatest variance. The greater variance a variable has, the better it distinguishes levels of need between counties. Further, family and elderly households in poverty is a crucial variable in targeting CDBG funds for low- and moderate-income benefit.

Analysis of AHS data shows that in non-city metropolitan areas,[2] households in poverty tend to have the following characteristics to a much greater extent than the general population: single parents with children, adults with less than a high school education, overcrowded housing, rent burden of 30 percent of income or more, inadequate housing, rating of home at 3 or less (poor) on a 10-point scale, abandoned homes in neighborhood, roads in need of major repair, and rating of neighborhood at 3 or less (poor) on a 10-point scale. Table G-11 in Appendix G provides more information.

The downside of using family and elderly households in poverty is that persons in poverty is one of the variables currently used in the formula distribution. This results in a

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[2] "Non-city metropolitan areas" is used as a rough geography to represent urban county characteristics when analyzing AHS data. Due to the limited geography data available through AHS, it is impossible to match urban county areas exactly.

circular argument -- if need is measured as poverty, then necessarily the portion of CDBG funds allocated by the poverty variable will be targeted to need. But the fact that poverty correlates so well with other indicators of need, combined with the self-evident fact that large portions of people in poverty is an indicator of community need, and the universal availability of poverty rates for entitlement communities makes it appropriate to use poverty as a component of a county needs measure.

Renter households with one of four problems. The percent of renter households with one of four problems (rent burden greater than 30 percent of income, overcrowding, lacking complete kitchen, and/or lacking complete plumbing) has a low correlation with family and elderly households in poverty, yet represents several types of housing need. This variable will target to counties with high costs of living, but not necessarily high levels of poverty. Within counties, this variable correlates reasonably well with minority households and somewhat to single mothers. Of the three variables used to develop the county needs index, renters with problems is the most indicative of housing or economic need.

There are two dimensions to this variable - renters and housing need. On average, renters tend to be worse off economically than homeowners. Money they spend on housing does not build equity or serve as an investment. Further, renters tend to have less savings and tend to be young, elderly, or poor. Each of those groups is a high consumption group on a community's resources.

Among the four variables that represent housing problems, renters with rent burden is the largest component, accounting for approximately 11 percent of all households in urban counties and roughly 88 percent of renters with one of four problems. This problem, along with overcrowding, tends to occur in higher cost, higher density areas than poverty.

AHS data confirm this hypothesis. In non-city metropolitan areas, renters with one of four problems tend to be concentrated in areas with density greater than 1,000 persons per square mile, while poverty is a greater problem in rural suburbs. Further, this variable targets better to severely inadequate housing and households dissatisfied with their home than does poverty.

The geographic distribution of this problem is also different than it is for poverty. Renters with one of four problems tend to reside in Northeastern and Western urban areas, while poverty is more of a problem in the South.

This analysis confirms the hypothesis that renters with one of four problems is targeting to a different type of need than poverty. A problem with this variable as an indicator of need,

3-26

however, is its low variance between counties -- counties have only small variance in their percent of renters with one-of-four problems.

Growth of poverty rate from 1980 to 1990. The last need variable used in the urban county analysis is the change in the rate of persons in poverty from 1980 to 1990. This variable is intended to serve as a measure of increasing need. The premise is that counties with an increasing poverty rate are getting worse while counties with a decreasing poverty rate are improving. For example, if a county's poverty rate changed from 2 percent to 4 percent between 1980 and 1990, an increase of 2 percent, its need on this variable is growing worse, while a decrease in its poverty rate from 12 percent to 11 percent indicates an improvement.

This variable is used as a substitute for the age and decline variable of the city needs index because in the few urban counties that have old housing or population decline, the correlations between need variables such as poverty or housing problems are small. Further, AHS data suggest that traditional measure of age and decline, such as age of housing, are not applicable to urban counties.

It is important to include a variable that measures change over time, like growth of poverty rate, because "level" indicators such as family and elderly households in poverty and renters with problems only indicate the current level of problems. Since the CDBG formula uses the same needs data throughout the decade, it is important to identify counties that are likely to get worse throughout that period. The basis behind using growth in poverty as a needs variable is the hypothesis that counties that have increasing poverty rates will continue to have increasing poverty rates, while counties with declining poverty rates will continue to have declining poverty rates.

Comparing the needs variables. To rank each of the needs variables on the same playing field, each of the three needs variables were normalized. In other words, each of the county's needs variables were placed on a scale that zeroed the mean for all counties and measured the "distance" from the mean for each county.

Table 3-10 shows the highest and lowest ranking counties for each of the three needs dimensions. The higher the score, the greater need the community has on that needs dimension. For example, Hidalgo County, Texas, has the largest percent of family and elderly households in poverty (42 percent) and Waukesha County has the least (2 percent).

Table 3-10
Highest and lowest-need
counties on three dimensions of community need

Family and elderly households in poverty

Most need		Score	Least need		Score
Hidalgo County	TX	9.58	Waukesha County	WI	-1.06
Kern County	CA	2.82	Morris County	NJ	-1.04
Fresno County	CA	2.72	Somerset County	NJ	-1.00
Escambia County	FL	2.23	DuPage County	IL	-.93
Jerrefson Parish	LA	1.76	Montgomery County	PA	-.86
St. Louis County	MN	1.72	Prince William County	VA	-.82
Dada County	FL	1.57	Bucks County	PA	-.81
Beaver County	PA	1.50	Middlesex County	NJ	-.79
Washington County	PA	1.43	Fairfax County	VA	-.76
Pima County	AZ	1.40	Milwaukee County	WI	-.76

One of four housing problems for renters

Most need		Score	Least need		Score
Hudson County	NJ	3.73	Waukesha County	WI	-1.71
Los Angeles County	CA	2.92	Will County	IL	-1.43
Arlington County	VA	2.91	York County	PA	-1.32
Clark County	NV	2.72	Knox County	TN	-1.31
Fresno County	CA	2.34	Kent County	MI	-1.31
Kern County	CA	2.07	Berks County	PA	-1.30
Dade County	FL	2.06	Chesterfield County	VA	-1.17
Sacramento County	CA	1.95	Lake County	IL	-1.15
Marin County	CA	1.70	Stark County	OH	-1.14
Dekalb County	GA	1.52	Summit County	OH	-1.12

Growth of poverty rate from 1980 to 1990

Most need		Score	Least need		Score
Hidalgo County	TX	4.03	Hudson County	NJ	-2.50
Beaver County	PA	3.53	Wake County	NC	-1.77
Fresno County	CA	3.25	Gloucester County	NJ	-1.49
Jefferson Parish	LA	2.94	New Castle County	DE	-1.48
Kern County	CA	2.65	Ocean County	NJ	-1.39
Washington County	PA	2.36	Monmouth County	NJ	-1.35
Westmoreland Co.	PA	1.88	Shelby County	TN	-1.29
Harris County	TX	1.66	Sonoma County	CA	-1.27
Genesee County	MI	1.60	Suffolk County	NY	-1.25
Adams County	CO	1.22	Orange County	FL	-1.21

On the next page, Table 3-11 shows the rankings on each of the needs variables for selected counties and compares them to the other variables that indicate similar type of need. The table supports the earlier discussion of why poverty and renters with problems were selected as needs indicators.

Table 3-11
Selected counties needs scores
and values on key comparison variables

County	State	Family+ elderly poverty index	Comparison variables			
			Family+ elderly poverty	Persons unem- ployed	W/o HS educ.	1989 Income
Waukesha County	WI	-1.06	2%	3%	9%	$19,413
DuPage County	IL	-.93	2	3	10	22,160
Wake County	NC	-.35	5	3	14	17,520
Henrico County	VA	-.31	5	3	16	18,019
New Castle County	DE	-.30	5	3	14	18,057
Sonoma County	CA	.11	6	5	14	17,231
Allegheny County	PA	.18	8	5	16	16,395
Adams County	CO	.45	8	6	17	16,310
Fresno County	CA	2.72	14	11	31	12,256
Hidalgo County	TX	9.58	42	16	49	5,357
Average		0	7%	5%	16%	$17,432

County	State	Renters with problem index	Comparison variables		
			Renters with problem	Minority head hld	Female- headed households
Waukesha County	WI	-1.71	4%	2%	3%
Wake County	NC	-.95	8	15	5
DuPage County	IL	-.53	9	8	4
New Castle County	DE	-.43	10	12	6
Allegheny County	PA	-.35	10	5	5
Adams County	CO	.23	12	19	8
Henrico County	VA	.29	12	20	7
Hidalgo County	TX	.66	14	81	10
Sonoma County	CA	1.28	16	11	7
Fresno County	CA	2.34	21	36	8
Average		0	11%	13%	6%

County	State	Poverty growth index	Comparison variables		
			Poverty growth	Pop. change '60-'90	Pop. change '80-'90
Wake County	NC	-1.77	-3%	185%	51%
New Castle County	DE	-1.48	-2	75	13
Sonoma County	CA	-1.27	-2	136	28
Henrico County	VA	-.45	-1	86	21
Waukesha County	WI	-.23	0	82	9
DuPage County	IL	-.11	0	132	13
Allegheny County	PA	1.04	2	- 4	- 5
Adams County	CO	1.22	2	124	7
Fresno County	CA	3.25	5	34	19
Hidalgo County	TX	4.03	6	105	46
Average		0	0%	130%	22%

On the other hand, change in poverty rate growth is largely unrelated to changes in population. This is not surprising because of the size of counties and the way they have grown. Some counties have grown through an influx of exclusively wealthier households while other counties have grown with a combined influx of poor and higher income households. Further, only 19 of the 133 urban counties have lost population between 1960 and 1990, and the population decline in those counties has not necessarily been indicative of increased need. A change in the poverty rate from 1980 to 1990, however, is a clear indicator of a change in need.

Distribution of Need Across Counties

County need as measured by the three factors is different in different parts of the country (Table 3-12). Counties have a different distribution of needs than the cities examined earlier. On average, Western counties are the most needy urban counties on all need dimensions. In contrast, the analysis of the city needs indicators shows that Western cities tended to be the least needy on most dimensions.

Table 3-12
Average needs variable scores
by census region

	Family+ elderly poverty	Renters with problems	Poverty growth	Number of counties
Northeast	-.28	-.38	-.30	33
North Central	-.24	-.66	.34	27
South	.46	.06	-.20	41
West	.53	.90	.39	30
All counties	0	0	0	131

On all three dimensions, the South and North Central regions of the country appear to have opposite levels of need. The South tends to have higher levels of family and elderly households in poverty and renters with problems, while North Central counties have relatively low levels. Conversely, the growth in poverty rate for North Central counties is higher than it is for Southern counties. This suggests that while Southern urban counties tend to have greater need than North Central counties, North Central county need is increasing at a faster rate. Finally, Northeast urban counties generally appear to be less needy on all variables than the rest of the country.

AHS data presented in Appendix G show that in general urban counties are less needy than their central city and non-metropolitan counterparts. However, Western and Southern urban counties have higher incidence of need than urban counties in the North.

A Composite Urban County Needs Index

In order to compare the current formula allocations to the needs variables identified above, a single needs index is needed to compare against the current and alternative per capita formula allocations.[3]

Several counties regularly fall as either best off or worst off consistently across needs variables. For example, Waukesha County is consistently among the better off counties and Hidalgo County is consistently among the worst off. It is easy to rank the overall need of those places.

Of deeper concern for this needs index, are the counties that rank poorly on one needs variable and rank well on another. A good example is Hudson County, New Jersey, which is the most needy county on the renter problem index and the least needy on the growth in poverty rate index.

What does it mean to have low poverty growth and high one in four problems? How should the needs variables be combined to develop a single needs index? Further, as shown above, each of the needs variables varies across different regions of the country.

We have chosen to build a single needs indicator by weighting the separate factors equally. This was done because there is no clear rationale for weighting one factor more heavily than the others. Thus, the needs index for urban counties used throughout the rest of the report is derived as follows:

NEED = .33*(Poverty) + .33*(Renter problems) + .33*(Poverty growth)

Regional Distribution of Urban County Need

Using the single needs index, it is clear that on average county need increases as one moves from Northeast to Southwest (Table 3-13). The differences, however, are relatively small, and in general the more needy counties are not much more needy than the less needy counties.

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[3] Note that the composite urban county needs index developed here applies only to counties and is not comparable to the city needs score discussed earlier in this chapter. For example, a county with a county needs score of 1.0 is more needy than a county with a needs score of -1.0. One cannot say that a county with a county needs score of 1.0 is more or less needy than a city with a city needs score of -1.0.

Table 3-13
Average urban county distress score
by census region

	Need	Number of counties
Northeast	-.32	33
North Central	-.22	27
South	.11	41
West	.61	30

Table 3-14 shows the need for all of the counties[4] ranked from least needy to most needy. There are a few counties with extreme need (Hidalgo, Fresno, and Kern Counties). The level of needs among counties, however, drops off quickly. The 10 most needy counties have an average need score that is more than twice that of the next 10 high-need counties (2.01/0.86). In general, the need among counties is relatively similar and tends to be considerably less than the entitlement cities.

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[4] This does not include Saint Louis County, Minnesota, or Kitsap County, Washington, because 1980 poverty data were not available for their 1993 urban county configurations.

Table 3-14 Counties by their needs scores

Rank	County	State	Score	Rank	County	State	Score
1.	Wake County	NC	-1.02	67.	Hamilton County	OH	-.10
2.	Waukesha County	WI	-1.00	68.	Contra Costa County	CA	-.06
3.	Bucks County	PA	-.86	69.	Baltimore County	MD	-.05
4.	Shelby County	TN	-.85	70.	Montgomery County	OH	-.04
5.	Morris County	NJ	-.83	71.	St. Louis County	MO	-.04
6.	Anne Arundel County	MD	-.80	72.	Essex County	NJ	-.04
7.	Gloucester County	NJ	-.80	73.	Polk County	FL	-.02
8.	York County	PA	-.79	74.	King County	WA	-.02
9.	Somerset County	NJ	-.79	75.	Montgomery County	MD	-.01
10.	Monmouth County	NJ	-.78	76.	Palm Beach County	FL	.00
11.	Burlington County	NJ	-.78	77.	Dallas County	TX	.02
12.	Kent County	MI	-.77	78.	Sonoma County	CA	.04
13.	Chester County	PA	-.74	79.	Rockland County	NY	.05
14.	New Castle County	DE	-.74	80.	Santa Clara County	CA	.07
15.	Berks County	PA	-.74	81.	Marin County	CA	.10
16.	Will County	IL	-.73	82.	Prince George's Co.	MD	.11
17.	Ocean County	NJ	-.72	83.	Wayne County	MI	.13
18.	Suffolk County	NY	-.72	84.	Luzerne County	PA	.14
19.	Sarasota County	FL	-.71	85.	Clackamas County	OR	.14
20.	Dutchess County	NY	-.71	86.	Orange County	CA	.15
21.	Onondaga County	NY	-.70	87.	Jefferson County	KY	.17
22.	Orange County	NY	-.69	88.	Orange County	FL	.17
23.	Montgomery County	PA	-.66	89.	Tarrant County	TX	.20
24.	Prince William Co.	VA	-.65	90.	Fulton County	GA	.22
25.	Lake County	IL	-.64	91.	Bexar County	TX	.25
26.	Nassau County	NY	-.63	92.	Arapahoe County	CO	.28
27.	Gwinnett County	GA	-.61	93.	Pasco County	FL	.28
28.	Middlesex County	NJ	-.61	94.	Allegheny County	PA	.29
29.	Chesterfield County	VA	-.61	95.	Washington County	OR	.31
30.	DuPage County	IL	-.52	96.	Hillsborough County	FL	.31
31.	Monroe County	NY	-.49	97.	Ventura County	CA	.32
32.	Knox County	TN	-.48	98.	Alameda County	CA	.35
33.	Lancaster County	PA	-.48	99.	Maricopa County	AZ	.35
34.	Lake County	IN	-.47	100.	Salt Lake County	UT	.37
35.	Cuyahoga County	OH	-.41	101.	San Mateo County	CA	.38
36.	Lee County	FL	-.40	102.	Spokane County	WA	.40
37.	Summit County	OH	-.40	103.	San Diego County	CA	.42
38.	Cobb County	GA	-.39	104.	Pierce County	WA	.43
39.	Franklin County	OH	-.39	105.	Multnomah County	OR	.44
40.	Johnson County	KS	-.39	106.	Clark County	WA	.45
41.	Jefferson County	AL	-.38	107.	Westmoreland County	PA	.55
42.	Camden County	NJ	-.36	108.	Genesee County	MI	.59
43.	Macomb County	MI	-.36	109.	Harris County	TX	.63
44.	Dakota County	MN	-.32	110.	Adams County	CO	.63
45.	Oakland County	MI	-.31	111.	Broward County	FL	.66
46.	Delaware County	PA	-.28	112.	Pima County	AZ	.69
47.	Snohomish County	WA	-.27	113.	Madison County	IL	.71
48.	Fairfax County	VA	-.27	114.	Dekalb County	GA	.75
49.	Westchester County	NY	-.25	115.	Hudson County	NJ	.77
50.	Lake County	OH	-.25	116.	Escambia County	FL	.85
51.	Anoka County	MN	-.24	117.	San Joaquin County	CA	.91
52.	Union County	NJ	-.23	118.	St. Clair County	IL	.95
53.	Stark County	OH	-.22	119.	Arlington County	VA	.96
54.	Erie County	NY	-.22	120.	Riverside County	CA	.99
55.	Seminole County	FL	-.21	121.	Sacramento County	CA	1.04
56.	Greenville County	SC	-.21	122.	Washington County	PA	1.12
57.	Milwaukee County	WI	-.20	123.	San Bernardino Co.	CA	1.19
58.	Cook County	IL	-.18	124.	Dade County	FL	1.27
59.	Volusia County	FL	-.18	125.	Clark County	NV	1.49
60.	Brevard County	FL	-.17	126.	Los Angeles County	CA	1.53
61.	Bergen County	NJ	-.16	127.	Beaver County	PA	1.61
62.	Henrico County	VA	-.15	128.	Jefferson Parish	LA	1.88
63.	Ramsey County	MN	-.15	129.	Kern County	CA	2.51
64.	Fort Bend County	TX	-.14	130.	Fresno County	CA	2.77
65.	Hennepin County	MN	-.11	131.	Hidalgo County	TX	4.76
66.	Pinellas County	FL	-.10				

4. THE 1990 CENSUS AND TARGETING TO COMMUNITY NEED

This chapter uses the city and county needs indices developed in Chapter 3 as tools to assess the impact of the 1990 census on the distribution of CDBG funds. This chapter compares per capita funding to jurisdictions at different needs levels. It examines cities for which we have a composite needs score, all cities on individual indicators of need, counties, and all entitlement jurisdictions together. Much of the presentation is in terms of needs deciles for cities and quintiles for counties. That is, the 634 cities with needs scores are divided into 10 groups of 63 or 64 cities based on how they rank on the needs index. The analysis then examines average funding of the communities that fall into each decile or quintile of need.

This chapter concludes with the following:

o   With the introduction of 1990 census data, the CDBG entitlement formula continues to target reasonably well to community need.

o   Overall, the use of 1990 census data worsens somewhat targeting to community need. This is especially true for cities.

o   The use of 1990 census data appears to improve targeting to need in urban counties.

Distribution of 1993 Entitlement Grants

Despite major changes in the CDBG entitlement communities during the 1980s, the 1993 formula continued to target program funds to community need. There were some 157 more entitlement communities in 1993 than there were in 1984 (21 percent increase). In addition, entitlement communities underwent considerable change since 1980 (such as substantial increases in poverty and overcrowding and continued decline in pre-1940 housing). Nonetheless, the second column of Table 4-1 shows that the higher a community's needs score, the larger its per capita CDBG grant in 1993.

Table 4-1 divides the 634 1993 entitlement communities with needs scores into 10 groups based on those needs scores. Category 1 contains the 63 communities with the lowest needs scores and the categories progress up to category 10, which contains the 63 communities with the highest needs scores. At every increase in needs decile, the average CDBG grant also increases. Communities in the lowest decile averaged $8.11 per person, and communities in the highest needs decile averaged $42.30 per person. Thus communities in the highest poverty

deciles averaged 5.2 times as much CDBG funds per person as communities in the lowest needs deciles. Moreover, with every increase in the needs decile, cities gradually received increased funding per capita.

Impact of the 1990 Census

Overall, the CDBG formula continues to target funds to city needs pretty well (Table 4-1). However, the effect of the 1990 census has been to diminish the degree of targeting in the program. A comparison of the column with 1980 poverty data (as well as 1980 pre-40 housing and overcrowding data) and the column with all 1990 data of Table 4-1 shows that the use of 1990 census data results in more funding for less needy cities and less funding for more needy cities.

The comparisons made in this chapter are the same as those in Chapter 2. They use the actual 1993 formula, appropriation amount, and entitlement geography as a baseline and compare this with a formula that uses a complete set of data from the 1990 census. In these comparisons, the only change is that 1990 census values for pre-1940 and overcrowded housing replace the values from the 1980 census that were used in 1993.

As an additional point of comparison, the data show the effect of using poverty data from the 1990 census instead of the 1980 values that were used in the 1992 allocation. Thus, where tables report "formula with 1980 poverty" they show the amount that the 1993 entitlement communities would have received given the 1993 allocations and the formula used in 1992.

Table 4-1 also shows that the effect of using the 1990 census in the CDBG formula is to diminish somewhat the degree of targeting to city need in the program. When 1990 poverty replaces 1980 poverty data in the formula, the ratio of funding between the most and least needy deciles drops from 5.7 to 5.2. Introducing 1990 housing data further drops this ratio to 4.7. The far right column of Table 4-1 shows that the least needy cities gain an average of $1.02 per capita when 1990 data on poverty and housing replace the 1980 data while the most needy cities lose an average of $3.06 per person. Generally, more needy cities lose funding as a result of using 1990 census data and less needy cities gain from this change.

Despite the funding changes caused by using 1990 census data, however, the formula still targets pretty well to need. The column with the 1994 estimates shows a gradual increase in funding as need increases, and still shows the most needy cities receiving more than four times as much funding as the least needy cities.

4-2

Table 4-1
Per capita grants by needs decile,
effect of using 1990 data on
entitlement cities,

Needs decile	Formula			Total change 1980 to 1990 data
	With 1980 Poverty	1993 Actual	With all 1990 data	
Least needy	$ 7.69	$ 8.11	$ 8.71	+$1.02
2	11.34	11.63	12.31	+ .97
3	12.72	13.27	14.10	+ 1.38
4	14.08	14.55	14.91	+ .83
5	16.17	16.56	16.35	+ .18
6	20.88	21.40	21.79	+ .91
7	20.21	21.20	22.15	+ 1.94
8	26.07	25.84	25.61	- .46
9	30.82	29.95	29.09	- 1.73
Most needy	43.84	42.30	40.78	- 3.06
Most/least	5.7	5.2	4.7	

Based on 634 cities with needs scores.

§   The "with 1980 poverty" figures are 1993 funds for 1993
     entitlements distributed with a formula that uses 1980
     poverty data. The "with all 1990 data" figures are 1993
     funds for 1993 entitlements distributed using a complete set
     of 1990 census data.

        The results of a regression analysis of per capita funding
and city need are presented in Table 4-2. Table 4-2 cites two
statistics, the "R^2" and the "Slope," both of which are important
in understanding how the formula directs funding to need. The
slope indicates the responsiveness of the formula to city need.
The larger the slope, the greater the average difference in per
capita funding for a more needy city and a less needy one. The
smaller slopes in the "with all 1990 data" column of Table 4-2
suggest that when the 1990 data are used in the formula the
difference in the per capita grants between more needy and less
needy cities diminishes.

        While the slope indicates the difference in funding for
cities with different needs scores, the R^2 statistic is a measure
of whether cities with equal needs receive equal grants. If the
R^2 were 1.00, it would mean that all cities with equal needs
scores received equal per capita grants and that no city with a
score suggesting higher need would receive a smaller per capita
grant than a city with a score suggesting less need. The lower
the R^2, the more likely the formula is allocating grants that are
inconsistent with city need.

As with the decile analysis illustrated in Table 4-1, the regression in Table 4-2 show a worsening of targeting to city need by the 1990 census. Using 1990 census data results in smaller slopes, suggesting less difference in per capita funding between more and less needy cities. The 1990 census data also result in lower R^2s, which means that the formula is less consistent in making similar grants to cities with similar needs. The relationship between city need and funding is worse when 1990 data are used both overall, as well as for city funding under either of the two formulas.

Table 4-2
Regressions of per capita funding by city needs score

| Group/statistic | Formula variant | | |
	with 1980 poverty	1993 Actual	with all 1990 data
All cities			
R^2	.60	.60	.55
Slope	16.9	16.2	15.0
Number	634	634	634
Formula A cities			
R^2	.73	.74	.65
Slope	9.2	9.3	8.8
Number	342	344	338
Formula B cities			
R^2	.51	.50	.44
Slope	17.4	16.6	15.3
Number	292	290	296

Thus, the results of the regression analysis confirm the earlier observation regarding targeting. With the introduction of the 1990 data, the CDBG formula continues to target to city need. However, compared to funding prior to using 1990 data, the use of 1990 data reduces the difference in per capita funding between more and less needy cities, and it makes it more likely that cities with similar needs will receive different per capita grants.

Additional Measures of How the 1990 Census Affects Targeting to Need

A series of individual needs indicators for all entitlement cities suggests the same conclusion as that noted in the previous section -- the CDBG formula continues to target reasonably well to city need, but the introduction of the 1990 census data diminishes somewhat the degree of targeting to city need.

Tables 4-1 and 4-2 are based on a single summary indicator of need. This indicator is a summary tool, which may include errors. It also does not include every entitlement community. To get a broader indication of the effect of the introduction of the 1990 census data, this section examines a series of individual needs indicators for a larger segment of the entitlement cities.

Table 4-3 contains information on 741 entitlement cities (which is all 1993 entitlement communities except those in Puerto Rico and Federal Way, Washington). It divide these cities into deciles on six separate indicators of need, including the 1990 unemployment rate, the 1990 family and elderly poverty rate, the proportion of households that have a female head and children present, the proportion of renter households with a 50 percent rent burden, the proportion of renter households with one of four housing problems, and the proportion of households that are minority. For each of these measures, Table 4-3 presents a projected per capita CDBG funding amount for each of the deciles. It also presents the estimated change in per capita funding for cities in each decile as a result of replacing 1980 data on poverty and housing with data from the 1990 census.

On each of the measures in Table 4-3, cities that are more needy tend to receive larger grants per capita than do cities that are less needy. However, cities that are less needy tend to gain funding and cities that are more needy on most measures tend to lose funding when 1990 data are introduced into the formula. The distribution of funds to need as indicated by these different variables is somewhat different, and each is discussed below.

Female-headed households with children. When the formula uses a complete set of 1990 census data, the 74 cities with the largest proportions of their households headed by single women with children would receive an average of $36.21 per capita, and the 74 cities with the smallest rate of female-headed households would receive an average of about $12.18 per person. That is, the worst off decile would receive about 3.0 times as much funding per capita as cities in the best off decile when the indicator is the proportion of female-headed households. The level of funding is related to the decile of female-headed households -- larger proportions tend to imply greater per capita funding. The effect of using 1990 census data is to take funding

from the cities with the highest proportions of female-headed households and give it to cities with moderate levels on this indicator.

Unemployment. Cities in the decile with the highest unemployment rates would average 3.7 times the per capita funding as cities with the lowest unemployment rates when the formula uses a complete set of 1990 census data. Per capita funding would increase steadily as the decile of unemployment increases. With regard to unemployment, cities in the highest two deciles of unemployment would lose the most CDBG funding per capita as a result of introducing 1990 data into the CDBG formula. The cities that would gain the most funding are those in the middle decile of unemployment. That is, it is cities with moderate rates of unemployment that would gain the most funding, although cities with low unemployment rates also would tend to benefit (except for the very lowest decile).

Poverty rate. The formula would continue to target to need as measured by the proportion of households that are poverty families or have an elderly head of household who is in poverty when 1990 data are introduced into the current dual formula. Cities in the decile with the highest poverty rates would receive an average of 4.1 times as much CDBG funding per capita as cities in the decile with the lowest poverty rates. Generally, Table 4-3 indicates that as a city's family and elderly poverty rate increases so does its per capita CDBG grant. However, the cities that receive the largest funding increases as a result of using 1990 census data are those with the lowest poverty rates in 1990. The cities that are in the three highest deciles of poverty would lose substantial amounts of funding.

Large renter rent burden. The proportion of households that are renters with rent burdens greater than 50 percent of their income is a measure of need for affordable housing. Overall, cities with the largest portion of their households with large rent burdens would receive about 3.6 times as much funding per capita as cities in the least needy decile when the formula uses a complete set of 1990 census data. The amount of change introduced by the 1990 data is somewhat less than for some of the other indicators. That is, use of the 1990 data does not greatly reduce targeting to cities with large rent burdens.

Minority population. On this variable, cities with the largest proportion of their families that are minority are considered needy and cities with the lowest proportion of minority families are considered less needy. Cities with the largest proportion of minority households would receive 3.4 times the per capita funding as the cities with the smallest proportion of minority households. And as with the other measures, the

4-6

TABLE 4-3

Estimated entitlement city per capita funding
by decile of need when all 1990 data are used

Needs Decile	Female-headed households		Unemployment rate		Fam/elderly poverty		50% Renter rent burden		Percent Minority		Renter housing problems	
	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change
Least	$12.18	-$0.18	$10.53	-$0.18	$ 8.94	+0.10	$ 8.50	-$0.28	$ 8.38	+$0.42	$ 8.87	-$0.34
2	16.15	+ 0.68	11.20	+ 0.10	10.91	+0.44	11.67	-0.06	10.86	+ 0.59	11.86	+ 0.03
3	13.74	+ 0.36	13.87	+ 0.29	15.66	+0.83	14.52	-0.30	13.35	+ 1.24	16.46	- 0.07
4	15.03	+ 1.50	14.75	+ 0.43	16.22	+1.84	15.09	+0.40	17.77	+ 0.73	15.36	- 0.24
5	16.54	+ 1.26	18.03	+ 1.02	16.19	+0.45	16.80	-0.28	17.93	+ 0.11	17.75	- 0.19
6	20.58	+ 1.70	19.07	+ 1.02	21.40	+0.48	18.80	+0.69	18.64	+ 0.28	24.74	- 0.48
7	17.70	+ 0.24	20.84	+ 0.37	21.34	+1.71	21.27	+0.31	21.10	+ 0.30	20.72	- 0.55
8	13.31	+ 0.48	23.67	+ 1.45	26.81	-1.21	27.53	-0.06	28.44	- 0.80	24.17	+ 0.17
9	30.32	- 1.80	29.79	- 1.44	31.66	-1.66	29.65	+0.05	28.97	- 0.99	29.57	- 0.09
Most	36.21	- 2.69	38.87	- 2.68	36.97	-2.69	30.32	-0.79	28.68	- 0.19	27.03	+ 0.24
Most/Least	3.0		3.7		4.1		3.6		3.4		3.0	

Based on 741 entitlement cities.

cities with the largest concentrations of minorities tend to lose funding and the cities with the smallest concentrations of minorities tend to gain funding when 1990 data on poverty and housing replace 1980 data in the CDBG formula.

Renter housing problems. Another measure of the adequacy of housing is the proportion of housing units that are renter occupied and that have one of four problems, including 30 percent rent burden, overcrowding, or incomplete plumbing or kitchen facilities. Cities with the highest rates of renter housing problems would receive about 3.0 times as much funding per capita as the least needy cities when the formula uses a complete set of 1990 census data. Similar to the 50-percent rent burden indicator, the use of 1990 housing data does not appreciably worsen targeting to cities with problems in renter housing.

Urban County Need

Using 1990 census data in the CDBG entitlement formula has a different effect on counties than it does on entitlement cities. For counties, the 1990 data improve targeting somewhat to need. With this improvement, the CDBG formula using a complete set of 1990 census data would target about equally well to county need as to city need.

Table 4-4
Per capita grants by needs decile,
effect of using 1990 data on
urban counties§

| | Formula | | | Total change |
Needs decile	With 1980 poverty	1993 Actual	With all 1990 data	1980 to 1990 data
Least needy	$ 8.71	$ 8.00	$ 7.85	-$ .86
2	8.02	7.82	7.61	- .41
3	8.99	8.95	8.70	- .29
4	10.37	10.50	10.61	+ .24
Most needy	12.99	13.96	14.77	+ 1.78
Most/least	1.5	1.7	1.9	

Based on all 133 urban counties.

§   The "with 1980 poverty" figures are 1993 funds for 1993 entitlements distributed with a formula that used 1980 poverty data. The "with all 1990 data" figures are 1993 funds for 1993 entitlements distributed using a complete set of 1990 census data.

Table 4-4 shows that in 1992, using 1980 housing and poverty data, the 37 least needy urban counties received about $8.71 per person and the 37 most needy counties received about $12.99 per person, or about 1.5 times as much. (Counties here are divided into quintiles because they are substantially fewer than are entitlement cities.) Introducing 1990 census data on housing and poverty into the formula would reduce the average per capita grant for the least needy counties by $.86 and would increase the grants for the most needy counties by $1.78 per person.

Table 4-5
Regressions of per capita funding
by urban county needs score

| | Formula variant | | |
Group/statistic	With 1980 poverty	1993 Actual	With all 1990 data
All urban counties			
R^2	.33	.49	.55
Slope	3.4	4.3	4.5
Number	133	133	133
Formula A			
Urban counties			
R^2	.68	.78	.82
Slope	3.1	4.1	4.6
Number	104	104	97
Formula B			
Urban counties			
R^2	.53	.58	.59
Slope	7.3	7.5	7.4
Number	29	29	36

The regression results presented in Table 4-5 also show this increase in targeting. The slope statistic, which shows responsiveness of the formula to county need, increases from 3.4 in the formula that uses 1980 values on poverty and housing to 4.5 in the formula that uses 1990 values for these formula variables. This suggests that there is a greater average difference in the per capita grant amounts between more and less needy counties when the formula uses 1990 census data. Similarly, the overall R^2 between county need and per capita funding improves from .33 to .55 when 1990 housing and poverty data are used in the formula. This suggests that counties with similar needs scores are more likely to receive similar grants when the formula uses 1990 census data. Similar improvement occurs in formula A and formula B counties.

TABLE 4-6

Estimated urban county city per capita funding
by quintile of need using all 1990 data

Needs Decile	Female-headed households		Unemployment rate		Fam/elderly poverty		50% Renter rent burden		Percent Minority		Renter housing problems	
	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change
Least	$ 8.50	-$0.47	$ 6.98	-$0.28	$ 7.09	-$0.13	$ 7.07	-$0.60	$ 7.39	-$ 0.01	$ 7.12	-$0.71
2	10.56	- 0.32	8.25	- 0.28	8.65	- 0.43	8.54	- 0.25	8.31	- 0.53	7.75	- 0.59
3	8.20	- 0.13	8.96	- 0.50	8.81	- 0.16	9.96	- 0.11	9.13	- 0.10	10.04	- 0.45
4	9.82	+ 0.50	10.71	+ 0.40	10.41	+ 0.28	10.45	- 0.10	11.53	+ 0.16	10.61	+ 0.55
Most	13.54	+ 1.18	15.93	+ 1.55	16.33	+ 2.14	13.64	+ 1.47	13.01	+ 1.07	13.65	+ 1.53
Most/Least	1.6		2.3		2.3		1.9		1.8		1.9	

Based on all 133 urban counties

Individual indicators of urban county need. As with entitlement cities, it is prudent not to rely too heavily on composite indicators of need. Table 4-6 shows the effect of using 1990 housing and poverty data in the formula on targeting to six individual indicators of need. These data support the conclusion that the effect of the 1990 census data is to improve somewhat targeting to urban county need. On all six indicators, female-headed households, unemployment rate, family and elderly poverty, large renter rent burden, minority population, and renter housing problems, the introduction of 1990 data on housing and poverty causes an increase in funding for the more needy counties and a decrease in funding for the less needy counties.

With regard to the proportion of the counties' households that have a female head and minor children, for example, the 1990 data improve targeting to need. The 27 urban counties with the smallest proportion of female-headed households would average about $8.50 per person in when all 1990 data are used, while the 27 counties with the highest rates would average about $13.54. The effect of the 1990 data will be to add $1.18 per capita to the counties that are worst off on this indicator and to deduct $.47 per capita from the counties that are best off on this indicator. Table 4-6 shows that this result is essentially the same for the other five individual needs indicators.

Overall Funding to Community Need

Despite the slight increase in targeting to need in urban counties, the overall effect of the 1990 census data is to diminish targeting to need in the CDBG entitlement program. This study has no single indicator of community need available for all entitlement communities. This section instead relies on the six individual indicators of community need to illustrate the effect of the 1990 census data on targeting. Table 4-7 shows estimated per capita funding under the current formula using a complete set of 1990 census data by decile of need as indicated by female-headed households, unemployment, family and elderly poverty, large renter rent burden, minority population, and renter housing problems. The tables suggest that the effect of the 1990 data was to take money from the neediest communities and to transfer it to communities that are in the middle range of community need. Despite this reduction in targeting, the CDBG formula using a complete set of 1990 census data would still be targeted to need, as indicated by these six measures.

Female-headed households. The 87 communities with the largest proportion of female-headed households would lose an average of $2.47 as a result of the introduction of 1990 data into the CDBG formula. The 87 communities that are least needy on this measure would lose -- $.41 per capita. The funds would shift to the communities that are in the middle range on this

4-11

measure of need. Nonetheless, when a complete set of 1990 data are used, the formula would target reasonably well to communities with large portions of female-headed households. The 87 worst off places would receive 3.6 times as much funding per capita as the best off places.

Unemployment. After all 1990 census data are used in the formula, the 87 cities with the highest rate of unemployment would receive about 4.6 times the per capita CDBG funding as the 87 communities with the lowest unemployment rates. The formula would continue to target to community need as measured by the unemployment rate. However, the 1990 census data also worsen targeting to need, as the 87 communities with the highest 1990 unemployment rates would lose an average of $2.10 per capita in funding.

Family and elderly poverty. The 87 communities with the lowest rates of family and elderly poverty would receive about $7.61 per person when the formula uses a complete set of 1990 census data; the 87 communities with the largest family and elderly poverty rates would receive about $35.87 per person. The formula would continue to target to need as indicated by this measure. As with other indicators, however, the use of the 1990 data worsens targeting to family and elderly poverty. The 87 communities with the highest rates of family and elderly poverty would lose about $2.51 per person because of the 1990 census.

Fifty-percent renter rent burden. The formula using a complete set of 1990 census data would target to communities where many renters are paying in excess of 50 percent of their incomes for housing. The 87 communities with the highest rates of large rent burdens would receive about 3.9 times the per capita funding as the communities with the lowest rates. While the 87 communities that are worst off on this measure would lose about $.87 per person, using 1990 census data only slightly worsens targeting to communities with large rent burden problems.

Minority population. Targeting to communities by proportion of minority population is similar to the other indicators of community need. In using a complete set of 1990 census data, the formula would continue to target reasonably well -- the 87 communities with the largest proportion of minority households would receive about 3.8 times as much funding as the 87 communities with the smallest minority proportion. But using 1990 data somewhat worsens targeting -- the 87 communities with the highest proportion of minority households lose funding and the 87 communities with the lowest proportion gain funding.

Rental housing problems. In contrast to the other
indicators of need, using 1990 data improves somewhat the extent
to which the formula funds communities with renter housing
problems.   The 87 communities with the largest portions of their
housing stock occupied by renters who are paying 30 percent of
their incomes for housing, who are overcrowded, or who have
incomplete plumbing or kitchen facilities gain $.20 per capita
when 1990 housing and poverty data are used. The 87 communities
that are best off on this measure lose about $.73 per capita. On
this measure, as on the others considered here, the formula in
1994 would continue to target reasonably well to need overall.

TABLE 4-7

Estimated entitlement city and urban county
per capita funding by decile of need
when the formula uses a complete set of 1990 data

Needs Decile	Female-headed households		Unemployment rate		Fam/elderly poverty		50% Renter rent burden		Percent Minority		Renter housing problems	
	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change	Per capita	change
Least	$ 9.94	-$0.41	$ 8.14	-$0.34	$ 7.61	-$0.03	$ 7.78	-$0.54	$ 7.53	+$0.42	$ 7.40	-$0.73
2	11.95	- 0.13	8.98	- 0.15	8.97	- 0.38	9.40	- 0.11	9.04	+ 0.59	9.97	- 0.37
3	10.23	+ 0.05	10.79	- 0.17	10.74	- 0.11	11.02	- 0.03	11.26	+ 1.24	11.34	+ 0.38
4	11.71	+ 0.48	12.25	+ 0.43	13.57	+ 1.13	13.37	+ 0.37	12.87	+ 0.73	13.40	+ 0.17
5	13.04	+ 1.38	14.42	+ 0.37	14.16	+ 1.09	14.35	+ 0.58	17.42	+ 0.11	14.70	- 0.14
6	16.31	+ 1.22	17.55	+ 1.17	17.12	+ 0.66	17.11	+ 0.29	16.88	+ 0.28	20.98	- 0.49
7	19.65	+ 1.46	18.22	+ 0.88	21.54	+ 1.36	19.15	+ 0.60	19.48	+ 0.30	19.63	+ 0.85
8	21.19	+ 0.66	22.63	+ 1.49	22.67	+ 0.66	23.18	+ 0.26	23.11	- 0.80	21.28	+ 0.26
9	28.06	- 1.62	28.59	- 1.20	30.19	- 1.78	30.08	+ 0.07	26.80	- 0.99	27.95	+ 0.04
Most	35.62	- 2.47	37.51	- 2.10	35.87	- 2.51	30.19	- 0.77	28.38	- 0.19	27.09	+ 0.20
Most/ Least	3.6		4.6		4.7		3.9		3.8		3.7	

Based on all 874 entitlement communities (133 urban counties and 741 entitlement cities)

4-14

5. WHY 1990 DATA DIMINISH TARGETING TO NEED

Chapter 4 showed that the Community Development Block Grant (CDBG) formula for entitlement communities would continue to target reasonably well to community need after all 1990 census data are introduced into the formula. It also showed that targeting to community need is reduced somewhat as a result of using 1990 census data. This chapter examines the reasons for this attenuation of targeting to community need. Comparisons in this chapter are based on the 634 cities for which the city needs index in Chapter 3 was developed. As in other chapters, comparisons are made from 1993 as a base year. The comparisons to the 1993 allocations are:

1. The distribution that would result when the 1993 allocation is made to 1993 communities with a formula that substitutes 1980 poverty data for the 1990 poverty data used in the 1993 formula (called the "1980 poverty" distribution); and

2. The distribution that would result when the 1993 allocation is made to 1993 communities with a formula that substitutes 1990 data for overcrowded and pre-1940 housing for the 1980 values used in the 1993 formula (called the "all 1990" distribution).

After discussing how the formula factors contribute to diminished targeting, this chapter considers the overall role of each factor and how it targets to city need.

Why the 1990 Census Diminishes Targeting to Need

The main factor behind the attenuation of targeting of the CDBG entitlement formula when 1990 census data are used is growth. Simply, needy cities are not growing, or worse, are losing population. Cities with low need are growing. The formula generally targets funds to growth (the growth lag variable is an exception, although Chapter 6 suggests that this variable has not prevented needy cities from losing funding over time), and the funding shift caused by the 1990 census reflects the growth that took place during the 1980s.

Table 5-1 focuses on the 634 cities that have scores on the needs index developed in Chapter 3. It shows the average per capita grant change that cities in different needs deciles would experience as a result of replacing 1980 census data on poverty, pre-1940 housing, and overcrowding with similar data from the 1990 census. Thus, it shows that the 64 cities in the least needy decile would gain about $1.15 per capita as a result of introducing the 1990 data. And the 64 most needy cities would lose an average of $3.08 per person.

Table 5-1

Formula components of per capita funding change

Needs decile	Change 1980 Pov.- All 1990	Formula A			Formula B		
		Population	Poverty	Crowding	Age	Poverty	Growth lag
1	+$1.15	-$ .10	+$ .48	+$ .74	+$ .05	-$ .02	NC
2	+ 1.34	- .08	+ .65	+ .79	+ .05	- .05	-$ .01
3	+ 1.63	- .09	+ .57	+ 1.13	+ .09	- .04	- .03
4	+ 1.07	- .07	+ .56	+ .51	+ .20	- .07	- .07
5	+ .41	- .08	+ .27	+ .03	+ .24	+ .04	- .09
6	+ .89	- .07	+ .58	+ .32	+ .28	- .14	- .10
7	+ 2.26	- .07	+ 1.10	+ 1.40	- .06	- .03	- .06
8	- .31	- .05	+ .28	- .04	+ .09	- .40	- .19
9	- 1.69	- .01	- .09	- .03	- .56	- .69	- .30
10	- 3.08	- .01	- .15	- .02	- 1.19	- 1.18	- .54

NOTE: For the comparisons here, there would be no change in population data. The observed changes in funding by population and growth lag result from changes in the pro rata reduction and communities changing formulas as a result of changes to the other formula elements. Table is based on 634 cities with needs scores. Appendix I describes the method used to develop this table.

NC -- no change.

Next, table 5-1 shows the contribution that each formula variable makes to the total funding change in each region. Reading horizontally, the $1.15 gain by the least needy decile would be composed of a $.48 increase from poverty in formula A, a $.74 increase from overcrowding, an increase of $.05 from pre-1940 housing in formula B, a loss of $.10 from population, and a loss of $.02 from poverty in formula B. This table shows that every formula variable that would change between 1980 poverty formula and the all 1990 data formula helps to cause the reduction in targeting to community need.

On average, the cities in the eight least needy deciles all gain funding from the effect of 1990 poverty data in formula A. Cities in the two most needy deciles lose from this change. Cities in the seven least needy deciles realize an average gain in funding from the 1990 overcrowding data, while cities in the three neediest deciles experience an average loss. In the B formula, 1990 poverty data generally cause a decrease in funding, but the loss is greatest among the most needy. Many formula B cities gain from the use of 1990 data on pre-1940 housing, but the most needy cities lose funding from this change. Reading Table 5-1 horizontally, it is clear that the most needy cities lose primarily in formula B, and it is due mainly to the effect of poverty and pre-1940 housing data.

Poverty. Poverty is a variable in both formula A and formula B. Under both formulas, as table 5-1 suggests, 1990 census data on housing and poverty have the effect of shifting funds away from the neediest cities and toward the least needy cities. It may appear odd that poverty, which is a clear indicator of need, would transfer funds from the more needy to the less needy cities.

The explanation for this apparent paradox is growth. The least needy formula A cities get more funding when 1990 data are used because their poverty populations grew more than average. For example, table 5-2 shows that the least needy formula A communities experienced a 45 percent increase in the number of persons in poverty. How, then, can they not be needy? It is because they are growing. The same cities that experienced an increase of 45 percent in their poverty populations actually experienced no change in their poverty rates, because their overall populations grew at the same rate as their poverty populations.

The most needy formula A cities lose poverty funding despite high poverty rates and poverty rates that actually increased during the 1980s. This is because their poverty populations grew more slowly than they did in the least needy cities, so that now the most needy cities have a smaller share of metropolitan poverty than they did in 1980.

The most needy formula B communities also lose significant amounts of funding despite increasing poverty rates. The most needy formula B cities had an average poverty rate in 1990 that was about 3 percent more than their 1980 poverty rate. Yet a substantial share of the funding loss among the most needy cities is due to the effect of poverty among the needy formula B cities.

This result is explained by the fact that the most needy formula B cities are losing population. That is part of the reason they are needy. But it also explains the funding loss associated with poverty. Their poverty rates increased more due to a loss of non-poor population than because of an increase in the number of people in poverty. They experienced an increase in the number of people in poverty of about 4 percent. This is far less than the entitlement average, and as a result they lose funding, despite great need.[1]

Table 5-2
Poverty change 1980-90 by needs quintiles

| Needs quintile | Change in poverty, 1980-1990 | | | |
| | Poverty rate | | Persons in poverty | |
	A cities	B cities	A cities	B cities
Least	NC	NC	+45%	+ 8%
2	+1%	+2%	+33	+16
3	+1	+2	+32	+10
4	+3	+1	+42	+ 4
Most	+2	+3	+26	+ 4

Based on 634 entitlement cities with needs scores. Formula A cities and Formula B cities each are broken into quintiles based on need.

NC -- no change.

Overcrowding. Like poverty, overcrowded housing is a direct indicator of community need. Why, then, would the overcrowding variable be responsible for shifting funds away from needy cities to the less needy? As with poverty, a large part of the answer is growth.

Using 1990 data on overcrowding shifts funds from the more needy cities to the less needy because the number of overcrowded

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[1] The increased pro rata reduction that results from using 1990 Census data also contributes to the loss in funding from poverty among the most needy cities. The overall result is that with 1990 data the neediest cities lose funding from the poverty variable both absolutely and on a per capita basis.

housing units increased more in less needy cities that receive funding under formula A. The more needy cities still have higher rates of overcrowding in 1990 than do the less needy cities. And the incidence of overcrowding in less needy cities remains quite low. However, because of the larger than average increases in overcrowding in the less needy cities, they receive funding increases when the new data are used.

Table 5-3
Overcrowding change 1980-90 by needs decile

Needs quintile	Overcrowded units in A cities				Percent change units
	1980 Data		1990 Data		
	Number	Percent	Number	Percent	
Least	49,368	3%	107,032	4%	+117%
2	121,992	5	216,039	7	+ 77
3	148,281	5	143,754	6	+ 72
4	209,967	6	326,922	9	+ 56
Most	392,541	11	620,310	15	+ 58

Based on 334 1993 formula A cities with needs scores.

Pre-1940 housing. In contrast to overcrowding, which increased during the 1980s, the number of housing units built before 1940 decreased. Because the number of pre-1940 housing units decreased more rapidly in more needy B cities during the decade, this formula variable tends to move money from more needy to less needy cities.[2] Table 5-4 illustrates some of the problems with pre-1940 housing as a formula variable. During the decade of the 1980s the more needy formula B cities lost substantial portions of their pre-1940 housing. These more needy cities are losing population and have growing poverty rates. There is less demand for the older housing, it falls into disrepair, and eventually is demolished. Because the CDBG formula awards money based on the number of these old units, it is the worst off cities that are hurt the most by updating this variable to reflect the loss during the 1980s.

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[2] The exact reason for the loss of pre-1940 housing units is unclear. The most obvious, and probably most significant, reason is the destruction of older units. Since the age of housing is reported in the census by the resident, it is possible that the respondents make mistakes in estimating the age of their housing. Errors in reporting are likely to be greater when the respondent is a renter or when the respondent has a low income. Thus, loss of units due to these errors also is likely to be related to community need. The housing variables used here are sample items in the census, so there also is sample error involved.

Table 5-4
Change in pre-1940 housing units in formula B cities,
1980-1990

Needs quintile	Pre-1940 housing units in B cities				Percent change units
	1980 Data		1990 Data		
	Number	Percent*	Number	Percent*	
Least	639,972	33%	593,224	28%	- 7%
2	1,111,512	44	1,035,242	38	- 7
3	884,616	37	772,154	33	-13
4	2,250,052	47	2,250,052	41	-15
Most	2,879,640	49	2,395,938	43	-17

Based on 290 1993 formula B communities with needs scores.

*   Percent of all housing units in the group in the period.

Table 5-5 illustrates this phenomenon with regard to some selected cities. Extremely needy cities such as Detroit, Newark, and Gary show more than a 30 percent loss of their housing stock that was built prior to 1940 during the decade of the 1980's. Thus, when the formula replaces 1980 housing data with data from the 1990 census, these needy cities lose substantial portions of the funding they had been receiving from pre-1940 housing.

Older affluent suburbs, such as Newton, Massachusetts, and Oak Park, Illinois, show very little change in their stock of pre-1940 housing during the 1980s. Thus, they have a larger share of the pre-1940 housing in metropolitan areas. This translates into significant funding increases when the 1990 census replaces the 1980 census in the formula.

Table 5-5
Formula B funding from aged housing,
selected cities

City	Change in Funding§ from Pre-40 Housing 1993-all '90	Pre-40 Housing Units in:		Pre-40 Units: Percent Change 1980-90
		1980 census	1990 census	
Newton, MA	+12%	17,364	17,190	- 1%
Oak Park, IL	+14	16,351	16,403	+ *
Royal Oak, MI	+13	5,492	5,455	- 1
Evanston, IL	+12	15,389	15,249	- 1
Detroit, MI	-23	214,968	146,748	-33
Benton Harbor, MI	-31	2,434	1,487	-39
E. St. Louis, IL	-48	6,387	2,911	-54
Gary, IN	-26	13,422	8,737	-35
Camden, NJ	-12	16,395	12,673	-23
Newark, NJ	-29	57,577	36,014	-37

* Less than .5. Note that the evident increase in pre-1940 housing units probably is due to sample error or reporting error in the census.

§ The method used to develop figures in this column is described in Appendix I.

How Individual Variables Work in the Dual Formula

The foregoing showed why using the 1990 census data in the formula causes a diminishing of targeting to city need. This analysis will assess the extent to which the individual components of the formula continue to direct funds to need. Before getting to that, however, it is necessary to discuss how the individual variables work in the formula as well as how the dual formula distributes funds around the country.

Distribution of funds by factor. While the specification of the formula applies specific weights to the individual factors, there are other aspects of the formula that determine exactly how much money is allocated by each factor. Table 5-6 shows the actual share of funds that each formula factor distributed in 1993 and is estimated to distribute by the 1980 poverty and all 1990 data formulas. The method used to determine funding share allocated by individual formula variables is described in Appendix I.

Table 5-6
Share of entitlement funds
distributed by each formula factor

Formula A factor	Share of funds			Factor weight
	1980 Pov.	1993	All '90	
Population	11.3%	11.1%	10.5%	.25
Poverty	18.1	20.0	19.1	.50
Overcrowded housing	11.5	11.3	13.3	.25
- Total formula A	40.9%	42.4%	42.9%	
Formula B factor				
Pre-1940 housing	28.4%	28.1%	28.2%	.50
Poverty	10.8	9.7	9.6	.30
Growth lag	19.9	19.7	19.2	.20
- Total formula B	59.1	57.5%	57.0%	

Note: Detail may not add to 100% due to rounding. All '90
represents funding under the current formula using a complete set
of data from the 1990 census.

Table 5-6 illustrates a two useful points. First, it shows
that the amount of funds that a formula factor allocates may be
somewhat different from its explicit weight. For example,
although population in formula A has a weight of .25, in 1993 it
allocated about 11.1 percent of all entitlement funds.
Overcrowding, which is weighted the same as population in formula
A, also allocated an estimated 11 percent of all 1993 funds.

Growth lag in formula B is worth noting as well. Even
though it carries an explicit weight in formula B that is less
than poverty (.2 to .3), in 1993 it allocated more than twice as
much entitlement money as the poverty factor in formula B —
19.7% compared with 9.7%.

Another point shown in table 5-6 is that the relative
importance of the factors changed as the 1990 census data were
introduced into the formula, even though the explicit weights
themselves do not change. For example, when the formula uses
1990 housing data (the "all '90" column) overcrowding in formula
A becomes more important and population in formula A becomes less
important in allocating funds.

These phenomena result from aspects of the formula other
than weights. All factors except growth lag distribute funds on
the basis of a jurisdiction's share of the Metropolitan
Statistical Area (MSA) total of that variable. Growth lag
distributes funds on the basis of a jurisdiction's share of total
growth lag for metropolitan cities and urban counties. Growth

lag is not defined for MSAs, but only for entitlement
jurisdictions. This means that growth lag has the potential of
distributing 100 percent of its share of funds, while the other
factors cannot because they do not contain 100 percent of the MSA
share of population, poverty, overcrowding, and pre-1940 housing.

Additionally, almost all communities with growth lag use
formula B, thereby claiming their share of growth lag funds. The
other formula factors are more distributed across the entitlement
communities. That is to say, for example, that the total
population of formula A communities relative to the total
population of all MSAs is a much smaller proportion than is the
share of growth lag in formula B communities relative to all
growth lag in entitlement communities. This results in growth
lag distributing relatively large shares of money.

Although the other factors do not approach growth lag in
their importance relative to their weight, the amount of funds
they distribute can vary substantially over time for similar
reasons. If 1990 data on overcrowding are used in the 1993
formula, a greater share of overcrowding is found in formula A
recipients relative to all MSA overcrowding than is evident when
1980 census data on overcrowding are used. This causes the
overcrowding factor to distribute more money when 1990 data are
used.

Table 5-7 shows these relationships more clearly. The first
two columns indicate the proportion of formula variables in MSAs
that are located in entitlement communities that use each
formula. For example, 47.6 percent of the MSA population was
located in entitlement communities that received funding through
formula A in 1993. If 1990 housing data had been used in the
1993 allocations (the "all '90" column), this figure changes to
46.2 percent as a result of some communities changing formulas.
Especially notable is the large proportion of growth lag
accounted for by formula B communities. Pre-1940 housing and
overcrowded housing both are relatively concentrated in
communities that are funded through the formulas that use these
factors.

The columns to the right side of table 5-7 show the weights
of each variable in the formula, and they also display the
"implicit weight" of each variable. The implicit weight
represents the actual portion of funds in either formula
distributed by each factor. For example, although growth lag is
explicitly weighted at .2 of the formula B total, in 1993 it
actually distributed .34 of the funds going to formula B
communities.

Table 5-7
Share of MSA totals accounted for by jurisdictions that use each formula and implicit and explicit factor weights in the dual formula

	Share of MSA totals in jurisdictions			Factor weights implicit			
	1980		All	1980		All	
Formula A	Pov.	1993	1990	Pov.	1993	1990	Explicit
Population	47.7%	47.6%	46.2%	.28	.26	.24	.25
Poverty	38.2	42.7	42.0	.44	.47	.44	.50
Overcrowding	48.6	47.9	58.3	.28	.27	.31	.25
Formula B							
Pre-1940 housing	60.0	60.1%	61.8%	.48	.49	.49	.50
Poverty	38.0	34.7	35.3	.18	.17	.17	.30
Growth lag	98.9	99.3	99.4	.33	.34	.34	.20

The larger implicit weights relative to the explicit weights result from the larger MSA shares of a factor in communities funded through the formula using that factor. Thus, growth lag has an actual importance far in excess of its explicit weight. Overcrowding would distribute more funds if 1990 housing data were used in the formula because of the increasing share of MSA overcrowding accounted for by formula A communities.

Regional Distribution by Formula

The two formulas benefit different parts of the country and different types of communities. Regions 4, 6, and 9 each receive more than 75 percent of their CDBG funds from formula A. Regions 1, 2, 3, 5, and 7 receive more than 75 percent of their funds through formula B. Only Regions 8 and 10 receive similar portions of their funding from both formulas. Clearly, having two formulas has an impact in distributing funds among regions.

Table 5-8 also indicates that using 1990 housing data in the formula would have little effect on the portion of any region's funds that come from either formula. We have seen elsewhere that replacing 1980 housing data with data from the 1990 census would change the distribution of funds among regions (see Table 2-7, for example) and among individual communities (see Table 2-8, for example). But, within regions, similar portions of funds would be allocated by either formula if 1990 census data were introduced.

Table 5-8
Percent of funds allocated by each formula
by region

Region	Percent of funds allocated by formula by year					
	1980 Poverty		1993		All 1990	
	A	B	A	B	A	B
1	0%	100%	0%	100%	0%	100%
2	7	93	6	94	5	95
3	15	85	14	86	14	86
4	81	19	80	20	78	22
5	18	82	19	81	17	83
6	87	13	89	11	89	11
7	20	80	22	78	21	78
8	49	51	53	47	52	48
9	89	11	91	9	92	8
10	49	51	52	48	51	49

Note: All 1990 represents funding under the current formula
using a complete set of 1990 census data.

Regional distribution of funds by formula factor. Within
the formulas, the individual factors have different impacts on
the allocation of funds to regions. Table 5-8 showed how the two
formulas tended to benefit different parts of the country. Table
5-9 shows how the individual factors allocate funds to the
regions.

In 1993, pre-1940 housing was the most important factor in
allocating funds to the northeastern part of the country, regions
1, 2, and 3. Poverty was most important in allocating funds to
the South and West. Among the regions that receive most of their
funding through formula B, growth lag was a bit more important in
Regions 3 (Middle Atlantic) and 5 (Great Lakes) than in others.
Overcrowding allocated more funds to Region 9 than to other
areas.

The last segment of Table 5-9 shows that when 1990 housing
data are introduced into the formula (the 1994 estimates), the
most notable change is the increased importance in overcrowding
in allocating funds to Region 9. This increase is such that
overcrowding actually would allocate more funding to Region 9
than any other factor, including poverty.

Using 1990 data on pre-1940 housing would have less impact
than the 1990 overcrowding data. The newer data would allocate
an increased share of Region 1's (New England) funds and affect
other regions as well, but the changes are comparatively small.

Table 5-9
Percent of funds allocated by each formula factor
by region

	Percent of entitlement funds in the 1980 poverty formula allocated by:					
	Formula A factor			Formula B factor		
Region	Population	Poverty	Crowding	Pre-1940	Poverty	Growth lag
1	0%	0%	0%	57.1%	16.2%	26.6%
2	2.8	2.9	1.2	47.8	18.0	27.3
3	5.9	6.1	2.7	41.5	14.3	39.4
4	19.8	41.6	19.5	5.8	4.9	8.4
5	7.4	7.4	3.6	35.5	14.2	31.9
6	19.2	41.9	26.2	4.4	3.4	4.9
7	7.4	9.2	3.8	36.7	13.1	29.7
8	17.0	22.3	9.8	24.4	10.7	15.8
9	22.4	34.1	32.1	6.0	1.8	2.4
10	18.7	21.7	8.9	28.9	9.1	12.5

	Percent of 1993 entitlement funds allocated by:					
	Formula A factor			Formula B factor		
Region	Population	Poverty	Crowding	Pre-1940	Poverty	Growth lag
1	0%	0%	0%	58.7%	14.2%	27.1%
2	2.9	2.2	1.3	49.9	15.5	28.2
3	6.0	5.4	2.8	43.0	12.7	30.2
4	20.0	40.2	19.5	6.5	4.8	9.0
5	7.4	7.7	3.6	35.3	14.5	31.6
6	17.3	48.0	23.5	4.0	3.0	4.4
7	7.5	10.6	3.8	36.2	12.7	29.2
8	16.6	26.8	9.4	22.1	10.3	14.8
9	20.8	40.1	29.8	5.6	1.5	2.2
10	18.5	24.4	8.8	27.5	8.9	12.0

	Percent of entitlement funds in the all 1990 data formula allocated by:					
	Formula A factor			Formula B factor		
Region	Population	Poverty	Crowding	Pre-1940	Poverty	Growth lag
1	0%	0%	0%	60.4%	13.6%	26.0%
2	2.1	1.6	.9	51.2	15.9	28.4
3	5.5	5.1	3.1	43.6	12.8	30.0
4	19.8	39.6	18.9	6.7	5.4	9.3
5	6.9	7.2	2.6	36.3	15.0	32.0
6	17.0	47.4	24.5	3.9	2.9	4.3
7	7.6	10.6	3.0	36.6	12.8	29.4
8	16.4	26.5	9.6	22.8	10.2	14.7
9	18.2	35.1	38.6	5.2	1.2	1.8
10	17.3	22.7	11.0	29.2	8.6	11.3

Note: Appendix I describes the method used to develop this
table. "All 1990 data" represents funding under the
current formula using a complete set of 1990 census
data.

Spreading and Concentration Effects of Formula Variables

Another dimension of the role of particular variables in
allocating funds is the degree to which they spread funds evenly
or unevenly across jurisdictions. Table 5-10 examines this issue
by showing the means, standard deviations, and coefficients of
variation of per capita grants for each variable. The
coefficient of variation is a relative measure of dispersion,
obtained by dividing the standard deviation by the mean. A small
coefficient of variation indicates that the mean is typical of
most items studied; a large coefficient of variation indicates
that the mean is not typical of most items studied.

The concept of spreading and concentration effects is best
illustrated by comparing population and overcrowding. In 1993,
population provided a mean per capita grant of $3.18 to
communities that received funds from formula A. Overcrowding
provided these communities with $3.03 per person. However, the
coefficients of variation indicate that there is substantial
difference in the effect of these factors in distributing funds.
By definition, population spreads funds evenly per capita. Thus,
its coefficient of variation is zero. The incidence of
overcrowding is not evenly distributed. Communities with
relatively small populations may actually have a great deal of
overcrowded housing. The coefficient of variation of .83 for
overcrowding suggests that this variable plays a significant role
in causing different communities to receive different grants per
capita. Funds become concentrated in communities with
overcrowded housing.

In formula B, growth lag tends to concentrate funds, while
pre-1940 housing tends to spread funds. Communities with above-
average growth have zero growth lag, while communities that have
lost population may have large values for this indicator. Older
housing is more evenly distributed across formula B communities,
so it has less impact on distributing funds differently than
would occur with simple per capita distribution.

Poverty works somewhat differently in the two formulas. In
formula A, it concentrates funds. In formula B, it tends to
spread funds. This suggests that the poverty rate is more
diverse among formula A communities, so that the poverty factor
funds communities at different rates per capita.

The "all 1990" portion of table 5-10 shows several changes
that occur when 1990 housing data are introduced into the
formula. For one thing, the increased importance in overcrowding
in allocating funds is evident. All other factors allocate less
per capita funding when 1990 census data on overcrowding replace
the 1980 data. Moreover, because 1990 overcrowding is even less
evenly distributed than it was in 1980 in formula A communities,
it tends to concentrate funding even more. The generally higher

Table 5-10
Mean, standard deviation, and coefficient
of variation in per capita funds from
formula variables

	1980 poverty formula		
Formula A	Mean per capita grant	Standard deviation	Coefficient of variation*
Population	$ 3.22	0	0
Poverty	5.59	3.46	.62
Overcrowding	3.09	2.53	.82
Formula B			
Pre-1940 housing	$13.38	5.78	.43
Poverty	4.58	2.51	.55
Growth lag	8.94	7.38	.83

	1993		
Formula A	Mean per capita grant	Standard deviation	Coefficient of variation*
Population	$ 3.18	0	0
Poverty	6.21	3.82	.62
Overcrowding	3.03	2.50	.82
Formula B			
Pre-1940 housing	$13.26	5.71	.43
Poverty	4.33	2.32	.55
Growth lag	8.91	7.26	.83

	All 1990 data formula		
Formula A	Mean per capita grant	Standard deviation	Coefficient of variation*
Population	$ 3.10	0	0
Poverty	6.13	3.73	.61
Overcrowding	3.52	3.12	.89
Formula B			
Pre-1940 housing	$12.72	6.03	.47
Poverty	4.12	2.28	.55
Growth lag	8.32	7.12	.86

* The coefficient of variation is defined as the standard
  deviation divided by the mean.

coefficients of variation in the "all 1990" allocations suggest greater deviation from simple per capita distribution of CDBG funds if the 1990 housing data were used.

How Individual Formula Factors Target to Need

The current dual formula was developed during the late 1970s. It first allocated CDBG funds in 1978. There have been two decennial censuses since the formula was first used. Substantial change has occurred since 1978. For example, in 1994 housing built during the 1950s is older than housing built during the 1930s was when pre-1940 housing first was used to allocate CDBG funds. If, in 1978 growth lag was based on 1960 population, would it make more sense to base growth lag in 1994 on population in 1970 or 1980?

Section 920 of the National Affordable Housing Act of 1990 and the 1991 HUD Appropriations Act, which required this report, stipulated that it should study whether age of housing continued to be an appropriate factor and whether housing quality might not be a useful additional factor. The remainder of this chapter considers the current formula factors and what they mean in terms of community need.

Population. Weighted at .25 in formula A, population is not an indicator of community need. That is, all cities that receive funding through formula A necessarily receive equal per capita grants from population. The effect of this variable in the formula is to take money away from larger and needier cities that receive funding from formula A and give it to smaller and less needy cities that also receive funding from formula A. The Pearson's correlation between city need and percent of grant from population in formula A cities is -.78. That is, the less needy the city, the greater its funding from the population variable.

Table 5-11 shows how population directs funding away from city need. The 67 least needy formula A cities would receive an average of about 36 percent of their 1994 grants from population. The most needy cities would receive only about 15 percent of their grants from this factor. This table also shows that it is the smaller formula A cities that receive the greatest portion of their grants from the population factor.

Table 5-11
Funding from population in formula A,
grants using a complete set of 1990 data

Needs quintile	Average population	Percent of grant from population
Least needy	100,370	36%
2	120,149	25
3	154,599	23
4	149,595	18
Most needy	167,909	14

Based on 338 cities with needs scores that would be
funded through formula A if the formula used a complete
set of 1990 census data.

At first glance, it would appear counter-intuitive that
population would direct funds to smaller places. But that is
exactly the effect of this variable in the formula. Because the
larger places tend to be needier, they have greater shares of
problems, such as poverty and overcrowding, and they would
receive greater funding per capita if more of their funding were
based on the incidence of the problems that comprise community
need.

Poverty. Poverty is similar to overcrowding in the formula
and unlike all of the other factors in that it is a direct
measure of community need. People in poverty generally are those
who are the intended beneficiaries of CDBG funds, and it is
therefore sensible that the formula should target funds to
poverty.

Table 5-12
Funding from population in formula A,
grants using a complete set of 1990 data§

Needs quintile	Funding per capita from poverty	
	Formula A cities	Formula B cities
Least needy	$ 3.01	$ 2.48
2	5.31	3.95
3	6.54	4.66
4	8.72	5.65
Most needy	10.63	7.09
Number of cities	338	296

§   Estimate reflects 1993 funds allocated to 1993
     entitlements using the current formula with a
     complete set of 1990 census data.

One indication that poverty continues to target funds to
need in the current dual formula is expressed in table 5-12. In
both parts of the dual formula, the poverty variable would give
more funding per capita to the more needy cities and less funding
per capita to the less needy cities.

Table 5-12 divides the entitlement cities for which we have
needs scores into groups based on whether they would receive
funds through formula A or formula B under the current formula
using a complete set of 1990 census data. Each of these groups
then is further subdivided into quintiles based on their needs
scores. The 67 neediest formula A cities would receive about
$10.63 per person from the poverty variable in formula A. The 67
least needy "A" cities would receive just $3.01 per person from
this variable. Formula B has a similar result. The 59 neediest
"B" cities would receive $7.09 per person from poverty, while
the 59 least needy cities would receive just $2.48 from this
variable. Thus, in both formulas poverty directs funding toward
the most needy cities.

While poverty generally is a good indicator of need, there
are at least two circumstances that make it a less than perfect
indicator. One problem is that it has something of a regional
bias. Poverty is an absolute national standard, but the cost of
living varies from place to place. A person in poverty in a low
cost area may be considerably better off than a person who is
just above the poverty level in a high cost area. Table 5-13
illustrates this bias.

Households with incomes below 30 percent of their area
median incomes as a rule are about at the poverty line. Table
5-13 compares by region the proportion of households with very
low incomes against the proportion of individuals who are in
poverty. The rates are not very different. For example, Region
3 entitlement communities had an average poverty rate of about 24
percent, and some 22 percent of the households in region 3 had
very low incomes. Some regional disparities are evident,
however. Especially in Regions 1, 2, 8, and 9, the poverty rate
is substantially below the very low income rate. This suggests
that there are substantial numbers of people in those regions who
are not in poverty but who have very low incomes. To the extent
that a place has a very high cost of living and many people who
are not in poverty (but who have incomes that are low relative to
local conditions), poverty may be an imperfect indicator of need.

Table 5-13
Rates of poverty and very low income households*
by HUD region

HUD region	Poverty rate	Percent of households with very low incomes
1	12%	29%
2	19	26
3	24	22
4	25	23
5	21	25
6	22	25
7	17	20
8	15	23
9	18	23
10	22	21

*   Very low income is defined as an income below 30%
     of the area median income.

     In part, the dual formula was developed in response to this
bias. Strict poverty counts work somewhat against the Northeast
part (regions 1 and 2) of the country. These are the parts of
the country that benefit from formula B. Also, Region 9 benefits
from the effect of overcrowding in the formula. This helps
counter-balance the effect of poverty there. Thus, the formula
provides some implicit allowance for regional differences in cost
of living.

     Another circumstance that makes poverty a less than perfect
indicator of need is that some communities have significant
populations who are temporarily poor. Many rather small
entitlement communities are home to very large universities, many
of whose students meet the definition of poverty. Table 5-14
illustrates this effect.

     Table 5-14 identifies communities that have more than a 7-
percent difference between their poverty rates (persons in
poverty as a percent of all persons, except those who are
institutionalized) and poverty rates that are based on removing
college students from persons in poverty. There are 28 such
entitlement communities, each of which is the home of a large
university.

     Because of the large student population, these communities
tend to receive a large portion of their CDBG allocations from
the poverty variables. Although table 5-15 shows that their
average poverty rates among non-college students are the same as
other entitlements — 12 percent — their total poverty rates are
much larger than the average entitlement community. In part

because of college students, these communities receive an average of $10.16 in CDBG per capita from poverty, while non-college towns receive only about $5.09 from poverty.

Table 5-14
CDBG entitlement communities
with large college student poverty populations

Chico, CA	Normal, IL	Chapel ·Iill, NC
Davis, CA	Bloomington, IN	Bowling Green, OH
Boulder, CO	W. Lafayette, IN	Kent, OH
Ft. Collins, CO	Lawrence, KS	State College, PA
Gainesville, FL	Ann Arbor, MI	College Station, TX
Tallahassee, FL	E. Lansing, MI	Denton, TX
Athens, GA	Moorhead, MN	Provo, UT
Cedar Falls, IA	St. Cloud, MN	Charlottesville, VA
Iowa City, IA	Columbia, MO	Madison, WI
Champaign, IL		

Table 5-15
Selected characteristics of university towns
(funding estimated by current formula
with a complete set of 1990 data)

Characteristic	University town	Other entitlement
Per capita funding	$15.36	$17.93
Per capita funding from poverty	10.16	5.09
Percent funding from poverty	66%	28%
Poverty rate	23	13
Poverty rate, adjusted removing students	12	12

Overcrowded housing. Like poverty, the incidence of housing units containing more than 1.01 occupants per room is a direct indicator of community need. To the extent that a community has overcrowded housing, it has a need for activities that are eligible for CDBG funding. Unlike poverty, which exists to a significant extent everywhere in the country, overcrowding is relatively rare. It is possible for the overcrowding that exists to be in places that otherwise have little need for community

5-19

development funds. In fact, that is not the case. Overcrowding continues to be a reasonably good indicator of need and a good formula variable.

First, the presence of overcrowding in formula A has the effect of targeting funds to relatively needy formula A cities. Table 5-16 shows that the 67 neediest formula A cities have higher rates of overcrowding and receive significantly more funding per capita from overcrowding than do less needy cities. For every person, the 67 neediest formula A cities would receive $8.71 under the current formula using a complete set of 1990 census data, but the 67 least needy formula A cities would receive just $2.42.

Table 5-16
Overcrowded housing and community funding
(estimated funding for formula A communities
in the current formula using a complete set of 1990 data)

Needs quintile	Proportion of occupied housing units that are crowded	Per capita funding From overcrowding
1	4.2%	$2.42
2	7.3	4.18
3	6.4	3.16
4	8.7	5.10
5	15.8	8.71

Overcrowding is also a moderately good measure of other problems, particularly neighborhood problems. Data from the 1991 American Housing Survey (AHS) show that in central cities, households living in overcrowded conditions are more than twice as likely than the general population to live near abandoned homes or homes with bars on windows. Although only representing four percent of the total central city population, households living in overcrowded conditions represent 15 percent of the total households with a poor opinion of their home,[3] a rate 4 times greater than the general population.

Growth lag. As indicated earlier (see, for example, Table 5-6), growth lag distributed about 20 percent of 1993 entitlement funds. For formula B communities, growth lag distributed an average of about one-third of the funds. For many large cities, in particular, growth lag is a principal component of their CDBG funding. Cities such as St. Louis, Detroit, and Cleveland received about half of their 1993 CDBG funds from growth lag.

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[3] Poor opinion of one's home is defined as one in which the household rates the home 3 or less on a 10-point scale.

Cities such as Atlanta, Newark, Pittsburgh, Cincinnati, Buffalo, and Baltimore all received more than 40 percent of their funds from the growth lag factor. Moreover, as table 5-7 indicates, growth lag concentrates funds. It is a key factor in causing communities of similar sizes to receive different funding levels.

Table 5-17 shows that growth lag funding is strongly related to need among formula B communities. Cities in the neediest quintile receive about 4 times as much funding per capita from growth lag as would cities in the least needy quintile. Moreover, growth lag funding is a key part of the grants of the most needy cities. Forty-two percent of the grants of the neediest cities comes from growth lag. It makes up only a quarter of the grants of the least needy formula B communities.

Table 5-17
Growth lag funding by needs quintile,
formula B cities using all 1990 data

Needs quintile	Per capita funding from growth lag	Percent of grant from growth lag
Least needy	$ 4.29	25%
2	7.05	27
3	7.94	32
4	9.71	32
Most needy	17.34	42

Data are on 296 1994 B communities with needs scores.

Growth lag generally is a very good formula variable. It targets to need and it gives the needy cities substantially more funding than it does the less needy. But despite the continued strength of this formula variable, it does contain a few minor problems.

The rationale for including growth lag as a formula factor was that it is "a proxy for the economic, fiscal, and social problems of declining cities" (Bunce and Neal, 1983, p. 174). The Department had no commonly accepted direct indicator of fiscal decline and so invented growth lag. Research (for example, Peterson and Miller, 1980) had shown that cities that were losing population suffered fiscal distress because revenues declined more rapidly with population loss than did community expenditures.

But while growth lag generally is a good indicator of this fiscal stress, cities (and counties) whose populations are stable or even slowly growing also receive growth lag funding. Table 5-18 shows that less than half of all formula B communities that receive funding from growth lag actually lost population from

1960-1980 and then again from 1980-1990. Fully 12 percent of the communities actually gained population during these two periods.

Where a community's population has remained essentially stable, growth lag will provide funding, even though stability suggests lack of fiscal stress. This circumstance may be especially troublesome when the community is otherwise not distressed. Table 5-19 lists some selected cities that receive funding under formula B. These cities all are in the lowest quintile of need among formula B cities, and their populations have been essentially stable since 1960.

Table 5-18
Population change* among entitlement communities
with growth lag funding when the formula
uses a complete set of 1990 data

	Formula B communities	
Nature of population change	Number	Percent
Declined 1960-80 and 1980-90	152	47%
Declined 1960-80, grew 1980-90	76	23
Grew 1960-80, declined 1980-90	57	17
Grew 1960-80 and 1980-90	42	13
Totals	327	100%

* Population change may reflect annexations as well as natural change.

Table 5-19
Selected low-need cities receiving growth lag funding
and their populations, 1960-1990

	Population			Per capita funding from growth gag*
City	1960	1980	1990	
Palo Alto, CA	52,287	55,225	55,900	$ 4.03
Santa Monica, CA	83,249	88,314	86,905	4.74
Norwalk, CT	67,775	77,767	78,331	1.81
Stamford, CT	92,713	102,466	108,056	1.58
Skokie, IL	59,364	60,278	59,432	6.04
Quincy, MA	87,409	84,743	84,985	6.98
Westland, MI	97,183	84,603	84,724	10.73
White Plains, NY	50,485	46,999	48,718	7.22
Parma, OH	82,845	92,548	87,876	4.26
Oak Ridge, TN	27,169	27,662	27,310	5.91

* Funding is current formula using a complete set of 1990 census data.

Pre-1940 Housing and Targeting to Need

More than 28 percent of entitlement funds are allocated by the pre-1940 housing factor (table 5-6). In 1994, pre-1940 housing will allocate about as much money as will poverty — and poverty is in both formulas. When pre-1940 housing was first put into the dual formula, it was intended to address community need that was not adequately measured by poverty. Among these were inadequate housing, old infrastructure, and poor neighborhood conditions. In regional terms, pre-1940 housing had the effect of targeting funds to the North and Northeast regions of the country. In community terms, pre-1940 housing had the effect of targeting to needy places within the North and Northeast parts of the country. In 1994, this variable would continue to target funds to the same parts of the country that it always has. However, within the formula B communities that receive funding from pre-1940 housing, this variable no longer distinguishes very well between the needy and the better-off communities.

Earlier in this chapter (Tables 5-4 and 5-5), it was shown that during the 1980s the loss of pre-1940 housing was concentrated in the most needy formula B communities. This caused pre-1940 housing to worsen targeting somewhat when it was updated in the formula from the 1990 census. Table 5-19 shows that by the 1990 census pre-1940 housing has deteriorated as a formula variable to the point where it no longer distinguished well among formula B cities according to need. On average, the least needy "B" cities do receive less than the most needy ones — $10.18 as compared with $16.14. This gives the most "B" needy cities an average of about 1.6 times as much funding from old housing as the least needy "B" cities. This compares poorly with poverty and overcrowding, all of which give the most needy quintile more than three times the funding of the least needy. Even worse is that the second quintile would receive almost the same per capita funding from pre-1940 as the most needy quintile.

The far right column of Table 5-20 shows that the portion of a formula B community's housing stock that was built prior to 1940 is not strongly related to its need level. That less needy cities receive greater proportions of their funding from pre-1940 indicates that they are not needy on the other formula B variables -- poverty and growth lag.

Table 5-20
Funding from pre-1940 housing in formula B,
grants using a complete set of 1990 data

Needs quintile	Average per capita pre-1940 funding	Percent of grant from pre-1940 housing	Percent of stock built before 1940
Least Needy	$10.18	60%	27%
2	15.01	65	38
3	12.51	50	33
4	15.08	50	41
Most Needy	16.14	40	38

Based on 296 formula B cities with needs scores.

Among the justifications for using pre-1940 housing as a formula variable were that it is an indicator of (a) need for funding for housing improvements, (b) need for funding for neighborhood improvements, and (c) need for funding for infrastructure improvements. Each of these justifications for using age of housing is examined in turn. The source of data for this analysis is the American Housing Survey (AHS) data from 1991 on central cities. The basis of this analysis is a simple comparison of the proportion of housing units of a certain age having undesirable characteristics. Appendix G discusses the AHS and the quality of the data presented here.

Age of housing and housing inadequacy. This section examines the incidence of housing inadequacies as indicated in the 1991 AHS and the extent to which it is indicated by the age of housing. The following table indicates that age of housing is associated with housing deficiencies. In central cities nationwide, about 10 percent of all units have major or minor deficiencies (Table 5-21). However, only about 5 percent of units built since 1960 are deficient, and the rate of deficiency increases gradually by decade so that 15 percent of the units built during the 1940s are deficient and 15 percent of those built prior to 1940 are deficient. This table also suggests that the relationship between the age of housing and housing deficiencies is true across regions of the country, tenure categories, and poverty status.

Table 5-21
Percent of units inadequate
by year built and other characteristics

Located in:	Pre-1940	1940-49	1950-59	1960-91	Total
All units	15%	15%	9%	5%	10%
Northeast	15	9	8	5	12
Midwest	10	8	7	4	7
South	24	25	11	6	12
West	8	11	5	4	6
Tenure					
Owner	8	11	5	4	6
Renter	20	19	14	7	13
Income					
Poverty	25	28	19	10	19

(column header: Year housing was built)

That age of housing is associated with housing quality may
not be sufficient to justify its use as a formula factor,
however. Because pre-1940 housing is not a housing or community
need in itself (as overcrowding and poverty are), to be a good
formula variable, it should be a good proxy for the types of need
it is intended to target, and it should target more effectively
to need than by only using a straight per-capita measure such as
population. Another way of saying this is that 15 percent of
pre-1940 housing units are inadequate, so 85 percent of the pre-
1940 funds are distributed to units that are adequate. An
analogy would be using a fire hose to put out a match — most of
the water does not go near the flame.

Further, the regions of the country that are typically
formula B regions, the Northeast and Midwest, have only slightly
smaller total inadequacy rates than pre-1940 inadequacy rates
(respectively, 12 percent compared to 15 percent and 7 percent
compared to 10 percent). Thus, pre-1940 housing is only slightly
better than simply using the number of households in an area as
an indicator of inadequacy.

Age of housing — in particular housing built before 1950 —
combined with poverty households indicates inadequacy twice as
effectively as pre-1940 or pre-1950 housing alone. Yet it is
also an imprecise indicator, with only 26 percent of the pre-1950
poverty units being inadequate.

Age of Housing and Neighborhood Conditions. Another
rationale for using age of housing to distribute CDBG funds is
that it is an indicator of neighborhood need. Even if older
housing itself was not deficient, the hypothesis is that it is

5-25

located in neighborhoods that have high crime rates, poor city services, and other problems that the CDBG program is intended to help address.

Table 5-22, also developed for central cities from the 1991 AHS, shows the proportion of households where enumerators cite problem conditions in the neighborhoods. It also shows respondents' satisfaction with their homes and neighborhoods. These proportions are broken out by the age of the home. This table suggests that there is a relationship between the age of housing and the presence of neighborhood problems.

For example, enumerators report that 32 percent of the housing units built prior to 1940 are near other building(s) with bars on the windows, compared with 15 percent living in housing constructed since 1960. Bars on windows tends to be a good measure of crime or fear of neighborhood crime. However, for most of the problems noted here, the relationship between housing age and the presence of problems is not very strong. Moreover, to the extent that a relationship exists, on most indicators pre-1950 housing is as likely to contain the deficiency as is pre-1940 housing.

Table 5-22 also shows that residents' satisfaction with their neighborhoods is only weakly related to age of housing. The data here do not make a compelling case that targeting to pre-1940 housing is targeting well to neighborhood problems.

Table 5-22
Neighborhood problems by year built

| Problem | Year housing was built | | | | |
	Pre-1940	1940-49	1950-59	1960-91	Total
Abandoned buildings	12%	11%	6%	3%	7%
Security bars on home(s) nearby	32	31	24	15	23
Junk a minor problem	42	35	29	21	30
Junk a major problem	4	6	4	2	3
Satisfaction with neighborhood 3 or less on 10-point scale	10	10	6	5	7
Satisfaction with neighborhood 5 or less on 10-point scale	27	24	19	16	21
Satisfaction with home 3 or less on 10-point scale	3	2	2	2	2
Satisfaction with home 5 or less on 10-point scale	16	14	12	9	12

Age of housing and infrastructure problems. The AHS also contains information that may provide insight into whether age of housing indicates the presence of inadequate infrastructure. Table 5-23 shows the proportions of households citing major or minor problems with their streets and recent breakdowns in their water or sewer systems. Once again, these data suggest some relationship between age of housing and infrastructure problems. For the condition of roads the relationship is moderately strong. For breakdowns in the water and sewer systems, the incidence is small and rather constant across the categories of aged housing.

Table 5-23
Percent of units for which AHS enumerators
cited infrastructure problems by year built

| | Year housing was built | | | | |
Problem	Pre-1940	1940-49	1950-59	1960-91	Total
Roads need major repair	3%	4%	2%	3%	3%
Roads need minor repair	32	28	26	18	25
Water source breakdowns	5	4	4	4	4
Sewer breakdowns	2	3	2	2	2

6. FORMULA ALLOCATION OVER TIME -- 1981 TO PRESENT

The focus of this study has been on the effect of the 1990 census data on community development funding. In general, it has found that the 1990 data have diminished the way the formula targets community need. This conclusion mirrors that drawn by HUD's analysis of the effect of the 1980 census on the Community Development Block Grant (CDBG) formula. Bunce and Neal reported that "the use of 1980 Census data does result in an allocation that is less responsive to city needs than before." (Bunce and Neal, 1983, p. 102)

If both the 1980 and 1990 censuses have diminished targeting in the CDBG Program, it might seem that targeting in the program in 1994 is quite different from what it was when the dual formula originally was implemented. This chapter examines how targeting by the CDBG formula has changed since implementation of the dual formula. It concludes:

o   Since 1981, the addition of new entitlement communities has resulted in an average of about 7 percent reduction in funding for communities that were entitled in 1981.

o   Entitlement cities that have been in the program since 1981 (the last year the dual formula used all 1970 census data), have continually lost funding share since then.

o   The loss of funding share for the cities that have been entitled since 1981 is estimated at 10 percent.

o   The cities that have lost the most funding over time have been the neediest.

The reasons for the loss of funds by old entitlement cities are as follows:

o   The addition of new entitlement communities has drawn funds away from the older entitlements.

o   Demographic changes within the older entitlement cities have worked to increase funding for the less needy and to decrease funding for the more needy.

The Increasing Number of Entitlement Communities

To be eligible for CDBG entitlement funding, a city must have a population in excess of 50,000 or be designated as a central city in a Metropolitan Statistical Area (MSA). To qualify as an urban county, a county must have a population in

excess of 200,000 net of any entitlement cities and must meet certain powers tests. There is no requirement that a community meet a certain threshold of need or attain a threshold grant amount in order to qualify for an entitlement grant. Over time, then, as populations grow, the number of communities that receive entitlement grants increases.[1] Between 1981, the last year before 1980 Census data were introduced into the formula, and 1993,[2] the number of entitlement communities increased by a third (Table 6-1).

Table 6-1
Entitlement communities in 1981 and 1993

| Community type | Number of entitlements | | Percent change |
	1981	1993	
City	580	756	+30%
Urban county	86	133	+58
Total	666	889	+33

Communities that were entitled in 1981 comprised 100 percent of entitlement communities at that time. With the addition of new entitlements, these communities represented 75 percent of all 1993 entitlement communities (Table 6-2).

Table 6-2
Percent of entitlement places by time in program

| Community type | Percent of entitlements | |
	1981	1993
Old entitlement city	87%	65%
New entitlement city		
-- from an urban county	NA	7
-- not from urban county	NA	13
New urban county	NA	5
Old urban county	13	10

Of the new entitlement cities, it is useful to note that about a third of them were part of urban counties prior to becoming entitled in their own right. Where a county becomes entitled as an urban county, or where a city that was not part of an urban county becomes entitled, that new entitlement entity

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[1] There have been several instances in which an entitlement city has lost population, so that it has fallen below the 50,000 threshold. Whenever this has happened, the Congress has "grand-fathered" the community, so that it has not lost its entitlement status.

[2] 1993 is the most recent available period at the time of this analysis. Estimates for 1994 funding in this chapter assume the same composition of entitlement communities in 1994 as in 1993.

competes for the 70 percent of the CDBG funds that are allocated for entitlement communities. Where a new entitlement city comes out of an urban county, it does not change the total population among whom entitlement funds are distributed. In 1993, the new urban counties and the new entitlement cities that did not come from an urban county received about 7 percent of entitlement funds. This is approximately the average reduction in funding for entitlement communities since 1981 as a result of new entitlements.

Note on method. Historic funding comparisons in the CDBG Program are problematic due to the year to year fluctuations in funding, changes in the number of entitlement communities from year to year, and changes in the composition of urban counties. To provide a standard basis for comparison over time, the remainder of this chapter focuses on the 580 entitlement cities that have been entitled continuously in the program since 1981. The first method of comparison is to show changes in a community's percent of the total grant allocation from year to year rather than the absolute amount of funds they have received in each year (Rich, 1993, uses a similar method for assessing CDBG targeting over time).

This discussion focuses on the share of the total funding a community received in each of the years between 1981 and what would happen if the 1993 CDBG appropriation were allocated by the current formula using a complete set of 1990 census data. For example, if an entitlement community received $2,500,000 in one year out of a total entitlement appropriation of $2.5 billion, it receives .1 percent share of the funding. If the next year the community receives $2,600,000 from an appropriation of $2.6 billion it still has a .1 percent share so that its share does not change. In other words, this method adjusts for changes in yearly appropriations.

The second method used in this analysis compares per capita funding. To put per capita funding comparisons on the same level, the grant amounts were adjusted to raise the total entitlement grant to its 1993 funding level. Neither method shows the effect the changes in appropriations have had on community funding.

In fact, for the time period between 1981 and 1993, the CDBG appropriation has been up and down but has stayed relatively constant. The total appropriation for CDBG was $3.6 billion in 1981 and declined to a low of $2.8 billion in 1990. The appropriation has since risen to a high of $3.9 billion in 1993. While the funding in nominal dollars has been relatively constant, the funding level in real dollars — how much you could buy in 1981 with a dollar versus how much you could buy in 1993 — has declined due to inflation. For the entitlement cities that have been CDBG grantees since 1981, this means that in addition

to losing the funding share discussed in this chapter to new entitlements and urban counties, they have also lost funding from the real decline in appropriations.

    <u>Entitlement communities in 1981</u>. This chapter starts with 1981 as the base year for comparison because 1981 was the last year 1970 data were used in all components of the dual formula. For the rest of this chapter, communities that have been CDBG entitlements since 1981 are referred to as "old" entitlements. Because the 1970 data were used to develop the current dual formula, it is useful to see how the distribution has changed due to the introduction of first 1980 data and then 1990 data. The years 1984 and 1991 are used as comparison points in various tables because 1984 was the first year all 1980 data were used, 1991 was the last year before beginning to introduce 1990 data. These are compared to the distribution that results when a complete set of 1990 census data are used in the 1993 formula.[3] These three points of comparison show the clear change in funding caused by demographic changes from 1970 to 1990.

    As noted earlier, the analysis in this chapter focuses on the 580 old entitlement cities. Table 6-2 shows how the share of old entitlements has changed since 1981. In 1981, they represented 87 percent of the total communities and in 1993 they represented 65 percent.

    As a share of total entitlement areas, the share of old urban counties also declined. However, for most of the analysis in this chapter the old urban counties can not be analyzed in the same fashion as old entitlement cities because many of the old counties' geographies have changed due to the addition and subtraction of communities. The subtraction (or addition) of communities that constitute urban counties make it very difficult to analyze the nature of funding changes for urban counties from year to year. Approximately a third of the new entitlement cities have come from within an urban county. For the remainder of this chapter, no effort was made to distinguish between geographic-constant urban counties and urban counties that increased or decreased in size due to the addition or subtraction of communities.

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    [3] For reasons of brevity and convenience, throughout this chapter, the funding distribution that results when the 1993 formula uses a complete set of 1990 census data is labelled the "present."

Funding Share Changes 1981-Present

The old entitlement cities used throughout the rest of this analysis will have lost 10 percent of their funding share between 1981 and when the formula uses a complete set of 1990 census data due to the combined impact of the new entitlement communities and funding shifts caused by demographic changes. **In other words, the introduction of new communities and new data since 1981 has decreased the 580 old entitlement cities' share of funding by 10 percent.**

Funding share and need. Table 6-3 shows the 10 neediest large cities in 1978 (Bunce and Goldberg, 1978). Their share of funding has declined significantly since 1981. In particular, Detroit and Newark, currently the worst off big cities, have lost 22 and 34 percent of their funding share since 1981, respectively.

Table 6-3
Neediest ten large cities in 1978 and their change
in grant share between 1981 and the present[4]

	Grant share change 1981-the present*
Newark	-34%
New Orleans	-15
St. Louis	-24
Cleveland	-23
Birmingham	-32
Baltimore	-20
Washington	-13
Detroit	-22
Atlanta	-21
Boston	-12

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

In fact, of the 580 old entitlement cities the 50 that are neediest on the current city needs indicator lost the most funding share between 1981 and the present. The 50 old entitlement cities that are least needy on the city needs indicator actually have gained funding share since 1981 despite the addition of the new entitlements. Table 6-4 shows that under

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[4] In 1981, Newark received 0.62 percent of the total grant allocation for entitlements. In 1994, under the current formula, Newark would receive 0.41 percent. That is a 34 percent decline in grant share.

the current formula, the 50 neediest old entitlement cities in
1990 had an 18 percent loss in funding share over the decade
while the least needy old entitlement cities had a 15 percent
increase. The trend is clear that the change in census data from
1970 to 1980 and 1990, combined with the introduction of new
entitlements, has resulted in the worst off old entitlement
cities losing more funding share than better off old entitlement
cities.

Table 6-4
Funding share change among old entitlement
cities due to combined effect of
formula and new entitlements by needs deciles,
1991 to the present#

| | Grant share | | Grant share | |
Needs decile	1981	Present	change	Number*
Least needy	1.65%	1.90%	+15%	50
2	2.60	2.81	+8	51
3	3.32	3.75	+13	51
4	4.83	4.54	-6	51
5	5.39	5.10	-5	51
6	6.57	6.51	-1	51
7	7.26	7.77	+7	51
8	6.89	6.10	-11	51
9	18.68	15.37	-18	51
Most needy	21.71	17.88	-18	51

\#   "The present" is the distribution that results when the
     1993 formula uses a complete set of 1990 census data.

*   Of the 580 old entitlement cities, 509 had scores on
     the composite index developed in Chapter 3.

     Per capita funding and need.   Another way of exploring the
impact of the new entitlement communities, coupled with the 1970
to 1990 demographic changes, is to analyze per capita funding
change among the old entitlement cities. To account for the
differing funding appropriations over the 13-year period that
would inhibit per capita grant comparisons, each grant was
adjusted by a constant to make all total appropriations equal to
the 1993 appropriation. To account for changing population, the
1981 and 1984 per capita grants were calculated using 1980
population as the denominator while the 1991 and 199X per capita
grants were calculated using 1990 population as the denominator.
There is some error in this method of comparison because of
annexations that occurred between 1981 and 1993. However, this
source of error does not materially affect the analysis or
conclusions in this section.

Table 6-5 shows the impact of demographic changes and new entitlements on the per capita allocations by needs decile. While the share analysis shows how much the old entitlement cities were losing or gaining in total, this analysis shows how much each city is gaining or losing on a per capita basis. The share analysis, shown in Table 6-4, showed the least needy old entitlement cities gaining 15 percent over the 13-year period. However, the per capita analysis shows a different result. As shown on Table 6-5, the least needy cities actually lost 7 percent of their per capita funding to the new entitlement communities and through demographic changes. The reason for this is that the least needy old entitlement communities were having increases in population faster than increases in grant size. An increase in population means that the per capita funding will decrease unless the grant size keeps up with population growth.

Due to population loss and the effect of growth lag, the loss in per capita funding for the worst off cities is less than their overall loss in funding share. In total, the worst off old entitlement cities tended to lose more per capita funding between 1981 and the present than the better off old entitlement cities. However, the neediest old entitlement cities continue to receive significantly more on a per capita basis than the less needy cities.

Table 6-5
Old entitlement cities' per capita
allocation change due to demographic changes
and new entitlements by needs decile,
1981 to the present*

Needs decile	Per capita grant 1981	Present	Per capita grant change
Least needy	$ 9.93	$ 9.22	-7%
2	13.64	12.64	-7
3	15.10	14.66	-3
4	18.34	15.54	-15
5	21.21	18.41	-13
6	22.93	21.72	-5
7	23.50	23.14	-2
8	29.91	25.81	-14
9	36.46	29.92	-18
Most needy	46.20	41.22	-11

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

Another means of comparing per capita allocation with level of need is to use regression analysis. Regression analysis determines what pattern exists in the relationship between a city's per capita allocation and its need score. For this analysis, the relationship in 1981 is compared with the estimated relationship when the current formula uses a complete set of 1990 census data. The R^2 shows the extent of the relationship. The greater the R^2 the greater the relationship between the per capita allocation and the need measures, while the slope shows the differentiation between communities. In other words, a large R^2 indicates the cities' need and per capita funding amounts are related, while a large slope indicates a greater differentiation in funding between the most needy cities and the least needy cities.

Regression analysis comparing 1981 targeting to estimated targeting when the formula uses a complete set of 1990 census data shows a small decline in targeting to need among old entitlement cities. Regressions comparing the 1981 and the present per capita allocations to 1990 city need show a decline in the R^2 from .58 to .55. In addition to a decreased relationship between need and per capita allocation, the differentiation in per capita funding between the most needy and the least needy has also declined, with the slope changing from 18.6 to 16.0.

Regional share. The redirection in funds is not limited to the needy versus the less needy. The 9.7 percent of total funding share that the old entitlement cities lost due to new entitlements and demographic changes was not spread evenly across regions. In particular, as shown on Table 6-6, the old entitlement cities of region 4 lost 24 percent. Despite the overall loss of funds caused by the introduction of new entitlements, the old entitlements in region 9 still gained 33 percent over the past 13 years under the current formula.

The central cities were the source for most of the funds that went to new entitlement areas. In fact, the old satellite cities gained 2 percent between 1981 and the present despite the addition of the new entitlement areas.

Table 6-6
Funding share change on old entitlement
cities due to combined effect of formula and new entitlements
by HUD region and city type,
1981 to the present*

HUD region	All cities	Central cities		Satellite	Number
		Small	Large		
1 - New England	-13%	-16%	-12%	+1%	56
2 - NY, NJ	-19	-17	-20	-20	58
3 - Mid-Atlantic	-15	-16	-15	-14	44
4 - Southeast	-24	-24	-27	-11	85
5 - Midwest	-15	-10	-17	-13	121
6 - Southwest	-2	-12	1	+32	68
7 - Great Plains	-16	-9	-19	-30	23
8 - Rocky Mntn.	-3	-4	-7	+30	19
9 - Pacific/HI	+33	+36	+30	+38	91
10 - NW/AK	-5	0	-9	0	15
Total	-10	-12	-10	+2	580

The header spans "Change in funding share 1981-the present" over All cities, Central cities (Small, Large), Satellite, Number.

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

Funding Share Changes 1981-1984

The impact of adding 1980 census data and increasing the number of entitlement communities between 1981 and 1984 (the first year all 1980 Census data were used) generally caused an across-the-board decrease in old entitlement funding share by region (Table 6-7). Region 9 was the major exception, increasing its old entitlement cities' share of funding by 14 percent. Overall, the addition of new entitlements between 1981 and 1984, combined with shifts caused by the 1980 census data, caused a 5 percent decline in the old entitlement cities' share of funding.

Table 6-7
1981-1984 funding share change on old entitlement
cities due to combined effect of 1980
census and new entitlements by HUD region

| HUD region | Grant share | | 1981-84 grant share |
	1981	1984	change
1 - New England	5.27%	5.02%	-5%
2 - NY, NJ	15.74	14.69	-7
3 - Mid-Atlantic	9.09	8.49	-7
4 - Southeast	10.40	9.45	-9
5 - Midwest	18.71	17.05	-9
6 - Southwest	8.05	7.58	-6
7 - Great Plains	3.40	2.98	-12
8 - Rocky Mountain	1.38	1.28	-7
9 - Pacific/Hawaii	9.42	10.77	+14
10 - Northwest/AK	1.68	1.59	-5
Total	83.14%	78.90%	-5%

The impact of the 1980 census, along with the addition of
new entitlement communities between 1981 and 1984, showed an
overall decline in targeting to need. Table 6-8 shows that while
the neediest old entitlement cities lost 7 percent of funding
share, the least needy gained 2 percent.

Table 6-8
1981-1984 funding share change on old entitlement
cities due to combined effect of 1980
census and new entitlements by needs deciles

| Needs decile | Grant share | | 1981-84 grant share |
	1981	1984	change
Least needy	1.65%	1.69%	+2%
2	2.60	2.70	+4
3	3.32	3.43	+3
4	4.83	4.47	-7
5	5.39	5.10	-5
6	6.57	6.21	-5
7	7.26	7.55	+4
8	6.89	6.43	-7
9	18.68	17.32	-7
Most needy	21.71%	20.09%	-7%

The per capita change in funding from 1981 to 1984 tells the same story. Clearly, the worst off old entitlement cities lost funding due to the combined impact of 1980 census data and the introduction of new entitlement cities between 1981 and 1984. Table 6-9 shows the three worst off deciles losing funding on a per capita basis while the best off cities gained funding.

Table 6-9
1981-1984 old entitlement per capita funding change
due to 1980 census and new entitlements by needs deciles

Needs decile	Per capita grant 1981	1984	1981-84 per capita grant change
Least needy	$ 9.93	$10.16	+2%
2	13.64	14.14	+4
3	15.10	15.56	+3
4	18.34	16.95	-8
5	21.21	20.05	-5
6	22.93	21.66	-6
7	23.50	24.43	+4
8	29.91	27.90	-7
9	36.46	33.80	-7
Most needy	46.20	42.72	-8%

Regression analysis confirms this loss in targeting to need. The R^2 between per capita allocation and need fell from .58 in 1981 to .56 in 1984. Further, the slope declined from 18.6 to 16.4.

Funding Share Changes 1984-1991

Clearly, the redistribution of funds that occurred at the time of the introduction of 1980 Census data shifted funds toward Region 9 as well as better off old entitlement cities. Between censuses (for formula purposes, 1984 to 1991), the formula is only updated with new population data and new entitlement cities.

Table 6-10 shows the change in funding for old entitlement cities that occurred due to those two factors. There was very little regional redistribution among the old entitlement cities due to the introduction of population data and new entitlement cities between 1984 and 1991.

Table 6-10
1984-1991 change on old entitlement
cities due to combined effect of
formula and new entitlements by HUD region

HUD region	Grant share		1984-91 grant share change
	1984	1991	
1 - New England	5.02%	4.87%	-3%
2 - NY, NJ	14.69	13.91	-5
3 - Mid-Atlantic	8.49	8.17	-4
4 - Southeast	9.45	9.13	-3
5 - Midwest	17.05	16.63	-2
6 - Southwest	7.58	7.44	-2
7 - Great Plains	2.98	2.91	-2
8 - Rocky Mountain	1.28	1.28	0
9 - Pacific/Hawaii	10.77	10.49	-3
10 - Northwest/AK	1.59	1.58	-6
Total	78.90%	76.41%	-3%

Distribution by needs decile shows that the neediest places lost slightly more share of funding between 1984 and 1991 due to the introduction of population data and new entitlements than did the least needy old entitlement cities (Table 6-11).

Table 6-11
1984-1991 funding share change on old entitlement
cities due to updated population data and new entitlements
by needs deciles

Needs decile	Grant share		1984-91 grant share change
	1984	1991	
Least needy	1.69%	1.71%	+1%
2	2.70	2.67	-1
3	3.43	3.40	-1
4	4.47	4.41	-1
5	5.10	4.90	-4
6	6.21	6.16	-1
7	7.55	7.38	-2
8	6.43	6.25	-3
9	17.32	16.45	-5
Most needy	20.09	19.24	-4

However, the share analysis is somewhat deceptive. Table 6-12 shows the impact of population change between 1980 and 1990 on per capita allocation. The less needy old entitlement cities lost more per capita than the more needy old entitlement cities

because the less needy old entitlement cities had faster population growth than growth in their grant allocations.[5]

The most needy old entitlement cities gain on a per capita basis due to their loss or slow growth of population. The growth lag factor that is adjusted throughout the decade provides a boost to those cities, usually needy, that have a slow or negative population growth. Further, some of the needy cities' grants decreased slower than their population declined, thus showing an increase in per capita grant amount.

Table 6-12
1984-1991 old entitlement per capita funding change
due to updated population data and new entitlements
by needs deciles

Needs decile	Per capita grant		1984-91 per capita grant change
	1984	1991	
Least needy	$10.16	$ 8.28	-19%
2	14.14	12.00	·15
3	15.56	13.32	-14
4	16.95	15.07	-11
5	20.05	17.68	-12
6	21.66	20.55	-5
7	24.43	21.97	-10
8	27.90	26.48	-5
9	33.80	32.00	-5
Most needy	42.72	44.35	+4

This improvement in targeting to need is supported by regression analysis that shows an increase in R^2 from .56 in 1984 to .59 in 1991. The slope increases from 16.4 to 18.2.

Combined, Tables 6-11 and 6-12 imply that the neediest old entitlement cities lost overall funding share but actually gained in funding per capita due to their loss in population between the 1980 and 1990 Censuses. The opposite occurred for the least needy old entitlement cities. Those cities had relatively small losses in funding share but large decreases in funding per capita due to their rapid population growth.

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[5] This change is captured at this point in the analysis largely because the denominator to calculate per capita grants is changed from 1980 population for the 1984 grant to 1990 population for the 1991 grant.

Funding Share Changes 1991-the Present

The previous discussion showed that the introduction of 1980 Census data decreased overall targeting to old entitlement city need while the updating of population and growth lag data between 1984 and 1991 improved targeting to need. This section shows the impact of introducing the 1990 census data.

The impact of 1990 census data, as well as the addition of new entitlements between 1991 and 1993, would cause an overall decline in funding share for old entitlement cities of 2 percent. While most of the regions would have small gains and losses due to the introduction of 1990 census data and new entitlements, Table 6-13 shows that the old entitlement cities of Region 4 would lose significantly — 14 percent — and Region 9 old entitlement cities would have a funding share increase of 19 percent.

Table 6-13
Change among old entitlement
cities due to combined effect of
formula and new entitlements by HUD region,
1991 to the present*

| HUD | Grant share | | Grant share |
region	1991	Present	change
1 - New England	4.87%	4.60%	-6%
2 - NY, NJ	13.91	12.68	-9
3 - Mid-Atlantic	8.17	7.71	-6
4 - Southeast	9.13	7.89	-14
5 - Midwest	16.63	15.97	-4
6 - Southwest	7.44	7.92	+6
7 - Great Plains	2.91	2.86	-2
8 - Rocky Mountain	1.28	1.34	+5
9 - Pacific/Hawaii	10.49	12.49	+19
10 - Northwest/Alaska	1.58	1.59	+1
Total	76.41%	75.05%	-2%

*   "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

There would be a clear shift of funding share away from the neediest old entitlement cities if all 1990 data were introduced into the current formula. Table 6-14 shows that the old entitlement cities in the three most needy deciles would all lose funding share, while the remainder of the old entitlement cities would gain funding share due to the introduction of 1990 census data and the addition a few new entitlement areas between 1991 and 1993.

6-14

Table 6-14
Change among old entitlement
cities due to combined effect of
formula and new entitlements by needs deciles,
1991 to the present*

Needs decile	Grant share		Grant share change
	1991	Present	
Least needy	1.71%	1.90%	+11%
2	2.67	2.81	+5
3	3.40	3.75	+10
4	4.41	4.54	+3
5	4.90	5.10	+4
6	6.16	6.51	+6
7	7.38	7.77	+5
8	6.25	6.10	-2
9	16.45	15.37	-7
Most needy	19.24	17.88	-7

*   "The present" is the distribution that results when the
    1993 formula uses a complete set of 1990 census data.

The analysis of per capita funding distribution by needs
deciles is shown on Table 6-15. It follows the same pattern to
the distribution on Table 6-14. The impact of the 1990 data is
to shift funds on a per capita basis away from the most needy old
entitlement cities.

Table 6-15
Old entitlement per capita funding change
due to 1990 census and new entitlements by needs deciles,
1991 to the present

Needs decile	Per capita grant		Per capita grant change
	1991	Present	
Least needy	$ 8.28	$ 9.22	+11%
2	12.00	12.64	+5
3	13.32	14.66	+10
4	15.07	15.54	+3
5	17.68	18.41	+4
6	20.55	21.72	+6
7	21.97	23.14	+5
8	26.48	25.81	-3
9	32.00	29.92	-7
Most needy	44.35	41.22	-7

*   "The present" is the distribution that results when the
    1993 formula uses a complete set of 1990 census data.

Similar to the introduction of 1980 data, the R^2 showing the relationship between per capita allocation and need falls from .59 in 1991 to .55 when the formula uses a complete set of 1990 census data. The slope decreases from 18.2 to 16.0.

Overall, the effect of the 1980 and 1990 censuses, combined with the introduction of new entitlement areas, has been to target need as follows:

```
New Entitlements +
     1980 census data                          = worsened targeting
     Updated population and growth lag  = improved targeting
     1990 census data                          = worsened targeting
```

Effect of Demographics on Funding Changes Among Old Entitlement Cities

The following analysis holds the old entitlement cities' share of funding constant over the 13-year period of analysis. In other words, this analysis explores the redistribution among old entitlement cities if only their relative shares of funding are compared against one another. The old entitlement cities' share of funding is calculated so that the sum of the old entitlement share equals 100 percent in each of the grant years used in the analysis.

This analysis will show the singular impact among the old entitlement cities of the current formula at distributing funds based on the introduction of 1980 and 1990 census data only. This analysis is a measure of the formula's targeting to need only; it does not include the impact of the new entitlements.

1970 to 1990. As table 6-16 shows, the shift caused by demographic changes between 1970 and 1990 would have caused the formula to drastically redistribute funds among the old entitlement cities from the East and Midwest to the West. In other words, the sole effect of demographic changes between 1970 and 1990, if there had been no new entitlements and the urban counties' share of funds were held constant, the biggest losers in funding share would have been the old entitlement cities in region 4. Region 2 also would have lost a large share of funds (11 percent).

Old entitlement cities in Region 9 would have been a huge winner over the two-decade period, increasing their share of funding 47 percent. Satellite communities in regions 6, 8, and 10 also would have increased their funding share greater than 40 percent. Overall, there would have been a redistribution of funding share from the old entitlement central cities toward the old entitlement satellite cities.

Table 6-16
Change among old entitlement
cities due to effect of formula only
by HUD region and city type,
1991 to the present*

HUD region	Change in funding share 1981-present				
	All cities	Central cities		Satellite	Number
		Small	Large		
1 - New England	-3%	-8%	-2%	+12%	56
2 - NY, NJ	-11	-8	-12	-12	58
3 - Mid-Atlantic	-6	-7	-6	-5	44
4 - Southeast	-16	-15	-19	-2	85
5 - Midwest	-5	0	-8	-4	121
6 - Southwest	+9	-2	+13	+44	68
7 - Great Plains	-7	+2	-11	-25	23
8 - Rocky Mntn	+7	+6	+3	+42	19
9 - Pacific/HI	+47	+51	+44	+52	91
10 - Northwest/AK	+5	+10	+1	+50	15
Total	0%	-10%	-8%	+5%	580

*   "The present" is the distribution that results when the
     1993 formula uses a complete set of 1990 census data.

Table 6-17 shows the change in funding share that a few old
entitlement cities would have experienced due to the change in
data from 1970 to 1990. It is illustrative of how the current
formula, not just new entitlements, has shifted funds away from
the needy cities. These cities were the most needy large cities
from an analysis conducted in 1978.

Of particular interest are Detroit and Newark, which have
continued to have significant needs throughout the past two
decades. With the old entitlement share of funds held constant,
the demographic changes influencing the current formula would
have cut Newark's share of funds by 27 percent and Detroit's
share of funds by 13 percent.

Table 6-17
Neediest 10 large cities in 1978 and their change
in grant share from 1981 to the present* due to demographic
effects on the current formula[6]

	Grant share change 1981-present
Newark	-27%
New Orleans	-6
St. Louis	-16
Cleveland	-15
Birmingham	-25
Baltimore	-11
Washington	-4
Detroit	-13
Atlanta	-12
Boston	-2

*   "The present" is the distribution that results when the
1993 formula uses a complete set of 1990 census data.

Table 6-18 shows the redistribution by need decile for all
of the old entitlement cities. Demographic changes between 1970
and 1990 that affect the current formula would have shifted funds
away from the neediest cities toward the least needy. If the old
entitlement cities had their grant share held constant, the seven
least needy deciles would have increased their funding share
between their 1981 grant and their estimated 1994 grant, while
the three most needy deciles would have declined in funding
share. The most needy decile would have had a decline of 9
percent.

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[6] For example, in 1981 Newark's share of the total grant
received by the old entitlement cities was 0.75 percent. In 1994,
their share was 0.54 percent. This shows that if only the 580 old
entitlement cities were CDBG grantees from 1981 to 1994, Newark
would have lost 27 percent of its grant share under the current
formula to other old entitlement cities.

Table 6-18
Change among old entitlement
cities due to effect of formula by needs deciles,
1981 to the present

Needs decile	Grant share 1981	Grant share Present	Grant share change
Least needy	1.99%	2.54%	+28%
2	3.13	3.75	+20
3	4.00	4.99	+25
4	5.81	6.05	+4
5	6.49	6.80	+5
6	7.91	8.67	+10
7	8.73	10.36	+19
8	8.28	8.12	-2
9	22.47	20.48	-9
Most needy	26.12	23.83	-9

Table 6-19 looks at per capita funding allocation by needs decile. It shows the effect of changing demographic data from 1970 to 1990 data on the per capita reallocation of funds among the old entitlement cities if their grant share had been held constant between 1981 and the present. Table 6-19 shows that the loss in funding allocation to the most needy is less significant when considered in per capita terms — 1 percent — than in overall funding share terms — 9 percent. What this means is that the most needy cities would have had a significant loss of overall funding share, but a relatively small loss of per capita funding due to changes, in demographics between 1981 and the present.

Table 6-19
Old entitlement cities' per capita
allocation change due to demographic changes
by needs decile, 1981 to the present*

Needs decile	Per capita grant 1981	Per capita grant Present	Per capita grant change
Least needy	$ 8.97	$ 9.22	+3%
2	12.32	12.64	+3
3	13.64	14.66	+7
4	16.57	15.54	-6
5	19.16	18.41	-4
6	20.71	21.72	+5
7	21.22	23.14	+9
8	27.01	25.81	-4
9	32.93	29.92	-9
Most needy	41.72	41.22	-1

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

Effect of 1980 census.[7] If the old entitlement cities'
grant share is held constant, the impact of the 1980 census on
regional distribution would have been relatively small.   Table
6-20 shows that Region 9 received a large increase, 20 percent,
but their gain was associated with only small losses among the
rest of the regions.

Table 6-20
1981-1984 change on old entitlement
cities due to effect of formula only by HUD region

HUD region	Grant share 1981	Grant share 1984	1981-84 grant share change
1 - New England	6.34%	6.36%	0%
2 - NY, NJ	18.94	18.62	-2
3 - Mid-Atlantic	10.93	10.76	-2
4 - Southeast	12.51	11.98	-4
5 - Midwest	22.50	21.61	-4
6 - Southwest	9.68	9.61	-1
7 - Great Plains	4.09	3.78	-8
8 - Rocky Mountain	1.66	1.62	-2
9 - Pacific/Hawaii	11.33	13.65	+20
10 - Northwest/AK	2.02	2.02	0
Total	100.00%	100.00%	

As with the regional analysis, the introduction of 1980 data
would have caused some redistribution of funds by need, with a
moderate redistribution from the most needy to the least needy
old entitlement cities.   As table 6-21 shows, the biggest winners
would have been in needs deciles 1 through 3 and 7 while the
biggest losers would have been the old entitlement cities in the
three worst deciles.

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[7] Population and growth lag were continually updated for the
1981 and 1991 grant allocations while, respectively, 1970 and 1980
data were used for the remaining variables.

Table 6-21
1981-1984 change on old entitlement
cities due to effect of 1980 census by needs deciles

| Needs secile | Grant share | | 1981-84 grant share change |
	1981	1984	
Least needy	1.99%	2.14%	+8%
2	3.13	3.42	+9
3	4.00	4.34	+8
4	5.81	5.66	-3
5	6.49	6.47	0
6	7.91	7.87	-1
7	8.73	9.57	+10
8	8.28	8.15	-2
9	22.47	21.96	-2
Most needy	26.12	25.46	-3

If the grant share of the old entitlement cities had been held constant, table 6-22 shows that the per capita shift in funding from the most needy entitlement cities to the least needy old entitlement cities would have been the same as the shift in share allocation.

Table 6-22
Old entitlement cities' 1981-1984 per capita
allocation change due to 1980 census data
by needs decile

| Needs decile | Per capita grant | | 1981-84 per capita grant change |
	1981	1984	
Least needy	$ 8.97	$ 9.67	+8%
2	12.32	13.46	+9
3	13.64	14.82	+9
4	16.57	16.13	-3
5	19.16	19.09	0
6	20.71	20.62	0
7	21.22	23.25	+10
8	27.01	26.56	-2
9	32.93	32.18	-2
Most needy	41.72	40.67	-3

<u>1984 to 1991.</u> With old entitlement funding share held
constant, the introduction of population and growth lag data
between 1984 and 1991 would have shifted funding share slightly
away from the old entitlement cities in the Northeastern regions
to the old entitlement cities of the North Central and Western
regions of the country (table 6-23).

Table 6-23
1984-1991 funding share change on old entitlement
cities due to effect of formula only by HUD region

HUD region	Grant share 1984	Grant share 1991	1984-91 grant share change
1 - New England	6.36%	6.37%	0%
2 - NY, NJ	18.62	18.20	-2%
3 - Mid-Atlantic	10.76	10.69	-1%
4 - Southeast	11.98	11.96	0%
5 - Midwest	21.61	21.76	+1%
6 - Southwest	9.61	9.74	+1%
7 - Great Plains	3.78	3.81	+1%
8 - Rocky Mountain	1.62	1.67	+3%
9 - Pacific/Hawaii	13.65	13.73	+1%
10 - Northwest/AK	2.02	2.02	+2%
Total	100.00%	100.00%	

Growth lag changes and updating population would have
shifted funding share from the most needy old entitlement cities
to the least needy old entitlement cities (table 6-24).

Table 6-24
Old entitlement cities' 1984-1991 grant share change
due to 1980 census data by needs decile

Needs decile	Grant share 1984	Grant share 1991	1984-91 grant share change
Least needy	2.14%	2.24%	+5%
2	3.42	3.49	+2
3	4.34	4.46	+3
4	5.66	5.77	+2
5	6.47	6.41	-1
6	7.87	8.06	+2
7	9.57	9.66	+1
8	8.15	8.19	0
9	21.96	21.53	-2
Most needy	25.46	25.19	-1

However, the funding share shift would have been less significant than the actual shift in population between 1980 and 1990, such that the least needy old entitlement cities would have received a funding cut on a per capita basis had the old entitlement cities' funding share been held constant. Further, as Table 6-25 shows, the most needy old entitlement cities would have increased their per capita allocation by 7 percent due to the effects of growth lag and population loss. The overall impact of updating growth lag and population throughout the decade would be to decrease funding share for the most needy entitlements but increases their funding on a per capita basis.

Table 6-25
Old entitlement cities' 1984-1991 per capita
allocation change due to ppdating of population
by needs decile

Needs decile	Per capita grant		1984-91 per capita grant change
	1984	1991	
Least needy	$ 9.67	$ 8.13	-16%
2	13.46	11.79	-12
3	14.82	13.09	-12
4	16.13	14.81	-8
5	19.09	17.38	-9
6	20.62	20.19	-2
7	23.25	21.59	-7
8	26.56	26.02	-2
9	32.18	31.45	-2
Most needy	40.67	43.58	+7

Effect of 1990 census. If the old entitlements' share of funding was held constant, the introduction of 1990 census data would cause larger regional shifts in funding than the 1980 data. In particular, there would be a significant shift in funding share from the eastern regions to the western regions. As table 6-26 shows, Region 9 would gain significantly — 21 percent — largely at the expense of Region 4, which would have a loss of 12 percent.

Table 6-26
Funding share change among old entitlement
cities due to the 1990 census by HUD region

HUD region	Grant share 1991	Grant share Present*	Grant share change
1 - New England	6.37%	6.14%	-4%
2 - NY, NJ	18.20	16.90	-7
3 - Mid-Atlantic	10.69	10.28	-4
4 - Southeast	11.96	10.52	-12
5 - Midwest	21.76	21.28	-2
6 - Southwest	9.74	10.55	+8
7 - Great Plains	3.81	3.81	0
8 - Rocky Mountain	1.67	1.78	+7
9 - Pacific/Hawaii	13.73	16.64	+21
10 - Northwest/AK	2.06	2.12	+3
Total	100.00%	100.00%	

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

If the old entitlement share of funding were held constant, the addition of 1990 Census data would cause the neediest old entitlement cities to lose funding share, while the less needy old entitlement cities would gain funding share (table 6-27).

Table 6-27
Funding share change among old entitlement
cities due to effect of the 1990 census by needs deciles

Needs decile	Grant share 1991	Grant share Present*	Grant share change
Least needy	2.24%	2.54%	+13%
2	3.49	3.75	+7
3	4.46	4.99	+12
4	5.77	6.05	+5
5	6.41	6.80	+6
6	8.06	8.67	+8
7	9.66	10.36	+7
8	8.19	8.12	-1
9	21.53	20.48	-5
Most needy	25.19	23.83	-5

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

Just as with the introduction of 1980 census data, the changes shown on table 6-28 mirror the changes on table 6-27 because 1990 population was used as the denominator for determining both the 1991 and 199X per capita allocations.

Table 6-28
Old entitlement cities' per capita
allocation change due to 1990 census data
by needs decile

Needs decile	Per capita grant 1991	Present*	Per capita grant change
Least needy	$ 8.13	$ 9.22	+13%
2	11.79	12.64	+ 7
3	13.09	14.66	+12
4	14.81	15.54	+ 5
5	17.38	18.41	+ 6
6	20.19	21.72	+ 8
7	21.59	23.14	+ 7
8	26.02	25.81	- 1
9	31.45	29.92	- 5
Most needy	43.58	41.22	- 5

* "The present" is the distribution that results when the 1993 formula uses a complete set of 1990 census data.

Summary of Changes 1981 to the Present

The report accompanying the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1991 requested that this study examine the "effects on grants caused by the increasing number of entitlement communitie." (page 33) This chapter has attempted to quantify this effect, although it is very difficult to separate out precisely the effects of new entitlements from the independent effects of changing data on the grants of on-going grantees.

By the time a complete set of 1990 census data are used in the formula, the introduction of new entitlements, combined with the demographic changes that affect distribution under the formula, will have resulted in an average 10 percent reduction of grant share for entitlement cities in the program since 1981. The old entitlement cities that lose the most funding share are the cities that fall in the two deciles with the highest need. The cities in the neediest decile lose 18 percent of funding share due to the combined effect of new entitlements and demographic changes. The worst off old entitlement cities' per capita funding to need declines by 7 percent.

When just the old entitlement cities are considered, and their loss to new entitlements and urban counties are held constant, it is clear that the demographic changes that influence the current formula have redistributed funds away from the neediest cities. This method of analysis shows that the neediest old entitlement cities lost 9 percent of their funding share strictly due to demographic changes impact on the current formula. However, their overall loss on a per capita basis was only 1 percent. The next most needy decile 9 nine percent of per capita funding between 1981 and the present when only the demographic changes are considered.

7. COMMUNITY DEVELOPMENT BLOCK GRANT NON-ENTITLEMENTS

This section describes and analyzes the distribution of nonentitlement funds among the 50 States and Puerto Rico. Nonentitlement grants are less geographic-specific than entitlement grants. They are the "leftovers" once entitlement cities and counties and Indian areas are subtracted from State totals. Thus, the data combine rural locations and small urban communities. This analysis was conducted in two steps:

1. Determine the change in funding distribution caused by the 1990 census data.

2. Compare new 1990 funding distribution with various measures of need.

This section shows that:

o   The introduction of 1990 census data will redistribute funds from the Southern and North Central States to the West and Northeast. This movement is largely due to the increased share the West and Northeast have of overcrowded and pre-1940 housing, respectively.

o   The distribution of non-entitlement funds on a per capita basis has become very similar among States. There is very little targeting.

o   The Southern and the Western nonentitlement areas have higher incidence of housing, economic, and social problems than the Northeast and North Central regions of the country.

o   Formula A of the dual formula targets moderately well to need, but funding from formula B has little relationship to any needs indicator.

o   The reason formula A targets moderately well is that poverty and overcrowding, which target reasonably well to a variety of social, housing, and community needs indicators — as well as being indicators of need themselves — represent 81 percent of its allocation.

o   The reason formula B targets poorly is that pre-1940 housing and population in the formula have no clear targeting to any types of need. Because they represent 81 percent of the actual dollars allocated by formula B, funding under formula B has little relationship to any needs indicator.

o   Overall, the two formulas combined target poorly
     largely due to formula B. If a variable that indicates
     need were substituted for pre-1940 housing, formula B
     and the overall allocation would target much better to
     need in nonentitled jurisdictions.

Impact of the Introduction of 1990 Census Data into the Nonentitlement Dual Formula

The nonentitlement dual formula

In FY 1993, the nonentitlement formula distributed $1.168 billion to the nonentitlement areas of the 50 States plus Puerto Rico. The non-entitlement allocation to each State is currently computed by a dual formula similar to that used for entitlement cities and urban counties. There are two important differences between the entitlement and nonentitlement formulas:

1)   Total population replaces the growth lag factor.

2)   The nonentitlement denominator is the sum of all nonentitlement areas rather than metropolitan denominators.

Mathematically, a State receives an allocation based on the greater of the amounts computed by the following two equations:

(1) Formula A (1974) Amount =

$$\left(.25 \frac{POP_j}{POP_{nent}} + .50 \frac{POV_j}{POV_{nent}} + .25 \frac{OCRWD_j}{OCRWD_{nent}}\right) \times G_{nent}$$

(2) Formula B (1977) Amount =

$$\left(.20 \frac{POP_j}{POP_{nent}} + .30 \frac{POV_j}{POV_{nent}} + .50 \frac{AGE_j}{AGE_{nent}}\right) \times G_{nent}$$

where: j =   Nonentitlement area of the State.

   nent   =   National aggregate for all nonentitlement
                    areas.

   G_{nent} =   Total amount allocated to all nonentitlement
                    areas (30 percent of total CDBG appropriation
                    less set asides for Indians, etc).

   POP   =   Total resident population.

   POV   =   Extent of poverty (number of persons whose
                    incomes are below the poverty level).

OCRWD   =   Overcrowded housing (number of housing units with 1.01 or more persons per room).

AGE   =   Age of housing (number of existing year-round housing units constructed 1939 or earlier).

There are two fundamental differences between formula A and formula B that influence which formula will give a State the largest grant:

1)   Variables: formula A uses overcrowding as a variable, and formula B uses housing built before 1940 (pre-1940 housing) as a variable.

2)   Weights: formula A gives a much higher weight to poverty than does formula B, while formula B weights pre-1940 housing as its most important variable.

As a result of this dual formula system, a State will generally be a "formula A State" if it has a high percentage of poverty or overcrowding. Otherwise, it will become a "formula B State" if it has a high percentage of pre-1940 housing. Some States which receive similar amounts under the two formulas will switch between formulas due to a small change in their share of a particular variable. Wyoming and Delaware are good examples.

In deriving the "dual formula" amounts, the Department of Housing and Urban Development (HUD) applies a pro rata reduction to all allocations to ensure that the total amount distributed adds up to the amount appropriated (G_{nent}). The funds granted by HUD to States are then awarded to the nonentitled units of general local government (except in New York and Hawaii in which HUD uses the State amount to make awards to the nonentitled units of general local government).

Introduction of 1990 census data

As with the entitlements, the introduction of 1990 data is occurring in three increments, beginning in 1992. Table 7-1 shows this introduction. In 1993 and 1994 allocations, the 1990 population and poverty data were used in the allocation formula, while 1980 data are being used for pre-1940 housing and overcrowding.

Table 7-1
Data source by CDBG grant year

Formula A

Factor	1992 Data source	1993 & 1994 Data source	Future* Data source
Population	1990 Census	1990 Census	1990 Census
Poverty	1980 Census	1990 Census	1990 Census
Overcrowded housing	1980 Census	1980 Census	1990 Census

Formula B

Factor	1992 Data source	1993 & 1994 Data source	Future* Data source
Pre-1940 housing	1980 Census	1980 Census	1990 Census
Poverty	1980 Census	1990 Census	1990 Census
Population	1990 Census	1990 Census	1990 Census

* Assumes no change in the formula.

Since the purpose of this report is to isolate the effects of using 1990 census data, the analysis holds non-entitlement areas constant as defined in FY 1993 and uses the FY 1993 non-entitlement funding appropriation, $1.168 billion, for all three allocations. The list of eligible entitlement jurisdictions and funding level changes in FY 1994 and probably will change again in the future. Therefore, funding levels projected in this chapter may not represent the actual funding States will receive in any future year. What is discussed here as the formula "with all 1990 data" is a hypothetical projection using a complete set of 1990 census data in the formula that otherwise represents the actual 1993 allocation. Because population was updated throughout the 1980s, its impact is discussed minimally and this analysis concentrates on the effect of introducing the poverty and housing data.

Redistribution caused by the introduction of 1990 census data

The introduction of 1990 census data will cause significant regional shifts in funding. The redistribution that takes place is due mostly to dramatic changes in the share the different regions have of overcrowded housing, pre-1940 housing, and persons in poverty.

Changing of shares. Understanding the impact of introducing new data into the formula is an issue of share allocation. For example, if in 1980 there were only two States whose only difference was their poverty rate, the first State, with 60

7-4

percent of the total poverty population, would receive more money than the second State, which only had 40 percent of the total poverty population. If in 1990 the first State's share of poverty decreased to 55 percent (meaning the second State's share increased to 45 percent), its share of funding due to poverty would also decrease and the second State's share would increase.

Even if the variable is not in both formulas (overcrowding and pre-1940 housing), a State's share of the total number of overcrowded units, including B grantees, is important for determining its allocation. For example, although a formula B State does not receive funds from overcrowding, if the formula A States' overall share of overcrowding increases (and thus declines for formula B States) formula B States will lose funding because A States are getting a larger share of funding on the overcrowding variable. The B States can make up funding if their share on another variable (such as pre-1940 housing) went up in respect to the formula A States.

Table 7-2 shows how the shares changed regionally and is indicative of how funding changed. The number not in parenthesis shows percentage point change in share between 1980 and 1990. The number in parenthesis shows the overall loss of share to a region between 1980 and 1990. For example, the Northeast's share of poverty in 1980 was 11.5 percent, and in 1990 it was 10.1 percent — a 12 percent decline in poverty share, an absolute decline in share of 1.4 points.

Table 7-2
Regional share shifts in formula variables from 1980 to 1990

	Poverty	Overcrowding	Pre-1940 housing
Northeast	-1.4 (-12%)	-1.5 (-15%)	+4.0 (+16%)
North Central	0.0 (0)	-3.0 (-15)	).0 (0)
South	-0.7 (- 1)	-2.9 (-5)	-4.4 (-16)
West	+2.1 (+20)	+7.4 (+47)	+0.4 (+ 5)
Total	0.0	0.0	0.0

The nonentitlement South's share of overcrowding declined by an absolute amount of 2.9 points. However, the South represents over 50 percent of the total overcrowding. Thus, its regional loss of share was only 5 percent. Nonetheless, the South suffered an overall loss in share of problems on every one of the formula variables so the region experience an average funding reduction with the introduction of 1990 census data. North Central States will also will experience an average funding reduction because they lost share on overcrowding and did not gain share on any of the other variables. The West, on the other hand gained share on every one of the formula variables, guaranteeing that it will be a net winner with the introduction

of 1990 Census data. The Northeast is the mystery region because it lost share on two of the three formula variables but gains a significant share of pre-1940 housing. How much the Northeast will gain or lose depends on the weight of the formula variables. Because pre-1940 housing is weighted at 50 percent for formula B States, it is likely that Northeastern States will gain with the introduction of 1990 census data.

Indeed, these hypotheses based on share allocation hold true. Table 7-3 shows the estimated and actual change in formula allocation for each of the nonentitled areas. Nearly all of the Southern States experience funding reductions due to the introduction of 1990 census data, the Western States receive a large increase in funding, the Northeastern States all have moderate gains, and most of the North Central States would receive reduced funding.

A total of 25 nonentitled areas would experience funding reductions with the completed introduction of 1990 census data, and 26 areas would gain funding. Texas and California would have particularly large increases in actual dollars. Both would receive increases of over $11 million dollars. Their large increases would be offset by smaller decreases in funding to most of the Southern and North Central States.

While Table 7-3 shows an overall impact of adding 1990 census data, it is important to understand the impact that each of the variables had on the allocation to nonentitled areas. Table 7-4 shows how each of the formula variables changed for each State and the impact it had on the nonentitled area's formula allocation. The changes in overcrowding seem particularly dramatic, but that is largely due to the small number of actual cases of overcrowding. An actual increase of overcrowding by only a small amount may show a large percentage increase if the original overcrowding was very small. The impact of each of the formula variables is discussed in turn.

Table 7-3
Formula allocations when 1990 census data are added

Formula A States	With 1980 poverty (000s)	Actual FY 1993 (000s)	With all 1990 data (000s)	% change 1980 to all 1990	
Alabama	$34192	$32119	$29598	-13.44	
Arkansas	24464	23319	21785	-10.95	
Florida	25415	26423	28346	11.53	
Georgia	43281	41610	40170	-7.19	
Kentucky	34065	33584	29917	-12.18	
Louisiana	31678	34048	33144	4.63	Southern
Mississippi	37066	36096	34030	-8.19	States
North Carolina	49694	46346	43270	-12.93	
Oklahoma	18391	19061	18358	-.18	
South Carolina	31723	30620	29241	-7.82	
Tennessee	30688	28882	26246	-14.47	
Texas	66869	74547	79219	18.47	
Virginia	24208	22653	20630	-14.78	
Puerto Rico	64250	61513	58575	-8.83	
Alaska	2205	2301	2678	21.44	
Arizona	7426	8730	9997	34.62	
California	29968	32938	41049.	36.97	
Hawaii	3226	3357	4262	32.13	Western
Idaho	8792	8757	8899	1.21	States
Nevada	1828	2007	2395	31.00	
New Mexico	11349	12792	13384	17.93	
Oregon	12221	12918	13763	12.62	
Utah	6287	6713	7019	11.64	
Washington	11087	12162	13436	21.18	

Formula B States	(000s)	(000s)	(000s)	% change	
Connecticut	$12469	$12036	$12954	3.89	
Maine	13460	12907	14743	9.53	Northeast
Massachusetts	32902	31981	35283	7.23	States
New Hampshire	8112	7853	8921	9.98	
New Jersey	9651	9252	9925	2.83	
New York	47414	46391	50939	7.44	
Pennsylvania	51762	51896	52200	.85	
Rhode Island	4871	4737	5110	4.90	
Vermont	6710	6427	7682	14.48	
Illinois	38296	38642	36442	-4.84	
Indiana	34035	33662	32654	-4.06	
Iowa	29104	28536	27050	-7.06	
Kansas	19102	19133	18340	-3.99	North Central
Michigan	37637	38345	39670	5.40	States
Minnesota	23021	22515	22277	-3.23	
Missouri	28569	28816	26087	-8.69	
Nebraska	14102	13721	13413	-4.88	
North Dakota	6217	6046	5645	-9.20	
Ohio	50319	51565	50252	-.13	
South Dakota	8091	7604	7282	-10.00	
Wisconsin	29599	29416	30468	2.94	
Maryland	9882	9559	9577	-3.08	Southern
West Virginia	19939	20429	18736	-6.04	States
Colorado	10025	10329	10606	5.79	Western
Montana	7286	7543	7447	2.21	States

Formula changing States	(000s)	(000s)	(000s)	% change
Wyoming	3073 (B)	3325 (A)	3042 (B)	-1.03
Delaware	2002 (A)	1862 (B)	1871 (B)	-6.51

Population. Because the population variable was updated throughout the decade, its effect is not shown on table 7-4. In addition, the effect that population has had on redistributing funds gradually throughout the decade has been relatively small in comparison to the impact that poverty, overcrowding, and pre-1940 housing would have on the formula. The few States that gained significantly due to population change over the decade were:

> Nevada (8.7-percent increase in formula allocation),
> Florida (8.0-percent increase),
> Hawaii (4.4-percent increase), and
> California (3.9-percent increase).

The four states with the largest funding reductions because of population changes were:

> Oklahoma (3.8-percent loss in formula allocation),
> Minnesota (2.8-percent loss),
> North Dakota (2.8-percent loss), and
> Wyoming (2.8-percent loss).

In general, Western and Northeastern States gained formula share from population change while most Southern and North Central States lost share.

Poverty. When the 1990 poverty data were introduced in 1993, the Southwest (Texas, Arizona, New Mexico) had large gains, while the Northeast and Southeast States had declines in their shares of nonentitlement poverty. Over the decade, poverty increased by 11 percent in nonentitled areas. As one can see from table 7-4, if a State had a smaller increase in poverty than 11 percent, or a decrease, the 1990 poverty data would result in a funding reduction.[1] This was the case for several Southern States. Although 10 States in the South had increases in poverty, 6 would receive reduced funding because their increase in poverty was less than 11 percent.

Overcrowded Housing. Over the decade, nearly all of the Western nonentitled areas had sharp increases in overcrowding while the Southern States had decreases. The Western States' share of overcrowded housing grew from 15 percent to 23 percent, thus causing a large redistribution of funds from all of the other regions to the West. California, Hawaii, and Nevada received very large increases in their funding due to the overcrowding variable. States hit particularly hard by the change in overcrowding were Kentucky and Virginia.

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[1] The method used to develop Table 7-4 is discussed in Appendix I.

Table 7-4
Variable by variable effect on CDBG formula by adding 1990 data

Formula A State	Poverty change (%)	Estimated formula impact (%)	Overcrowded change (%)	Estimated formula impact (%)	
Alabama	-1.28	-6.06	-29.00	-7.85	
Arkansas	1.56	-4.68	-25.35	-6.58	
Florida	20.07	3.97	25.56	7.28	Southern
Georgia	2.40	-3.86	-14.63	-3.46	States
Kentucky	8.07	-1.41	-42.91	-10.92	
Louisiana	26.79	7.48	-12.11	-2.66	
Mississippi	5.71	-2.62	-21.62	-5.73	
North Carolina	-3.85	-6.74	-25.22	-6.64	
Oklahoma	18.49	3.64	-16.25	-3.69	
South Carolina	3.14	-3.48	-17.75	-4.51	
Tennessee	-1.09	-5.88	-36.05	9.13	
Texas	38.62	11.48	15.79	6.27	
Virginia	-3.54	-6.42	-33.92	-8.93	
Puerto Rico	3.84	-4.26	-19.36	-4.78	
Alaska	28.72	4.37	30.92	16.36	
Arizona	60.64	17.56	37.09	14.51	
California	39.15	9.91	64.66	24.62	
Hawaii	27.64	4.07	41.64	26.96	
Idaho	9.94	-.40	1.81	1.62	Western
Nevada	43.83	9.78	58.47	19.33	States
New Mexico	41.35	12.71	9.93	4.63	
Oregon	24.19	5.70	22.62	6.55	
Utah	31.12	6.78	9.29	4.56	
Washington	34.07	9.69	38.61	10.47	

Formula B State	Poverty change (%)	Estimated formula impact (%)	Pre-1940 change (%)	Estimated formula impact (%)	
Connecticut	-16.92	-3.47	-4.78	7.63	
Maine	-10.34	-4.11	2.56	14.22	
Massachusetts	-10.53	-2.80	-2.73	10.32	
New Hampshire	-10.27	-3.19	2.07	13.60	Northeast
New Jersey	-15.35	-4.13	-5.58	7.27	States
New York	-2.00	-2.16	-3.48	9.80	
Pennsylvania	13.17	.26	-14.78	.59	
Rhode Island	-6.45	-2.76	-5.00	7.88	
Vermont	-13.08	-4.21	8.30	13.52	
Illinois	16.97	.90	-22.69	-5.69	
Indiana	4.89	-1.10	-19.24	-2.99	
Iowa	-1.20	-1.95	-21.81	-5.21	
Kansas	12.35	.16	-20.66	-4.15	North Central
Michigan	20.71	1.88	-9.87	3.46	States
Minnesota	.02	-2.20	-16.67	-1.06	
Missouri	14.56	.86	-29.75	-9.47	
North Dakota	-1.97	-2.76	-23.94	-6.62	
Nebraska	-4.48	-2.70	-18.28	-2.24	
Ohio	25.34	2.48	-18.64	-2.55	
South Dakota	-16.00	-6.02	-20.75	-4.23	
Wisconsin	7.42	-.62	-10.77	3.58	
Maryland	-4.87	-3.27	-14.22	.19	Southern
West Virginia	19.91	2.46	-27.80	-8.29	States
Colorado	24.09	3.03	-9.59	2.68	Western
Montana	27.65	3.53	-16.77	-1.27	States

Formula change State	Poverty change (%)	Estimated formula impact (%)	Overcrowded change (%)	Pre-1940 change (%)	Estimated formula impact (%)
Wyoming (B)	39.73	8.19 (A)	-35.85	-24.53	-8.52 (B)
Delaware (A)	-7.33	-6.99 (B)		-13.38	.51 (B)

Pre-1940 Housing. Pre-1940 housing is the most peculiar of the current formula variables because no state can increase its number of pre-1940 housing (unless the census data are incorrect). Therefore, change in funding share on the pre-1940 variable depends on which nonentitled areas lost the least amount of pre-1940 housing stock.

Because the Northeastern and North Central States are the primary formula B states, their change in pre-1940 housing stock is crucial. As it turns out, the North Central formula B States eliminated 19 percent of their pre-1940 housing stock over the decade, while Northeastern States only lost 6 percent. The result is that on average the North Central States receive reduced funding while average funding for the Northeast would increase.

Table 7-4 also shows some features of the pre-1940 housing variable that are particularly disturbing. Three States — Vermont, Maine, and New Hampshire — had increases in their pre-1940 housing over the decade (8, 3, and 2 percent, respectively). While giving those States large increases in funding, the strange pre-1940 data also raise the issue of the quality of the pre-1940 data (no new pre-1940 housing can be built). This problem could be due to the source of the pre-1940 information. The data come from the sample portion of the 1980 and 1990 Census. The three States with obviously questionable pre-1940 data are small States which have smaller sample sizes. In general, the smaller the sample size, the less accurate the information. Furthermore, age of housing is a particularly difficult question to answer because many of the respondents, particularly renters, often do not know the age of their structures. It is unclear which Census, 1980 or 1990, provided a more accurate count of pre-1940 housing.

The relative importance of the formula variables

Another way of studying why the introduction of 1990 census data redistributes funds the way it does, is to understand the relative importance of each of the formula factors. The factor weights in the dual formula do not accurately describe the relative importance of each factor in allocating nonentitlement funds. Table 7-5 shows the factor weights and the percentage of funds distributed by each factor.

If each formula factor distributed funds according to its weight, one would expect, for example, that overcrowding would distribute 12.5 percent (.25 divided by total of all factor weights). However, due to the taking of the highest formula amount and then applying a pro rata reduction, several formula factors distribute more or less funds than their factor weight suggest. The introduction of 1990 data has caused overcrowding and pre-1940 housing to increase in their relative importance for distributing funds, while population and poverty decreased in importance for both formulas.

Table 7-5
Factor weights and percent of total nonentitlement funds distributed by each formula factor§

| | Factor weight | Percent of funds distributed by each factor in formula: | | |
		1980 poverty	FY 1993	All 1990 data
Formula A		52.1	52.5	51.7
Population	.25	10.3	11.0	10.0
Poverty	.50	27.3	27.1	26.7
Overcrowding	.25	14.5	14.4	15.0
Formula B		47.9	47.5	48.3
Population	.20	8.6	8.5	8.3
Poverty	.30	9.4	9.3	9.2
Pre-1940 housing	.50	29.9	29.7	30.8

§ Appendix I discusses the method used to isolate the value of individual formula variables.

Assessing the Relative Need for CDBG Funds Among Nonentitlements

Due to the small number of nonentitlement grantees and the few indicators of need for nonentitled areas, it makes little sense to develop a needs index as developed for the entitlement grantees. Instead, the following analysis discusses States' relative need among a variety of needs indicators available through the 1990 U.S. census and the 1991 American Housing Survey (AHS). Interpreting the results of this analysis is also difficult due to the aggregated geography of nonentitled areas, which are a mix of small towns, rural areas, and urban areas whose needs could be significantly different in one part of the State as compared to another portion of the State.

Spreading versus concentration of formula variables

The introduction of 1990 census data, particularly housing data, causes a movement of funds toward States with high overcrowding rates and high levels of pre-1940 housing. In order for the CDBG nonentitlement formula to target to need, pre-1940 housing and overcrowding, along with poverty, have to be good indicators of housing and community need. Population already does not indicate any type of need; it merely serves to allocate money on an even per capita basis. This section explores how funds are distributed to States in terms of a variety of measures.

One measure of targeting is the distribution of per capita allocations. If nonentitled areas have different needs, their per capita allocation should reflect their relative level of need: the more needy a State, the larger its per capita allocation. If the States have similar per capita allocations, it implies one of two things: 1) they have similar needs, or 2) the current formula does not target to need.

The first step in determining how well the current formula targets need is to examine how per capita funding differs between States. This can be expressed by showing the degree to which the formula spreads funds evenly across States. Table 7-6 shows the spreading versus concentration issue by showing the mean, standard deviation and coefficient of variation of State per capita grants accounted for by each variable. The coefficient of variation is a relative measure of dispersion; it is obtained by dividing the standard deviation of the per capita grants by the mean. A small coefficient of variation indicates that the mean is typical of most items studied (either in sign or magnitude), while a large coefficient of variation indicates that the mean is not typical. In this case, the differences are in magnitude, not in sign. In other words, the higher the coefficient of variation, the higher the degree of difference between States' per capita allocation.

The use of 1990 census data shows an overall decline in the difference between States' per capita allocation and a more even spread of funding across States (the coefficient of variation decreases from .38 to .33). Both Formula A and Formula B have decreases in their differentiation between the lowest per capita

Table 7-6
Mean, standard deviation, and coefficient of variation in per capita funds from formula variables

	Mean per capita grant	Standard deviation	Coefficient of variation	Min/max range of per capita grant
FY 1992	$11.46	$4.31	.38	$6.7/16.5
Formula A	11.83	5.75	.49	6.7/16.5
Formula B	11.11	2.26	.20	7.2/15.0
FY 1993	11.48	4.07	.35	7.0/16.1
Formula A	12.03	5.37	.45	7.1/16.1
Formula B	10.95	2.20	.20	7.0/14.1
FY 199X	11.63	3.85	.33	7.0/15.7
Formula A	12.34	5.11	.41	8.0/15.7
Formula B	11.01	2.13	.19	7.0/14.7

grant and the highest per capita grant. Formula A, however, shows much greater differentiation in its per capita grant amounts than does formula B. Formula B's coefficient of variation, equal to .19 in the formula that uses a complete set of 1990 data, is very close to allocating funds on a strictly per capita basis (which is a coefficient of variation equal to 0). Either there is little differentiation in need among the nonentitled areas, especially among the formula B States, or the current formula does not distribute the funds appropriately.

Relative need by region

The previous section shows that the current formula is distributing funds with very little differentiation between States' per capita allocations. This section will show whether that small differentiation is due to a small difference in regional need or whether it is because the current formula does not allocate funds based on need. The motivation to compare problems on a regional basis is that the formula variables appear to have regional bias. The Northeast and North Central States are influenced most by pre-1940 housing, while the Southern States are significantly affected by poverty, and the West seems to be most affected by overcrowding. Note that the comparisons among individual States are discussed later in this chapter

Social concerns. The first step in this process is to examine the interregional distribution by identifying how much a regions share of need differs from its share of population. Table 7-7 shows each region's share of nonentitlement population and its estimated grant using a complete set of 1990 data in comparison to a host of measures of social need. If a region's share of social concerns is significantly different than its grant share, that suggests the current formula is distributing funds poorly to social problems on a regional basis.

Table 7-7
Relative share of social concern

	North-east	North central	South	West
Population	17%	29%	42%	12%
Grant when formula uses all 1990 data	18	28	42	12
Poverty	10	23	54	13
Female-headed household	14	25	49	12
On public assistance	12	25	50	13
Without high school education	13	24	52	10
Unemployed	17	27	42	14

The nonentitlement Southern areas have a significantly larger share of most social problems than their estimated 1994 grant share targets toward. The Northeast is the primary beneficiary of the South's lower levels of funding. While the Northeast is receiving 18 percent of the total share of grants, it has only 10 percent of the poverty, 12 percent of the public assistance, 14 percent of the female-headed households, and 13 percent of the persons without high school education. The large increases in funding that the West receives with the introduction of 1990 census data seems to bring its estimated grant share up to par with its share of social needs. On the other hand, the current formula does appear to distribute funds well to the regional distribution of unemployment share in 1990.

Table 7-8 shows the rate of incidence of a variety of social problems. Poverty rate has the widest divergence by region. The poverty rate in the South is twice the poverty rate of the Northeast. Persons without a high school education also appear to be much more common in the South than any of the other regions of the country. On all of the social indicators except unemployment, the South appears to be underfunded while the Northeast appears to be overfunded.

Table 7-8
Rate of social concern by region

	North-east	North central	South	West	Total
Poverty	8%	11%	16%	13%	13%
Female-headed household	5	5	7	6	6
On public assistance	4	4	6	6	5
Without high school education	13	13	21	13	17
Unemployed	6	6	6	7	6

Tables 7-9 and 7-10 explore housing problems in the same manner as tables 7-7 and 7-8 explores social concerns. The share of housing problems associated with rural areas — incomplete kitchen or plumbing and households without public sewer or equivalent (septic tank or cesspool) — are found in the South in much greater share than the South's estimated grant share. Overcrowding is also clearly a problem associated with the West and the South. Severe rent problems (housing cost greater than 50 percent), on the other hand, appear to more closely match the estimated grant share, although the Western States would be slightly underfunded and the North Central States would be overfunded.

7-14

Table 7-9
Relative share of housing problems

	North-east	North Central	South	West
Population	17%	29%	42%	12%
Grant when formula uses all 1990 data	18	28	42	12
Incomplete kitchen or plumbing	10	19	56	15
Without public sewer or equivalent	10	23	55	12
Severe rent problems	18	25	43	14
Overcrowding	8	17	53	22

Table 7-10 gives a little better picture of the extent of the problems compared in Table 7-9. Clearly, among those problems, severe rent burden and overcrowding are the most common. Both of those problems have higher incidence in the West than in the rest of the country. The remainder of Table 7-10 uses AHS data on inadequacy to show where inadequate housing is most common in nonmetropolitan areas. While most inadequate housing appears to be spread evenly across regions, moderately inadequate housing is a problem 5 times worse in the urban South than it is in most of the other regions. Moderately inadequate housing also appears to be a major problem in the rural South.

Table 7-10
Rate of housing problem by region

	North-east	North central	South	West	Total
1990 census					
Incomplete kitchen or plumbing	1%	1%	2%	2%	2%
Without public sewer or equivalent	1	1	2	2	2
Severe rent problems	9	7	9	10	8
Overcrowding	2	2	4	6	3
1991 AHS					
Severely inadequate					
Urban non-metropolitan	2	3	4	4	3
Rural non-metropolitan	2	3	5	5	4
Moderately inadequate					
Urban non-metropolitan	3	3	15	4	8
Rural non-metropolitan	2	3	10	3	6

Table 7-11 also uses AHS data to look at the final dimension of need that the CDBG Program is intended to address — neighborhood and infrastructure problems. Although of generally low incidence in nonmetropolitan areas, abandoned homes appear to a problem associated with the nonmetropolitan areas of the urban Northeast and South, and the rural West and South. The need for major road repair, a proxy for infrastructure problems, appears to be concentrated in rural areas, especially in the South. Persons with a fair or poor opinion of their neighborhoods are mostly in the rural West and urban South.

Table 7-11
Rate of neighborhood and infrastructure problems by region
American Housing Survey data

	North-east	North Central	South	West	Total
Abandoned homes nearby					
Urban nonmetropolitan	5%	2%	4%	1%	3%
Rural nonmetropolitan	1	3	1	5	3
Roads need major repair					
Urban nonmetropolitan	4	2	4	4	3
Rural nonmetropolitan	10	7	14	9	11
Roads need minor repair					
Urban nonmetropolitan	35	23	27	20	25
Rural nonmetropolitan	30	28	31	34	30
Satisfaction with neighborhood 3 or less					
Urban nonmetropolitan	2	3	6	3	4
Rural nonmetropolitan	3	5	6	10	6
Satisfaction with neighborhood 5 or less					
Urban nonmetropolitan	14	12	18	12	14
Rural nonmetropolitan	9	12	13	19	13

Nonentitlement allocation by need

The regional share analysis in the previous section shows that the South appears to be underfunded under the current formula while the Northeast is overfunded. While the regional distribution is useful to understand what regional inequities exist, a similar comparison on State-by-State basis is necessary to assess whether the current dual formula is targeting well to individual States. This section uses two methods to do this. The first compares the per capita funding of States by quintiles of need (most over least), while the second uses regression analysis to compare the relationship of the per capita allocation variances and the variances in the rate of problems.

Table 7-12 shows the per capita allocation of funds by seven needs indicators: poverty rate, percent of households with rent burden greater than 50 percent, overcrowding rate, percent of households that are renters with one of four problems (overcrowding, rent burden greater than 30 percent, without complete plumbing or kitchen facilities), percent of households with no public sewer, septic tank, or cess pool, unemployment rate, and change in the rate of poverty from 1980 to 1990.

The 10 States with the lowest poverty rates (an average poverty rate of 6.4 percent) would receive $9.26 per capita and the 10 States with the highest poverty rates (an average of 19.0 percent) would receive $12.53 per capita when using all 1990 data in the current formula. The difference in funding between the States with the highest and lowest poverty rates is measured by most over least (M/L). The closer the number is to one, the less difference between the allocation to high poverty States and low poverty States. The most over least on the poverty variable is only 1.35, while the actual difference in poverty rate between the 10 States with the highest poverty rate and the 10 States with the least poverty rate is 2.97. The estimated grant using a complete set of 1990 census data in the current formula is twice as bad as it could be at targeting to poverty. A similar result is observed for the other need indicators used in this analysis.

Table 7-12
Current formula (with the introduction of 1990 data) per capita funding compared to needs indicators

	Poverty	Rent Burden GT 50%	Over-crowding	1 of 4 problems	No sewer	Unem-ployment	Poverty rate growth
Least	9.26	10.52	10.77	10.51	9.89	9.96	10.04
2	11.95	9.78	11.09	10.27	11.27	9.90	10.46
3	9.89	11.16	9.89	10.42	11.80	11.20	11.24
4	11.03	11.61	10.49	12.15	10.30	11.41	11.19
Most	12.53	13.16	13.60	12.56	11.72	12.52	12.48
M/L	1.35	1.25	1.26	1.20	1.19	1.26	1.24

Table 7-13 takes the analysis in table 7-12 one step further. It uses regression analysis to show the relationship of the current formula's per capita allocation to the rate of each of the seven problems. The R^2 is an indicator of how good the relationship between the per capita allocation and need is. If R^2 is close to one, the relationship is very good; if it is close to zero, it is very bad. In other words, formula A's R^2 of .42 on poverty shows that 42 percent of the variation in the grants allocated by formula A are allocated in a manner consistent with the levels of poverty among formula A States.

The slope shows how big the differences are in per capita allocation for each one percent increase in the rate of the problem. For example, among formula A States, a change of one percent of poverty would on average affect per capita allocation by 31 cents. The slope measures targeting by showing the differences in per capita allocation between the best off and the worst off States.

Formula A States target somewhat to poverty, rent burden, and overcrowding. Formula B States' allocations, however, are barely related to any of the needs indicators used in this analysis.

When formula A and B states are examined together, very little of the variance in per capita funding is due to any of the needs indicators used in this analysis. Further, the variance that is captured shows little differentiation (the slope) between the worst off and best off States' per capita allocation.

Table 7-13
Current formula (with the introduction of 1990 data) per capita funding compared to needs indicators

	Poverty	Rent Burden GT 50%	Over-crowding	1 of 4 problems	No sewer	Unem-ployment	Poverty rate growth
Formula A							
R^2	.42	.55	.43	.16	.00	.09	.23
Slope	.31	1.22	.56	.30	.xx	.36	.51
Formula B							
R^2	.11	.00	.06	.00	.00	.02	.00
Slope	.20	.xx	.xx	.xx	.xx	.xx	.xx
Total							
R^2	.27	.18	.18	.10	.00	.08	.05
Slope	.24	.66	.37	.27	.xx	.36	.26

xx = not significant at the 80% confidence level

Why the current nonentitlement formula targets poorly to need

As section C shows, the current formula with 1990 data targets only slightly to the needs indicators used in this analysis. Formula A targets moderately well to severe rent burden, overcrowding, and poverty, but formula B targets hardly at all. This section uses AHS data to discuss the relative merits of the formula variables to explain why the current formula targets poorly to need.

Population. Population currently distributes 18 percent of the total nonentitlement allocation: 19 percent of the formula A allocation and 17 percent of the formula B allocation. It is in both formulas, and it partially explains why the current formula does not target well to need. Population targets on a per capita basis, and therefore it is not an indicator of any need. If the nonentitled portion of a State had no need of any kind for CDBG funds, it would still receive an allocation based on the population variable.

Poverty. Poverty, like population, is in both formulas. It distributes 36 percent of the current formula allocation. In addition to being a measure of community need itself, it is a good measure of other problems, particularly social problems and inadequate housing. It accounts for 52 percent of the funding allocation under formula A, but only 19 percent of the allocation under formula B (well below its 30 percent weight). Table 7-14 uses AHS data to show how well poverty targets to a variety of problems. Of the indicators shown on table 7-14, all of which poverty targets well or moderately well to, it targets extremely well to severe rent burden. The rate of severe rent burden among poverty households is 14 times the rate of severe rent burden among the population not in poverty. Poverty is an excellent proxy for severe rent burden in nonmetropolitan areas, because 73 percent of households with severe rent burden are in poverty. Poverty does not target well to most neighborhood and infrastructure problems in nonmetropolitan areas. Only for those persons rating their neighborhood less than 3 on a 10-point scale did poverty target moderately well. Households in poverty are 2.28 times more likely to rank their neighborhood poorly than households not in poverty, and 32 percent of households ranking their neighborhood poorly are in poverty.

Table 7-14
Relationship of poverty to other indicators of social, housing, and community need

	Ratio of problem among poverty households vs. non-pov. households	Percent of households with problem in poverty
Social		
Single adult with children	4.79	50%
Housing		
Overcrowding	2.73	36
Inadequate housing	2.22	31
Severely inadequate housing	2.07	30
Severe rent burden	14.27	73
Rent burden (hsg > 30% of income)	4.96	49
Renter with one of four problems	6.19	56
Poor opinion of home (rate 3 or less)	4.05	45
Neighborhood/infrastructure		
Poor opinion of neigh. (3 or less)	2.28	32

Overcrowding. Overcrowding continues to target to need in nonmetropolitan areas. In particular, it seems to target to neighborhood or community problems associated with high cost, high-density areas. Overall, it would distribute 15 percent of the total nonentitlement appropriation using the current formula with a complete set of 1990 census data, all to formula A States. It allocates 29 percent of the formula A share. Table 7-15 shows that overcrowding within nonentitled areas appears to be a better measure of neighborhood problems than poverty, particularly problems associated with high density. It targets particularly well toward households living in neighborhoods where there are bars on the windows. An overcrowded household is 3.5 times as likely to be living near another home with bars on its windows than a non-overcrowded household. Ten percent of all households in nonmetropolitan areas who live in neighborhoods with bars on the windows live in an overcrowded household. Given that overcrowding only has 3-percent incidence in nonentitled areas, 10 percent is a remarkably high number.

Table 7-15
Relationship of overcrowding to other indicators of social, housing, and community need

	Ratio of problem among overcrowded households vs. non-crowd households	Percent of households with problem that are overcrowded
Social		
Poverty	2.16	4%
Housing		
Inadequate housing	2.70	5
Severely inadequate housing	2.56	5
Without complete plumbing	2.04	4
Poor opinion of home (rate 3 or less)	3.75	7
Fair or poor opinion of home (5 or less)	2.19	4
Neighborhood/infrastructure		
Junk problem nearby	2.37	7
Abandoned homes nearby	2.16	6
Bars on homes nearby	3.52	10
Roads need major repairs	2.03	6
Poor opinion of neighborhood (3 or less)	2.73	5

Pre-1940 housing. Pre-1940 housing shows barely any relationship to any indicators of neighborhood, housing, social, or infrastructure need in nonmetropolitan areas. With the introduction of 1990 data, pre-1940 housing will distribute an estimated 31 percent of the total formula allocation, all of it to formula B States. Among the formula B States, it will allocate 64 percent of the funds. Table 7-16 shows the targeting ability of pre-1940 housing to a variety of housing and infrastructure indicators from the AHS. On many of the indicators, pre-1940 housing only targets slightly better than non-pre-1940 households. In some cases, such as water problems in the last year and roads needing major repairs, pre-1940 housing actually targets away from the problem. Households living in pre-1940 housing were 0.87 times as likely (1.00 being the case among all households) to have a water problem in the last year than a household living in a house built after 1939. Twenty-three percent of households in nonmetropolitan areas who had a water problem in the last year live in pre-1940 housing. Note that 26 percent of all nonmetropolitan households live in pre-1940 housing.

Table 7-16
Relationship of pre-1940 housing to other indicators of social, housing, and community need

	Ratio of problem among pre-1940 households vs. non-pre-1940 HH	Percent of households with problem that are in pre-1940 hsg
Housing		
Inadequate housing	1.56	35%
Severely inadequate housing	1.39	32
Without complete plumbing	1.38	32
Renter with one of four problems	1.34	31
Water problems in last year	0.87	23
Sewer problems in last year	1.17	29
Poor opinion of home (rate 3 or less)	1.57	35
Fair or poor opinion of home (5 or less)	1.74	37
Infrastructure/Community		
Junk problem nearby	1.24	27
Abandoned homes nearby	1.20	26
Bars on homes nearby	1.06	23
Roads need major repairs	0.61	16
Poor opinion of neighborhood (3 or less)	1.03	26
Fair/Poor opinion of neighborhood (5 or less)	1.30	31

Conclusions

Formula A. Poverty and overcrowding, which target reasonably well to a variety of social, housing, and community needs indicators, as well as being indicators of need themselves, represent 81 percent of the allocation in formula A. For that reason, formula A targets reasonably well to need.

Formula B. Pre-1940 housing and population in formula B have no clear targeting to any types of need. Because they represent 81 percent of the actual dollars allocated by formula B, formula B has almost no targeting to any needs indicator.

Overall. The current formula targets poorly largely due to formula B. If a variable that indicates need were substituted for pre-1940 housing, formula B and the overall allocation would target much better to need in nonentitled communities.

8. EXAMINATION OF SPECIFIC FORMULA ISSUES

The Department of Housing and Urban Development Appropriations Act of 1991, which mandated this study, stipulated that HUD should examine several specific aspects of the Community Development Block Grant (CDBG) formula. It stated that:

> The study should also specifically examine the appropriateness of using pre-1940 housing as a factor without considering the occupants of such housing, the effects of increasing the emphasis on poverty, and the effects on grants caused by the increasing number of entitlement communities (page 33).

The issue of the effect of the increasing number of entitlement communities was addressed in Chapter 6. This chapter examines the effect of considering the incomes of the occupants of older housing, the effect of increasing the emphasis on poverty, and other minor modifications to the formula that follow from this analysis. This chapter concludes that the extent to which the CDBG formula targets to community need could be increased if:

o   the factor for housing built before 1940 was replaced with housing built before 1950 and occupied by a household in poverty;

o   the weight on poverty in formula A (which is the part of the dual formula containing poverty, population, and overcrowded housing) was increased to .6 and the weight on population was lowered to .15;

o   the definition of poverty in both parts of the dual formula was revised to exclude college students; and

o   growth lag funding in formula B was reduced for communities that do not meet a further test of need.

Each of these adjustments to the formula would improve targeting to need. Collectively, their impact in directing funds to needy places would be significant. However, implementing them, or other possible changes that also might improve targeting to need, would result in redistribution of funds. In some instances, this redistribution would be substantial, particularly in less needy communities that have been generously funded in recent years and that would have their grants reduced.

The Occupants of Older Housing

Chapter 5 indicated that during the 1980s the loss of pre-1940 housing was concentrated in the needier entitlement cities, so that by 1990 it was no longer a strong indicator of community need. Examination of data from the American Housing Survey (AHS) for central cities in 1991 suggests that older housing occupied by a poverty household provides a much better indicator of community need.

Table 8-1 shows that nationwide about 10 percent of the housing in central cities is inadequate and about 3 percent is severely inadequate. Among housing units built before 1940 (which are about 30 percent of all central city housing units), about 15 percent are inadequate and 6 percent are severely inadequate.

When it is further specified that the pre-1940 or pre-1950 housing unit is occupied by a household in poverty, the likelihood that the unit is inadequate increases to about 25 percent. Some 10 percent of central city housing units built before 1950 and occupied by a poverty household are severely inadequate.

With regard to neighborhood conditions, a similar pattern applies. Pre-1940 units are more likely to be in problem neighborhoods than are units built later. But the added specification that the older unit is occupied by a poverty household greatly increases the probability of inadequacy. Overall, if an older housing unit is occupied by a poverty household, it is about twice as likely to be on a road that needs major repairs, near a major problem of trash, litter, or junk in streets or properties, or near abandoned homes as the average housing unit built before 1940.

Comparison of the columns on the right side of Table 8-1 suggests that if an older unit is occupied by a household in poverty, it matters little whether it was built before 1950 or before 1940. A pre-1950 housing unit with a poverty household is about as likely as a pre-1940 unit with a poverty household to be physically deficient and to be located in a neighborhood with problems.

8-2

Table 8-1
Rate of problem by age of housing
and age of housing combined with poverty
AHS data for central cities

	All housing	All built before 1940	Occupied by poverty household and built Pre-1940	Pre-1950
Total central city housing units	100%	30%	7%	9%
Housing has:				
Inadequacies	10	15	25	26
Severe inadequacies	3	6	11	10
Neighborhood has:				
Abandoned homes	7	12	20	20
Homes with bars on windows	23	32	36	36
Roads needing				
- Minor repairs	25	32	36	35
- Major repairs	3	3	6	6
Junk problems				
- Minor problem	30	42	55	52
- Major problem	3	4	8	6
Occupant has poor opinion of:				
Neighborhood	7	10	15	16
Their unit	2	3	7	7

Note: The "pre-1950 poverty" column refers to all units constructed before 1950 and not just those constructed between 1940 and 1949. Thus, for example, 11% of the units constructed prior to 1940 with a poverty occupant have severe inadequacies. The 10% of units constructed before 1950 and having a poverty occupant that have severe deficiencies include the units built before 1940, have a poverty occupant, and have severe deficiencies.

Table 8-2 also suggests that older housing occupied by a poverty household provides a much better indicator of community need than is older housing alone. Table 8-2 correlates the city needs index developed in Chapter 3 with old housing rates in the 634 cities that have needs scores. The number of housing units built before 1940 and occupied by poverty households is much more highly correlated with city need than is the total number of pre-1940 units. However, the number of pre-1950 units occupied by poverty households is even more highly correlated with overall city need.

Table 8-2
Correlations of old housing measures
with city need

Measure	Pearson's correlation coefficient	Number
Housing built before 1940	.50*	634
Housing built before 1940, with a poverty household	.72*	634
Housing built before 1950, with a poverty household	.84*	634

Based on 634 entitlement cities with composite needs scores.

* Significant at the .01 level.

The fact that a pre-1950 poverty[1] measure is a better indicator of city, neighborhood, and housing need than pre-1940 housing does not necessarily mean that it would be a better formula variable. The next question is what would happen if pre-1950 poverty were introduced into the formula. Much of the remainder of this chapter explores this issue.

Table 8-3 presents the regional distribution of housing build before 1940, built before 1940 and occupied by a poverty household, and built before 1950 and occupied by a poverty household. These data suggest that the effect of either the pre-1940 poverty or pre-1950 poverty variable would be to reduce somewhat the amount of funds allocated by all other formula variables. It would also redistribute some funds among regions.

About 80 percent of metropolitan area pre-1940 housing is located within entitlement communities. Both pre-1940 housing and pre-1950 housing that is occupied by a poverty household are much more concentrated within entitlement communities. Specifically, about 96 percent of metropolitan area pre-1950 and pre-1940 housing with a poverty household are located within entitlement communities.

As the analysis in chapters 1, 2, and 5 has shown, when a particular problem is concentrated among entitlement jurisdictions as opposed to non-entitlement communities of their metropolitan areas, variables reflecting that problem play a greater role in allocating funds. In this instance, if pre-1940 poverty or pre-1950 poverty housing replaced pre-1940 housing in

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[1] For the sake of brevity, the variable "a housing unit built before 1950 and occupied by a household in poverty" is referred to simply as "pre-1950 poverty" throughout the remainder of this chapter.

the formula, formula B would generate a higher grant than formula A for more entitlement communities. Then, a pro rata adjustment to make the funds allocated by the formula equal the amount appropriated, would reduce the grant of every formula A community even though the variables in formula A were unchanged.

Table 8-3
Distribution of older housing in metropolitan areas
by HUD region and entitlement status

Entitlement Communities in Region	Percent of metropolitan total		
	All Pre-1940 housing	Pre-1940 poverty	Pre-1950 poverty
1 - New England	7%	7%	5%
2 - NY,NJ	19	21	19
3 - Mid-Atlantic	12	13	12
4 - Southeast	5	7	9
5 - Midwest	19	25	23
6 - Southwest	3	6	8
7 - Great Plains	3	4	4
8 - Rocky Mountain	1	2	2
9 - Pacific/Hawaii	8	8	10
10 - Northwest/Alaska	3	3	3
Outside entitlements	20	4	4
Total	100%	100%	100%

Comparing the regional shares in Table 8-3 helps show how alternative specifications of the older housing variable would contribute to inter-regional funding shifts. Regions 2, 3, and 5, which benefit from the presence of pre-1940 housing in the formula, would continue to benefit from the presence of pre-1940 poverty or pre-1950 poverty in the formula. Region 1 has a smaller share of pre-1950 poverty housing than it does of pre-1940 housing, while regions 4 and 6 have greater shares of pre-1950 poverty housing. Overall, however, the regional shares of older housing in metropolitan areas is not much changed if pre-1940 housing is replaced with pre-1950 housing occupied by a poverty household or pre-1940 occupied by a poverty household.

Increasing the Weight on Poverty

The population variable in the formula does not target resources to need. It funds all communities proportionate to their populations. To recapitulate the discussion in Chapter 5, poverty and overcrowding variables concentrate funds among the needy communities that receive funding through formula A. Population spreads funds evenly among formula A communities regardless of need. Reducing the weight on population in formula

A and increasing the weight on poverty is a simple way of giving needier formula A grantees greater funding relative to less needy formula A grantees.

Using Non-College Student Persons in Poverty

As noted in Chapter 5, poverty continues to be a good indicator of need and a suitable formula variable. One exception to this generalization is the case of relatively small entitlement communities that are the homes of very large universities. College students often have low reported incomes, even though they typically do not have the same incidence of problems and public service needs as poor families, elderly people, or other non-students. Thus, a very large student population may substantially overstate a community's poverty problem, and may result in a high level of CDBG funding relative to need. A relatively minor change in the definition of poverty for purposes of the formula, from persons in poverty to persons in poverty who are not college students, redistributes some funds from less needy college communities to more needy places with higher poverty rates.

Table 8-4
Distribution of poverty persons in metropolitan areas
by HUD region and entitlement status

Entitlement communities in Region	Percent of metropolitan total	
	Persons in poverty	Non-student persons in poverty
1 - New England	3%	3%
2 - NY,NJ	10	11
3 - Mid-Atlantic	7	7
4 - Southeast	11	12
5 - Midwest	14	15
6 - Southwest	11	12
7 - Great Plains	2	2
8 - Rocky Mountain	2	2
9 - Pacific/Hawaii	15	16
10 - Northwest/AK	2	2
Outside entitlements	23	18
Total	100%	100%

Persons in poverty who are not college students are slightly more concentrated in entitlement communities than all persons in poverty (Table 8-4). This means that the substitution of a non-student poverty variable would allocate a somewhat greater share of available funds than would the current poverty variable. This would cause all other formula variables to

8-6

allocate a somewhat smaller share of the funds because of the increased pro rata reduction. Comparing the regional shares of the alternative poverty variables shows almost no difference in the regional distribution. However, "College Towns" would receive significantly smaller grants.

Limiting Growth Lag

Chapter 5 showed that the growth lag factor in formula B continues to target funds to needier cities, and it gives needier cities much more funds on average than it gives less needy cities. But the growth lag factor is imperfect, and it occasionally provides substantial CDBG resources to communities with relatively low need.

The growth lag factor allocates funding to communities on the assumption that if they have grown less rapidly than the average entitlement city since 1960, they are fiscally stressed. However, some communities whose populations have been stable or slow growing since 1960 do not exhibit any other characteristics that suggest community development need.

The HOME Program formula suggests a mechanism for limiting the impact of the growth lag factor by reducing its size for some communities. The HOME formula uses population as a formula variable, but adjusts it according to a ratio of the national per capita income divided by local per capita income. Applying a similar mechanism to the CDBG formula, it would be possible to adjust a community's growth lag if the community has a per capita income that is much above the national average and a poverty rate that is much below. For example, Congress might reduce a community's growth lag score if its per capita income were above 125 percent of the national per capita income and if its non-college student poverty rate were below 75 percent of the average for entitlement communities. If a community's per capita income were above the 125 percent threshold, its growth lag would be reduced according to its non-college student poverty rate. A non-college student poverty rate of 75 percent of the national average would result in full funding, and a rate of 50 percent would result in zero growth lag funding. Between 50 and 75 percent, funding from growth lag would be reduced proportionately.

In practice, this would mean that a community with a per capita income in excess of $18,025 would be subject to a growth lag adjustment. If such a community also had a non-college student poverty rate below 6.2% (less than half of the national entitlement rate of 12.4%), it would lose its growth lag funding. If the community had a non-college student poverty rate of 9.3% (.75 times the national rate) or more, it would keep all of its growth lag funding. For communities with per capita incomes over

$18,025 and non-college student poverty rates between 6.2 and 9.3 percent, growth lag would be reduced relative to the non-college student poverty rate.

The Combined Effect of Formula Changes on Entitlement Grantees

The remainder of this chapter considers the effects of making the four formula adjustments suggested above. The simulation presented here uses housing built before 1950 and occupied by a poverty household instead of pre-1940 housing.[2] It also replaces persons in poverty with non-college student persons in poverty. It increases the weight on poverty to .6 in formula A, while reducing to .15 the weight on population in that formula. Finally, it reduces or eliminates funding from growth lag for communities with high incomes and low rates of poverty among those who are not college students. (Estimated funding distributions by jurisdiction with this adjusted formula are presented in Appendix H).

This section first considers the 634 entitlement cities for which composite needs scores were developed. Then, it considers all entitlement cities and urban counties. Finally, it examines the effect of the revised formula on the nonentitled portion of the CDBG Program. Each table compares the distribution in 1993 (which is the base year for comparisons in this report) with the distribution that would result under alternative formula assumptions using a complete set of data from the 1990 census. The 1993 (and also 1994) formula used 1990 data for all variables, except for pre-1940 housing and overcrowded housing, which were from the 1980 census. The only difference between the 1993 formula and the "no change" option is that in the latter the 1990 census values for pre-1940 housing and overcrowded housing replace the 1980 values. The "adjusted" formula also uses a complete set of 1990 census data, in addition to making the four formula modifications. In each of the alternatives, the assumption is that the amount being allocated is equal to the amount actually allocated in 1993 and that the number of entitlement communities is the same as in 1993. Larger or smaller appropriations would result in proportionately larger or smaller allocations to individual communities and groups of communities.

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[2] Although not presented here, the effect of replacing pre-1940 housing with pre-1940 poverty also would improve targeting to community need. This illustration uses pre-1950 poverty in place of pre-1940 for three reasons: (1) it is as good an indicator of housing and neighborhood need as is pre-1940 housing; (2) there are more pre-1950 poverty units than pre-1940 poverty units, which makes it less subject to sample error; and (3) the Department uses pre-1950 poverty in the HOME Program formula.

Entitlement cities[3]. Overall, the combined effect of these four adjustments to the formula would substantially increase targeting to city need. Table 8-5 shows that among the 63 most needy entitlement cities (that is, the 10 percent of cities ranked most needy according to the composite index of community need developed in Chapter 3) the average per capita grant in 1994 would increase from $42.30 to $46.55 if the formula changes were made. This increase in funding for the most needy cities generally would come from grant reductions for less needy cities. Overall, these changes would more than offset the attenuation of targeting to need caused by the 1990 census.

Table 8-5
Funding by city need,
formula with technical modifications compared
with no change option and base year funding

| | | Per capita funding | |
| | | Current Formula with | Adjusted Formula with |
Needs decile	Base Year	1990 data	1990 data
Least needy	$8.11	$ 8.71	$ 7.41
2	11.63	12.31	10.52
3	13.28	14.10	12.40
4	14.55	14.91	14.17
5	16.56	16.35	15.86
6	21.40	21.79	20.41
7	21.20	22.15	23.03
8	25.98	25.61	26.76
9	29.95	29.09	31.84
Most needy	42.30	40.78	46.55
Most/least	5.2	4.7	6.2

Based on 634 cities with needs scores.

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[3] Note that although the baseline here is 1993, the percent changes in funding with the two alternatives discussed are essentially the same for 1994. The 1994 appropriation was greater than the 1993 level ($4.4 billion compared with $4 billion), but since the formula was the same in 1993 and 1994, the percent changes discussed here are about the same. There are slight variations in the extent to which 1993 and 1994 allocations would be affected by the alternatives discussed because of the addition of several new entitlement communities in 1994.

Table 8-6 demonstrates why the adjusted formula would improve targeting to city need. For all cities, the slope of a regression line that correlates per capita funding with city needs would increase from 15.2 to 19.4. This means that on average the difference in the per capita funding between more and less needy cities would increase. The squared correlations between city need and per capita CDBG funding also would increase overall from an estimated .55 with no formula change to .72 if the four adjustments were implemented. The higher R^2 means that the adjusted formula yields fewer cases in which cities with equal needs would receive different per capita grants.

Table 8-6 also suggests that the formula corrections would work to improve targeting both among formula A and formula B cities. The R^2 among the A formula cities improve from .65 to .72 as the slope increases from 8.9 to 10.8. Among the B formula cities, the R^2 improves from .44 to .73, as the slope increases from 15.2 to 23.2.

Table 8-6
Regressions of city need on per capita funding,
base year compared with current and adjusted formula
using 1990 data

| Needs decile | Formula | | |
	Base Year	Current Formula with 1990 data	Adjusted Formula with 1990 data
All cities			
R^2	.60	.55	.72
Slope	16.2	15.0	19.4
Number	634	634	634
Formula A cities			
R^2	.75	.65	.72
Slope	9.3	8.9	10.8
Number	344	336	303
Formula B cities			
R^2	.50	.44	.73
Slope	16.6	15.2	24.2
Number	290	298	331

Based on 634 cities with composite needs score.

Given the increased targeting suggested by Tables 8-5 and 8-6, it is not surprising that among individual communities, less needy cities would tend to have funding reductions and more needy cities would have funding increases between the base year and the

next year if the adjustments to the formula were adopted. Of the 63 least needy cities with composite needs scores, 75 percent would experience reductions if the formula were adjusted (Table 8-7). Of the 63 most needy cities, 87 percent would have funding increases.

Table 8-7
Number and percent of communities with
funding increases or reductions,
adjusted formula compared with base year

City need decile	Increases		Reductions		Row totals	
	Number	Percent	Number	Percent	Number	Percent
Least needy	16	25%	47	75%	63	100%
2	24	38	39	62	63	100
3	22	34	42	66	64	100
4	26	41	37	59	63	100
5	27	42	37	58	64	100
6	26	41	37	59	63	100
7	40	63	24	38	64	100
8	37	59	26	41	63	100
9	44	69	20	31	64	100
Most Needy	55	87	8	13	63	100
Total	317	50%	317	50%	634	100%

* Based on a composite index of city need developed for this study for 634 cities.

All entitlement communities. Because the composite needs index developed in Chapter 3 does not cover urban counties or some entitlement cities, it is appropriate to examine some individual indicators of need for all communities to see how the formula adjustments would affect them. Table 8-8, which is divided into three parts, shows that for a series of six individual indicators of community need, the revisions to the formula generally would increase targeting to community need. In Chapter 4, the six needs indicators are: proportion of households that have female heads with minor children,

unemployment rate, family and elderly poverty rate,[4] proportion of households that are renters paying 50 percent or more of their incomes for rent, proportion of households that are minority, and proportion of households that are renters with housing problems.

The first panel of Table 8-8(a) presents average community funding by proportion of households that have female heads and dependent children. It divides all 874 entitlement cities and urban counties into 10 equal groups (deciles). The adjusted formula would provide an average of $41.84 per person to the 87 communities with the highest rates of female headed households with minor children. The 87 communities with the lowest female-headed household rate would receive about $6.61. In other words, the neediest communities on this criterion would receive an average of more than 6 times as much funding per capita as the least needy.

This table also compares how the distribution of funds under the adjusted formula differs from the allocation if the formula is not adjusted. (Note that the estimated funding distribution on these variables that would result from the current formula with a complete set of 1990 data, the "no change option," was presented in Chapter 4, Table 4-7). Adjusting the formula would, in effect, take an average of $3.32 per person from communities with the lowest female headed household rates, and give an additional $6.22 per person to the communities with the highest rates.

On other indicators of community need the picture is similar. Adjusting the formula would redistribute funds somewhat from the communities with the lowest rates of unemployment to those with the highest rates. Communities with the highest unemployment rates would gain an average of $5.56 per capita, so that the neediest decile would be receiving about 7 times as much funding per capita as the least needy decile when communities are ranked by unemployment rate. The increased targeting caused by adjusting the formula would be similar for other indicators — family and elderly poverty, percent of population who are minorities, and proportion of households that are renters with problems.

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[4] As discussed in chapter 3, family and elderly poverty is used as a measure of poverty in order to excludes college students. This was done because "persons in poverty without college students" was not available when the needs indicator was developed and the analysis prior to Chapter 8 was conducted. For consistency purposes, this chapter continues to use family and elderly poverty as a need indicator. Overall, using non-college student persons in poverty is very similar to using family and elderly households in poverty.

Table 8-8

Entitlement city and urban county per capita funding by decile of need, comparison of adjusted and no change options

Needs Decile	Female-headed households		Unemployment rate		Family/elderly poverty		50% Renter rent burden		Percent Minority		Renter housing problems	
	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change
Least	$ 6.61	-$3.32	$ 6.19	-$1.95	$ 5.55	-$2.06	$ 6.40	-$1.38	$ 6.63	-$ .91	$ 6.00	-$1.41
2	9.33	- 2.63	7.13	- 1.85	6.57	- 2.41	7.82	- 1.58	7.39	- 1.65	8.02	- 1.95
3	8.97	- 1.26	8.89	- 1.90	8.72	- 2.02	9.27	- 1.75	10.30	- .96	9.39	- 1.95
4	10.58	- 1.13	10.77	- 1.48	11.98	- 1.59	12.52	- .85	11.28	- 1.59	12.32	- 1.08
5	12.43	- .61	13.74	- .68	13.58	- .59	14.30	- .05	16.77	- .65	14.57	- .13
6	16.30	- .01	16.83	- .71	16.55	- .56	17.08	- .04	17.01	+ .13	21.49	+ .51
7	19.71	+ .06	18.22	- .01	21.62	+ .08	19.79	+ .64	20.08	+ .60	20.26	+ .64
8	22.03	+ .84	23.55	+ .91	24.09	+ 1.42	24.01	+ .83	24.18	+ 1.07	21.54	+ .27
9	30.27	+ 2.21	31.06	+ 2.46	32.85	+ 2.67	30.88	+ .79	29.00	+ 2.20	30.03	+ 2.08
Most	41.84	+ 6.22	43.07	+ 5.56	43.07	+ 7.30	32.96	+ 2.76	29.21	+ .83	28.88	+ 1.79
Most/ Least	6.3		7.0		7.8		5.2		4.4		4.8	

8-13

The increased targeting to community need that could be achieved by adjusting the CDBG formula would come at the price of drastic fluctuations in grant amounts for many grantees. Table 8-9 shows that if the formula were unchanged, grantees would experience only moderate fluctuations in individual grant amounts from what they received in 1993 (assuming the same funding level and no new entitlements). Only about 1 percent of all grantees would experience funding reductions of more than 20 percent from their base year levels. On the other hand, only about 4 percent of entitlement grantees would receive increases of 20 percent of more.

In contrast, implementing the formula changes identified above would give about 9 percent of all entitlement communities an increase of 20 percent or more from their current levels. More importantly, these changes would result in funding reductions of 20 percent of more for 20 percent of entitlements from current levels. (Appendix H shows the estimated effect of the changes for all entitlement cities).

Table 8-9
Percent of grantees experiencing funding
increases and reductions from base year funding level,
adjusted formula compared with no change

| | Percent of communities gaining or losing | |
Percent of funds gained or lost	Current formula 1990 data	Adjusted formula 1990 data
- 20% or more	1%	20%
- 10 - 20	9	15
- 5 - 10	22	10
- 0 - 5	27	13
+ 0 - 5	20	11
+ 5 - 10	9	11
+ 10 - 20	10	11
+ 20 or more	4	9
All entitlements	100	100*

* Detail may not add because of rounding.

In addition to affecting funding levels for more grantees, the formula changes would result in substantial interregional shifts in CDBG funding. Table 8-10 shows that when the 1990 housing data are introduced into the formula, grantees in regions 1, 9, and 10 receive increased funding on average, while grantees in all other regions would experience reductions. The increase in region 9 (a result of an increase in overcrowding) would average about 12 percent from funding levels the resulted when 1980 data on housing continued were used in the formula. Adopting the four

8-14

formula changes would cause a different result. Regions 4, 5, and 6, instead of experiencing funding reductions, would receive an average increase. Region 1 would be the most adversely affected.

Table 8-10
Percent of funding increases and reductions
from base year funding level,
adjusted formula compared with no change option

| | Percent of funding increase or reduction | |
HUD region	Current formula 1990 data	Adjusted formula 1990 data
1 - New England	+ 2%	-15%
2 - NY,NJ	- 3	- 8
3 - Mid-Atlantic	- 2	- 5
4 - Southeast	- 4	+ 3
5 - Midwest	- 4	+ 2
6 - Southwest	- 1	+ 6
7 - Great Plains	- 3	- 2
8 - Rocky Mountain	- 1	- 2
9 - Pacific/Hawiaii	+12	÷ 9
10 - Northwest/AK	+ 3	NC

Despite the overall regional funding shifts, the formula changes actually would benefit some communities in every region. Of course, some communities in every region also would experience funding reductions. However, in most cases, the effect of the formula corrections would be to increase funding to the most needy communities while reducing funding to less needy communities both within and across regions.

Table 8-11 shows that even in region 1 (New England), which, on average, would experience the most significant funding reductions from a revised formula, 9 of 69 entitlement grantees would receive funding increases. While region 9 (Arizona, California, Hawaii, and Nevada) would receive an average 9 percent increase, about 23 percent of entitlement communities there would experience funding reductions.

Table 8-11
Number and percent of
grantees gaining and losing from base year funding level
when formula is adjusted

HUD Region[a]	Entitlement grantees					
	Funding Increase		Funding Reduction		Row totals	
	Number	Percent	Number	Percent	Number	Percent
1	9	13%	60	87%	69	100%
2	13	14	77	86	90	100
3	23	28	58	72	81	100
4	56	43	74	57	130	100
5	63	37	109	63	172	100
6	50	56	40	44	90	100
7	10	36	18	64	28	100
8	8	26	23	74	31	100
9	119	77	35	23	154	100
10	17	59	12	41	29	100
Total	368	42	506	58	874	100

* With few exceptions, this also applies to 1994 funding levels

[a] HUD Regions are defined further in Appendix A

Not surprisingly, under the adjusted formula central cities would tend to gain funding while suburbs would receive lower per capita grants. About 62 percent of suburban city entitlements and 83 percent of urban counties would experience funding reductions if the formula revisions were adopted (Table 8-12). Fifty percent of central cities would receive funding increases. Still, within all categories of the entitlement communities, the effect of the corrections would be to shift funding from less needy communities and toward those with the greatest need.

Table 8-12
Number of grantees experiencing funding
increases and reductions from base year funding level
when formula is adjusted

Community type	Entitlement communities					
	Funding Increases		Funding Reductions		Row totals	
	Number	Percent	Number	Percent	Number	Percent
Central city	248	48%	265	52%	513	100%
Suburban city	83	36	145	64	228	100
Urban county	20	15	113	85	133	100
Totals	351	40	523	60	874	100

Nonentitlement Areas

The discussion in Chapter 7 explored the effect of introducing 1990 census data into the current nonentitlement formula. That chapter showed that the poor targeting of the nonentitlement formula was largely due to the population and pre-1940 housing variables. The changes for the entitlement formula can also be applied to the nonentitlement formula with similar improvements to targeting. The one major difference is that growth lag does not apply to nonentitlement areas. Thus, only three of the entitlement formula adjustments can be applied to nonentitlements. The formula adjustments discussed above for entitlements as they apply to nonentitlements are:

o   Modify the pre-1940 housing data to be "housing built before 1950 and occupied by a household in poverty."

o   Revise the definition of poverty to exclude college students.

o   Increase the weight on poverty in formula A to .6 and reduce the weight on population to .15.

Replacing the pre-1940 housing variable with pre-1950 housing occupied by a household in poverty would improve targeting to nonentitlement areas the most. The other adjustments would lead to moderate improvements in targeting to need.

Occupants of Older Housing. When the current formula was designed, the pre-1940 housing variable was intended to be a proxy for housing and infrastructure problems. Chapter 7 shows that in nonentitled areas it targets very little to housing problems, such as inadequacy, and not at all to infrastructure problems such as roads needing major repair. As a result, formula B does not target resources in proportion to any needs indicator, including such indicators as persons in poverty and households paying more than 50 percent of their incomes for rent.

However, combining age of housing with another indicator of need, such as households in poverty, could increase targeting to need considerably. Table 8-13 uses AHS data for nonmetropolitan areas to compare the incidence of housing and infrastructure problems among pre-1940 housing units to the incidence of housing and infrastructure problems among pre-1940 housing units occupied by a poverty household and pre-1950 housing units occupied by a poverty household.

While there is little difference between the incidence of problems among households living in pre-1940 housing and all nonmetropolitan households, pre-1940 poverty housing and pre-1950

8-17

poverty housing improve targeting significantly on several
indicators. In particular, the incidence of inadequate housing
among pre-1950 poverty households is 27 percent compared to 14
percent for pre-1940 households and 10 percent for the general
population.

Table 8-13
Incidence of problem by age of housing
and age of housing combined with poverty*
AHS data for nonmetropolitan areas

	Total	Pre-1940	Pre-1940 poverty	Pre-1950 poverty
Total	100%	26%	5%	7%
Housing has:				
Inadequacies	10	14	26	27
Severe inadequacies	4	5	9	8
Neighborhood has:				
Abandoned homes	3	3	4	4
Roads needing				
- Minor repairs	28	30	35	32
- Major repairs	7	5	6	6
Junk problem				
- Minor problem	22	25	34	34
- Major problem	3	4	7	7
Resident has poor opinion of:				
Their home	2	2	6	7
Neighborhood	5	5	8	8

* The size of the AHS sample for nonmetropolitan pre-1940
  and pre-1950 poverty are small. Also the "road" and
  "junk" variables pertain to multifamily housing only.
  The confidence intervals are wide, and are presented in
  Appendix G.

Pre-1940 poverty housing and pre-1950 poverty housing
clearly target funds better to housing and neighborhood need than
does pre-1940 housing. The next step is to consider how these
variables would redistribute funds if they were applied to the
formula. Table 8-14 compares the regional share distribution of
pre-1940 housing to pre-1940 poverty housing and pre-1950 poverty
housing among nonentitlement areas. Unlike entitlement areas,
shifting from pre-1940 housing to pre-1940 poverty housing or
pre-1950 poverty housing does result in major changes among
regions. Nonentitled areas in the Northeast, in particular,
would fall from a 29 percent share to a 16 percent share if pre-

1950 poverty housing was used in place of pre-1940 housing. The North Central States would experience a less dramatic share decline from 40 percent to 32 percent. Southern non-entitlement areas would benefit the most, increasing from a 23 percent share to a 42 percent share. Using pre-1940 poverty housing would result in a slightly less dramatic regional redistribution than occurs using pre-1950 poverty housing.

Table 8-14
Nonentitlement share comparison,
age of housing

Census region	Pre-1940 housing	Pre-1940 poverty	Pre-1950 poverty
Northeast	29%	19%	16%
North Central	40	36	32
South	23	36	42
West	8%	9%	10%

However, this dramatic shifting is in the direction of need. Chapter 7 shows that under the current formula, nonentitled areas of the Northeast and North Central regions of the country would be generously funded in comparison to their need, while the South's estimated funding would be less than proportionate to its need. A switch to pre-1940 poverty housing or pre-1950 poverty housing would shift funding among nonentitlement communities from the less needy regions to those with greater need.

Persons in Poverty (non-college students). Poverty continues to be a good indicator of need in nonentitled areas. Subtracting college students from the total count of persons in poverty would have virtually no impact in non-entitlement communities. Table 8-15 shows the share of non-college student persons in poverty compared to total persons in poverty for each of the four census regions. The differences are minor.

Table 8-15
Nonentitlement share comparison
poverty

Census region	Persons in poverty	Non-college persons in poverty
Northeast	10%	10%
North Central	23	23
South	54	55
West	13	12

Increasing the Weight on Poverty. The population variable in the nonentitlement formula does not target funds to community need. Population provides equal per capita grants to all communities regardless of need. Taking weight from population in formula A and shifting it on poverty is a simple way of giving needier formula A grantees greater funding relative to less needy formula A grantees.

Combined Effect of Formula Changes. The remainder of this chapter considers the effects of making the three technical adjustments suggested above. The adjusted formula is compared to the existing formula when it uses a complete set of 1990 census data. Finally, the redistribution of funds among nonentitlement areas caused by the adjustments is discussed.

Table 8-16 compares the funding distribution under the adjusted formula to the existing formula. It uses six individual measures of community need in nonentitlement areas: poverty, renters with rent burden greater than 50 percent of their household income, overcrowding, housing lacking sewers, unemployment, and the change in poverty rate between 1980 and 1990.

The top portion of the table present funding by needs quintiles. That is, they break the states into five groups of 10 based on each need variable, and report per capita funding for each of the five groups. One measure of targeting is how much greater funding per capita results for the most needy quintile relative to the least needy quintile on each measure. Thus, for each measure, a "most over least" ratio is presented. This is the average per capita grant for the most needy quintile divided by the per capita grant for the least needy quintile. The larger the ratio, the tighter the targeting on that measure.

The bottom portion of tables 8-16 presents regressions of per capita funding in the formula alternatives against the individual needs indicators. As discussed in Chapter 3, the larger the slope in the regression equation, the more the formula targets to need. The larger the R^2, the more likely that variations in need are matched by variations in per capita funding.[5]

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[5] Note that the top and bottom portions of the table are not exactly parallel. The top shows the per capita allocation by quintiles for - first the adjusted formula - and second the difference between making the adjustment versus making no change to the formula. The bottom portion of the table first shows the results from regressions for the formula if no change is made and second shows the regressions if a change is made.

Table 8-16

Non-entitlement per capita funding by quintile of need and regression of need,
comparison of adjusted and no change options

Needs Decile	Poverty		Renters w/Rent Burden GT 50%		Overcrowding		Without Sewer		Unemployment		1980-90 Growth in poverty	
	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change	Adj. Per capita	Adj. - no change
Least	$7.06	-$2.20	$9.78	-$0.74	$8.95	-$1.81	$8.31	-$1.58	$9.20	-$0.76	$9.91	-$0.13
2	10.42	-1.53	9.66	-0.11	9.75	-1.34	10.82	-0.45	9.76	-0.14	9.64	-0.83
3	10.10	+0.21	11.98	+0.82	10.81	+0.92	11.27	-0.54	9.87	-1.32	11.21	-0.03
4	11.97	+0.95	11.29	-0.33	11.44	+0.95	10.97	+0.68	12.22	+0.81	10.92	-0.27
Most	14.33	+1.79	13.73	+0.57	15.02	+1.43	13.53	+1.81	13.77	+1.25	14.05	+1.58
Most/Least	2.03		1.40		1.68		1.63		1.50		1.42	

	Poverty		Renters w/Rent Burden GT 50%		Overcrowding		Without Sewer		Unemployment		1980-90 Growth in poverty	
	No Change	Adjusted	No Change	Adjusted	No Change	Adjusted	No Change	Adjusted	No Change	Adjusted	No Change	Adjusted
Total R²	.27	.73	.18	.13	.18	.36	.30	.05	.08	.22	.05	.19
Slope	.24	.54	.66	.74	.37	.70	--	--	.36	.44	.26	.65
Formula A R²	.42	.56	.55	.45	.43	.29	.00	.24	.09	.09	.23	.20
Slope	.31	.44	1.22	1.35	.56	.56	--	1.29	.36	.44	.51	.58
Formula B R²	.11	.82	.00	.05	.06	.07	.00	.00	.02	.16	.00	.26
Slope	.20	.63	--	--	--	1.32	--	--	--	.70	--	.65

The per capita funding allocations by quintile shows generally increased resource allocation to the states with the greater need on most of the indicators listed. The most dramatic improvements appear to be in its targeting to poverty, overcrowding, and without sewer. For example, the per capita allocation for the 10 nonentitlements areas with the lowest poverty rates would be reduced by $2.20 a person with the adjustments. The 10 nonentitlement areas with the highest poverty rates would receive a $1.79 funding increase.

The shift in targeting to renters with rent burden greater than 50 percent of households income, unemployment, and the change in poverty, is less conclusive. In general, the technical changes do little to improve or worsen targeting to these factors.

The regression analysis confirms the observations made through the most/least analysis. The regression analysis shows that both formulas A and B would improve markedly in their targeting to poverty. The overall targeting to poverty, overcrowding, unemployment, and the growth in poverty would improve both by an increase in the variance (that is, the R^2) in per capita allocation and in the slope. The other variables show very little targeting improvement from making the adjustments to the formula.

Redistribution among nonentitlements using the modified formula. Table 8-17 shows the change in fund allocation between the base year grant allocation, which uses 1980 housing data in the current formula to:

1) What the grant allocation would be when a complete set of 1990 data is added to the current formula (no change option).

2) The estimated allocation if the modified formula were used (adjusted formula).

Both formulas cause significant redistribution of funds, but the modified formula's redistribution is more dramatic. Appendix H, Part 2, presents a complete list of States and how the formula alternatives would affect each of their grants.

Northeastern states, all of which are formula B States, would receive average funding reductions of about 21 percent from their current allocations under the modified formula. This results primarily from replacing pre-1940 housing with pre-1950 housing occupied by a poverty household. States that received large shares of their funding from pre-1940 housing would tend to experience funding reductions.

Table 8-17
Funding redistribution under the no change option and the adjusted formula, nonentitlements by census region

Census Region	Percent Change from Baseline	
	No Change	Adjusted
Northeast	+ 5%	-21%
North Central	- 5%	-11%
South	- 2%	+10%
West	+13%	+20%

While North Central States would experience reduced funding with the introduction of 1990 housing data, their reductions would be greater with the adjusted formula. Under the current formula, their reductions would average 5 percent. Under the adjusted formula, their reductions would average 11 percent.

The Southern States would receive average funding increases of about 10 percent under the adjusted formula. They would experience funding reductions that averaged about 2 percent if the current formula were maintained. They would benefit from the changes primarily because of the larger share of population that is in poverty in the nonentitlement South versus the poverty population in the North.

Western states would receive large funding increase whether the formula is adjusted or not. Their increases would average 13 percent if the current formula were used and 20 percent if the formula were adjusted.

Overall, 28 States would receive increases funding if the formula were adjusted. The adjustments would provide reduced grants to 22 States.

9. RECOMMENDATIONS

The Secretary of the Department of Housing and Urban Development (HUD) recommends that changes to the Community Development Block Grant (CDBG) Program formula be made only as part of the comprehensive reinvention of the Department's programs. Efforts are currently underway to consolidate and streamline HUD's programs, including providing formula funding to State and local governments for housing and community development. The analysis and results presented in this report will help inform discussion about how best to target resources for housing and community-building investments.

Congressional Request

The Congress requested that this study examine several issues, including considering the occupants of older housing and increasing the emphasis on poverty. Chapter 8 considered these factors and concluded that replacing pre-1940 housing in the formula with pre-1950 housing occupied by a poverty household would improve the extent to which the formula directs funds to needy places. Increasing the weight on poverty (and lowering the weight on population) also would contribute to improved targeting to community need.

Adjustments based on the issues Congress raised would involve relatively minor changes to the basic formula. The analysis suggested other adjustments to the current formula factors that would improve targeting. This discussion appears in Chapter 8 of the report.

Findings and Recommendation

This study shows how relatively small adjustments to the current CDBG formula can improve targeting to community need. Since the dual formula was first implemented in 1978, it has given more funding per capita to communities with greater need and less funding to communities with less need. When 1990 data are used in the formula, this pattern continues. For example, the 87 entitlement communities in the highest decile of unemployment rates would receive an average of $37.51 per person under the current formula using a complete set of 1990 census data. The 87 communities in the lowest decile of unemployment rates would receive an average of $8.14 per person. On other measures as well, including a composite indicator of city need developed for this study, per capita funding under the entitlement portion of the CDBG Program using 1990 census data is correlated with a high incidence of community need.

While the formula continues to target funds relative to community need, the targeting effect of the program has generally declined since the formula was first adopted. Use of data from the 1990 Census in the formula further weakens targeting. Analysis suggests that making a series of adjustments to the formula can increase targeting to needy communities while retaining the basic structure of the current dual formula.

Although making these adjustments to the formula would improve targeting, inevitably they would result in a redistribution of program funds. Implementing the formula changes identified in Chapter 8 would give about 20 percent of all entitlement communities a decrease of 20 percent or more from their 1993 levels. The consistency of CDBG funding has allowed communities to plan for long term community development, and a dramatic shift in funds caused by any formula change might disrupt some communities' development strategies. Thus, as possible changes to the program are explored, the tradeoff between improved targeting and funding redistribution will be an issue that needs to be resolved. The analysis included in this report should help to inform that discussion.

EFFECT OF THE 1990 CENSUS
ON CDBG PROGRAM FUNDING

References and Appendices
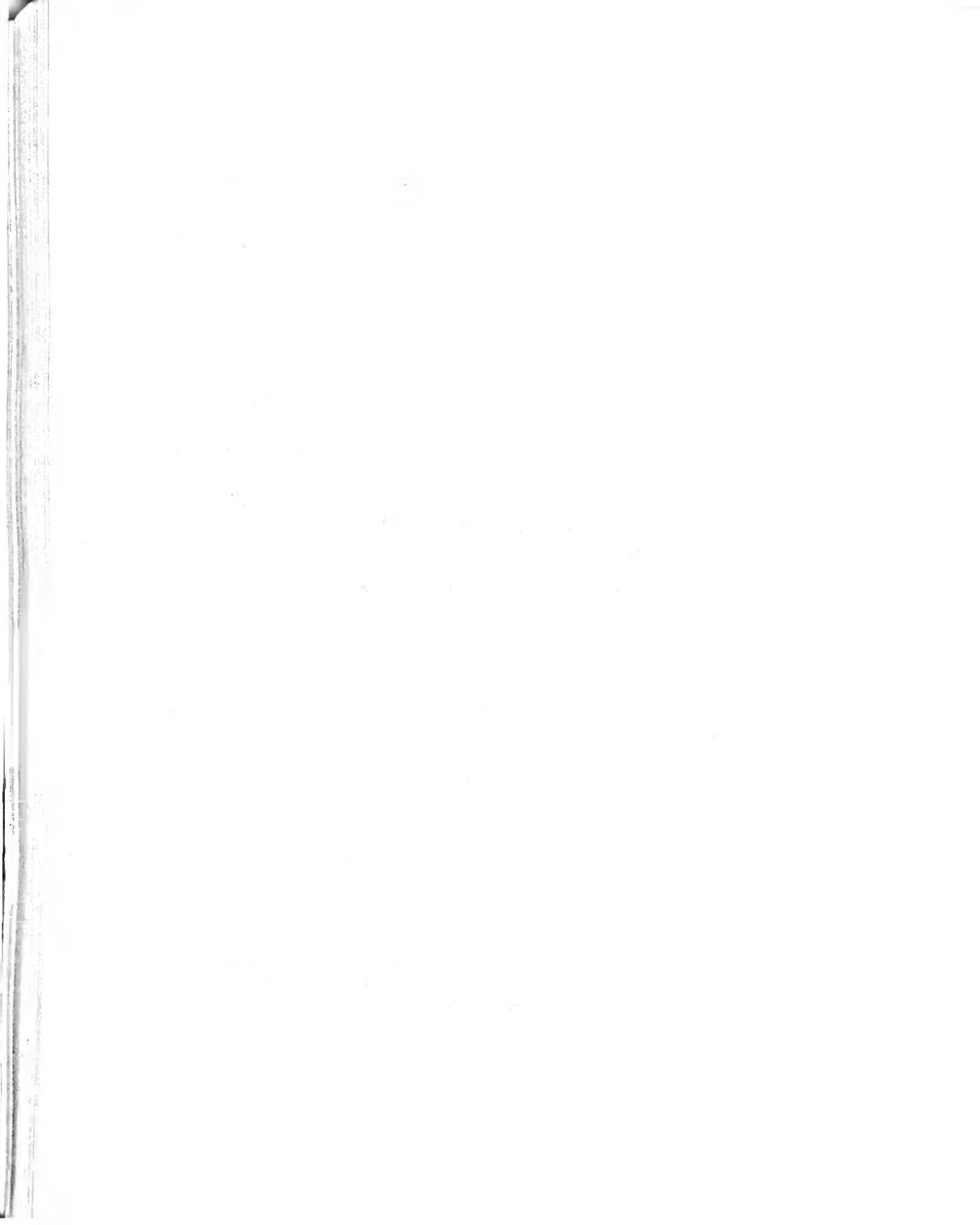
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APPENDIX A
HUD Regions

Throughout much of this study, the HUD regions are used as a basic geographic comparison group. The States that are included in each of the 10 regions are identified below. Note that Puerto Rico is part of Region 4. Because it is unique in many ways, Puerto Rico is identified separately in Chapter 2 and is excluded from the Region 4 totals. Because much of the data needed for this analysis was unavailable for Puerto Rico when the study was done, Puerto Rico was omitted from much of the analysis after Chapter 2.

HUD region	States included
1.	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
2.	New Jersey, New York
3.	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia
4.	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee
5.	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
6.	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
7.	Iowa, Kansas, Missouri, Nebraska
8.	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
9.	Arizona, California, Hawaii, Nevada
10.	Alaska, Idaho, Oregon, Washington

APPENDIX B
CDBG Entitlement Grant Amounts by Year

The following lists the 1993 CDBG entitlement recipients by their grant amounts. All dollar amounts are in thousands. The 1993 grants are actual grant amounts. The "1980 poverty" grants and the "all 1990" grants are estimates, which assume the same entitlement recipients and the same program appropriations as in 1993. The "1980 poverty grant" uses the 1990 population number with 1980 data for poverty, old housing, and overcrowding. The 1993 grant uses the 1990 population and poverty data with the 1980 old housing and overcrowding data. The "all 1990 data" amounts are those that would result if the current formula with 1993 appropriations and entitlements used 1990 census data values for pre-1940 housing and overcrowded housing. Percent changes from 1993-"all 90 data" are essentially those that would pertain between 1994 and 1995 if: 1) the current formula were retained; 2) the FY 1995 appropriations were the same as in FY 1994 and; 3) if the formula used a complete set of 1990 census data.

		Entitlement grant $			Percent grant change		
		1980		All	1980 pov. -	1993 - all	1980 pov. -
ST	Community name	poverty	1993	1990	1993	1990	all 90
AL	ANNISTON	889	830	744	-7	-10	-16
AL	BESSEMER	937	900	849	-4	-6	-9
AL	BIRMINGHAM	8973	8618	7765	-4	-10	-13
AL	DECATUR	598	574	517	-4	-10	-14
AL	DOTHAN	817	804	727	-2	-10	-11
AL	FLORENCE	530	528	475	0	-10	-10
AL	GADSDEN	1481	1417	1316	-4	-7	-11
AL	HUNTSVILLE	1965	1805	1673	-8	-7	-15
AL	MOBILE	3609	3595	3219	0	-10	-11
AL	MONTGOMERY	3406	3057	2725	-10	-11	-20
AL	TUSCALOOSA	1567	1474	1329	-6	-10	-15
AL	JEFFERSON COUNTY	3656	3272	2844	-11	-13	-22
AK	ANCHORAGE	2056	2098	2116	2	1	3
AZ	MESA	2298	2851	3132	24	10	36
AZ	PHOENIX	11896	13687	14136	15	3	19
AZ	SCOTTSDALE	819	899	915	10	2	12
AZ	TEMPE	1388	1673	1769	21	6	27
AZ	TUCSON	5866	7004	7091	19	1	21
AZ	YUMA	708	863	916	22	6	29
AZ	CHANDLER	722	919	1023	27	11	42
AZ	GLENDALE	1333	1659	1815	25	9	36
AZ	MARICOPA COUNTY	3583	3992	3914	11	-2	9
AZ	PIMA COUNTY	2399	2789	2734	16	-2	14
AR	FAYETTEVILLE	568	594	576	5	-3	1
AR	FORT SMITH	1017	940	877	-8	-7	-14
AR	JACKSONVILLE	311	339	315	9	-7	1
AR	LITTLE ROCK	2571	2418	2157	-6	-11	-16
AR	NORTH LITTLE ROCK	873	913	833	5	-9	-5
AR	PINE BLUFF	1377	1279	1121	-7	-12	-19
AR	SPRINGDALE	317	300	284	-5	-5	-10
AR	TEXARKANA	399	445	401	11	-10	0
AR	WEST MEMPHIS	690	578	506	-16	-12	-27

APPENDIX B (continued)
CDBG Entitlement Grant Amounts by Year

		Entitlement grant $			Percent grant change		
ST	Community name	1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
CA	ANAHEIM	3045	3455	4386	13	27	44
CA	BAKERSFIELD	1718	2308	2576	34	12	50
CA	BERKELEY	3567	3318	3687	-7	11	3
CA	BURBANK	1277	1269	1275	-1	0	0
CA	CHICO	584	801	835	37	4	43
CA	DAVIS	752	800	861	6	8	15
CA	ESCONDIDO CITY	1051	1224	1566	16	28	49
CA	FAIRFIELD	719	690	762	-4	10	6
CA	FRESNO	4804	6721	7769	40	16	62
CA	LIVERMORE	399	419	437	5	4	10
CA	LOMPOC	425	498	594	17	19	40
CA	LONG BEACH	6825	7380	8916	8	21	31
CA	LOS ANGELES	72452	76326	85357	5	12	18
CA	MERCED	757	1103	1349	46	22	78
CA	MODESTO	1584	1959	2336	24	19	47
CA	MONTEREY	282	268	278	-5	4	-1
CA	NAPA CITY	595	557	641	-6	15	8
CA	OAKLAND	9267	9085	9379	-2	3	1
CA	OXNARD	2548	2616	2856	3	9	12
CA	PALM SPRINGS	461	515	589	12	14	28
CA	PALO ALTO	746	700	716	-6	2	-4
CA	PASADENA	2260	2246	2391	-1	6	6
CA	POMONA	2117	2397	3044	13	27	44
CA	PORTERVILLE	400	606	683	52	13	71
CA	REDDING	588	812	858	38	6	46
CA	RIVERSIDE	2552	2763	3295	8	19	29
CA	ROSEVILLE	345	347	385	1	11	12
CA	SACRAMENTO	4738	5464	6193	15	13	31
CA	SALINAS	1726	1980	2328	15	18	35
CA	SAN BERNARDINO	2321	3039	3560	31	17	53
CA	SAN DIEGO	13835	15002	17223	8	15	24
CA	SAN FRANCISCO	22762	22041	23697	-3	8	4
CA	SAN JOSE	8792	9313	11829	6	27	35
CA	SANTA ANA	5182	6131	7768	18	27	50
CA	SANTA BARBARA	1149	1205	1365	5	13	19
CA	SANTA CRUZ	676	662	712	-2	8	5
CA	SANTA MARIA	799	1041	1223	30	17	53
CA	SANTA ROSA	1010	1011	1123	0	11	11
CA	SEASIDE	589	527	565	-11	7	-4
CA	STOCKTON	2988	3783	4660	27	23	56
CA	TULARE	483	610	659	26	8	36
CA	TURLOCK	461	539	641	17	19	39
CA	VALLEJO	1191	1151	1330	-3	16	12
CA	VENTURA	897	837	927	-7	11	3
CA	VISALIA	740	1079	1251	46	16	69
CA	WOODLAND	413	456	526	10	15	27
CA	YUBA	287	408	477	42	17	66
CA	ALAMEDA	1096	1056	1181	-4	12	8
CA	ALHAMBRA	1168	1319	1792	13	36	53
CA	ANTIOCH	477	579	639	21	10	34
CA	BALDWIN PARK	1350	1420	1724	5	21	28
CA	BELLFLOWER	799	783	988	-2	26	24

		Entitlement grant $			Percent grant change		
ST	Community name	1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
CA	BUENA PARK	842	830	977	-1	18	16
CA	CARLSBAD	452	512	571	13	12	26
CA	CARSON	1371	1276	1320	-7	3	-4
CA	CERRITOS	463	466	527	1	13	14
CA	CHINO	533	543	661	2	22	24
CA	CHULA VISTA	1609	1664	1883	3	13	17
CA	COMPTON	2803	2742	2735	-2	0	-2
CA	CONCORD	911	914	1056	0	16	16
CA	CORONA	674	770	990	14	29	47
CA	COSTA MESA	1071	1096	1308	2	19	22
CA	DALY	1226	1227	1512	0	23	23
CA	DOWNEY	976	996	1258	2	26	29
CA	EL CAJON	1058	1118	1286	6	15	22
CA	EL MONTE	2511	2760	3242	10	17	29
CA	ENCINITAS	491	520	556	6	7	13
CA	FONTANA	729	959	1318	32	37	81
CA	FOUNTAIN VALLEY	387	357	415	-8	16	7
CA	FREMONT	1294	1284	1552	-1	21	20
CA	FULLERTON	1235	1343	1610	9	20	30
CA	GARDENA	792	788	895	-1	14	13
CA	GARDEN GROVE	1729	1855	2456	7	32	42
CA	GLENDALE	2326	2786	3795	20	36	63
CA	HAWTHORNE	1060	1227	1525	16	24	44
CA	HAYWARD	1291	1316	1568	2	19	21
CA	HUNTINGTON BEACH	1691	1502	1596	-11	6	-6
CA	HUNTINGTON PARK	1896	1928	2040	2	6	8
CA	INGLEWOOD	2131	2175	2610	2	20	22
CA	IRVINE	562	788	994	40	26	77
CA	LAKEWOOD	689	635	692	-8	9	0
CA	LA MESA CITY	557	507	562	-9	11	1
CA	LANCASTER	707	924	1099	31	19	55
CA	LYNWOOD	1504	1592	1893	6	19	26
CA	MONTEBELLO	1043	1088	1260	4	16	21
CA	MONTEREY PARK	950	1132	1397	19	23	47
CA	MORENO VALLEY	699	1016	1362	45	34	95
CA	MOUNTAIN VIEW	732	702	820	-4	17	12
CA	NATIONAL CITY	1201	1237	1344	3	9	12
CA	NEWPORT BEACH	544	472	472	-13	0	-13
CA	NORWALK	1591	1500	1649	-6	10	4
CA	OCEANSIDE	1388	1478	1742	6	18	26
CA	ONTARIO	1516	1865	2342	23	26	54
CA	ORANGE	1052	1116	1325	6	19	26
CA	PICO RIVERA	1146	1148	1170	0	2	2
CA	RANCHO CUCAMONGA	638	735	880	15	20	38
CA	REDLANDS	559	580	634	4	9	13
CA	REDONDO BEACH	666	568	526	-15	-7	-21
CA	REDWOOD CITY	724	761	889	5	17	23
CA	RIALTO	564	812	1056	44	30	87
CA	RICHMOND	1452	1425	1474	-2	3	1
CA	SAN LEANDRO	796	781	763	-2	-2	-4
CA	SAN MATEO	810	802	919	-1	15	13
CA	SANTA CLARA	932	916	1104	-2	20	18

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
CA	SANTA CLARITA	682	713	855	4	20	25
CA	SANTA MONICA	1486	1411	1469	-5	4	-1
CA	SANTEE	431	400	437	-7	9	1
CA	SIMI VALLEY	727	677	763	-7	13	5
CA	SOUTH GATE	1777	1963	2493	10	27	40
CA	SOUTH SAN FRANCISCO	624	600	697	-4	16	12
CA	SUNNYVALE	1104	1064	1270	-4	19	15
CA	THOUSAND OAKS	686	688	751	0	9	9
CA	TORRANCE	1185	1158	1279	-2	10	8
CA	UNION CITY	560	568	708	1	25	26
CA	UPLAND	497	554	673	11	22	35
CA	VACAVILLE	529	515	588	-3	14	11
CA	VISTA	627	811	1072	29	32	71
CA	WALNUT CREEK	376	347	375	-8	8	0
CA	WEST COVINA	860	968	1286	13	33	49
CA	WESTMINSTER	878	1021	1259	16	23	43
CA	WHITTIER	810	802	968	-1	21	19
CA	ALAMEDA COUNTY	2157	2145	2290	-1	7	6
CA	CONTRA COSTA COUNTY	3863	3799	4262	-2	12	10
CA	FRESNO COUNTY	4831	5635	5825	17	3	21
CA	KERN COUNTY	4921	5771	6144	17	6	25
CA	LOS ANGELES COUNTY	35200	36032	39480	2	10	12
CA	MARIN COUNTY	1979	1659	1717	-16	4	-13
CA	ORANGE COUNTY	6273	6361	7412	1	17	18
CA	RIVERSIDE COUNTY	7179	8767	10202	22	16	42
CA	SACRAMENTO COUNTY	6018	6555	7256	9	11	21
CA	SAN BERNARDINO COUNTY	6822	8205	9442	20	15	38
CA	SAN DIEGO COUNTY	5343	5418	6107	1	13	14
CA	SAN JOAQUIN COUNTY	2995	3229	3568	8	11	19
CA	SAN MATEO COUNTY	3283	3186	3425	-3	7	4
CA	SANTA CLARA COUNTY	3514	3261	3595	-7	10	2
CA	SONOMA COUNTY	2757	2551	2641	-7	4	-4
CA	VENTURA COUNTY	2617	2573	2715	-2	6	4
CO	BOULDER	1075	1128	1105	5	-2	3
CO	COLORADO SPRINGS	2635	2861	2869	9	0	9
CO	DENVER	11468	11404	11499	-1	1	0
CO	FORT COLLINS	921	1091	1077	19	-1	17
CO	GREELEY	855	897	875	5	-2	2
CO	LONGMONT	396	443	448	12	1	13
CO	LOVELAND	290	307	305	6	-1	5
CO	PUEBLO	1772	1887	1882	6	0	6
CO	ARVADA	558	641	640	15	0	15
CO	AURORA	1476	1799	1912	22	6	29
CO	LAKEWOOD	860	999	1021	16	2	19
CO	WESTMINSTER	477	558	591	17	6	24
CO	ADAMS COUNTY	1725	1838	1820	7	-1	5
CO	ARAPAHOE COUNTY	1179	1298	1290	10	-1	9
CT	BRIDGEPORT	4461	4116	3897	-8	-5	-13
CT	BRISTOL	612	567	607	-7	7	-1
CT	DANBURY	699	664	622	-5	-6	-11

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
CT	HARTFORD	4839	4733	4505	-2	-5	-7
CT	MERIDEN	964	938	902	-3	-4	-6
CT	MIDDLETOWN	511	465	479	-9	3	-6
CT	MILFORD	578	557	546	-4	-2	-6
CT	NEW BRITAIN	2039	2002	2016	-2	1	-1
CT	NEW HAVEN	4603	4370	4465	-5	2	-3
CT	NEW LONDON	975	922	1026	-5	11	5
CT	NORWALK	1086	1008	1005	-7	0	-7
CT	NORWICH	1051	1006	1104	-4	10	5
CT	STAMFORD	1301	1215	1103	-7	-9	-15
CT	WATERBURY	2531	2393	2457	-5	3	-3
CT	EAST HARTFORD	529	488	510	-8	5	-4
CT	FAIRFIELD	585	554	567	-5	2	-3
CT	GREENWICH	1004	979	1030	-2	5	3
CT	HAMDEN TOWN	539	496	486	-8	-2	-10
CT	MANCHESTER	525	508	606	-3	19	15
CT	STRATFORD	681	632	655	-7	4	-4
CT	WEST HARTFORD	1121	1092	1159	-3	6	3
CT	WEST HAVEN	700	618	677	-12	10	-3
DE	WILMINGTON	3206	2947	2910	-8	-1	-9
DE	NEW CASTLE COUNTY	3138	2597	2462	-17	-5	-22
DC	WASHINGTON	21618	20260	20881	-6	3	-3
FL	BOCA RATON	419	434	435	3	0	4
FL	BRADENTON	516	536	525	4	-2	2
FL	CAPE CORAL	387	497	530	28	7	37
FL	CLEARWATER	936	1018	967	9	-5	3
FL	DAYTONA BEACH	1194	1134	1025	-5	-10	-14
FL	DELRAY BEACH	595	591	588	-1	0	-1
FL	FT LAUDERDALE	2702	2637	2561	-2	-3	-5
FL	FT MYERS	846	835	818	-1	-2	-3
FL	FORT PIERCE	951	942	861	-1	-9	-9
FL	FORT WALTON BEACH	272	236	211	-13	-10	-22
FL	GAINESVILLE	1596	1556	1505	-3	-3	-6
FL	HIALEAH	5025	4506	5084	-10	13	1
FL	HOLLYWOOD	1418	1461	1533	3	5	8
FL	JACKSONVILLE	9506	8435	8033	-11	-5	-16
FL	LAKELAND	831	873	852	5	-2	3
FL	MELBOURNE	635	695	667	9	-4	5
FL	MIAMI	15242	12570	12066	-18	-4	-21
FL	MIAMI BEACH	2440	2534	2629	4	4	8
FL	NAPLES	157	158	142	1	-10	-10
FL	OCALA	770	725	679	-6	-6	-12
FL	ORLANDO	2377	2322	2295	-2	-1	-3
FL	PANAMA CITY	638	565	514	-11	-9	-19
FL	PENSACOLA	1103	1027	1020	-7	-1	-8
FL	POMPANO BEACH	1163	1201	1172	3	-2	1
FL	ST PETERSBURG	3472	3107	2872	-11	-8	-17
FL	SARASOTA	775	678	625	-12	-8	-19
FL	TALLAHASSEE	1928	2054	2004	7	-2	4

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
FL	TAMPA	5163	4792	4633	-7	-3	-10
FL	TITUSVILLE	449	419	404	-7	-3	-10
FL	WEST PALM BEACH	1216	1138	1078	-6	-5	-11
FL	WINTERHAVEN	370	328	303	-11	-8	-18
FL	COCOA	308	331	309	7	-7	0
FL	CORAL SPRINGS	380	495	607	30	23	60
FL	LARGO	535	532	511	0	-4	-4
FL	PLANTATION	371	379	426	2	12	15
FL	PORT ST LUCIE	261	356	397	37	12	52
FL	SUNRISE	368	460	543	25	18	48
FL	BREVARD COUNTY	2098	2300	2272	10	-1	8
FL	BROWARD COUNTY	6837	7399	7793	8	5	14
FL	DADE COUNTY	18998	19419	22235	2	14	17
FL	ESCAMBIA COUNTY	2844	2783	2613	-2	-6	-8
FL	HILLSBOROUGH COUNTY	5281	5754	5892	9	2	12
FL	LEE COUNTY	1848	1943	1886	5	-3	2
FL	ORANGE COUNTY	5052	5170	5333	2	3	6
FL	PALM BEACH COUNTY	6319	6824	6828	8	0	8
FL	PASCO COUNTY	2572	2961	2876	15	-3	12
FL	PINELLAS COUNTY	3543	3625	3459	2	-5	-2
FL	POLK COUNTY	4109	3959	3748	-4	-5	-9
FL	SARASOTA COUNTY	1622	1578	1509	-3	-4	-7
FL	SEMINOLE COUNTY	2280	2336	2408	2	3	6
FL	VOLUSIA COUNTY	2838	2983	2882	5	-3	2
GA	ALBANY	1961	1909	1623	-3	-15	-17
GA	ATHENS	1313	1588	1540	21	-3	17
GA	ATLANTA	13005	11960	11907	-8	0	-8
GA	AUGUSTA	2232	2141	2092	-4	-2	-6
GA	COLUMBUS	2960	2820	2624	-5	-7	-11
GA	MACON	2447	2196	1895	-10	-14	-23
GA	MARIETTA	464	533	532	15	0	15
GA	SAVANNAH	3266	3040	3066	-7	1	-6
GA	WARNER ROBINS	512	526	491	3	-7	-4
GA	COBB COUNTY	2530	2617	2603	3	-1	3
GA	DE KALB COUNTY	4622	4657	4891	1	5	6
GA	FULTON COUNTY	2529	2556	2606	1	2	3
GA	GWINNETT COUNTY	1963	2111	2228	8	6	14
HI	HONOLULU	14646	13470	12394	-8	-8	-15
ID	BOISE	1088	1139	1150	5	1	6
IL	AURORA	1128	1232	1227	9	0	9
IL	BLOOMINGTON	780	779	761	0	-2	-2
IL	CHAMPAIGN	865	958	912	11	-5	5
IL	CHICAGO	112371	107764	103990	-4	-4	-7
IL	CHICAGO HEIGHTS	716	716	674	0	-6	-6
IL	DECATUR	1794	1788	1629	0	-9	-9
IL	EAST ST LOUIS	2959	2617	2337	-12	-11	-21
IL	ELGIN	881	884	932	0	5	6
IL	EVANSTON	2039	2048	2183	0	7	7

		Entitlement grant $			Percent grant change		
					1980 pov.	1993 - all	1980 pov. -
ST	Community name	1980 poverty	1993	All 1990	1993	1990	all '90
IL	JOLIET	1351	1307	1232	-3	-6	-9
IL	KANKAKEE	737	732	698	-1	-5	-5
IL	MOLINE	962	973	919	1	-6	-5
IL	NORMAL	447	515	487	15	-5	9
IL	NORTH CHICAGO	349	390	368	12	-6	5
IL	PEKIN	459	489	476	6	-3	4
IL	PEORIA	2355	2438	2171	4	-11	-8
IL	RANTOUL	372	355	334	-4	-6	-10
IL	ROCKFORD	2301	2333	2450	1	5	6
IL	ROCK ISLAND	1458	1471	1490	1	1	2
IL	SPRINGFIELD	1624	1645	1486	1	-10	-9
IL	URBANA	542	550	516	2	-6	-5
IL	WAUKEGAN	958	906	857	-5	-5	-11
IL	ARLINGTON HTS	388	376	370	-3	-2	-5
IL	BERWYN	1641	1614	1612	-2	0	-2
IL	CICERO	1988	2060	1897	4	-8	-5
IL	DES PLAINES	371	326	301	-12	-8	-19
IL	MOUNT PROSPECT	317	321	349	1	9	10
IL	NAPERVILLE	340	356	360	5	1	6
IL	OAK LAWN	425	401	317	-6	-21	-25
IL	OAK PARK	1968	1924	2091	-2	9	6
IL	SCHAUMBURG VILLAGE	348	356	363	2	2	4
IL	SKOKIE	533	541	559	2	3	5
IL	COOK COUNTY	13308	13023	12053	-2	-7	-9
IL	DU PAGE COUNTY	4355	4186	4066	-4	-3	-7
IL	LAKE COUNTY	2693	2678	2553	-1	-5	-5
IL	MADISON COUNTY	3783	3745	3540	-1	-5	-6
IL	ST CLAIR COUNTY	2748	2760	2468	0	-11	-10
IL	WILL COUNTY	1965	1875	1656	-5	-12	-16
IN	ANDERSON	1009	1034	1017	2	-2	1
IN	BLOOMINGTON	859	1057	1007	23	-5	17
IN	EAST CHICAGO	1828	1832	1724	0	-6	-6
IN	ELKHART	907	887	858	-2	-3	-5
IN	EVANSVILLE	3519	3471	3302	-1	-5	-6
IN	FORT WAYNE	3458	3346	3232	-3	-3	-7
IN	GARY	4925	4808	4465	-2	-7	-9
IN	GOSHEN	304	312	308	3	-1	1
IN	HAMMOND	2785	2787	2670	0	-4	-4
IN	INDIANAPOLIS	10899	10721	10582	-2	-1	-3
IN	KOKOMO	1161	1183	1142	2	-3	-2
IN	LAFAYETTE	893	865	877	-3	1	-2
IN	MISHAWAKA	611	592	554	-3	-6	-9
IN	MUNCIE	1629	1638	1566	1	-4	-4
IN	NEW ALBANY	873	879	842	1	-4	-4
IN	SOUTH BEND	3428	3378	3343	-1	-1	-2
IN	TERRE HAUTE	2314	2329	2240	1	-4	-3
IN	WEST LAFAYETTE	322	488	480	51	-2	49
IN	LAKE COUNTY	1959	1846	1580	-6	-14	-19
IA	CEDAR FALLS	310	402	378	30	-6	22
IA	CEDAR RAPIDS	1461	1482	1469	1	-1	1

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
IA	COUNCIL BLUFFS	1283	1265	1225	-1	-3	-5
IA	DAVENPORT	1899	1970	1979	4	0	4
IA	DES MOINES	4756	4742	4774	0	1	0
IA	DUBUQUE	1317	1314	1307	0	-1	-1
IA	IOWA CITY	816	891	902	9	1	11
IA	SIOUX CITY	2361	2344	2289	-1	-2	-3
IA	WATERLOO	1648	1693	1622	3	-4	-2
KS	KANSAS CITY	3081	3042	2792	-1	-8	-9
KS	LAWRENCE	816	1021	1013	25	-1	24
KS	LEAVENWORTH	493	454	425	-8	-6	-14
KS	TOPEKA	2335	2372	2269	2	-4	-3
KS	WICHITA	3449	3660	3568	6	-3	3
KS	OVERLAND PARK	544	563	566	3	1	4
KS	JOHNSON COUNTY	1393	1428	1410	3	-1	1
KY	ASHLAND	908	883	793	-3	-10	-13
KY	HENDERSON	343	380	334	11	-12	-3
KY	HOPKINSVILLE	543	525	465	-3	-11	-14
KY	LEXINGTON-FAYETTE	2806	2777	2530	-1	-9	-10
KY	LOUISVILLE	11857	11521	11338	-3	-2	-4
KY	OWENSBORO	769	828	738	8	-11	-4
KY	COVINGTON	2180	2110	2046	-3	-3	-6
KY	JEFFERSON COUNTY	3417	3415	3052	0	-11	-11
LA	ALEXANDRIA	1174	1136	998	-3	-12	-15
LA	BATON ROUGE	5597	6074	5545	9	-9	-1
LA	BOSSIER CITY	664	738	699	11	-5	5
LA	HOUMA	1706	2076	1871	22	-10	10
LA	LAFAYETTE	1466	1727	1553	18	-10	6
LA	LAKE CHARLES	1231	1376	1225	12	-11	0
LA	MONROE	1449	1483	1391	2	-6	-4
LA	NEW ORLEANS	19311	18612	18402	-4	-1	-5
LA	SHREVEPORT	3800	4126	3689	9	-11	-3
LA	SLIDELL	270	254	223	-6	-12	-18
LA	THIBODAUX	281	353	313	25	-11	11
LA	KENNER	901	1023	958	14	-6	6
LA	JEFFERSON PARISH	4863	5354	4806	10	-10	-1
ME	AUBURN	684	656	669	-4	2	-2
ME	BANGOR	1166	1144	1153	-2	1	-1
ME	LEWISTON	1106	1072	1118	-3	4	1
ME	PORTLAND	2360	2277	2338	-4	3	-1
MD	ANNAPOLIS	490	402	390	-18	-3	-20
MD	BALTIMORE	29658	27815	26734	-6	-4	-10
MD	CUMBERLAND	1219	1256	1190	3	-5	-2
MD	FREDERICK	404	397	406	-2	2	0
MD	HAGERSTOWN	1121	1088	1021	-3	-6	-9
MD	ANNE ARUNDEL COUNTY	2809	2482	2302	-12	-7	-18
MD	BALTIMORE COUNTY	5092	4939	4649	-3	-6	-9
MD	MONTGOMERY COUNTY	4816	4921	5457	2	11	13

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
MD	PRINCE GEORGES COUNTY	6892	6294	6390	-9	2	-7
MA	ATTLEBORO	514	500	532	-3	6	4
MA	BOSTON	23483	22535	23299	-4	3	-1
MA	BROCKTON	1655	1605	1607	-3	0	-3
MA	CAMBRIDGE	3649	3432	3623	-6	6	-1
MA	FALL RIVER	3281	3166	3282	-3	4	0
MA	FITCHBURG	1286	1267	1250	-1	-1	-3
MA	FRAMINGHAM	581	540	589	-7	9	1
MA	GLOUCESTER	751	714	816	-5	14	9
MA	HAVERHILL	1271	1226	1235	-4	1	-3
MA	HOLYOKE	1705	1720	1544	1	-10	-9
MA	LAWRENCE	2196	2327	2122	6	-9	-3
MA	LEOMINSTER	547	513	503	-6	-2	-8
MA	LOWELL	2339	2438	2520	4	3	8
MA	LYNN	3087	3067	3092	-1	1	0
MA	NEW BEDFORD	3299	3213	3305	-3	3	0
MA	NORTHAMPTON	792	759	808	-4	6	2
MA	PITTSFIELD	1712	1648	1671	-4	1	-2
MA	SALEM	1258	1239	1299	-2	5	3
MA	SPRINGFIELD	4757	4696	4621	-1	-2	-3
MA	WALTHAM	1169	1106	1113	-5	1	-5
MA	WESTFIELD	455	444	478	-2	8	5
MA	WORCESTER	5354	5263	5342	-2	1	0
MA	ARLINGTON	1324	1279	1360	-3	6	3
MA	BROOKLINE	1548	1490	1711	-4	15	11
MA	CHICOPEE	1349	1331	1335	-1	0	-1
MA	MALDEN	1696	1625	1651	-4	2	-3
MA	MEDFORD	1897	1842	1961	-3	6	3
MA	NEWTON	2373	2286	2439	-4	7	3
MA	QUINCY	2359	2267	2289	-4	1	-3
MA	SOMERVILLE	3322	3213	3391	-3	6	2
MA	WEYMOUTH	804	731	753	-9	3	-6
MI	ANN ARBOR	1422	1375	1331	-3	-3	-6
MI	BATTLE CREEK	1703	1727	1603	1	-7	-6
MI	BAY CITY	1694	1694	1725	0	2	2
MI	BENTON HARBOR	685	701	632	2	-10	-8
MI	DEARBORN	2389	2462	2447	3	-1	2
MI	DETROIT	53811	54004	49548	0	-8	-8
MI	EAST LANSING	841	870	842	3	-3	0
MI	FLINT	5370	5654	5263	5	-7	-2
MI	GRAND RAPIDS	4349	4368	4335	0	-1	0
MI	HOLLAND	366	390	397	7	2	9
MI	JACKSON	1753	1790	1742	2	-3	-1
MI	KALAMAZOO	2066	2123	2076	3	-2	0
MI	LANSING	2045	2176	2180	6	0	7
MI	MIDLAND	283	338	318	19	-6	12
MI	MUSKEGON	1351	1365	1255	1	-8	-7
MI	PONTIAC	1941	2013	1934	4	-4	0
MI	PORT HURON	1015	1036	1025	2	-1	1
MI	SAGINAW	3046	3110	3075	2	-1	1

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
MI	CANTON TWP	362	375	377	4	0	4
MI	CLINTON TWP	628	665	603	6	-9	-4
MI	DEARBORN HEIGHTS	1209	1201	1182	-1	-2	-2
MI	FARMINGTON HILLS	425	412	396	-3	-4	-7
MI	LINCOLN PARK	954	970	916	2	-6	-4
MI	LIVONIA	608	599	503	-1	-16	-17
MI	MUSKEGON HTS	613	613	544	0	-11	-11
MI	NORTON SHORES	165	183	164	11	-10	0
MI	PORTAGE	256	260	247	2	-5	-3
MI	REDFORD	1044	1039	1034	0	0	-1
MI	ROCHESTER HILLS	311	313	305	1	-2	-2
MI	ROSEVILLE	534	508	490	-5	-4	-8
MI	ROYAL OAK	1451	1416	1454	-2	3	0
MI	ST CLAIR SHORES	960	928	918	-3	-1	-4
MI	SOUTHFIELD	498	557	571	12	3	15
MI	STERLING HEIGHTS	727	728	688	0	-6	-5
MI	TAYLOR	850	881	761	4	-14	-11
MI	TROY CITY	408	397	383	-3	-3	-6
MI	WARREN	1359	1354	1124	0	-17	-17
MI	WATERFORD	504	497	454	-1	-9	-10
MI	WESTLAND	1199	1208	1170	1	-3	-2
MI	WYOMING	530	547	520	3	-5	-2
MI	GENESEE COUNTY	2773	2941	2631	6	-11	-5
MI	KENT COUNTY	1746	1653	1567	-5	-5	-10
MI	MACOMB COUNTY	1933	1919	1696	-1	-12	-12
MI	OAKLAND COUNTY	4119	4073	3753	-1	-8	-9
MI	WAYNE COUNTY	3927	3967	3486	1	-12	-11
MN	BLOOMINGTON	503	517	502	3	-3	0
MN	MINNEAPOLIS	15379	15505	15995	1	3	4
MN	MOORHEAD	322	432	433	34	0	34
MN	ROCHESTER	541	565	571	4	1	5
MN	ST CLOUD	552	677	644	23	-5	17
MN	ST PAUL	8412	8662	9180	3	6	9
MN	PLYMOUTH	239	272	277	14	2	16
MN	ANOKA COUNTY	1666	1779	1677	7	-6	1
MN	DAKOTA COUNTY	1775	1851	1798	4	-3	1
MN	HENNEPIN COUNTY	3203	3327	3249	4	-2	1
MN	RAMSEY COUNTY	1413	1452	1362	3	-6	-4
MN	ST LOUIS COUNTY	6159	6149	6222	0	1	1
MS	BILOXI	743	784	717	6	-9	-4
MS	GULFPORT	662	666	622	1	-7	-6
MS	JACKSON	3931	3943	3474	0	-12	-12
MS	PASCAGOULA	407	453	409	11	-10	1
MS	MOSS POINT	383	406	317	6	-22	-17
MO	COLUMBIA	857	1003	975	17	-3	14
MO	JOPLIN	944	939	935	-1	0	-1
MO	KANSAS CITY	11677	11488	10855	-2	-6	-7
MO	ST CHARLES	373	416	393	12	-5	6
MO	ST JOSEPH	2323	2342	2179	1	-7	-6

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. 1993	1993 - all 1990	1980 pov. - all '90
MO	ST LOUIS	27222	26350	26121	-3	-1	-4
MO	SPRINGFIELD	1796	1916	1791	7	-7	0
MO	FLORISSANT	355	354	283	0	-20	-20
MO	INDEPENDENCE	977	1075	1007	10	-6	3
MO	ST LOUIS COUNTY	6932	6922	6118	0	-12	-12
MT	BILLINGS	811	883	835	9	-5	3
MT	GREAT FALLS	1034	1074	1009	4	-6	-2
NE	LINCOLN	1848	1955	2041	6	4	10
NE	OMAHA	6498	6408	6477	-1	1	0
NV	LAS VEGAS	2652	3088	3483	16	13	31
NV	RENO	1274	1555	1768	22	14	39
NV	HENDERSON	441	543	612	23	13	39
NV	NORTH LAS VEGAS	856	1003	1057	17	5	23
NV	SPARKS	426	483	519	13	7	22
NV	CLARK COUNTY	2852	3552	4076	25	15	43
NH	DOVER	371	348	410	-6	18	11
NH	MANCHESTER	2059	1976	2015	-4	2	-2
NH	NASHUA	767	765	799	0	4	4
NH	PORTSMOUTH	611	573	641	-6	12	5
NH	ROCHESTER	322	313	345	-3	10	7
NJ	ATLANTIC CITY	2207	2120	1897	-4	-11	-14
NJ	BRIDGETON	635	617	577	-3	-6	-9
NJ	CAMDEN	3933	3723	3520	-5	-5	-11
NJ	ELIZABETH	2838	2713	2618	-4	-4	-8
NJ	JERSEY CITY	8925	8452	8271	-5	-2	-7
NJ	MILLVILLE	384	374	360	-3	-4	-6
NJ	NEWARK	14427	12576	11125	-13	-12	-23
NJ	NEW BRUNSWICK	1077	1009	883	-6	-13	-18
NJ	PATERSON	4305	3809	3273	-12	-14	-24
NJ	PERTH AMBOY	1007	942	843	-6	-11	-16
NJ	TRENTON	3925	3670	3593	-6	-2	-8
NJ	VINELAND	803	668	627	-17	-6	-22
NJ	ASBURY PARK	546	501	480	-8	-4	-12
NJ	BAYONNE	2280	2200	2114	-4	-4	-7
NJ	BLOOMFIELD	1432	1406	1390	-2	-1	-3
NJ	BRICK TOWNSHIP	491	417	382	-15	-9	-22
NJ	CHERRY HILL	417	384	356	-8	-7	-15
NJ	CLIFTON	1848	1814	1753	-2	-3	-5
NJ	DOVER TOWNSHIP	548	503	477	-8	-5	-13
NJ	EAST ORANGE	2132	1954	1839	-8	-6	-14
NJ	EDISON	533	535	591	0	11	11
NJ	GLOUCESTER TOWNSHIP	377	318	309	-16	-3	-18
NJ	HAMILTON	681	626	603	-8	-4	-11
NJ	IRVINGTON	1542	1437	1178	-7	-18	-24
NJ	LONG BRANCH	707	621	627	-12	1	-11
NJ	MIDDLETOWN	435	359	334	-18	-7	-23
NJ	OLD BRIDGE TOWNSHIP	432	373	345	-14	-8	-20

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
NJ	PARSIPPANY-TROYHILLS	299	266	270	-11	2	-10
NJ	PASSAIC	1608	1451	1310	-10	-10	-18
NJ	SAYREVILLE	209	207	187	-1	-10	-11
NJ	UNION CITY	1724	1554	1476	-10	-5	-14
NJ	UNION	869	846	784	-3	-7	-10
NJ	WAYNE TOWNSHIP	255	236	219	-7	-7	-14
NJ	WOODBRIDGE	651	621	602	-5	-3	-8
NJ	BERGEN COUNTY	12673	12271	11880	-3	-3	-6
NJ	BURLINGTON COUNTY	2588	2200	2080	-15	-5	-20
NJ	CAMDEN COUNTY	2877	2699	2696	-6	0	-6
NJ	ESSEX COUNTY	7037	6830	6697	-3	-2	-5
NJ	GLOUCESTER COUNTY	2070	1759	1718	-15	-2	-17
NJ	HUDSON COUNTY	6440	5895	5612	-8	-5	-13
NJ	MIDDLESEX COUNTY	2175	1968	1897	-10	-4	-13
NJ	MONMOUTH COUNTY	3698	3333	3479	-10	4	-6
NJ	MORRIS COUNTY	2359	2230	2184	-5	-2	-7
NJ	OCEAN COUNTY	2594	2343	2206	-10	-6	-15
NJ	SOMERSET COUNTY	1674	1576	1487	-6	-6	-11
NJ	UNION COUNTY	6263	5988	5879	-4	-2	-6
NM	ALBUQUERQUE	4874	5112	5027	5	-2	3
NM	LAS CRUCES	1003	1139	1112	14	-2	11
NM	SANTA FE	806	736	676	-9	-8	-16
NY	ALBANY	4429	4313	4340	-3	1	-2
NY	BINGHAMTON	2713	2699	2736	-1	1	1
NY	BUFFALO	20380	20069	20125	-2	0	-1
NY	DUNKIRK	619	619	644	0	4	4
NY	ELMIRA	1615	1601	1590	-1	-1	-2
NY	GLEN FALLS	657	627	608	-5	-3	-7
NY	JAMESTOWN	1535	1544	1536	1	-1	0
NY	NEW YORK	226088	216322	209378	-4	-3	-7
NY	NIAGARA FALLS	3252	3216	3160	-1	-2	-3
NY	POUGHKEEPSIE	1286	1220	1244	-5	2	-3
NY	ROCHESTER	10842	10875	11011	0	1	2
NY	ROME	1195	1171	1218	-2	4	2
NY	SCHENECTADY	2945	2865	2959	-3	3	0
NY	SYRACUSE	7162	7094	7071	-1	0	-1
NY	TROY	2356	2254	2321	-4	3	-1
NY	UTICA	3539	3502	3611	-1	3	2
NY	WHITE PLAINS	1138	1110	1149	-2	4	1
NY	AMHERST TOWN	701	727	680	4	-6	-3
NY	BABYLON TOWN	1929	1602	1482	-17	-7	-23
NY	CHEEKTOWAGA TOWN	843	737	732	-13	-1	-13
NY	CLAY TOWN	390	374	342	-4	-9	-13
NY	COLONIE TOWN	559	474	429	-15	-10	-23
NY	GREECE	519	521	495	0	-5	-5
OH	DAYTON	7950	7862	7800	-1	-1	-2
OH	ELYRIA	654	700	656	7	-6	0
OH	HAMILTON CITY	1844	1836	1752	0	-5	-5
OH	KENT	399	429	423	7	-1	6
OH	LANCASTER	603	623	620	3	-1	3

		Entitlement grant $			Percent grant change		
ST	Community name	1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
OH	LIMA	1464	1444	1339	-1	-7	-9
OH	LORAIN	1343	1401	1371	4	-2	2
OH	MANSFIELD	1106	1107	1002	0	-9	-9
OH	MARIETTA	514	515	508	0	-1	-1
OH	MASSILLON	824	839	857	2	2	4
OH	MIDDLETOWN	757	768	758	1	-1	0
OH	NEWARK	936	966	941	3	-3	1
OH	SPRINGFIELD	2438	2403	2313	-1	-4	-5
OH	STEUBENVILLE	1006	1019	949	1	-7	-6
OH	TOLEDO	8774	8908	8568	2	-4	-2
OH	WARREN	1551	1562	1475	1	-6	-5
OH	YOUNGSTOWN	5575	5598	5251	0	-6	-6
OH	CLEVELAND HEIGHTS	1777	1747	1809	-2	4	2
OH	EAST CLEVELAND	1211	1184	1187	-2	0	-2
OH	EUCLID	1076	1064	1087	-1	2	1
OH	KETTERING	397	371	371	-7	0	-7
OH	LAKEWOOD	2142	2137	2321	0	9	8
OH	PARMA	770	772	807	0	5	5
OH	CUYAHOGA COUNTY	3645	3483	3179	-4	-9	-13
OH	FRANKLIN COUNTY	2317	2253	2081	-3	-8	-10
OH	HAMILTON COUNTY	3789	3779	3279	0	-13	-13
OH	LAKE COUNTY	1450	1462	1285	1	-12	-11
OH	MONTGOMERY COUNTY	2685	2618	2432	-2	-7	-9
OH	STARK COUNTY	1627	1626	1534	0	-6	-6
OH	SUMMIT COUNTY	1775	1766	1573	-1	-11	-11
OK	ENID	582	622	646	7	4	11
OK	LAWTON	1305	1221	1081	-6	-11	-17
OK	NORMAN	846	961	931	14	-3	10
OK	OKLAHOMA CITY	5548	6206	5998	12	-3	8
OK	SHAWNEE	577	570	514	-1	-10	-11
OK	TULSA	4209	4742	4518	13	-5	7
OK	BROKEN ARROW	331	428	437	29	2	32
OK	EDMOND	352	397	406	13	2	15
OK	MIDWEST CITY	534	611	571	15	-7	7
OR	EUGENE	1427	1473	1451	3	-2	2
OR	MEDFORD	515	569	580	11	2	13
OR	PORTLAND	10702	10613	11064	-1	4	3
OR	SALEM	1090	1239	1306	14	5	20
OR	SPRINGFIELD	623	618	639	-1	3	3
OR	GRESHAM	524	578	605	10	5	15
OR	CLACKAMAS COUNTY	2172	2275	2238	5	-2	3
OR	MULTNOMAH COUNTY	771	778	784	1	1	2
OR	WASHINGTON COUNTY	2251	2394	2529	6	6	12
PA	ALLENTOWN	3068	3020	2944	-2	-3	-4
PA	ALTOONA	2412	2425	2397	1	-1	-1
PA	BETHLEHEM	1796	1780	1797	-1	1	0
PA	CARLISLE	430	422	400	-2	-5	-7
PA	EASTON	1075	1031	1091	-4	6	1
PA	ERIE	4184	4201	4160	0	-1	-1

		Entitlement grant $			Percent grant change		
					1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
ST	Community name	1980 poverty	1993	All 1990			
PA	HARRISBURG	2838	2796	2687	-1	-4	-5
PA	HAZLETON	1114	1110	1067	0	-4	-4
PA	JOHNSTOWN	2103	2099	2021	0	-4	-4
PA	LANCASTER	2032	2033	2092	0	3	3
PA	LEBANON	1017	1005	947	-1	-6	-7
PA	MCKEESPORT	1624	1631	1523	0	-7	-6
PA	NORRISTOWN	1180	1116	1109	-5	-1	-6
PA	PHILADELPHIA	67462	64171	63212	-5	-1	-6
PA	PITTSBURGH	21379	21030	20299	-2	-3	-5
PA	READING	3665	3610	3683	-2	2	0
PA	SCRANTON	4016	3943	3861	-2	-2	-4
PA	SHARON	825	838	770	2	-8	-7
PA	STATE COLLEGE	781	859	918	10	7	18
PA	WILKES-BARRE	2295	2243	2188	-2	-2	-5
PA	WILLIAMSPORT	1521	1513	1550	-1	2	2
PA	YORK	2010	1974	1939	-2	-2	-3
PA	ABINGTON	837	810	849	-3	5	1
PA	BENSALEM TOWNSHIP	544	428	410	-21	-4	-25
PA	BRISTOL TOWNSHIP	686	640	636	-7	-1	-7
PA	CHESTER	2130	2005	1837	-6	-8	-14
PA	HAVERFORD	1078	1031	1036	-4	0	-4
PA	LOWER MERION	1277	1233	1277	-3	4	0
PA	PENN HILLS	656	635	633	-3	0	-3
PA	UPPER DARBY	2304	2267	2233	-2	-2	-3
PA	ALLEGHENY COUNTY	18022	17867	17201	-1	-4	-5
PA	BEAVER COUNTY	4451	4596	4433	3	-4	0
PA	BERKS COUNTY	3022	2924	2945	-3	1	-3
PA	BUCKS COUNTY	2917	2526	2485	-13	-2	-15
PA	CHESTER COUNTY	3146	2949	3018	-6	2	-4
PA	DELAWARE COUNTY	4358	4180	4098	-4	-2	-6
PA	LANCASTER COUNTY	3696	3581	3590	-3	0	-3
PA	LUZERNE COUNTY	5872	5735	5499	-2	-4	-6
PA	MONTGOMERY COUNTY	4015	3767	3886	-6	3	-3
PA	WASHINGTON COUNTY	5296	5338	5081	1	-5	-4
PA	WESTMORELAND COUNTY	4740	4842	4593	2	-5	-3
PA	YORK COUNTY	2906	2779	2714	-4	-2	-7
RI	PAWTUCKET	2328	2244	2289	-4	2	-2
RI	PROVIDENCE	7140	7041	6860	-1	-3	-4
RI	WOONSOCKET	1457	1397	1405	-4	1	-4
RI	CRANSTON	1156	1110	1102	-4	-1	-5
RI	EAST PROVIDENCE	768	738	725	-4	-2	-6
RI	WARWICK	830	746	771	-10	3	-7
SC	ANDERSON	1082	1023	927	-5	-9	-14
SC	CHARLESTON	1532	1418	1334	-7	-6	-13
SC	COLUMBIA	1735	1654	1580	-5	-4	-9
SC	FLORENCE	599	568	489	-5	-14	-18
SC	GREENVILLE	1399	1300	1270	-7	-2	-9
SC	ROCK HILL	589	615	569	4	-8	-3
SC	SPARTANBURG	910	863	819	-5	-5	-10
SC	NORTH CHARLESTON	1091	1145	1098	5	-4	1
SC	GREENVILLE COUNTY	2957	2756	2405	-7	-13	-19

		Entitlement grant $			Percent grant change		
ST	Community name	1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
SD	RAPID CITY	630	657	628	4	-4	0
SD	SIOUX FALLS	885	878	922	-1	5	4
TN	BRISTOL	316	277	238	-12	-14	-25
TN	CHATTANOOGA	2888	2489	2155	-14	-13	-25
TN	CLARKSVILLE	807	858	837	6	-2	4
TN	JACKSON	836	825	719	-1	-13	-14
TN	JOHNSON CITY	653	664	587	2	-12	-10
TN	KINGSPORT	454	512	468	13	-9	3
TN	KNOXVILLE	2926	2632	2378	-10	-10	-19
TN	MEMPHIS	13663	12260	10694	-10	-13	-22
TN	MURFREESBORO	511	565	534	11	-6	4
TN	NASHVILLE-DAVIDSON	6374	6226	5589	-2	-10	-12
TN	OAK RIDGE	268	260	249	-3	-4	-7
TN	KNOX COUNTY	1527	1423	1274	-7	-10	-17
TN	SHELBY COUNTY	1315	1330	1250	1	-6	-5
TX	ABILENE	1381	1490	1380	8	-7	0
TX	AMARILLO	1913	2367	2274	24	-4	19
TX	ARLINGTON	1719	2234	2657	30	19	55
TX	AUSTIN	6371	7253	7505	14	3	18
TX	BAYTOWN CITY	861	1023	1031	19	1	20
TX	BEAUMONT	2187	2236	2096	2	-6	-4
TX	BROWNSVILLE	3321	3808	3622	15	-5	9
TX	BRYAN	922	1023	998	11	-2	8
TX	COLLEGE STATION	847	1089	1116	29	2	32
TX	CORPUS CHRISTI	4697	5082	4645	8	-9	-1
TX	DALLAS	15991	17442	18167	9	4	14
TX	DENISON	504	500	454	-1	-9	-10
TX	DENTON	722	993	1002	38	1	39
TX	EDINBURG	876	935	845	7	-10	-4
TX	EL PASO	10584	11752	11575	11	-2	9
TX	FORT WORTH	6501	7226	7252	11	0	12
TX	GALVESTON	1704	1769	1747	4	-1	3
TX	HARLINGEN	1306	1360	1252	4	-8	-4
TX	HOUSTON	27558	32431	33044	18	2	20
TX	IRVING	1235	1673	2079	35	24	68
TX	KILLEEN	1001	971	950	-3	-2	-5
TX	LAREDO	3767	4169	3966	11	-5	5
TX	LONGVIEW	890	1035	980	16	-5	10
TX	LUBBOCK	2959	3265	3026	10	-7	2
TX	MCALLEN	2106	2447	2388	16	-2	13
TX	MARSHALL	525	530	501	1	-5	-4
TX	MIDLAND	991	1269	1238	28	-2	25
TX	MISSION	843	960	906	14	-6	7
TX	ODESSA	1431	1693	1558	18	-8	9
TX	PHARR	1172	1313	1231	12	-6	5
TX	PORT ARTHUR	1789	1885	1763	5	-6	-1
TX	SAN ANGELO	1184	1389	1318	17	-5	11
TX	SAN ANTONIO	18822	19585	18620	4	-5	-1
TX	SHERMAN	340	409	400	20	-2	18

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
TX	TEMPLE	675	741	709	10	-4	5
TX	TEXARKANA	621	592	539	-5	-9	-13
TX	TEXAS CITY	547	646	603	18	-7	10
TX	TYLER	1056	1227	1204	16	-2	14
TX	VICTORIA	917	1008	917	10	-9	0
TX	WACO	1982	2174	2093	10	-4	6
TX	WICHITA FALLS	1750	1787	1763	2	-1	1
TX	CARROLLTON	414	531	673	28	27	63
TX	GARLAND	1398	1692	1899	21	12	36
TX	GRAND PRAIRIE	1029	1163	1262	13	8	23
TX	MESQUITE	713	901	971	26	8	36
TX	ORANGE	570	553	522	-3	-6	-8
TX	PASADENA	1487	1825	1920	23	5	29
TX	PLANO	668	719	802	8	12	20
TX	RICHARDSON C	436	469	513	8	9	18
TX	SAN BENITO	647	699	637	8	-9	-1
TX	BEXAR COUNTY	2077	2362	2444	14	3	18
TX	DALLAS COUNTY	1486	1661	1730	12	4	16
TX	FORT BEND COUNTY	1532	1744	1797	14	3	17
TX	HARRIS COUNTY	7273	9391	10665	29	14	47
TX	HIDALGO COUNTY	6517	8033	8136	23	1	25
TX	TARRANT COUNTY	3081	3469	3580	13	3	16
UT	OGDEN	1546	1556	1561	1	0	1
UT	OREM	784	729	690	-7	-5	-12
UT	PROVO	1975	2047	1884	4	-8	-5
UT	SALT LAKE CITY	5034	4958	4880	-2	-2	-3
UT	SANDY CITY	569	547	489	-4	-11	-14
UT	WEST JORDAN	391	431	402	10	-7	3
UT	WEST VALLEY	891	1096	1063	23	-3	19
UT	SALT LAKE COUNTY	3240	3487	3363	8	-4	4
VT	BURLINGTON	892	899	949	1	6	6
VA	BRISTOL	339	342	297	1	-13	-12
VA	CHARLOTTESVILLE	724	697	652	-4	-6	-10
VA	DANVILLE	1197	1191	1138	0	-4	-5
VA	HAMPTON	1527	1406	1321	-8	-6	-14
VA	LYNCHBURG	942	948	862	1	-9	-8
VA	NEWPORT NEWS	2062	2106	2048	2	-3	-1
VA	NORFOLK	6387	5938	5605	-7	-6	-12
VA	PETERSBURG	808	720	678	-11	-6	-16
VA	PORTSMOUTH	2293	2114	2012	-8	-5	-12
VA	RICHMOND	5711	5444	5489	-5	1	-4
VA	ROANOKE	2208	2076	1938	-6	-7	-12
VA	SUFFOLK	868	830	705	-4	-15	-19
VA	VIRGINIA BEACH	2983	2771	2865	-7	3	-4
VA	ALEXANDRIA	1238	1077	1148	-13	7	-7
VA	CHESAPEAKE	1547	1468	1366	-5	-7	-12
VA	COLONIAL HEIGHTS	110	114	104	3	-9	-6
VA	HOPEWELL	299	293	274	-2	-6	-8
VA	ARLINGTON COUNTY	2179	2121	2188	-3	3	0

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
VA	CHESTERFIELD COUNTY	1228	1298	1250	6	-4	2
VA	FAIRFAX COUNTY	4924	4958	5597	1	13	14
VA	HENRICO COUNTY	1593	1513	1438	-5	-5	-10
VA	PRINCE WILLIAM COUNTY	1585	1473	1515	-7	3	-4
WA	AUBURN	322	345	367	7	6	14
WA	BELLINGHAM	808	790	839	-2	6	4
WA	EVERETT	832	847	878	2	4	5
WA	KENNEWICK	435	526	535	21	2	23
WA	OLYMPIA	355	386	388	9	1	9
WA	PASCO	392	545	580	39	6	48
WA	RICHLAND	251	277	264	10	-5	5
WA	SEATTLE	13795	13651	14294	-1	5	4
WA	SPOKANE	4355	4400	4410	1	0	1
WA	TACOMA	2889	2968	3049	3	3	6
WA	YAKIMA	797	903	939	13	4	18
WA	BELLEVUE	561	588	648	5	10	16
WA	FEDERAL WAY	371	456	534	23	17	44
WA	CLARK COUNTY	2178	2254	2302	4	2	6
WA	KING COUNTY	5629	5761	6052	2	5	8
WA	KITSAP COUNTY	1595	1769	1826	11	3	14
WA	PIERCE COUNTY	3683	3863	3977	5	3	8
WA	SNOHOMISH COUNTY	2844	2851	3064	0	7	8
WA	SPOKANE COUNTY	1763	1801	1741	2	-3	-1
WV	CHARLESTON	2430	2442	2333	0	-4	-4
WV	HUNTINGTON	2702	2709	2591	0	-4	-4
WV	PARKERSBURG	1356	1334	1247	-2	-7	-8
WV	WEIRTON	563	558	549	-1	-2	-3
WV	WHEELING	1929	1892	1807	-2	-4	-6
WI	APPLETON	669	676	678	1	0	1
WI	BELOIT	721	757	748	5	-1	4
WI	EAU CLAIRE	760	807	853	6	6	12
WI	GREEN BAY	1057	1141	1137	8	0	8
WI	JANESVILLE	584	610	634	4	4	8
WI	KENOSHA	1199	1280	1336	7	4	11
WI	LA CROSSE	1153	1223	1162	6	-5	1
WI	MADISON	2180	2359	2391	8	1	10
WI	MILWAUKEE	19076	19980	20159	5	1	6
WI	NEENAH	245	240	240	-2	0	-2
WI	OSHKOSH	947	985	996	4	1	5
WI	RACINE	2126	2222	2344	5	6	10
WI	SHEBOYGAN	1028	1062	1107	3	4	8
WI	SUPERIOR	1041	1059	1059	2	0	2
WI	WAUKESHA	436	447	463	2	4	6
WI	WAUSAU	750	770	767	3	0	2
WI	WAUWATOSA	1182	1169	1205	-1	3	2
WI	WEST ALLIS	1409	1391	1415	-1	2	0
WI	MILWAUKEE COUNTY	1511	1498	1631	-1	9	8
WI	WAUKESHA COUNTY	1077	1002	949	-7	-5	-12

ST	Community name	Entitlement grant $			Percent grant change		
		1980 poverty	1993	All 1990	1980 pov. - 1993	1993 - all 1990	1980 pov. - all '90
WY	CASPER	477	526	488	10	-7	2
WY	CHEYENNE	596	613	601	3	-2	1
PR	AGUADILLA MUNICIPIO	2931	2712	2380	-7	-12	-19
PR	ARECIBO MUNICIPIO	4613	4181	3700	-9	-12	-20
PR	CAGUAS MUNICIPIO	5443	5050	4537	-7	-10	-17
PR	FAJARDO MUNICIPIO	1616	1390	1285	-14	-8	-21
PR	MAYAGUEZ MUNICIPIO	4492	4190	3729	-7	-11	-17
PR	PONCE MUNICIPIO	9673	8538	7542	-12	-12	-22
PR	SAN JUAN MUNICIPIO	16880	15292	13719	-9	-10	-19
PR	BAYAMON MUNICIPIO	7451	6907	6237	-7	-10	-16
PR	CAROLINA MUNICIPIO	6227	5528	5011	-11	-9	-20
PR	GUAYNABO MUNICIPIO	3018	2857	2548	-5	-11	-16
PR	HUMACAO MUNICIPIO	2532	2331	2068	-8	-11	-18
PR	TOA BAJA MUNICIPIO	3545	3295	2942	-7	-11	-17
PR	TRUJILLO ALTO MUNICIPIO	2214	2065	1902	-7	-8	-14
PR	VEGA BAJA MUNICIPIO	2529	2497	2235	-1	-10	-12

APPENDIX C
Missing Cases and the City Needs Index

Data used in constructing a composite index of city needs were unavailable for about 14 percent of entitlement cities. Table C-1 shows that there is a regional bias to the missing data, with Regions 1, 2, and 3 having a greater share of missing cases than other regions.

Table C-1
Missing cases by region

HUD region	Entitlement cities	With needs score		Missing	
		Number	Percent	Number	Percent
1	69	55	80%	14	20%
2	69	37	54	32	46
3	59	46	78	13	22
4	106	92	87	14	13
5	146	133	91	13	9
6	83	73	88	10	12
7	26	26	100	0	0
8	28	27	96	1	4
9	135	126	91	9	9
10	20	19	95	1	5
Total	741*	634	86%	107	14%

* Actual total of 1993 Entitlement cities was 756. Not included in this analysis are 14 cities in Puerto Rico and Federal Way, Washington, for which no 1990 Census data beyond those in the formula were available at the time this analysis was prepared.

To assess whether there is a substantive impact from the missing cases, and, if so, its direction, we ran a series of T-tests on 2 individual needs indicators that were available for all 741 cities. These indicators were the unemployment rate and the family and elderly household poverty rate. We compared cities with needs scores and with missing data on these indicators for Regions 1, 2, 3, 4, 5, 6, and 9. With 1 or no cases missing, T-tests were inappropriate for the other regions.

The tests suggest that on both of these indicators, the missing cities tend to be less needy than those with data in Regions 1, 2, and 3. The missing cities in Region 6 tend to be more needy than those with data in that Region. In Regions 4, 5, and 9, there is no significant difference between the missing cities and those that have needs scores in those Regions.

When used in interpreting Table 3-6, which shows the distribution of city need by region, these tables suggest that if all data were available, the proportion of cities with high need

in Regions 1, 2, and 3 might decrease and the proportion of cities
with high need in Region 6 might increase.

Table C-2
T-tests of family and elderly
poverty rate by HUD region

	Number	Mean family poverty rate	T-value	2-Tail probability
Region 1				
- Needs score	55	8.9%		
			3.84	.000
- Missing	14	4.4%		
Region 2				
- Needs score	37	12.3%		
			5.17	.000
- Missing	32	5.9%		
Region 3				
- Needs score	46	12.5%		
			3.79	.000
- Missing	13	7.3%		
Region 4				
- Needs score	92	12.9%		
			1.62	.108
- Missing	14	10.7%		
Region 5				
- Needs score	133	10.1%		
			1.23	.220
- Missing	13	7.7%		
Region 6				
- Needs score	73	13.3%		
			-4.55	.000
- Missing	10	23.7%		
Region 9				
- Needs score	126	7.4%		
			-.40	.690
- Missing	9	8.0%		

Table C-3
T-test of unemployment rate
by HUD region

	Number	Mean rate of unemployment	T-value	2-Tail probability
Region 1				
- Needs score	55	7.4%		
			3.96	.000
- Missing	14	5.0%		
Region 2				
- Needs score	37	8.9%		
			5.57	.000
- Missing	32	5.4%		
Region 3				
- Needs score	46	7.5%		
			3.06	.003
- Missing	13	5.2%		
Region 4				
- Needs score	92	6.7%		
			.11	.910
- Missing	14	6.6%		
Region 5				
- Needs score	133	7.5%		
			.70	.483
- Missing	13	6.7%		
Region 6				
- Needs score	73	7.6%		
			-2.47	.015
- Missing	10	9.9%		
Region 9				
- Needs score	126	6.3%		
			-.95	.342
- Missing	9	7.1%		

APPENDIX D
Correlations of needs variables for 634 entitlement cities
(unweighted)

Correlations:

	POVFAM	CPOVERTY	INCOME	CINCOME	FEMALEH	POPAGE65	MINORITY	WOHSED	EMPRATE	UNEMRATE	CRETAIL
POVFAM	1.0000										
CPOVERTY	.4531**	1.0000									
INCOME	-.6937**	-.4052**	1.0000								
CINCOME	-.6716**	-.3428**	.9633**	1.0000							
FEMALEH	.8308**	.2819**	-.5856**	-.5810**	1.0000						
POPAGE65	.1730**	.0282	.0358	.0606	-.0524	1.0000					
MINORITY	-.3020**	-.0572	.0680	.0957*	.2520**	-.3973**	1.0000				
WOHSED	.7216**	-.1307**	-.5499**	-.5588**	.6234**	-.2904**	-.2238**	1.0000			
EMPRATE	-.6721**	-.3848**	.5942**	.5789**	-.4781**	.3636**	.4492**	-.3846**	1.0000		
UNEMRATE	.8411**	.4267**	-.6228**	-.6230**	.8261**	.0758	-.2607**	.6802**	-.6427**	1.0000	
CRETAIL	-.2876**	-.1010*	.2376**	.2470**	-.2928**	-.2994**	.3417**	-.3539**	-.3401**	-.3359**	1.0000
POVINP40	.5469**	-.3080**	-.4347**	-.4212**	.4869**	-.3339**	-.3643**	-.4120**	-.5303**	.5656**	-.4267**
P60POVR	.7281**	.3740**	.5402**	.5566**	.6779**	-.2283**	.4943**	.4938**	.6585**	.7183**	-.4348**
RPROBLEM	.4927**	.0123	-.3346**	-.4089**	.5443**	-.1094*	.3562**	.6182**	-.2655**	.5604**	-.2209**
CPOP6090	-.2636**	-.1182*	-.2435**	-.2344**	-.2102**	-.2431**	.3180**	-.2558**	.3334**	-.2375**	.3835**
CPOP8090	-.3518**	-.2038**	-.1858**	.1670**	-.2598**	-.4140**	-.3386**	-.2832**	.3978**	-.2963**	.4813**
CRIME	.5275**	.0291	-.2458**	-.2774**	.6587**	.0383	.4626**	.4752**	-.2822**	.5431**	-.2434**
DENSITY	.0281	-.2254**	-.0050	-.0719	-.1407**	.0585	.3001**	.2897**	.0353	.1760**	-.1830**
BIGBURDR	.3910**	.5344**	-.3417**	-.3798**	.4284**	-.1334**	.6195**	.1771**	-.4781**	.4639**	-.1996**
POVERTY	.8567**	-.0260	-.6844**	-.6659**	.7010**	.0170	-.4946**	.4529**	-.7326**	.7514**	-.2374**
OCROMDDU	.2399**	.0561	-.2154**	-.2956**	.2340**	-.3318**	.1461**	.4617**	.0126	.2834**	-.0193
PRE4ODU	.2533**		-.2062**	-.2209**	.2344**	.3773**	.3197**	.3009**	.3221**	.3205**	-.4149**

Correlations:

	POVINP40	P60POVR	RPROBLEM	CPOP6090	CPOP8090	CRIME	DENSITY	BIGBURDR	POVERTY	OCROMDDU	PRE4ODU
POVINP40	1.0000										
P60POVR	.8959**	1.0000									
RPROBLEM	.1971**	.3944**	1.0000								
CPOP6090	-.2924**	-.3197**	-.1272**	1.0000							
CPOP8090	-.4844**	-.4922**	.0256	.3492**	1.0000						
CRIME	-.2330**	-.4400**	.5273**	-.1406**	-.1717**	1.0000					
DENSITY	-.1531**	-.1958**	-.5176**	-.0452	-.0594	.2901**	1.0000				
BIGBURDR	.3932**	-.6037**	-.5851**	-.1812**	-.1046*	.4099**	.3359**	1.0000			
POVERTY	.5352**	-.7605**	-.4190**	-.2573**	-.2930**	.4790**	.0212	.6973**	1.0000		
OCROMDDU	-.1924**	-.0064	-.7866**	-.0144	-.2254**	.3503**	.4104**	.3079**	.2073**	1.0000	
PRE4ODU	.8658**	.6702**	.1105*	-.3040**	-.4768**	.0708	.2716**	.2251**	.2150**	-.2403**	1.0000

N of cases: 634   1-tailed Signif: * - .01 ** - .001

App.D-1

APPENDIX D (continued)
Correlations among needs variables for 634 entitlement cities
(weighted by population)

Correlations:

	POVFAM	CPOVERTY	INCOME	CINCOME	FEMALEH	POPAGE65	MINORITY	WOHSED	EMPRATE	UNEMRATE	CRETAIL
POVFAM	1.0000										
CPOVERTY	.3295**	1.0000									
INCOME	-.6653***	-.3873***	1.0000								
CINCOME	-.2998**	-.2998**	-.9561***	1.0000							
FEMALEH	.8421***	-.2140**	-.5633***	-.5888***	1.0000						
POPAGE65	.2012**	-.0487**	-.0227**	-.0218**	.0484**	1.0000					
MINORITY	-.3805***	-.0084**	-.0077**	.0750**	-.3420**	-.3754**	1.0000				
WOHSED	-.7664***	-.0593**	-.5044***	-.5633***	-.6478**	-.2460**	.3520**	1.0000			
EMPRATE	-.7260***	.2192**	.5651**	.5968***	.8437***	-.4498**	-.3592***	-.5012***	1.0000		
UNEMRATE	.8504***	-.3550***	-.5715***	-.6107***	-.4432**	-.1090**	.3592***	.7257***	-.6970**	1.0000	
CRETAIL	-.3999***	.0536**	-.2286**	-.2725**	.6140***	-.3494***	.4540***	-.4534***	-.4386**	-.4780**	1.0000
POVINP40	.5980***	-.1315**	-.3647***	-.4131**	.4215***	-.3970**	.4662***	-.4963***	-.6247***	-.6473***	-.5666***
P60POVR	-.7484***	-.1687**	-.4034***	-.4655***	.2625***	-.3049**	.5753***	.5892***	-.7016***	.7684***	.5812***
RPROBLEM	.4592***	-.0973**	-.1239***	-.2444***	.3926***	-.0726***	.4620***	-.6566***	-.2969***	.5110**	-.3136***
CPOP6090	-.3100***	-.0813**	-.2375***	-.2567***	.6299***	-.2617**	.3839***	-.2948***	.3628***	-.2707***	-.4280***
CPOP8090	-.4434***	-.1363**	-.2041***	-.2177***	.2578***	-.4644***	.4326***	-.3533***	.4594***	.3856***	.5324***
CRIME	.5703***	-.1107**	-.1203**	-.2120***	.4918***	-.0906***	.6056***	.5914***	-.3617***	.5983***	-.4229***
DENSITY	-.2255***	-.3289***	-.1411**	-.0022**	.7644***	-.1092**	.4352***	-.4066***	-.2079**	.3101***	.3522***
BIGBURDR	.4846***	-.0899**	-.2018**	-.2889***	.1046**	-.0135**	.6763***	.6034***	-.5104***	.5664***	-.3935***
POVERTY	.9082***	-.4323***	-.6395***	-.6591***	.3903***	-.0915**	.5395***	-.4990***	-.7336***	.7920***	.3843***
OCROMDDU	.2116**	-.0684**	-.0487**	-.1457***	.1046**	-.3119***	.2436**	.3817***	-.0043**	.2415***	-.0518***
PRE40DU	.3532***	-.0705**	-.1449**	-.2206***	.3903***	-.4448***	.4787***	.3817***	-.4574***	.4289***	.5490***

Correlations:

	POVINP40	P60POVR	RPROBLEM	CPOP6090	CPOP8090	CRIME	DENSITY	BIGBURDR	POVERTY	OCROMDDU	PRE40DU
POVINP40	1.0000										
P60POVR	.9130***	1.0000									
RPROBLEM	-.2650***	-.4693***	1.0000								
CPOP6090	-.3239***	-.3542***	-.1685**	1.0000							
CPOP8090	-.5646***	-.5696***	-.0402**	.4017**	1.0000						
CRIME	.4545***	.5100***	.6122***	-.2404**	-.3256***	1.0000					
DENSITY	.4345***	.5319***	.6315***	-.1352**	-.1787**	.5476***	1.0000				
BIGBURDR	.5319***	.7065***	.7332***	-.2526**	-.2273**	.5904***	.5481***	1.0000			
POVERTY	.5959***	.7644***	.4388***	-.3221**	-.4092**	.5650***	.1982**	.6723***	1.0000		
OCROMDDU	-.1374**	.0444***	.8181***	-.0286**	.1921**	.3739***	.3706***	.4233***	.2153**	1.0000	
PRE40DU	.9012***	.7623***	.2362**	-.3318**	-.5384***	.3574***	.5149***	.4396***	.3453***	-.1431**	1.0000

1-tailed Signif: * - .01 ** - .001

N of cases: 634

App. D-2

Analysis number 1. Listwise deletion of cases with missing
    values. Extraction 1 for analysis 1, Principal Components
    Analysis (PC)

Initial statistics:

Variable#	Communality	*	Factor	Eigenvalue	Pct of var	Cum pct
POVFAM	1.00000	*	1	7.89941	43.9%	43.9%
CINCOME	1.00000	*	2	2.61328	14.5	58.4
CPOVERTY	1.00000	*	3	2.08966	11.6	70.0
WOHSED	1.00000	*	4	.94454	5.2	75.3
FEMALEH	1.00000	*	5	.85925	4.8	80.0
POPAGE65	1.00000	*	6	.62977	3.5	83.5
MINORITY	1.00000	*	7	.54120	3.0	86.5
UNEMRATE	1.00000	*	8	.49664	2.8	89.3
CRETAIL	1.00000	*	9	.39669	2.2	91.5
POVINP40	1.00000	*	10	.30236	1.7	93.2
CPOP6090	1.00000	*	11	.27959	1.6	94.7
EMPRATE	1.00000	*	12	.25379	1.4	96.1
P60POVR	1.00000	*	13	.20453	1.1	97.3
CPOP8090	1.00000	*	14	.16516	.9	98.2
RPROBLEM	1.00000	*	15	.14636	.8	99.0
CRIMRATE	1.00000	*	16	.08330	.5	99.5
INCOME	1.00000	*	17	.06694	.4	99.8
DENSITY	1.00000	*	18	.02753	.2	100.0

Variables are defined in Chapter 3, at pages 3-7 and 3-8.

PC extracted three factors.
Factor matrix:

	Factor 1	Factor 2	Factor 3
POVFAM	.91953	-.10412	.13503
CINCOME	-.70581	.36787	-.34811
CPOVERTY	.24874	-.56119	.31359
WOHSED	.83295	.15489	.09361
FEMALEH	.87483	-.00740	.14893
POPAGE65	.22912	-.24564	-.73459
MINORITY	.67469	.49877	.29334
UNEMRATE	.89873	-.02295	.15814
CRETAIL	-.59557	-.05762	.47792
POVINP40	.57831	-.50317	-.28578
CPOP6090	-.42635	.05071	.36542
EMPRATE	-.87934	.02094	-.22058
P60POVR	.73190	-.18904	-.33609
CPOP8090	-.54107	.17441	.58918
RPROBLEM	.48240	.68055	.12002
CRIMRATE	.66374	.55564	-.07043
INCOME	-.64794	.49979	-.36597
DENSITY	.39189	.68640	-.25425

Final statistics:

Variable	Communality	*	Factor	Eigenvalue	Pct of var	Cum pct
POVFAM	.875	*	1	7.90	43.9%	43.9%
CINCOME	.755	*	2	2.61	14.5	58.4
CPOVERTY	.475	*	3	2.09	11.6	70.0
WOHSED	.727	*				
FEMALEH	.788	*				
POPAGE65	.652	*				
MINORITY	.790	*				
UNEMRATE	.833	*				
CRETAIL	.586	*				
POVINP40	.669	*				
CPOP6090	.318	*				
EMPRATE	.822	*				
P60POVR	.684	*				
CPOP8090	.670	*				
RPROBLEM	.710	*				
CRIMRATE	.754	*				
INCOME	.804	*				
DENSITY	.689	*				

VARIMAX rotation 1 for extraction 1 in analysis 1 — Kaiser
Normalization. VARIMAX converged in five iterations.

FACTOR ANALYSIS

Rotated factor matrix:

	Factor 1	Factor 2	Factor 3
POVFAM	.75595	.43597	.33628
CINCOME	-.85305	-.11399	-.11825
CPOVERTY	.61882	-.30311	-.01826
WOHSED	.54316	.59902	.26967
FEMALEH	.68314	.49207	.28061
POPAGE65	-.09685	-.12825	.79160
MINORITY	.36245	.80964	-.05619
UNEMRATE	.71228	.49319	.28755
CRETAIL	-.13385	-.34525	-.67032
POVINP40	.50653	-.11449	.63214
CPOP6090	-.13056	-.16941	-.52166
EMPRATE	-.73016	-.48853	-.22481
P60POVR	.42650	.22735	.67140
CPOP8090	-.15687	-.11494	-.79529
RPROBLEM	.04800	.84041	-.04090
CRIMRATE	.13801	.82446	.23551
INCOME	-.88955	.02610	-.10762
DENSITY	-.21070	.76794	.23501

From the rotated factor matrix, the factors were interpreted as follows:

Factor 1 -- Poverty
Factor 2 -- Density
Factor 3 -- Age and decline

Factor transformation matrix:

		Factor 1	Factor 2	Factor 3
Factor	1	.68862	.55726	.46398
Factor	2	-.50872	.82723	-.23853
Factor	3	.51674	.07178	-.85313

APPENDIX F
Weights in city needs index

The factor analysis discussed in Appendix E generated three factors. In this report, those factors are used primarily as components of a composite indicator of city need. Generally, the analysis does not use Factor 1 (Poverty) separate from the other factors. Rather, it weights the factors equally and sums them up to develop a single summary score. It is this single summary score that is used in most of the tables and discussion.

There is nothing in the method that requires weighting the factors equally. For example, in the Department's evaluation of the impact of the 1980 census on the CDBG formula, a similar set of three factors emerged from the factor analysis (Bunce and Neal, 1983, p. 69). These were weighted as follows:

$$(.4 * \text{Poverty}) + (.35 * \text{Age/Decline}) + (.25 * \text{Density}).$$

The authors chose to weight poverty highest because it reflects the primary objective of the CDBG Program — benefit to people with low- and moderate-incomes. They weighted age and decline next because it reflects the economic and physical dimensions of community development need.

In this analysis, the authors chose to weight the factors equally, mainly because they found the reasons for doing otherwise to be less than compelling. In particular, the density factor appears to be an indicator of concentration of urban problems, which some have termed the "underclass" (Rickets and Sawhill, 1988). Arguably, this dimension, which strongly suggests serious crime, an undereducated population, and a large portion of households being renters with housing problems, is most important in suggesting need for CDBG funds at the present time. Table 3-9 at page 3-22 of this study suggests that the density dimension may be a better indicator of community development need than are the other factors.

Of course, weighting the factors equally is not inconsequential. Compared with the 1983 weights, equal factor weights have the effect of raising the needs scores for cities that score high on the density dimension and lowering the scores for cities that score high on the poverty or age dimension. For example, a city like Pittsburgh, which scores high on the age dimension but low on the density dimension, receives a lower composite score when the factors are weighted equally. A city like Tucson receives a lower score with equal weighting because it scores high on the poverty dimension but low on the density dimension. In contrast, cities like Los Angeles and Washington, D.C., which score high on the density dimension and low on poverty and age, tend to have their overall scores boosted by equal weighting.

In fact, however, the effect of equal factor weights compared to the weights used in the 1983 study are small. For the 634 cities, the Pearson's correlation coefficient between cities' composite scores with equal and unequal weights is .9886. Of course, a city's rank relative to other cities in this case may be more important than its absolute score. For the 634 cities, the Spearman's correlation on the rank orders that emerge when the factors are weighted equally and unequally is .9887.

With regard to individual cities, the effect of using the unequal factor weights that were used in the 1983 study would be that most cities rankings would change little. To the extent that there is an effect, it would be to increase the needs scores of smaller cities and lower the needs scores for larger cities (Table F-1). Of the 8 cities with populations in excess of a million, 3 (37 percent) would drop in their ranking relative to the other 633 cities by more than a standard deviation if unequal weights replaced the equal weights used in this study. In contrast, using unequal weights would improve the rankings of 24 percent of the cities with populations under 50,000.

The reason for this effect with regard to city size is that the density factor tends to be concentrated in big cities. The density variable, plus violent crime, minorities, deficient rental housing, and undereducated people tend to be located in larger cities. Giving equal weights to the three factors (that is, a higher weight to the density factor relative to the other two factors), gives larger cities somewhat higher composite needs scores.

Table F-1
Cities by change in rank on need
with equal and unequal factor weights
by city size

| City population | Percent of cities that*: | | | Number |
	Rise	Change little	Drop	
1,000,000 or more	0%	63%	37%	8
200,000 - 999,999	0	78	22	68
100,000 - 199,999	5	75	20	117
50,000 - 99,999	14	74	11	282
49,999 or fewer	24	71	5	159

* Categories were derived by computing the distribution of the difference in the composite scores that result with equal and unequal factor weights. In the "change little" category are cities whose rank would be within one standard deviation of where it would be if the weights were different. In the "drop" category are cities whose rank drops (i.e., are rated as more needy) by more than a standard deviation when unequal weights replace the equal factor weights. The "rise" category includes cities whose ranks improve by more than one standard deviation.

Table F-2 shows that weighting the factors unequally would have some impact on need by region. If the factors were weighted as they were in 1983, more cities in the Northeast (Regions 1 and 2) and West (Region 9) would receive higher scores. With unequal weighting, cities in the middle of the country, Regions 5, 6, 7, and 8 would tend to be ranked a bit higher in terms of need.

Table F-2
Cities by change in rank on need
with equal and unequal factor weights
by HUD region

HUD region	Percent of cities that*:			
	Rise	Change little	Drop	Number
1	0%	82%	18%	60
2	3	54	43	37
3	11	78	11	46
4	7	78	15	92
5	19	81	0	133
6	22	77	1	74
7	50	50	0	26
8	44	56	0	27
9	1	66	31	126
10	26	74	0	19

* Categories were derived by computing the distribution of the difference in the composite scores that result with equal and unequal factor weights. In the "change little" category are cities whose rank would be within one standard deviation of where it would be if the weights were different. In the "drop" category are cities whose rank drops (i.e., are rated as more needy) by more than a standard deviation when unequal weights replace the equal factor weights. The "rise" category includes cities whose ranks improve by more than one standard deviation.

APPENDIX G
American Housing Survey

Every 2 years HUD sponsors a national survey of American housing units called the American Housing Survey (AHS). The data collected from the extensive survey instrument are compiled at a household level. In addition to the national survey, there are additional surveys conducted for 45 different Metropolitan Statistical Areas (MSAs). Approximately 12 MSA surveys are conducted each year over a 4-year period.

Errors in each number come primarily from missed homes, misclassified homes, and because the data are a sample survey. The total error can be up to 200,000 on numbers around half a million and 2 million on numbers around 25 million. For medians, the error depends on how far these number of homes take you through the distribution away from the published median. The errors are comparable to other large surveys. The data were collected by Census Bureau interviewers surveying approximately 50,000 housing units in 1991. All information obtained from the survey that would permit identification of an individual is held in strict confidence by law.

Chapters 3, 5, 7, and 8 use the AHS to compare the targeting of the Needs indicator and the formula variables to a variety of measures of social, economic, housing, and community need that are not available through the Census. Further, because the AHS has data at the household level, it allowed some different methods of analysis. However, as with any analysis that is conducted using sample data, the accuracy of the conclusions depends on the error of the data.

Chapter 3. In Chapter 3, table 3-9 illustrates how the needs indicator is a measure of a variety of housing, neighborhood, and road problems that are available through the AHS. Three steps were taken to do this analysis:

1) The incidence of response/problem was determined using the AHS metropolitan survey data. The data were only available for 64 cities.

2) The AHS data were matched with the city needs indicators on a city by city basis.

3) Correlations between the needs indicators and the AHS variables were run.

The larger the sample size for each city the more accurate the results for each city. Table G-1 shows each of the 64 cities used and the AHS sample size. In general, the sample sizes are large enough to give very accurate estimates of how great the problems were in each of the cities. However, Table 3-9 is only

illustrative on the targeting of the needs indicator due to the limited number of cities for which AHS data are available.

Table G-1
Sample size and cities used to develop Table 3-9

City	AHS sample size
Phoenix	1097
Mesa	171
Tempe	357
San Francisco	619
Oakland	292
Denver	1087
Pasadena	44
San Jose	1675
Pomona	65
Los Angeles	1148
Aanheim	408
Riverside	421
Long Beach	158
Santa Ana	382
San Diego	1582
Hartford	476
New Orleans	1394
Tampa	380
Washington	513
Miami	518
Hollywood	130
Birmingham	964
Ft. Lauderdale	168
St. Petersburg	361
Atlanta	525
Boston	454
Indianapolis	2124
Baltimore	1006
Minneapolis	523
Chicago	1377
Detroit	649
San Bernardino and Ontario	451
St. Paul	423
St. Louis	636
Jersey City	155
Paterson	83
Newark	179
New York City	2232
Rochester	1048
Buffalo	997
Cincinnati	1095
Cleveland	899
Columbus	1580
Portland	1133
Pittsburgh	635
Philadelphia	917
Providence	1092
Memphis	2064
Dallas	1098
Houston	1379
Irving	125
San Antonio	2443
Salt Lake City	680
Kansas City	1178
Fort Worth	905
Arlington	271
Virginia Beach	962
Newport News	443
Norfolk	678
Seattle	914
Tacoma	272
Portsmouth	299
Milwaukee	1607
Oklahoma City	1427

Chapter 5. In Chapter 5, AHS data were used to show the targeting abilities of pre-1940 housing to a variety of AHS need variables for center cities. Tables G-2, G-3, and G-4 show the 95-percent confidence intervals for the percent calculated in Tables 5-20 and 5-21 respectively. Note that the data for road

repairs, abandoned homes nearby, bars on windows nearby, and junk nearby were only collected for multifamily units. As a result the sample is smaller and the confidence interval is larger.

Table G-2
95 percent confidence intervals for table 5-20

Located in:	Pre-1940	1940-49	1950-59	1960-91	Total
All Units	±1.2%	±1.9%	±1.3%	±0.6%	±0.5%
Northeast	1.8	3.4	3.2	1.8	1.3
Midwest	1.8	3.1	2.5	1.2	1.0
South	3.5	4.0	2.4	1.0	1.0
West	2.4	3.6	2.1	0.9	0.9
Tenure					
Owner	1.2	2.4	1.6	0.7	0.6
Renter	1.9	3.0	2.1	1.0	0.9
Income					
Poverty	3.0	5.2	4.6	2.1	1.7

Table G-3
95 percent confidence intervals for table 5-21

Problem	Pre-1940	1940-49	1950-59	1960-91	Total
Abandoned buildings	±1.8%	±3.1%	±2.1	±0.8%	±0.8%
Bars on home(s) nearby	2.6	4.5	3.8	1.7	1.3
Junk is minor problem	2.7	4.7	4.0	1.9	1.4
Junk is major problem	1.7	4.0	3.1	1.4	1.0
Satisfaction with neighborhood 3 or less on a 10 point scale	1.9	3.2	2.6	1.5	1.0
Satisfaction with neighborhood 5 or less on a 10 point scale	1.5	2.3	1.9	1.0	0.7
Satisfaction with home 3 or less on a 10 point scale	1.5	2.2	1.9	1.2	0.8
Satisfaction with home 5 or less on a 10 point scale	1.2	1.9	1.5	0.8	0.6

Table G-4
95 percent confidence intervals for table 5-22

Problem	Pre-1940	1940-49	1950-59	1960-91	Total
Roads need major repair	±3.0%	±6.0%	±4.5%	±2.9%	±1.8%
Roads need minor repair	4.4	7.5	6.7	3.1	2.3
Water source breakdowns	0.7	1.1	0.9	0.6	0.4
Sewer breakdowns	0.4	0.9	0.7	0.3	0.2

Chapter 7. In Chapter 7, only AHS data for non-metropolitan areas were used. The sample for non-MSA areas was smaller than the MSA sample. In particular, data on neighborhood conditions (roads, junk, bars on windows, abandoned homes) are a very small sample for reason noted above. Table G-5 through G-7 show the percents used to calculate the ratios on the tables 7-14 through 7-16 and their associate 95 percent confidence intervals. Tables G-10 through G-12 show the targeting ability of the formula variables and the confidence intervals for a variety of additional AHS indicators for Non-Metropolitan areas, Center Cities, and Suburbs.

Table G-5
95% Confidence Intervals for Table 7-14

	Ratio	Problem among poverty households/ Problem among non-poverty households	CI	Pecent of households with problem in poverty	CI
Single Adult with Children	4.95	17.72% ± 3.58% ±	1.87 .40	49.0% ±	4.06
Overcrowded	2.57	4.12% ± 1.60% ±	.97 .27	33.3% ±	6.55
Inadequate Housing	2.25	19.42% ± 8.61% ±	1.93 .60	30.4% ±	2.82
Severely Inadequate Housing	2.13	6.85% ± 3.22% ±	1.24 .38	29.2% ±	4.59
Severe Rent Burden	14.39	38.99% ± 2.71% ±	2.53 .36	72.5% ±	3.15
Rent Burden	5.04	66.22% ± 13.13% ±	2.44 .75	48.4% ±	2.21
Renters with One of Four Problems	6.07	32.79% ± 5.40% ±	2.32 .49	53.6% ±	3.16
Poor Opinion of Home	3.88	4.59% ± 1.18% ±	1.03 .23	42.7% ±	7.45
Poor Opinion of Neighborhood	2.29	5.05% ± 2.21% ±	1.10 .32	30.5% ±	5.67

	Ratio	Problem among ocrowd households/ Problem among non-ocrowd households	CI	Pecent of households with problem overcrowd	CI
Poverty	2.09	33.28% ± 15.89% ±	6.55 .73	4.1% ±	.97
Inadequate Housing	2.70	27.05% ± 10.03% ±	6.17 .60	5.2% ±	1.37
Severely Inadeq. Housing	2.56	9.46% ± 3.70% ±	4.07 .38	5.0% ±	2.20
Without Complete Plumbing	2.04	6.68% ± 3.28% ±	3.47 .35	4.0% ±	2.11
Poor Opinion of Home	3.75	6.15% ± 1.64% ±	3.36 .25	7.1% ±	3.87
Fair/Poor Opinion of Home	2.19	34.06% ± 15.59% ±	6.64 .73	4.3% ±	1.00
Junk Problem Nearby	2.37	58.50% ± 24.69% ±	24.19 3.78	7.0% ±	4.35
Abandoned Homes Nearby	2.16	6.44% ± 2.98% ±	13.44 1.62	6.1% ±	12.82
Bars on Homes Nearby	3.52	3.77% ± 1.07% ±	10.28 .97	9.7% ±	25.70
Roads Need Major Repair	2.03	13.81% ± 6.81% ±	16.83 2.21	6.1% ±	7.81
Poor Opinion of Neighborhood	2.73	7.02% ± 2.57% ±	3.62 .32	5.3% ±	2.76

	Ratio	Problem among pre40 households/ Problem among non-pre40 households	CI	Pecent of households with problem in pre40	CI
Inadequate Housing	1.56	19.40% ± 12.41% ±	1.41 .68	34.5% ±	2.27
Severely Inadeq. Housing	1.39	7.44% ± 5.35% ±	.94 .47	31.9% ±	3.45
Without Complete Plumbing	1.38	6.89% ± 5.00% ±	.91 .45	31.7% ±	3.57
Renter with One of Four Problems	1.34	12.65% ± 9.47% ±	1.30 .67	31.5% ±	2.85
Water Problems in Last Year	.87	3.78% ± 4.35% ±	.75 .47	22.9% ±	4.08
Sewer Problems in Last Year	1.17	2.04% ± 1.74% ±	.55 .30	28.7% ±	6.63
Poor Opinion of Home	1.57	2.37% ± 1.51% ±	.60 .28	35.0% ±	7.18
Fair or Poor Opin. of Home	1.74	23.30% ± 13.43% ±	1.66 .78	37.4% ±	2.40
Junk Problem Nearby	1.24	29.13% ± 23.56% ±	7.21 3.71	27.2% ±	6.83
Abandoned Homes Nearby	1.20	3.71% ± 3.10% ±	3.33 1.63	25.5% ±	20.16
Bars on Homes Nearby	1.06	1.16% ± 1.10% ±	1.87 .98	23.4% ±	33.08
Roads Need Major Repairs	.61	4.86% ± 7.92% ±	3.41 2.36	15.7% ±	10.37
Poor Opinion of Neighborhood	1.03	2.72% ± 2.64% ±	.65 .37	26.1% ±	5.41
Fair/Poor Opinion of Neighborhood	1.30	18.65% ± 14.38% ±	1.55 .82	30.8% ±	2.36

Chapter 8. Tables G-8 and G-9 show the 95 percent
confidence intervals for Tables 8-1 and 8-13 respectively. The
tables show that the confidence intervals are much wider (i.e.
less confidence) for the pre40-poverty and pre50-poverty
variables. This is because the sample of pre40/pre50 poverty
units are very small to compare against other indicators of need.
On table G-9, some of the confidence intervals are quite large
because the non-Metro sample of the neighborhood variables is so
small.

TABLE G-8
95% Confidence Intervals for Table 8-1

	All Housing	All Built Before 1940	Occupied by Poverty Households and Built Pre-1940	Pre-1950
Total	±0.0	±0.8	±0.4	±0.5
Housing				
Inadequate	±0.5	±1.1	±3.0	±2.6
Sev. Inad.	±1.3	±2.5	±5.8	±4.4
Poor Opinion	±0.8	±1.5	±3.6	±3.1
Neighborhood				
Abandoned Homes	±0.8	±1.8	±4.6	±3.9
Bars	±1.3	±2.6	±5.5	±4.7
Road				
- Minor Repairs	±2.3	±4.4	±9.3	±7.9
- Major Repairs	±1.8	±3.0	±7.7	±6.7
Junk				
- Minor Junk	±1.4	±2.7	±5.7	±4.8
- Major Junk	±1.0	±1.7	±4.2	±3.8
Poor Opinion	±1.0	±1.9	±4.2	±3.7

	All Housing	All Built Before 1940	Occupied by Poverty Households and Built	
			Pre-1940	Pre-1950
Total	±0.0	±1.8	± 1.9	± 1.9
Housing				
Inadequate	±0.6	±1.4	± 3.7	± 3.3
Sev. Inad.	±1.5	±2.7	± 6.0	± 4.6
Poor Opinion	±0.8	±1.5	± 4.1	± 3.6
Neighborhood				
Abandoned Homes	±1.6	±3.6	± 6.8	± 6.3
Road				
- Minor Repairs	±8.3	±4.0	±16.2	±13.9
- Major Repairs	±4.4	±7.2	±14.2	±12.6
Junk				
- Minor Junk	±3.6	±7.6	±15.9	±13.8
- Major Junk	±3.3	±6.5	±15.0	±12.8
Poor Opinion	±1.2	±2.2	± 5.3	± 4.6

AHS Targeting. Tables G-10 through G-12 show the targeting ability of the formula variables to a variety of AHS needs indicators for three difference geographies - center cities, suburbs, non-metropolitan areas. Tables G-13 through G-15 show the 95% confidence intervals for the figures shown in tables G-10 through G-12.

On tables G-10 through G-12, the top number indicates how many times greater the incidence of the problem (column) is among those households with the formula variable (row) than it is among the population not covered by the formula variable. The bottom number (in parenthesis) shows the percent of households with the problem (column) that are also in the selected group (row).

For example, the incidence of inadequate housing is 2.40 times greater among poverty households in center cities than it is among the households not in poverty in center cities. Any number above one indicates some targeting, the larger the number is above one the greater the targeting. These results show clearly if the formula variable targets to need or merely distributes on a per capita basis (one). If the top number is below one, it shows that the formula variable targets away from the AHS need variable.

The number in parenthesis, for example, shows that thirty-three percent of all households living in inadequate housing are in poverty. This is useful to know how many of the households with the problem are actually targeted by the formula variable.

	POVERTY	PRE40	PRE50 POVERTY	OVERCROWD
POVERTY		1.35 (37%)	NA (50%)	2.71 (10%)
ONE ADULT W/CHILDREN	5.21 (49%)	1.08 (32%)	3.74 (24%)	1.21 (5 %)
WITHOUT HIGH SCHOOL ED	2.36 (31%)	1.51 (39%)	2.32 (17%)	2.32 (9 %)
OVERCROWDED	3.53 (40%)	1.18 (34%)	3.35 (22%)	NA (NA%)
INADEQUATE HOUSING	2.40 (31%)	1.97 (46%)	2.79 (18%)	2.18 (8 %)
SEVERELY INAD. HSG.E	2.31 (30%)	2.33 (50%)	3.43 (22%)	1.87 (7 %)
SEVERE RENT BURDEN	9.61 (63%)	1.42 (38%)	6.25 (34%)	1.76 (7 %)
RENT BURDEN	3.10 (35%)	1.18 (34%)	2.74 (19%)	1.41 (6 %)
W/O COMPLETE PLUMBING	2.15 (29%)	2.14 (48%)	3.22 (20%)	1.15 (5 %)
RENTER W/ONE OF FOUR PROBS	3.56 (39%)	1.27 (35%)	3.09 (20%)	3.32 (13%)
WATER PROBLEMS	1.18 (18%)	1.09 (32%)	1.27 (10%)	1.76 (7 %)
SEWER PROBLEMS	1.65 (23%)	1.01 (30%)	1.37 (10%)	1.58 (6 %)
POOR OPINION OF HOME	3.41 (39%)	1.64 (41%)	3.55 (23%)	4.05 (15%)
FAIR OR POOR OPIN. OF HOME	1.84 (29%)	1.53 (39%)	1.92 (14%)	2.36 (9 %)
JUNK PROBLEM	1.78 (29%)	1.71 (44%)	2.02 (16%)	1.98 (10%)
ABANDONED HOMES NEARBY	2.57 (38%)	2.44 (54%)	3.69 (26%)	2.21 (11%)
BARS ON HOMES NEARBY	1.39 (25%)	1.76 (45%)	1.73 (14%)	2.04 (10%)
ROADS NEED MAJOR REPAIRS	2.03 (32%)	1.30 (38%)	2.44 (19%)	1.64 (9 %)
POOR OPIN. OF NEIGHBORHOOD	2.62 (32%)	1.64 (41%)	2.64 (18%)	1.95 (8 %)
FAIR/POOR OPIN. OF NEIGH.	1.53 (22%)	1.45 (38%)	1.61 (12%)	1.56 (6 %)

Table G-11
Formula Variable Targeting - Metropolitan Suburbs

	POVERTY	PRE40	PRE50 POVERTY	OVERCROWD
POVERTY		1.41 (18%)	NA (27%)	3.56 (7 %)
ONE ADULT W/CHILDREN	5.18 (30%)	1.00 (14%)	3.45 (7 %)	1.19 (3 %)
WITHOUT HIGH SCHOOL ED	2.85 (19%)	1.50 (19%)	3.07 (6 %)	2.58 (5 %)
OVERCROWDED	4.23 (26%)	1.08 (15%)	4.05 (8 %)	NA (NA%)
INADEQUATE HOUSING	2.89 (20%)	1.87 (23%)	3.38 (6 %)	2.78 (6 %)
SEVERELY INAD. HOUSING	2.09 (15%)	1.75 (22%)	3.09 (6 %)	1.99 (4 %)
SEVERE RENT BURDEN	11.15 (46%)	1.25 (17%)	7.14 (12%)	2.06 (4 %)
RENT BURDEN	3.55 (22%)	1.05 (15%)	3.00 (6 %)	1.60 (3 %)
W/O COMPLETE PLUMBING	1.59 (12%)	1.73 (22%)	2.41 (5 %)	1.60 (3 %)
RENTER W/ONE OF FOUR PROBS	4.23 (25%)	1.12 (15%)	3.89 (8 %)	4.68 (9 %)
WATER PROBLEMS	1.01 (8 %)	0.92 (13%)	0.78 (2 %)	0.95 (2 %)
SEWER PROBLEMS	1.38 (10%)	1.04 (14%)	1.33 (3 %)	2.38 (5 %)
POOR OPININON OF HOME	3.67 (23%)	1.70 (21%)	4.20 (8 %)	4.82 (9 %)
FAIR OR POOR OPINION OF HOME	1.86 (14%)	1.64 (21%)	2.41 (5 %)	2.43 (5 %)
JUNK	2.28 (20%)	1.51 (19%)	2.50 (6 %)	2.29 (6 %)
ABANDONED HOMES NEARBY	2.78 (24%)	2.09 (24%)	4.04 (9 %)	4.03 (11%)
BARS ON HOMES NEARBY	1.82 (17%)	1.01 (13%)	2.32 (5 %)	3.64 (10%)
ROADS NEED MAJOR REPAIR	2.46 (22%)	1.13 (15%)	2.50 (6 %)	1.61 (5 %)
POOR OPINION OF NEIGHBORHOOD	3.69 (24%)	1.30 (17%)	2.43 (5 %)	3.87 (8 %)
FAIR/POOR OPIN. OF NEIGH.	1.63 (12%)	1.25 (16%)	1.47 (3 %)	1.87 (4 %)

Formula Variable Targeting - Non-Metropolitan Areas

	POVERTY	PRE40	PRE50 POVERTY	OVERCROWD
POVERTY		1.17 (29%)	NA (38%)	2.09 (4 %)
ONE ADULT W/ CHILDREN	4.95 (49%)	0.98 (25%)	2.91 (16%)	0.69 (1 %)
WITHOUT HIGH SCHOOL ED	2.04 (28%)	1.17 (29%)	2.13 (12%)	1.80 (4 %)
OVERCROWDED	2.57 (33%)	0.60 (17%)	1.95 (11%)	NA (NA%)
INADEQUATE HOUSING	2.25 (30%)	1.56 (35%)	2.29 (12%)	2.70 (5 %)
SEVERELY INAD. HSG.	2.13 (29%)	1.39 (32%)	1.61 (9 %)	2.56 (5 %)
SEVERE RENT BURDEN	14.39 (73%)	1.09 (27%)	5.83 (27%)	1.19 (2 %)
RENT BURDEN	5.04 (48%)	1.12 (28%)	3.55 (19%)	0.84 (2 %)
W/O COMPLETE PLUMBING	1.94 (27%)	1.38 (32%)	1.46 (8 %)	2.04 (4 %)
RENTER W/ONE OF FOUR PROBS	6.07 (54%)	1.34 (31%)	4.77 (23%)	4.90 (9 %)
WATER PROBLEMS	1.00 (16%)	0.87 (23%)	0.88 (5 %)	1.12 (2 %)
SEWER PROBLEMS	1.77 (25%)	1.17 (29%)	1.40 (8 %)	1.69 (3 %)
POOR OPINION OF HOME	3.88 (43%)	1.57 (35%)	4.45 (22%)	3.75 (7 %)
FAIR OR POOR OPIN. OF HOME	1.77 (25%)	1.74 (37%)	2.34 (13%)	2.19 (4 %)
JUNK PROBLEM	1.76 (33%)	1.24 (27%)	1.83 (11%)	2.37 (7 %)
ABANDONED HOMES NEARBY	1.61 (32%)	1.20 (26%)	1.32 (9 %)	2.16 (6 %)
BARS ON HOMES NEARBY	1.54 (31%)	1.06 (23%)	2.54 (16%)	3.52 (10%)
ROADS NEED MAJOR REPAIRS	0.98 (21%)	0.61 (16%)	0.76 (5 %)	2.03 (6 %)
POOR OPIN. OF NEIGBORHOOD	2.29 (31%)	1.03 (26%)	1.97 (11%)	2.73 (5 %)
FAIR/POOR OPIN. OF NEIGH.	1.36 (21%)	1.30 (31%)	1.38 (8 %)	1.75 (3 %)

Table G-13
Center City Targeting of Formula Variables
to Different Indicators of Need Avaialble through the AHS
with 95% confidence intervals
(poverty)

Poverty	Ratio	Problem among poverty households/ Problem among non-poverty households	CI ±	Pecent of households with problem in poverty	CI
Single Adult with Children	5.21	26.72% 5.13%	1.99 .43	49.1% ±	3.05
Without High School Education	2.36	42.49% 17.99%	2.22 .74	30.5% ±	1.75
Overcrowded	3.53	10.25% 2.90%	1.36 .32	39.6% ±	4.32
Inadequate Housing	2.40	19.16% 7.98%	1.77 .52	30.8% ±	2.63
Severely Inadequate Housing	2.31	6.61% 2.86%	1.12 .32	30.0% ±	4.39
Severe Rent Burden	9.61	56.73% 5.90%	2.36 .47	62.7% ±	2.42
Rent Burden	3.10	76.05% 24.50%	2.03 .86	35.4% ±	1.56
Without Complete Plumbing	2.15	4.27% 1.98%	.91 .27	28.5% ±	5.24
Renters with One of Four Problems	3.56	60.95% 17.12%	2.26 .73	38.5% ±	1.79
Water Problem	1.18	5.05% 4.27%	1.00 .39	17.7% ±	3.26
Sewer Problem	1.65	2.87% 1.74%	.75 .25	23.4% ±	5.43
Poor Opinion of Home	3.41	6.02% 1.77%	1.08 .26	38.6% ±	5.58
Fair or Poor Opinion of Home	1.84	29.36% 15.97%	2.06 .71	25.3% ±	1.83
Junk Problem Nearby	1.78	51.40% 28.93%	3.60 1.58	29.2% ±	2.47
Abandoned Homes Nearby	2.57	13.79% 5.37%	2.51 .79	37.5% ±	5.81
Bars on Windows Nearby	1.39	29.77% 21.39%	3.32 1.44	24.5% ±	2.83
Roads Need Major Repairs Nearby	2.03	4.89% 2.41%	2.65 .91	32.0% ±	14.63
Poor Opinion of Neighborhood	2.62	14.56% 5.56%	1.60 .45	32.4% ±	3.18
Fair or Poor Opinion of Neighborhood	1.53	39.22% 25.56%	2.22 .85	21.9% ±	1.41

	Ratio	Problem among pre40 households/ Problem among non-pre40 households CI		Pecent of households with problem in pre40 CI	
Poverty	1.35	19.12% ±	1.27	36.7% ±	2.17
		14.15% ±	.74		
Single Adult with Children	1.08	8.94% ±	.93	31.6% ±	2.83
		8.32% ±	.59		
Without High School Education	1.51	28.53% ±	1.46	39.3% ±	1.86
		18.95% ±	.83		
Overcrowded	1.18	4.54% ±	.67	33.6% ±	4.17
		3.84% ±	.41		
Inadequate Housing	1.97	18.44% ±	1.19	46.2% ±	2.42
		9.34% ±	.59		
Severely Inadequate Housing	2.33	6.13% ±	.73	50.4% ±	4.39
		2.63% ±	.32		
Severe Rent Burden	1.42	16.99% ±	1.26	37.9% ±	2.43
		11.95% ±	.71		
Rent Burden	1.18	36.09% ±	1.62	33.6% ±	1.54
		30.60% ±	1.02		
Without Complete Plumbing	2.14	4.28% ±	.62	48.2% ±	5.14
		2.00% ±	.28		
Renters with One of Four Problems	1.27	27.84% ±	1.46	35.4% ±	1.76
		21.86% ±	.88		
Water Problem	1.09	4.65% ±	.69	31.5% ±	3.97
		4.28% ±	.43		
Sewer Problem	1.01	1.93% ±	.45	30.2% ±	5.88
		1.92% ±	.29		
Poor Opinion of Home	1.64	3.34% ±	.59	41.2% ±	5.64
		2.04% ±	.30		
Fair or Poor Opinion of Home	1.53	23.80% ±	1.39	39.5% ±	2.05
		15.60% ±	.77		
Junk Problem Nearby	1.71	46.94% ±	2.59	44.5% ±	2.51
		27.48% ±	1.59		
Abandoned Homes Nearby	2.44	12.36% ±	1.73	53.6% ±	5.45
		5.06% ±	.79		
Bars on Windows Nearby	1.76	32.67% ±	2.46	45.3% ±	3.07
		18.58% ±	1.40		
Roads Need Major Repairs Nearby	1.30	3.42% ±	1.61	37.9% ±	14.26
		2.63% ±	.97		
Poor Opinion of Neighborhood	1.64	9.56% ±	.96	41.1% ±	3.34
		5.84% ±	.50		
Fair or Poor Opinion of Neighborhood	1.45	35.35% ±	1.56	38.2% ±	1.65
		24.40% ±	.92		

	Ratio	Problem among pre50pov households/ Problem among non-pre50pov households	CI	Pecent of households with problem in pre50pov	CI
Poverty	·	_____% ± 8.47% ±	· .52	50.1% ±	2.25
Single Adult with Children	3.74	26.18% ± 7.00% ±	2.79 .47	24.1% ±	2.61
Without High School Education	2.32	45.94% ± 19.78% ±	3.16 .74	16.5% ±	1.41
Overcrowded	3.35	11.47% ± 3.42% ±	2.02 .34	22.2% ±	3.67
Inadequate Housing	2.79	26.10% ± 9.36% ±	2.79 .52	18.2% ±	2.04
Severely Inadequate Housing	3.43	10.13% ± 2.95% ±	1.91 .30	21.5% ±	3.79
Severe Rent Burden	6.25	60.13% ± 9.62% ±	3.26 .56	33.9% ±	2.37
Rent Burden	2.74	78.00% ± 28.42% ±	2.75 .87	18.7% ±	1.27
Without Complete Plumbing	3.22	6.75% ± 2.10% ±	1.59 .26	20.4% ±	4.45
Renters with One of Four Problems	3.09	63.07% ± 20.44% ±	3.14 .75	20.2% ±	1.48
Water Problem	1.27	5.48% ± 4.30% ±	1.48 .38	9.5% ±	2.50
Sewer Problem	1.37	2.56% ± 1.87% ±	1.00 .25	10.4% ±	3.92
Poor Opinion of Home	3.55	7.19% ± 2.03% ±	1.65 .26	23.1% ±	4.82
Fair or Poor Opinion of Home	1.92	32.41% ± 16.84% ±	4.23 .98	14.0% ±	2.06
Junk Problem Nearby	2.02	60.65% ± 30.09% ±	5.02 1.45	15.9% ±	1.93
Abandoned Homes Nearby	3.69	20.54% ± 5.57% ±	4.18 .73	26.0% ±	5.11
Bars on Windows Nearby	1.73	36.42% ± 21.00% ±	8.43 2.20	14.2% ±	3.81
Roads Need Major Repairs Nearby	2.44	6.08% ± 2.49% ±	1.74 .35	18.7% ±	4.97
Poor Opinion of Neighborhood	2.64	16.28% ± 6.17% ±	2.38 .45	18.1% ±	2.61
Fair or Poor Opinion of Neighborhood	1.61	42.54% ± 26.43% ±	3.18 .82	11.9% ±	1.10

	Ratio	Problem among overcrowd households/ Problem among non-overcrowd households	CI	Pecent of households with problem overcrowded	CI
Poverty	2.71	39.58% ± 14.63% ±	4.32 .64	10.2% ±	1.36
Single Adult with Children	1.21	10.20% ± 8.44% ±	2.67 .50	4.9% ±	1.31
Without High School Education	2.32	48.04% ± 20.72% ±	4.41 .74	8.9% ±	1.08
Overcrowded	.	. % ±	.	.	.
Inadequate Housing	2.18	20.22% ± 9.29% ±	3.55 .53	8.4% ±	1.58
Severely Inadequate Housing	1.87	6.22% ± 3.33% ±	2.13 .33	7.3% ±	2.49
Severe Rent Burden	1.82	23.71% ± 13.01% ±	3.82 .63	7.4% ±	1.31
Rent Burden	1.40	44.35% ± 31.72% ±	4.48 .88	5.8% ±	.76
Without Complete Plumbing	1.15	2.68% ± 2.33% ±	1.43 .27	4.6% ±	2.44
Renters with One of Four Problems	3.65	77.98% ± 21.34% ±	3.66 .75	13.6% ±	1.26
Water Problem	1.76	7.52% ± 4.26% ±	2.35 .37	6.9% ±	2.16
Sewer Problem	1.58	2.96% ± 1.88% ±	1.50 .25	6.2% ±	3.10
Poor Opinion of Home	4.05	8.76% ± 2.16% ±	2.51 .26	14.6% ±	4.04
Fair or Poor Opinion of Home	2.36	40.32% ± 17.12% ±	4.35 .69	9.0% ±	1.20
Junk Problem Nearby	1.98	62.38% ± 31.50% ±	6.52 1.49	10.2% ±	1.64
Abandoned Homes Nearby	2.21	14.43% ± 6.54% ±	4.78 .80	11.2% ±	3.79
Bars on Windows Nearby	2.04	44.41% ± 21.75% ±	6.76 1.34	10.4% ±	2.01
Roads Need Major Repairs Nearby	1.64	4.56% ± 2.78% ±	4.78 .90	8.6% ±	8.78
Poor Opinion of Neighborhood	1.95	13.04% ± 6.69% ±	2.99 .46	7.6% ±	1.80
Fair or Poor Opinion of Neighborhood	1.56	42.31% ± 27.05% ±	4.39 .81	6.2% ±	.82

Table G-14
Suburban Targeting of Formula Variables
to Different Indicators of Need Avaialble through the AHS
with 95% confidence intervals
(poverty)

Poverty	Ratio	Problem among poverty households/ Problem among non-poverty households % ±	CI	Pecent of households with problem in poverty	CI
Single Adult with Children	5.18	19.49% ± 3.76% ±	1.77 .25	30.4% ±	2.57
Without High School Education	2.85	41.22% ± 14.47% ±	2.20 .46	19.4% ±	1.21
Overcrowded	4.23	7.18% ± 1.70% ±	1.15 .17	26.3% ±	3.77
Inadequate Housing	2.89	14.03% ± 4.86% ±	1.55 .28	19.6% ±	2.10
Severely Inadequate Housing	2.09	4.80% ± 2.30% ±	.96 .19	15.0% ±	2.83
Severe Rent Burden	11.15	57.74% ± 5.18% ±	2.41 .30	46.1% ±	2.17
Rent Burden	3.55	77.31% ± 21.79% ±	2.05 .56	21.6% ±	1.06
Without Complete Plumbing	1.59	3.18% ± 2.00% ±	.78 .18	11.9% ±	2.79
Renters with One of Four Problems	4.23	39.83% ± 9.43% ±	2.26 .38	25.3% ±	1.60
Water Problem	1.01	4.74% ± 4.69% ±	.96 .28	7.7% ±	1.55
Sewer Problem	1.38	2.16% ± 1.57% ±	.65 .16	10.4% ±	2.99
Poor Opinion of Home	3.67	4.23% ± 1.15% ±	.91 .14	23.4% ±	4.50
Fair or Poor Opinion of Home	1.86	21.18% ± 11.36% ±	1.85 .41	13.5% ±	1.23
Junk Problem Nearby	2.28	36.91% ± 16.18% ±	3.87 .99	20.4% ±	2.40
Abandoned Homes Nearby	2.78	3.48% ± 1.25% ±	1.52 .31	23.8% ±	9.22
Bars on Windows Nearby	1.82	9.28% ± 5.11% ±	2.39 .61	16.9% ±	4.17
Roads Need Major Repairs Nearby	2.46	6.77% ± 2.76% ±	3.42 .75	21.7% ±	10.03
Poor Opinion of Neighborhood	3.69	7.85% ± 2.13% ±	1.22 .19	23.5% ±	3.33
Fair or Poor Opinion of Neighborhood	1.63	23.15% ± 14.19% ±	1.92 .46	11.9% ±	1.06

	Ratio	Problem among pre40 households/ Problem among non-pre40 households	CI	Pecent of households with problem in pre40	CI
Poverty	1.41	10.42% ± 7.38% ±	1.03 .35	18.3% ±	1.73
Single Adult with Children	1.00	5.00% ± 4.99% ±	.73 .29	13.8% ±	1.93
Without High School Education	1.50	23.26% ± 15.49% ±	1.42 .49	19.3% ±	1.21
Overcrowded	1.08	2.26% ± 2.10% ±	.50 .19	14.6% ±	3.03
Inadequate Housing	1.87	12.09% ± 6.48% ±	1.04 .32	23.2% ±	1.87
Severely Inadequate Housing	1.75	4.49% ± 2.56% ±	.66 .20	22.1% ±	2.95
Severe Rent Burden	1.25	10.77% ± 8.62% ±	1.08 .39	16.7% ±	1.63
Rent Burden	1.04	26.65% ± 25.64% ±	1.55 .62	14.4% ±	.90
Without Complete Plumbing	1.73	3.87% ± 2.24% ±	.62 .19	21.9% ±	3.15
Renters with One of Four Problems	1.09	12.53% ± 11.46% ±	1.12 .43	14.8% ±	1.30
Water Problem	.92	4.37% ± 4.75% ±	.69 .29	12.7% ±	1.93
Sewer Problem	1.04	1.68% ± 1.61% ±	.43 .17	14.2% ±	3.43
Poor Opinion of Home	1.70	2.16% ± 1.27% ±	.49 .15	21.2% ±	4.35
Fair or Poor Opinion of Home	1.64	18.25% ± 11.14% ±	1.31 .42	20.6% ±	1.46
Junk Problem Nearby	1.51	25.75% ± 17.06% ±	2.87 .97	18.8% ±	2.19
Abandoned Homes Nearby	2.09	2.98% ± 1.42% ±	1.17 .31	23.6% ±	8.24
Bars on Windows Nearby	1.01	5.39% ± 5.31% ±	1.54 .59	13.1% ±	3.59
Roads Need Major Repairs Nearby	1.13	3.67% ± 3.24% ±	2.10 .77	14.8% ±	7.95
Poor Opinion of Neighborhood	1.30	3.21% ± 2.47% ±	.60 .21	16.9% ±	2.95
Fair or Poor Opinion of Neighborhood	1.25	17.93% ± 14.39% ±	1.31 .48	16.3% ±	1.21

	Ratio	Problem among pre50pov households/ Problem among non-pre50pov households	CI	Pecent of households with problem in pre50pov	CI
Poverty	.	___%___ ± 5.78% ±	. .29	27.4% ±	2.00
Single Adult with Children	3.45	16.35% ± 4.74% ±	3.16 .27	7.0% ±	1.43
Without High School Education	3.07	48.73% ± 15.85% ±	4.27 .46	6.3% ±	.75
Overcrowded	4.05	8.08% ± 1.99% ±	2.33 .18	8.1% ±	2.34
Inadequate Housing	3.38	21.28% ± 6.30% ±	3.49 .30	6.4% ±	1.15
Severely Inadequate Housing	3.09	7.79% ± 2.52% ±	2.29 .19	5.9% ±	1.76
Severe Rent Burden	7.14	56.95% ± 7.97% ±	4.64 .36	12.3% ±	1.43
Rent Burden	3.00	74.29% ± 24.80% ±	4.08 .57	5.7% ±	.60
Without Complete Plumbing	2.41	5.27% ± 2.19% ±	1.91 .18	4.7% ±	1.70
Renters with One of Four Problems	3.89	42.69% ± 10.98% ±	4.34 .40	7.5% ±	.97
Water Problem	.78	3.69% ± 4.72% ±	1.65 .27	1.6% ±	.73
Sewer Problem	1.33	2.14% ± 1.61% ±	1.24 .16	2.8% ±	1.62
Poor Opinion of Home	4.20	5.47% ± 1.30% ±	1.96 .14	8.3% ±	2.93
Fair or Poor Opinion of Home	2.41	28.35% ± 11.76% ±	5.51 .58	4.9% ±	1.10
Junk Problem Nearby	2.50	43.44% ± 17.39% ±	7.66 .93	5.9% ±	1.35
Abandoned Homes Nearby	4.04	6.00% ± 1.48% ±	3.84 .31	9.0% ±	5.67
Bars on Windows Nearby	2.32	12.03% ± 5.19% ±	8.88 .95	5.4% ±	4.12
Roads Need Major Repairs Nearby	2.50	7.82% ± 3.12% ±	2.94 .30	5.9% ±	2.25
Poor Opinion of Neighborhood	2.43	6.06% ± 2.49% ±	2.09 .20	4.9% ±	1.69
Fair or Poor Opinion of Neighborhood	1.47	21.68% ± 14.73% ±	3.61 .45	3.0% ±	.56

	Ratio	Problem among overcrowd households/ Problem among non-overcrowd households	CI	Pecent of households with problem overcrowded	CI
Poverty	3.56	26.33% ± 7.39% ±	3.77 .33	7.2% ±	1.15
Single Adult with Children	1.19	5.90% ± 4.97% ±	2.02 .27	2.5% ±	.87
Without High School Education	2.58	41.36% ± 16.02% ±	4.22 .46	5.3% ±	.69
Overcrowded	.	. % ±	.		
Inadequate Housing	2.78	14.94% ± 5.37% ±	3.00 .28	5.7% ±	1.23
Severely Inadequate Housing	1.99	4.85% ± 2.44% ±	1.84 .19	4.1% ±	1.58
Severe Rent Burden	1.93	16.83% ± 8.74% ±	3.30 .37	4.1% ±	.87
Rent Burden	1.55	39.43% ± 25.48% ±	4.37 .58	3.3% ±	.46
Without Complete Plumbing	1.60	3.30% ± 2.06% ±	1.53 .18	3.4% ±	1.56
Renters with One of Four Problems	5.25	56.15% ± 10.70% ±	4.25 .39	10.3% ±	1.12
Water Problem	.95	4.45% ± 4.70% ±	1.79 .27	2.0% ±	.81
Sewer Problem	2.38	3.74% ± 1.57% ±	1.63 .16	4.9% ±	2.12
Poor Opinion of Home	4.82	6.20% ± 1.29% ±	2.07 .14	9.5% ±	3.11
Fair or Poor Opinion of Home	2.43	28.60% ± 11.75% ±	3.88 .41	5.0% ±	.79
Junk Problem Nearby	2.29	40.28% ± 17.61% ±	7.28 .99	6.5% ±	1.47
Abandoned Homes Nearby	4.03	5.47% ± 1.36% ±	3.45 .31	11.1% ±	6.80
Bars on Windows Nearby	3.64	18.67% ± 5.12% ±	5.87 .59	10.2% ±	3.36
Roads Need Major Repairs Nearby	1.61	5.01% ± 3.11% ±	5.48 .76	4.7% ±	5.15
Poor Opinion of Neighborhood	3.87	9.36% ± 2.42% ±	2.51 .20	7.8% ±	2.11
Fair or Poor Opinion of Neighborhood	1.87	27.25% ± 14.60% ±	3.83 .45	3.9% ±	.63

Table G-15
Non-Metropolitan Targeting of Formula Variables
to Different Indicators of Need Avaialble through the AHS
with 95% confidence intervals
(poverty)

Poverty	Ratio	Problem among poverty households/ Problem among non-poverty households % ±	CI	Pecent of households with problem in poverty ±	CI
Single Adult with Children	4.95	17.72% ± 3.58% ±	1.87 .40	49.0% ±	4.06
Without High School Education	2.04	48.60% ± 23.78% ±	2.44 .92	28.4% ±	1.69
Overcrowded	2.57	4.12% ± 1.60% ±	.97 .27	33.3% ±	6.55
Inadequate Housing	2.25	19.42% ± 8.61% ±	1.93 .60	30.4% ±	2.82
Severely Inadequate Housing	2.13	6.85% ± 3.22% ±	1.24 .38	29.2% ±	4.59
Severe Rent Burden	14.39	38.99% ± 2.71% ±	2.53 .36	72.5% ±	3.15
Rent Burden	5.04	66.22% ± 13.13% ±	2.44 .75	48.4% ±	2.21
Without Complete Plumbing	1.94	5.64% ± 2.90% ±	1.13 .36	27.3% ±	4.80
Renters with One of Four Problems	6.07	32.79% ± 5.40% ±	2.32 .49	53.6% ±	3.16
Water Problem	1.00	4.21% ± 4.20% ±	1.01 .43	15.8% ±	3.53
Sewer Problem	1.77	2.87% ± 1.62% ±	.82 .27	25.2% ±	6.36
Poor Opinion of Home	3.88	4.59% ± 1.18% ±	1.03 .23	42.7% ±	7.45
Fair or Poor Opinion of Home	1.77	25.17% ± 14.19% ±	2.14 .75	25.4% ±	2.16
Junk Problem Nearby	1.76	38.99% ± 22.11% ±	9.08 4.04	32.6% ±	7.97
Abandoned Homes Nearby	1.61	4.35% ± 2.71% ±	4.03 1.73	31.8% ±	24.89
Bars on Windows Nearby	1.54	1.58% ± 1.03% ±	2.45 1.07	30.9% ±	40.06
Roads Need Major Repairs Nearby	.98	6.89% ± 7.07% ±	4.71 2.50	21.2% ±	13.29
Poor Opinion of Neighborhood	2.29	5.05% ± 2.21% ±	1.10 .32	30.5% ±	5.67
Fair or Poor Opinion of Neighborhood	1.36	19.94% ± 14.61% ±	2.00 .77	20.7% ±	2.07

	Ratio	Problem among pre40 households/ Problem among non-pre40 households	CI	Pecent of households with problem in pre40	CI
Poverty	1.18	18.27% ±	1.50	28.9% ±	2.22
		15.54% ±	.83		
Single Adult with Children	.98	5.79% ±	.91	25.3% ±	3.53
		5.91% ±	.54		
Without High School Education	1.17	31.11% ±	1.80	28.7% ±	1.69
		26.67% ±	1.01		
Overcrowded	.60	1.34% ±	.45	17.1% ±	5.24
		2.24% ±	.34		
Inadequate Housing	1.56	19.40% ±	1.41	34.5% ±	2.27
		12.41% ±	.68		
Severely Inadequate Housing	1.39	7.44% ±	.94	31.9% ±	3.45
		5.35% ±	.47		
Severe Rent Burden	1.13	9.07% ±	1.15	28.0% ±	3.17
		8.06% ±	.64		
Rent Burden	1.10	22.97% ±	1.70	27.5% ±	1.97
		20.93% ±	.96		
Without Complete Plumbing	1.38	6.89% ±	.91	31.7% ±	3.57
		5.00% ±	.45		
Renters with One of Four Problems	1.31	11.80% ±	1.26	31.1% ±	2.93
		8.98% ±	.65		
Water Problem	.87	3.78% ±	.75	22.9% ±	4.08
		4.35% ±	.47		
Sewer Problem	1.17	2.04% ±	.55	28.7% ±	6.63
		1.74% ±	.30		
Poor Opinion of Home	1.57	2.37% ±	.60	35.0% ±	7.18
		1.51% ±	.28		
Fair or Poor Opinion of Home	1.74	23.30% ±	1.66	37.4% ±	2.40
		13.43% ±	.78		
Junk Problem Nearby	1.24	29.13% ±	7.21	27.2% ±	6.83
		23.56% ±	3.71		
Abandoned Homes Nearby	1.20	3.71% ±	3.33	25.5% ±	20.16
		3.10% ±	1.63		
Bars on Windows Nearby	1.06	1.16% ±	1.87	23.4% ±	33.08
		1.10% ±	.98		
Roads Need Major Repairs Nearby	.61	4.86% ±	3.41	15.7% ±	10.37
		7.92% ±	2.36		
Poor Opinion of Neighborhood	1.03	2.72% ±	.65	26.1% ±	5.41
		2.64% ±	.37		
Fair or Poor Opinion of Neighborhood	1.30	18.65% ±	1.55	30.8% ±	2.36
		14.38% ±	.82		

	Ratio	Problem among pre50pov households/ Problem among non-pre50pov households	CI	Pecent of households with problem in pre50pov	CI
Poverty	.	___%± / 10.71%±	. / .63	38.2%±	2.38
Single Adult with Children	2.91	15.30%± / 5.25%±	2.85 / .45	16.1%±	2.99
Without High School Education	2.13	55.44%± / 25.98%±	3.94 / .89	12.4%±	1.23
Overcrowded	1.95	3.70%± / 1.90%±	1.50 / .28	11.4%±	4.42
Inadequate Housing	2.29	26.20%± / 11.47%±	3.48 / .60	11.6%±	1.69
Severely Inadequate Housing	1.61	7.95%± / 4.93%±	2.14 / .41	8.5%±	2.27
Severe Rent Burden	5.83	37.64%± / 6.46%±	4.04 / .52	26.9%±	3.13
Rent Burden	3.55	66.04%± / 18.58%±	3.93 / .82	18.6%±	1.72
Without Complete Plumbing	1.46	6.64%± / 4.56%±	1.97 / .40	7.7%±	2.27
Renters with One of Four Problems	4.77	37.80%± / 7.92%±	3.90 / .55	23.4%±	2.68
Water Problem	.88	3.73%± / 4.23%±	1.55 / .41	5.3%±	2.17
Sewer Problem	1.40	2.48%± / 1.78%±	1.25 / .27	8.3%±	4.04
Poor Opinion of Home	4.45	6.36%± / 1.43%±	1.96 / .24	22.4%±	6.28
Fair or Poor Opinion of Home	2.34	34.46%± / 14.75%±	11.43 / 2.17	13.2%±	5.03
Junk Problem Nearby	1.83	42.36%± / 23.17%±	15.24 / 3.45	11.4%±	5.07
Abandoned Homes Nearby	1.32	4.01%± / 3.03%±	6.45 / 1.52	8.7%±	13.72
Bars on Windows Nearby	2.54	2.55%± / 1.00%±	5.13 / .88	15.6%±	29.28
Roads Need Major Repairs Nearby	.76	5.66%± / 7.45%±	2.37 / .71	5.1%±	2.13
Poor Opinion of Neighborhood	1.97	4.96%± / 2.51%±	1.77 / .32	11.3%±	3.90
Fair or Poor Opinion of Neighborhood	1.38	20.93%± / 15.12%±	3.32 / .74	8.2%±	1.40

	Ratio	Problem among overcrowd households/ Problem among non-overcrowd households	CI	Pecent of households with problem overcrowded	CI
Poverty	2.09	33.28% ± 15.89% ±	6.55 .73	4.1% ±	.97
Single Adult with Children	.69	4.08% ± 5.91% ±	2.75 .47	1.4% ±	.95
Without High School Education	1.80	49.29% ± 27.37% ±	6.95 .89	3.6% ±	.69
Overcrowded	.	. % ±	.		
Inadequate Housing	2.70	27.05% ± 10.03% ±	6.17 .60	5.2% ±	1.37
Severely Inadequate Housing	2.56	9.46% ± 3.70% ±	4.07 .38	5.0% ±	2.20
Severe Rent Burden	.97	8.08% ± 8.32% ±	3.92 .57	1.9% ±	.97
Rent Burden	.81	17.47% ± 21.54% ±	5.46 .85	1.6% ±	.56
Without Complete Plumbing	2.04	6.68% ± 3.28% ±	3.47 .35	4.0% ±	2.11
Renters with One of Four Problems	5.22	47.04% ± 9.01% ±	6.94 .57	9.8% ±	1.88
Water Problem	1.12	4.68% ± 4.19% ±	3.03 .40	2.1% ±	1.40
Sewer Problem	1.69	3.04% ± 1.80% ±	2.42 .27	3.3% ±	2.61
Poor Opinion of Home	3.75	6.15% ± 1.64% ±	3.36 .25	7.1% ±	3.87
Fair or Poor Opinion of Home	2.19	34.06% ± 15.59% ±	6.64 .73	4.3% ±	1.00
Junk Problem Nearby	2.37	58.50% ± 24.69% ±	24.19 3.78	7.0% ±	4.35
Abandoned Homes Nearby	2.16	6.44% ± 2.98% ±	13.44 1.62	6.1% ±	12.82
Bars on Windows Nearby	3.52	3.77% ± 1.07% ±	10.28 .97	9.7% ±	25.70
Roads Need Major Repairs Nearby	2.03	13.81% ± 6.81% ±	16.83 2.21	6.1% ±	7.81
Poor Opinion of Neighborhood	2.73	7.02% ± 2.57% ±	3.62 .32	5.3% ±	2.76
Fair or Poor Opinion of Neighborhood	1.75	26.60% ± 15.24% ±	6.26 .73	3.5% ±	.93

Listing of entitlement communities
with the grants in 1993, and comparison grants
with an adjusted formula and a no change option

This appendix lists 1993 entitlement cities, their grants in 1993, and their estimated grants under two alternative assumptions. The "no change" assumptions used here include the same entitlement universe and appropriation as in 1993. This option uses the current formula, but with a complete set of 1990 census data, including 1990 data on pre-1940 housing and overcrowded housing. The other alternative contains the estimated grants with the formula adjustments that are discussed in Chapter 8. Those adjustments include replacing pre-1940 housing with pre-1950 housing occupied by a poverty household, increasing the weight on poverty in formula A, using individuals in poverty that are not college students instead of all individuals in poverty, and adjusting growth lag for less needy places. All grants are in thousands of dollars.

Note that the 1994 allocation was greater than in 1993, but was distributed with the same formula. Thus, the comparison grants will be proportionately higher if 1994 were used as a base (about 1.1 times higher), but the comparison percentages will be about the same. Thus, Anchorage's 1993 grant was $2.098 million and its 1994 grant was $2.286 million. The estimates here that Anchorage would gain .6% if a complete set of 1990 data were used in the current formula (the no change option) and would lose 5.5% under the adjusted formula developed here pertain as well to the 1994 base. Percentage changes from the 1994 base would differ slightly for some grantees because of the addition of several new entitlement grantees in 1994.

Note also that "no change" estimates presented here differ slightly from those in Appendix B. That is because data needed to calculate the formula adjustments were not available for Puerto Rico and Federal Way, Washington. These cities are included in Appendix B, while this appendix assumes that they would receive the same grant under the adjusted formula as they did in 1993.

		CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
ST	Community	1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
AK	ANCHORAGE	$ 2,098	$ 2,111	$ 1,982	$ 9.27	$ 9.33	$ 8.76	.6	-5.5
AL	ANNISTON	830	742	1,122	31.18	27.89	42.16	-10.6	35.2
AL	BESSEMER	900	847	1,173	26.87	25.29	35.02	-5.9	30.3
AL	BIRMINGHAM	8,618	7,745	9,458	32.40	29.12	35.56	-10.1	9.7
AL	DECATUR	574	515	539	11.77	10.57	11.05	-10.2	-6.1
AL	DOTHAN	804	726	785	15.00	13.54	14.65	-9.8	-2.4
AL	FLORENCE	528	473	743	14.50	13.00	20.39	-10.3	40.7
AL	GADSDEN	1,417	1,313	1,806	33.32	30.87	42.46	-7.4	27.4
AL	HUNTSVILLE	1,805	1,669	1,655	11.30	10.45	10.36	-7.5	-8.3
AL	JEFFERSON COUNTY	3,272	2,837	2,723	9.07	7.86	7.54	-13.3	-16.8
AL	MOBILE	3,595	3,211	4,525	18.32	16.36	23.05	-10.7	25.9
AL	MONTGOMERY	3,057	2,718	2,908	16.34	14.52	15.54	-11.1	-4.9
AL	TUSCALOOSA	1,474	1,326	1,129	18.96	17.05	14.52	-10.0	-23.4

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
AR	FAYETTEVILLE	$594	$575	$444	$14.11	$13.65	10.55	-3.2%	-25.2%
AR	FORT SMITH	940	875	1,038	12.91	12.02	14.26	-6.9	10.4
AR	JACKSONVILLE	339	314	320	11.65	10.79	10.99	-7.4	-5.7
AR	LITTLE ROCK	2,418	2,151	2,194	13.75	12.24	12.48	-11.0	-9.3
AR	NORTH LITTLE ROCK	913	831	995	14.79	13.46	16.11	-9.0	9.0
AR	PINE BLUFF	1,279	1,118	1,253	22.38	19.57	21.92	-12.6	-2.0
AR	SPRINGDALE	300	284	283	10.02	9.47	9.44	-5.5	-5.8
AR	TEXARKANA	445	400	510	19.66	17.68	22.52	-10.1	14.5
AR	WEST MEMPHIS	578	505	561	20.45	17.88	19.84	-12.6	-3.0
AZ	CHANDLER	919	1,021	1,005	10.15	11.28	11.11	11.1	9.4
AZ	GLENDALE	1,659	1,811	1,788	11.20	12.22	12.07	9.1	7.8
AZ	MARICOPA COUNTY	3,992	3,904	4,220	12.74	12.46	13.47	-2.2	5.7
AZ	MESA	2,851	3,124	3,009	9.90	10.85	10.45	9.6	5.5
AZ	PHOENIX	13,687	14,099	14,452	13.92	14.34	14.70	3.0	5.6
AZ	PIMA COUNTY	2,789	2,727	3,121	11.08	10.84	12.41	-2.2	11.9
AZ	SCOTTSDALE	899	912	809	6.91	7.02	6.22	1.5	-10.1
AZ	TEMPE	1,673	1,764	1,346	11.79	12.44	9.49	5.5	-19.5
AZ	TUCSON	7,004	7,072	6,900	17.28	17.45	17.02	1.0	-1.5
AZ	YUMA	863	914	956	15.71	16.64	17.40	5.9	10.7
CA	ALAMEDA	1,056	1,178	709	13.81	15.40	9.27	11.5	-32.9
CA	ALAMEDA COUNTY	2,145	2,284	2,047	8.12	8.64	7.75	6.5	-4.6
CA	ALHAMBRA	1,319	1,787	1,760	16.06	21.77	21.43	35.5	33.4
CA	ANAHEIM	3,455	4,374	4,325	12.97	16.42	16.23	26.6	25.2
CA	ANTIOCH	579	638	625	9.31	10.25	10.04	10.1	7.9
CA	BAKERSFIELD	2,308	2,569	2,653	13.20	14.70	15.18	11.3	15.0
CA	BALDWIN PARK	1,420	1,720	1,742	20.48	24.80	25.13	21.1	22.7
CA	BELLFLOWER	783	986	966	12.67	15.95	15.62	25.9	23.3
CA	BERKELEY	3,318	3,678	3,113	32.30	35.80	30.31	10.8	-6.2
CA	BUENA PARK	830	974	934	12.07	14.17	13.58	17.4	12.6
CA	BURBANK	1,269	1,271	1,223	13.55	13.58	13.06	.2	-3.6
CA	CARLSBAD	512	570	522	8.11	9.02	8.27	11.2	2.0
CA	CARSON	1,276	1,317	1,249	15.19	15.68	14.87	3.2	-2.1
CA	CERRITOS	466	526	468	8.75	9.88	8.80	12.9	.5
CA	CHICO	801	833	680	19.99	20.78	16.98	4.0	-15.0
CA	CHINO	543	659	623	9.10	11.05	10.44	21.4	14.7
CA	CHULA VISTA	1,664	1,878	1,854	12.31	13.90	13.72	12.9	11.4
CA	COMPTON	2,742	2,728	2,929	30.31	30.16	32.38	-.5	6.8
CA	CONCORD	914	1,053	985	8.21	9.46	8.85	15.3	7.8
CA	CONTRA COSTA COUNTY	3,799	4,251	3,904	7.88	8.82	8.10	11.9	2.8
CA	CORONA	770	988	959	10.12	12.98	12.60	28.3	24.6
CA	COSTA MESA	1,096	1,304	1,236	11.37	13.54	12.83	19.0	12.8
CA	DALY	1,227	1,508	1,420	13.29	16.34	15.38	22.9	15.7
CA	DAVIS	800	858	397	17.31	18.58	8.59	7.3	-50.4
CA	DOWNEY	996	1,255	1,204	10.89	13.72	13.17	26.0	20.9
CA	EL CAJON	1,118	1,282	1,289	12.61	14.46	14.53	14.7	15.3
CA	EL MONTE	2,760	3,234	3,365	25.99	30.45	31.68	17.2	21.9
CA	ENCINITAS	520	555	515	9.39	10.02	9.30	6.7	-.9
CA	ESCONDIDO CITY	1,224	1,562	1,563	11.27	14.38	14.39	27.6	27.7
CA	FAIRFIELD	690	760	725	8.94	9.84	9.39	10.2	5.0
CA	FONTANA	959	1,315	1,324	10.96	15.02	15.13	37.1	38.1
CA	FOUNTAIN VALLEY	357	414	355	6.65	7.71	6.60	16.0	-.7
CA	FREMONT	1,284	1,548	1,384	7.41	8.93	7.98	20.6	7.8
CA	FRESNO	6,721	7,748	8,200	18.98	21.88	23.15	15.3	22.0
CA	FRESNO COUNTY	5,635	5,810	6,131	18.62	19.20	20.26	3.1	8.8
CA	FULLERTON	1,343	1,606	1,470	11.77	14.07	12.88	19.6	9.5
CA	GARDEN GROVE	1,855	2,450	2,402	12.97	17.13	16.79	32.1	29.5
CA	GARDENA	788	893	875	15.81	17.91	17.54	13.3	11.0
CA	GLENDALE	2,786	3,786	3,817	15.47	21.03	21.20	35.9	37.0
CA	HAWTHORNE	1,227	1,521	1,527	17.20	21.31	21.41	23.9	24.5
CA	HAYWARD	1,316	1,564	1,521	11.80	14.03	13.64	18.8	15.6
CA	HUNTINGTON BEACH	1,502	1,592	1,427	8.27	8.77	7.86	6.0	-5.0
CA	HUNTINGTON PARK	1,928	2,035	2,119	34.39	36.29	37.79	5.5	9.9
CA	INGLEWOOD	2,175	2,603	2,650	19.84	23.75	24.18	19.7	21.8
CA	IRVINE	788	992	706	7.14	8.99	6.40	25.8	-10.4
CA	KERN COUNTY	5,771	6,128	6,474	17.95	19.07	20.14	6.2	12.2
CA	LA MESA CITY	507	561	487	9.58	10.60	9.21	10.7	-3.9
CA	LAKEWOOD	635	690	627	8.63	9.38	8.53	8.6	-1.2

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
CA	LANCASTER	$924	$1,096	$1,084	$9.50	$11.26	$11.14	18.6%	17.3%
CA	LIVERMORE	419	436	395	7.38	7.69	6.96	4.1	-5.7
CA	LOMPOC	498	592	607	13.23	15.73	16.12	18.9	21.9
CA	LONG BEACH	7,380	8,893	9,027	17.19	20.71	21.02	20.5	22.3
CA	LOS ANGELES	76,326	85,135	86,661	21.90	24.43	24.86	11.5	13.5
CA	LOS ANGELES COUNTY	36,032	39,378	39,307	15.73	17.19	17.16	9.3	9.1
CA	LYNWOOD	1,592	1,888	1,965	25.70	30.48	31.71	18.6	23.4
CA	MARIN COUNTY	1,659	1,713	1,509	7.21	7.44	6.56	3.2	-9.0
CA	MERCED	1,103	1,345	1,453	19.62	23.93	25.85	21.9	31.7
CA	MODESTO	1,959	2,330	2,372	11.89	14.14	14.40	18.9	21.1
CA	MONTEBELLO	1,088	1,257	1,267	18.27	21.10	21.28	15.5	16.5
CA	MONTEREY	268	277	236	8.39	8.67	7.39	3.4	-11.9
CA	MONTEREY PARK	1,132	1,393	1,404	18.64	22.94	23.12	23.1	24.0
CA	MORENO VALLEY	1,016	1,359	1,319	8.55	11.44	11.10	33.7	29.8
CA	MOUNTAIN VIEW	702	818	750	10.41	12.12	11.12	16.5	6.9
CA	NAPA CITY	557	639	602	9.01	10.33	9.74	14.7	8.1
CA	NATIONAL CITY	1,237	1,341	1,392	22.80	24.71	25.66	8.4	12.5
CA	NEWPORT BEACH	472	471	357	7.08	7.07	5.36	-.2	-24.3
CA	NORWALK	1,500	1,645	1,602	15.91	17.44	17.00	9.6	6.8
CA	OAKLAND	9,085	9,355	9,590	24.41	25.13	25.76	3.0	5.6
CA	OCEANSIDE	1,478	1,738	1,710	11.51	13.53	13.32	17.6	15.7
CA	ONTARIO	1,865	2,336	2,376	14.00	17.54	17.84	25.2	27.4
CA	ORANGE	1,116	1,321	1,264	10.09	11.94	11.42	18.4	13.3
CA	ORANGE COUNTY	6,361	7,393	6,668	7.69	8.94	8.06	16.2	4.8
CA	OXNARD	2,616	2,849	2,857	18.39	20.03	20.09	8.9	9.2
CA	PALM SPRINGS	515	588	599	12.82	14.62	14.90	14.1	16.2
CA	PALO ALTO	700	714	314	12.52	12.78	5.62	2.1	-55.1
CA	PASADENA	2,246	2,385	2,361	17.07	18.13	17.94	6.2	5.1
CA	PICO RIVERA	1,148	1,167	1,159	19.40	19.71	19.59	1.6	1.0
CA	POMONA	2,397	3,036	3,117	18.20	23.05	23.66	26.6	30.0
CA	PORTERVILLE	606	681	747	20.50	23.04	25.27	12.4	23.3
CA	RANCHO CUCAMONGA	735	878	795	7.25	8.66	7.83	19.4	8.1
CA	REDDING	812	856	878	12.22	12.88	13.21	5.4	8.1
CA	REDLANDS	580	632	613	9.60	10.47	10.15	9.0	5.7
CA	REDONDO BEACH	568	525	462	9.44	8.73	7.68	-7.6	-18.6
CA	REDWOOD CITY	761	886	853	11.52	13.41	12.91	16.5	12.1
CA	RIALTO	812	1,054	1,068	11.22	14.56	14.76	29.8	31.6
CA	RICHMOND	1,425	1,470	1,528	16.30	16.82	17.47	3.2	7.2
CA	RIVERSIDE	2,763	3,286	3,105	12.20	14.51	13.71	18.9	12.4
CA	RIVERSIDE COUNTY	8,767	10,176	10,339	12.57	14.59	14.82	16.1	17.9
CA	ROSEVILLE	347	384	362	7.77	8.59	8.10	10.7	4.3
CA	SACRAMENTO	5,464	6,177	6,334	14.79	16.72	17.15	13.0	15.9
CA	SACRAMENTO COUNTY	6,555	7,237	6,981	9.76	10.77	10.39	10.4	6.5
CA	SALINAS	1,980	2,322	2,376	18.20	21.35	21.84	17.3	20.0
CA	SAN BERNADINO	3,039	3,551	3,787	18.51	21.63	23.07	16.9	24.6
CA	SAN BERNARDINO COUNTY	8,205	9,418	9,595	12.14	13.93	14.20	14.8	16.9
CA	SAN DIEGO	15,002	17,178	16,519	13.51	15.47	14.87	14.5	10.1
CA	SAN DIEGO COUNTY	5,418	6,091	5,847	9.45	10.62	10.19	12.4	7.9
CA	SAN FRANCISCO	22,041	23,636	17,195	30.45	32.65	23.75	7.2	-22.0
CA	SAN JOAQUIN COUNTY	3,229	3,559	3,570	11.97	13.20	13.24	10.2	10.5
CA	SAN JOSE	9,313	11,799	11,350	11.91	15.08	14.51	26.7	21.9
CA	SAN LEANDRO	781	761	681	11.45	11.16	9.98	-2.5	-12.8
CA	SAN MATEO	802	917	851	9.38	10.73	9.95	14.3	6.1
CA	SAN MATEO COUNTY	3,186	3,416	3,112	9.25	9.92	9.04	7.2	-2.3
CA	SANTA ANA	6,131	7,748	7,924	20.87	26.38	26.98	26.4	29.2
CA	SANTA BARBARA	1,205	1,362	1,280	14.08	15.91	14.96	13.0	6.2
CA	SANTA CLARA	916	1,101	965	9.78	11.76	10.31	20.2	5.4
CA	SANTA CLARA COUNTY	3,261	3,586	3,185	8.56	9.41	8.36	10.0	-2.3
CA	SANTA CLARITA	713	853	741	6.44	7.71	6.69	19.7	3.9
CA	SANTA CRUZ	662	710	549	13.50	14.48	11.19	7.3	-17.1
CA	SANTA MARIA	1,041	1,220	1,259	16.99	19.90	20.54	17.2	20.9
CA	SANTA MONICA	1,411	1,465	1,178	16.24	16.86	13.55	3.8	-16.5
CA	SANTA ROSA	1,011	1,120	1,049	8.92	9.88	9.26	10.7	3.8
CA	SANTEE	400	436	397	7.56	8.23	7.50	8.9	-.9
CA	SEASIDE	527	563	559	13.55	14.48	14.36	6.9	6.0
CA	SIMI VALLEY	677	762	662	6.76	7.60	6.60	12.5	-2.2
CA	SONOMA COUNTY	2,551	2,634	2,423	9.28	9.58	8.81	3.3	-5.0
CA	SOUTH GATE	1,963	2,486	2,532	22.75	28.81	29.35	26.7	29.0

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		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
CA	SOUTH SAN FRANCISCO	$600	$695	$649	$11.05	$12.79	$11.94	15.8%	8.1%
CA	STOCKTON	3,783	4,648	4,889	17.93	22.03	23.18	22.9	29.2
CA	SUNNYVALE	1,064	1,267	1,134	9.08	10.81	9.67	19.1	6.6
CA	THOUSAND OAKS	688	749	657	6.59	7.18	6.30	8.9	-4.5
CA	TORRANCE	1,158	1,276	1,156	8.70	9.59	8.69	10.2	-.1
CA	TULARE	610	658	712	18.35	19.78	21.43	7.8	16.8
CA	TURLOCK	539	639	628	12.77	15.15	14.89	18.6	16.6
CA	UNION CITY	568	706	669	10.57	13.13	12.45	24.3	17.8
CA	UPLAND	554	671	635	8.74	10.59	10.02	21.2	14.7
CA	VACAVILLE	515	586	539	7.20	8.21	7.54	13.9	4.6
CA	VALLEJO	1,151	1,327	1,287	10.54	12.15	11.78	15.3	11.8
CA	VENTURA	837	925	871	9.04	9.99	9.41	10.5	4.0
CA	VENTURA COUNTY	2,573	2,708	2,586	11.20	11.79	11.26	5.2	.5
CA	VISALIA	1,079	1,248	1,317	14.27	16.50	17.41	15.6	22.1
CA	VISTA	811	1,070	1,075	11.28	14.88	14.95	31.9	32.5
CA	WALNUT CREEK	347	374	308	5.73	6.17	5.09	7.7	-11.1
CA	WEST COVINA	968	1,282	1,217	10.07	13.35	12.66	32.5	25.7
CA	WESTMINSTER	1,021	1,256	1,252	13.07	16.08	16.02	23.0	22.6
CA	WHITTIER	802	966	919	10.33	12.44	11.83	20.4	14.6
CA	WOODLAND	456	524	516	11.46	13.17	12.97	14.9	13.2
CA	YUBA	408	476	504	14.87	17.33	18.38	16.6	23.6
CO	ADAMS COUNTY	1,838	1,815	1,775	9.44	9.32	9.11	-1.3	-3.4
CO	ARAPAHOE COUNTY	1,298	1,287	1,161	7.10	7.04	6.35	-.9	-10.6
CO	ARVADA	641	639	593	7.18	7.16	6.64	-.4	-7.5
CO	AURORA	1,799	1,907	1,813	8.10	8.58	8.16	6.0	.8
CO	BOULDER	1,128	1,102	754	13.54	13.23	9.05	-2.3	-33.2
CO	COLORADO SPRINGS	2,861	2,862	2,832	10.18	10.18	10.07	.0	-1.0
CO	DENVER	11,404	11,469	11,885	24.39	24.53	25.42	.6	4.2
CO	FORT COLLINS	1,091	1,074	750	12.43	12.24	8.54	-1.6	-31.3
CO	GREELEY	897	873	808	14.82	14.42	13.34	-2.7	-10.0
CO	LAKEWOOD	999	1,018	945	7.90	8.05	7.48	1.9	-5.4
CO	LONGMONT	443	447	431	8.59	8.67	8.36	.9	-2.8
CO	LOVELAND	307	305	294	8.22	8.16	7.86	-.8	-4.3
CO	PUEBLO	1,887	1,877	2,578	19.13	19.03	26.13	-.5	36.6
CO	WESTMINSTER	558	589	544	7.48	7.90	7.28	5.6	-2.6
CT	BRIDGEPORT	4,116	3,887	4,223	29.05	27.43	29.80	-5.6	2.6
CT	BRISTOL	567	605	368	9.35	9.98	6.08	6.7	-35.0
CT	DANBURY	664	621	492	10.12	9.46	7.49	-6.5	-26.0
CT	EAST HARTFORD	488	509	335	9.67	10.09	6.64	4.3	-31.3
CT	FAIRFIELD	554	566	203	10.37	10.59	3.79	2.1	-63.4
CT	GREENWICH	979	1,027	257	16.75	17.58	4.40	4.9	-73.7
CT	HAMDEN TOWN	496	485	248	9.46	9.25	4.73	-2.2	-50.0
CT	HARTFORD	4,733	4,494	5,340	33.87	32.16	38.21	-5.1	12.8
CT	MANCHESTER	508	604	251	9.84	11.71	4.86	18.9	-50.7
CT	MERIDEN	938	900	608	15.77	15.13	10.22	-4.0	-35.2
CT	MIDDLETOWN	465	478	301	10.87	11.18	7.04	2.8	-35.3
CT	MILFORD	557	544	229	11.56	11.30	4.76	-2.3	-58.9
CT	NEW BRITAIN	2,002	2,011	1,780	26.52	26.64	23.58	.4	-11.1
CT	NEW HAVEN	4,370	4,454	4,489	33.49	34.13	34.40	1.9	2.7
CT	NEW LONDON	922	1,024	804	32.31	35.87	28.19	11.0	-12.7
CT	NORWALK	1,008	1,003	571	12.87	12.80	7.29	-.5	-43.3
CT	NORWICH	1,006	1,101	802	26.90	29.44	21.45	9.4	-20.3
CT	STAMFORD	1,215	1,100	927	11.24	10.18	8.58	-9.5	-23.7
CT	STRATFORD	632	653	245	12.80	13.22	4.95	3.3	-61.3
CT	WATERBURY	2,393	2,450	2,174	21.96	22.49	19.95	2.4	-9.1
CT	WEST HARTFORD	1,092	1,156	299	18.17	19.23	4.98	5.9	-72.6
CT	WEST HAVEN	618	675	361	11.44	12.50	6.69	9.3	-41.5
DC	WASHINGTON	20,260	20,827	18,955	33.38	34.32	31.23	2.8	-6.4
DE	NEW CASTLE COUNTY	2,597	2,456	2,002	7.01	6.63	5.41	-5.4	-22.9
DE	WILMINGTON	2,947	2,902	2,759	41.20	40.57	38.58	-1.5	-6.4

App.H-4

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		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
FL	BOCA RATON	$434	$434	$386	$7.06	$7.05	$6.27	-.1%	-11.1%
FL	BRADENTON	536	523	539	12.24	11.95	12.32	-2.4	.7
FL	BREVARD COUNTY	2,300	2,266	2,128	8.16	8.03	7.55	-1.5	-7.5
FL	BROWARD COUNTY	7,399	7,772	7,672	10.56	11.09	10.94	5.0	3.7
FL	CAPE CORAL	497	529	489	6.63	7.05	6.53	6.4	-1.5
FL	CLEARWATER	1,018	964	964	10.31	9.76	9.76	-5.3	-5.3
FL	COCOA	331	308	333	18.68	17.38	18.80	-7.0	.7
FL	CORAL SPRINGS	495	605	550	6.23	7.62	6.93	22.3	11.2
FL	DADE COUNTY	19,419	22,177	22,299	15.28	17.45	17.54	14.2	14.8
FL	DAYTONA BEACH	1,134	1,022	1,087	18.31	16.51	17.56	-9.8	-4.1
FL	DELRAY BEACH	591	587	590	12.53	12.43	12.51	-.7	-.1
FL	ESCAMBIA COUNTY	2,783	2,606	2,744	13.73	12.86	13.54	-6.4	-1.4
FL	FORT PIERCE	942	859	950	25.58	23.33	25.80	-8.8	.9
FL	FORT WALTON BEACH	236	211	210	10.99	9.82	9.77	-10.7	-11.1
FL	FT LAUDERDALE	2,637	2,554	2,665	17.65	17.10	17.84	-3.1	1.1
FL	FT MYERS	835	816	881	18.47	18.05	19.48	-2.3	5.5
FL	GAINESVILLE	1,556	1,501	1,145	18.36	17.71	13.51	-3.5	-26.4
FL	HIALEAH	4,506	5,071	5,215	23.97	26.97	27.74	12.5	15.7
FL	HILLSBOROUGH COUNTY	5,754	5,877	5,689	10.39	10.61	10.27	2.1	-1.1
FL	HOLLYWOOD	1,461	1,529	1,532	12.01	12.57	12.59	4.7	4.9
FL	JACKSONVILLE	8,435	8,012	8,229	12.53	11.91	12.23	-5.0	-2.4
FL	LAKELAND	873	850	886	12.37	12.05	12.56	-2.6	1.5
FL	LARGO	532	510	482	8.10	7.77	7.34	-4.1	-9.4
FL	LEE COUNTY	1,943	1,881	1,831	9.28	8.98	8.74	-3.2	-5.8
FL	MELBOURNE	695	665	619	11.65	11.15	10.38	-4.3	-11.0
FL	MIAMI	12,570	12,035	12,920	35.06	33.56	36.03	-4.3	2.8
FL	MIAMI BEACH	2,534	2,622	2,923	27.35	28.31	31.55	3.5	15.3
FL	NAPLES	158	141	133	8.10	7.24	6.83	-10.6	-15.7
FL	OCALA	725	677	736	17.24	16.10	17.51	-6.6	1.5
FL	ORANGE COUNTY	5,170	5,319	5,071	10.37	10.67	10.17	2.9	-1.9
FL	ORLANDO	2,322	2,289	2,374	14.10	13.90	14.42	-1.4	2.2
FL	PALM BEACH COUNTY	6,824	6,810	6,683	10.12	10.10	9.91	-.2	-2.1
FL	PANAMA CITY	565	513	688	16.43	14.92	20.01	-9.2	21.7
FL	PASCO COUNTY	2,961	2,869	2,945	10.70	10.36	10.64	-3.1	-.5
FL	PENSACOLA	1,027	1,017	1,380	17.66	17.49	23.73	-.9	34.4
FL	PINELLAS COUNTY	3,625	3,450	3,296	8.16	7.77	7.42	-4.8	-9.1
FL	PLANTATION	379	425	356	5.68	6.37	5.33	12.0	-6.1
FL	POLK COUNTY	3,959	3,739	3,863	12.78	12.07	12.47	-5.6	-2.4
FL	POMPANO BEACH	1,201	1,169	1,217	16.59	16.14	16.81	-2.7	1.3
FL	PORT ST LUCIE	356	396	363	6.37	7.09	6.51	11.3	2.1
FL	SARASOTA	678	623	637	13.30	12.23	12.49	-8.1	-6.1
FL	SARASOTA COUNTY	1,578	1,505	1,374	6.96	6.64	6.06	-4.6	-12.9
FL	SEMINOLE COUNTY	2,336	2,402	2,276	8.12	8.35	7.91	2.8	-2.6
FL	ST PETERSBURG	3,107	2,864	2,956	13.02	12.00	12.39	-7.8	-4.8
FL	SUNRISE	460	541	510	7.14	8.41	7.91	17.7	10.8
FL	TALLAHASSEE	2,054	1,999	1,434	16.46	16.02	11.49	-2.7	-30.2
FL	TAMPA	4,792	4,621	6,005	17.11	16.50	21.44	-3.6	25.3
FL	TITUSVILLE	419	403	406	10.64	10.24	10.32	-3.7	-3.0
FL	VOLUSIA COUNTY	2,983	2,875	2,847	9.71	9.36	9.27	-3.6	-4.6
FL	WEST PALM BEACH	1,138	1,076	1,122	16.82	15.90	16.59	-5.5	-1.4
FL	WINTERHAVEN	328	302	316	13.27	12.23	12.76	-7.8	-3.8
GA	ALBANY	1,909	1,619	1,804	24.44	20.72	23.09	-15.2	-5.5
GA	ATHENS	1,588	1,536	1,101	18.13	17.53	12.56	-3.3	-30.7
GA	ATLANTA	11,960	11,876	14,372	30.35	30.14	36.48	-.7	20.2
GA	AUGUSTA	2,141	2,086	2,864	47.96	46.74	64.16	-2.5	33.8
GA	COBB COUNTY	2,617	2,596	2,247	6.48	6.43	5.56	-.8	-14.1
GA	COLUMBUS	2,820	2,617	3,027	15.73	14.60	16.89	-7.2	7.4
GA	DE KALB COUNTY	4,657	4,878	4,572	9.09	9.52	8.92	4.7	-1.8
GA	FULTON COUNTY	2,556	2,600	2,489	8.76	8.91	8.53	1.7	-2.6
GA	GWINNETT COUNTY	2,111	2,223	1,927	5.93	6.25	5.42	5.3	-8.7
GA	MACON	2,196	1,890	2,308	20.60	17.73	21.65	-13.9	5.1
GA	MARIETTA	533	530	503	12.08	12.02	11.41	-.5	-5.6
GA	SAVANNAH	3,040	3,058	4,268	22.10	22.23	31.03	.6	40.4
GA	WARNER ROBINS	526	489	502	12.03	11.19	11.48	-7.0	-4.5
HI	HONOLULU	13,470	12,362	11,685	16.11	14.78	13.97	-8.2	-13.2

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IA	CEDAR FALLS	$402	$377	$293	$11.72	$10.99	$8.55	-6.3%	-27.1%
IA	CEDAR RAPIDS	1,482	1,465	1,312	13.63	13.47	12.07	-1.2	-11.5
IA	COUNCIL BLUFFS	1,265	1,222	1,115	23.29	22.49	20.53	-3.4	-11.9
IA	DAVENPORT	1,970	1,974	2,130	20.66	20.71	22.35	.2	8.1
IA	DES MOINES	4,742	4,762	4,418	24.55	24.65	22.87	.4	-6.8
IA	DUBUQUE	1,314	1,304	1,098	22.83	22.66	19.07	-.8	-16.5
IA	IOWA CITY	891	900	812	14.92	15.06	13.59	1.0	-8.9
IA	SIOUX CITY	2,344	2,283	2,182	29.12	28.36	27.10	-2.6	-6.9
IA	WATERLOO	1,693	1,617	1,863	25.47	24.33	28.02	-4.5	10.0
ID	BOISE	1,139	1,147	1,067	9.06	9.13	8.49	.7	-6.3
IL	ARLINGTON HTS	376	369	293	4.98	4.89	3.88	-1.8	-22.2
IL	AURORA	1,232	1,224	1,225	12.37	12.29	12.30	-.7	-.5
IL	BERWYN	1,614	1,608	1,042	35.53	35.40	22.93	-.4	-35.5
IL	BLOOMINGTON	779	759	554	14.99	14.61	10.65	-2.5	-28.9
IL	CHAMPAIGN	958	910	548	15.09	14.33	8.63	-5.0	-42.8
IL	CHICAGO	107,764	103,719	110,209	38.71	37.26	39.59	-3.8	2.3
IL	CHICAGO HEIGHTS	716	672	736	21.65	20.33	22.27	-6.1	2.9
IL	CICERO	2,060	1,892	1,718	30.55	28.05	25.47	-8.2	-16.6
IL	COOK COUNTY	13,023	12,021	10,862	7.80	7.20	6.51	-7.7	-16.6
IL	DECATUR	1,788	1,624	1,970	21.31	19.36	23.49	-9.2	10.2
IL	DES PLAINES	326	300	243	6.13	5.64	4.57	-8.0	-25.3
IL	DU PAGE COUNTY	4,186	4,056	3,282	5.82	5.64	4.56	-3.1	-21.6
IL	EAST ST LOUIS	2,617	2,331	2,894	63.92	56.93	70.68	-10.9	10.6
IL	ELGIN	884	930	797	11.48	12.08	10.35	5.2	-9.8
IL	EVANSTON	2,048	2,178	946	27.97	29.74	12.92	6.3	-53.8
IL	JOLIET	1,307	1,229	1,130	17.01	15.99	14.71	-6.0	-13.5
IL	KANKAKEE	732	696	805	26.55	25.24	29.19	-4.9	10.0
IL	LAKE COUNTY	2,678	2,546	2,196	6.44	6.13	5.28	-4.9	-18.0
IL	MADISON COUNTY	3,745	3,531	3,643	15.03	14.17	14.62	-5.7	-2.7
IL	MOLINE	973	916	875	22.52	21.21	20.26	-5.8	-10.1
IL	MOUNT PROSPECT	321	348	298	6.04	6.55	5.60	8.5	-7.2
IL	NAPERVILLE	356	359	259	4.17	4.21	3.04	.9	-27.2
IL	NORMAL	515	486	194	12.87	12.14	4.84	-5.6	-62.4
IL	NORTH CHICAGO	390	367	362	11.15	10.49	10.35	-5.9	-7.1
IL	OAK LAWN	401	316	269	7.14	5.62	4.78	-21.2	-33.0
IL	OAK PARK	1,924	2,085	365	35.86	38.87	6.80	8.4	-81.0
IL	PEKIN	489	474	488	15.16	14.71	15.14	-3.0	-.1
IL	PEORIA	2,438	2,166	2,692	21.48	19.08	23.72	-11.2	10.4
IL	RANTOUL	355	333	323	20.63	19.34	18.77	-6.2	-9.0
IL	ROCK ISLAND	1,471	1,486	1,611	36.27	36.64	39.73	1.0	9.5
IL	ROCKFORD	2,333	2,444	2,483	16.73	17.53	17.81	4.7	6.4
IL	SCHAUMBURG VILLAGE	356	362	294	5.19	5.28	4.28	1.8	-17.5
IL	SKOKIE	541	558	343	9.10	9.39	5.77	3.1	-36.7
IL	SPRINGFIELD	1,645	1,482	1,599	15.63	14.09	15.19	-9.9	-2.8
IL	ST CLAIR COUNTY	2,760	2,461	2,534	12.30	10.97	11.29	-10.8	-8.2
IL	URBANA	550	515	388	15.13	14.16	10.68	-6.4	-29.4
IL	WAUKEGAN	906	854	840	13.06	12.31	12.11	-5.7	-7.3
IL	WILL COUNTY	1,875	1,652	1,444	7.06	6.22	5.43	-11.9	-23.0
IN	ANDERSON	1,034	1,014	1,251	17.39	17.06	21.04	-1.9	21.0
IN	BLOOMINGTON	1,057	1,005	784	17.43	16.57	12.93	-4.9	-25.8
IN	EAST CHICAGO	1,832	1,719	1,845	54.05	50.73	54.45	-6.2	.7
IN	ELKHART	887	855	729	20.33	19.61	16.71	-3.6	-17.8
IN	EVANSVILLE	3,471	3,293	3,648	27.49	26.08	28.89	-5.1	5.1
IN	FORT WAYNE	3,346	3,223	2,774	19.33	18.62	16.03	-3.7	-17.1
IN	GARY	4,808	4,454	5,822	41.22	38.18	49.91	-7.4	21.1
IN	GOSHEN	312	308	211	13.11	12.92	8.87	-1.4	-32.3
IN	HAMMOND	2,787	2,663	2,758	33.09	31.61	32.74	-4.5	-1.0
IN	INDIANAPOLIS	10,721	10,555	11,830	14.45	14.23	15.94	-1.6	10.3
IN	KOKOMO	1,183	1,139	1,190	26.31	25.34	26.48	-3.7	.6
IN	LAFAYETTE	865	875	759	19.77	20.00	17.33	1.2	-12.3
IN	LAKE COUNTY	1,846	1,576	1,409	7.67	6.54	5.85	-14.6	-23.7
IN	MISHAWAKA	592	553	371	13.89	12.97	8.71	-6.6	-37.3
IN	MUNCIE	1,638	1,562	2,013	23.06	21.99	28.34	-4.6	22.9
IN	NEW ALBANY	879	840	905	24.20	23.12	24.92	-4.5	3.0
IN	SOUTH BEND	3,378	3,334	3,385	32.02	31.60	32.08	-1.3	.2
IN	TERRE HAUTE	2,329	2,234	2,386	40.52	38.86	41.52	-4.1	2.5
IN	WEST LAFAYETTE	488	479	227	18.84	18.50	8.75	-1.8	-53.6

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
KS	JOHNSON COUNTY	$1,428	$1,407	$1,191	$5.87	$5.78	$4.89	-1.5%	-16.6%
KS	KANSAS CITY	3,042	2,785	3,198	20.31	18.59	21.35	-8.5	5.1
KS	LAWRENCE	1,021	1,010	743	15.56	15.39	11.33	-1.1	-27.2
KS	LEAVENWORTH	454	424	309	11.79	11.00	8.03	-6.7	-31.9
KS	OVERLAND PARK	563	564	449	5.04	5.05	4.01	.3	-20.3
KS	TOPEKA	2,372	2,263	2,163	19.79	18.88	18.04	-4.6	-8.8
KS	WICHITA	3,660	3,559	4,097	12.04	11.71	13.48	-2.8	11.9
KY	ASHLAND	883	791	845	37.38	33.49	35.78	-10.4	-4.3
KY	COVINGTON	2,110	2,041	2,208	48.77	47.18	51.03	-3.3	4.6
KY	HENDERSON	380	333	445	14.65	12.83	17.16	-12.4	17.2
KY	HOPKINSVILLE	525	464	520	17.61	15.57	17.46	-11.6	-.9
KY	JEFFERSON COUNTY	3,415	3,044	2,934	8.90	7.93	7.65	-10.8	-14.1
KY	LEXINGTON-FAYETTE	2,777	2,523	2,509	12.32	11.20	11.13	-9.1	-9.7
KY	LOUISVILLE	11,521	11,309	13,485	42.82	42.03	50.12	-1.8	17.0
KY	OWENSBORO	828	737	912	15.46	13.75	17.03	-11.0	10.2
LA	ALEXANDRIA	1,136	995	1,128	23.10	20.23	22.93	-12.4	-.7
LA	BATON ROUGE	6,074	5,531	5,553	16.97	15.46	15.52	-8.9	-8.6
LA	BOSSIER CITY	738	697	741	14.00	13.22	14.06	-5.5	.5
LA	HOUMA	2,076	1,866	2,071	21.41	19.24	21.35	-10.1	-.2
LA	JEFFERSON PARISH	5,354	4,794	4,977	14.23	12.74	13.23	-10.5	-7.0
LA	KENNER	1,023	955	998	14.20	13.26	13.86	-6.6	-2.4
LA	LAFAYETTE	1,727	1,549	1,590	18.29	16.41	16.84	-10.3	-7.9
LA	LAKE CHARLES	1,376	1,222	1,332	19.50	17.31	18.88	-11.2	-3.2
LA	MONROE	1,483	1,387	1,561	27.01	25.27	28.43	-6.4	5.2
LA	NEW ORLEANS	18,612	18,354	24,881	37.45	36.93	50.07	-1.4	33.7
LA	SHREVEPORT	4,126	3,679	4,089	20.78	18.53	20.60	-10.8	-.9
LA	SLIDELL	254	222	223	10.53	9.21	9.25	-12.6	-12.1
LA	THIBODAUX	353	312	403	25.15	22.23	28.70	-11.6	14.1
MA	ARLINGTON	1,279	1,356	350	28.66	30.39	7.85	6.0	-72.6
MA	ATTLEBORO	500	531	322	13.03	13.83	8.39	6.2	-35.6
MA	BOSTON	22,535	23,239	21,319	39.24	40.47	37.12	3.1	-5.4
MA	BROCKTON	1,605	1,603	1,437	17.30	17.27	15.49	-.1	-10.5
MA	BROOKLINE	1,490	1,707	631	27.23	31.20	11.53	14.6	-57.7
MA	CAMBRIDGE	3,432	3,614	2,346	35.82	37.72	24.49	5.3	-31.6
MA	CHICOPEE	1,331	1,331	1,227	23.50	23.50	21.66	.0	-7.8
MA	FALL RIVER	3,166	3,274	3,037	34.15	35.31	32.76	3.4	-4.1
MA	FITCHBURG	1,267	1,246	1,030	30.76	30.26	25.00	-1.6	-18.7
MA	FRAMINGHAM	540	588	440	8.31	9.04	6.78	8.8	-18.5
MA	GLOUCESTER	714	814	489	24.86	28.35	17.02	14.0	-31.6
MA	HAVERHILL	1,226	1,232	842	23.84	23.95	16.38	.5	-31.3
MA	HOLYOKE	1,720	1,539	1,710	39.36	35.23	39.13	-10.5	-.6
MA	LAWRENCE	2,327	2,117	2,601	33.14	30.15	37.04	-9.0	11.8
MA	LEOMINSTER	513	502	340	13.45	13.16	8.92	-2.1	-33.7
MA	LOWELL	2,438	2,513	2,453	23.57	24.30	23.72	3.1	.6
MA	LYNN	3,067	3,084	2,725	37.75	37.96	33.54	.6	-11.1
MA	MALDEN	1,625	1,646	1,021	30.16	30.55	18.95	1.3	-37.1
MA	MEDFORD	1,842	1,956	1,190	32.09	34.07	20.72	6.2	-35.4
MA	NEW BEDFORD	3,213	3,297	3,254	32.16	32.99	32.57	2.6	1.3
MA	NEWTON	2,286	2,433	457	27.68	29.46	5.53	6.4	-80.0
MA	NORTHAMPTON	759	806	607	25.91	27.50	20.74	6.1	-20.0
MA	PITTSFIELD	1,648	1,667	1,445	33.89	34.28	29.71	1.1	-12.3
MA	QUINCY	2,267	2,283	1,388	26.68	26.86	16.33	.7	-38.8
MA	SALEM	1,239	1,296	888	32.53	34.02	23.30	4.6	-28.4
MA	SOMERVILLE	3,213	3,382	2,372	42.16	44.38	31.13	5.3	-26.2
MA	SPRINGFIELD	4,696	4,609	5,018	29.91	29.36	31.96	-1.9	6.9
MA	WALTHAM	1,106	1,110	691	19.11	19.17	11.94	.3	-37.5
MA	WESTFIELD	444	476	373	11.57	12.42	9.72	7.3	-16.0
MA	WEYMOUTH	731	751	273	13.52	13.90	5.05	2.8	-62.6
MA	WORCESTER	5,263	5,328	4,709	31.00	31.39	27.74	1.2	-10.5
MD	ANNAPOLIS	402	389	373	12.11	11.73	11.23	-3.1	-7.3
MD	ANNE ARUNDEL COUNTY	2,482	2,296	1,964	6.30	5.83	4.98	-7.5	-20.9
MD	BALTIMORE	27,815	26,664	30,405	37.79	36.23	41.31	-4.1	9.3
MD	BALTIMORE COUNTY	4,939	4,637	4,082	7.14	6.70	5.90	-6.1	-17.3

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
MD	CUMBERLAND	$1,256	$1,187	$1,468	$52.98	$50.08	$61.93	-5.5%	16.9%
MD	FREDERICK	397	405	317	9.89	10.08	7.88	1.9	-20.3
MD	HAGERSTOWN	1,088	1,018	916	30.70	28.72	25.84	-6.4	-15.8
MD	MONTGOMERY COUNTY	4,921	5,442	4,752	6.59	7.29	6.37	10.6	-3.4
MD	PRINCE GEORGES COUNTY	6,294	6,374	5,697	8.90	9.01	8.05	1.3	-9.5
ME	AUBURN	656	667	565	26.99	27.43	23.23	1.6	-13.9
ME	BANGOR	1,144	1,150	1,041	34.48	34.65	31.36	.5	-9.0
ME	LEWISTON	1,072	1,115	1,182	26.96	28.05	29.73	4.0	10.2
ME	PORTLAND	2,277	2,332	2,049	35.38	36.24	31.84	2.4	-10.0
MI	ANN ARBOR	1,375	1,328	1,049	12.55	12.12	9.58	-3.4	-23.7
MI	BATTLE CREEK	1,727	1,598	1,860	32.26	29.86	34.74	-7.4	7.7
MI	BAY CITY	1,694	1,720	1,796	43.51	44.19	46.11	1.6	6.0
MI	BENTON HARBOR	701	631	1,006	54.69	49.21	78.44	-10.0	43.4
MI	CANTON TWP	375	376	338	6.57	6.59	5.92	.2	-9.9
MI	CLINTON TWP	665	601	553	7.74	7.00	6.44	-9.6	-16.9
MI	DEARBORN	2,462	2,440	2,400	27.57	27.33	26.88	-.9	-2.5
MI	DEARBORN HEIGHTS	1,201	1,179	1,206	19.74	19.37	19.83	-1.9	.5
MI	DETROIT	54,004	49,419	69,890	52.53	48.07	67.99	-8.5	29.4
MI	EAST LANSING	870	840	411	17.17	16.57	8.10	-3.5	-52.8
MI	FARMINGTON HILLS	412	395	317	5.52	5.29	4.25	-4.1	-23.1
MI	FLINT	5,654	5,250	6,556	40.17	37.29	46.58	-7.2	16.0
MI	GENESEE COUNTY	2,941	2,624	2,609	10.12	9.03	8.98	-10.8	-11.3
MI	GRAND RAPIDS	4,368	4,324	4,654	23.10	22.86	24.61	-1.0	6.5
MI	HOLLAND	390	396	415	12.68	12.89	13.49	1.6	6.3
MI	JACKSON	1,790	1,738	1,933	47.80	46.41	51.63	-2.9	8.0
MI	KALAMAZOO	2,123	2,070	2,495	26.45	25.79	31.08	-2.5	17.5
MI	KENT COUNTY	1,653	1,562	1,372	6.67	6.31	5.54	-5.5	-17.0
MI	LANSING	2,176	2,174	2,588	17.09	17.08	20.32	-.1	18.9
MI	LINCOLN PARK	970	913	994	23.19	21.83	23.77	-5.8	2.5
MI	LIVONIA	599	501	401	5.94	4.97	3.98	-16.3	-33.0
MI	MACOMB COUNTY	1,919	1,692	1,531	7.69	6.78	6.13	-11.8	-20.2
MI	MIDLAND	338	317	285	8.88	8.33	7.49	-6.2	-15.6
MI	MUSKEGON	1,365	1,252	1,632	33.89	31.08	40.52	-8.3	19.6
MI	MUSKEGON HTS	613	543	785	46.52	41.19	59.56	-11.5	28.0
MI	NORTON SHORES	183	164	157	8.41	7.53	7.21	-10.5	-14.3
MI	OAKLAND COUNTY	4,073	3,744	3,376	7.48	6.87	6.20	-8.1	-17.1
MI	PONTIAC	2,013	1,929	2,496	28.29	27.10	35.07	-4.2	24.0
MI	PORT HURON	1,036	1,022	1,229	30.75	30.34	36.47	-1.3	18.6
MI	PORTAGE	260	247	212	6.33	6.01	5.16	-5.1	-18.6
MI	REDFORD	1,039	1,032	1,026	19.10	18.97	18.86	-.7	-1.3
MI	ROCHESTER HILLS	313	305	242	5.07	4.93	3.92	-2.7	-22.6
MI	ROSEVILLE	508	489	523	9.88	9.50	10.18	-3.8	3.0
MI	ROYAL OAK	1,416	1,450	365	21.65	22.17	5.58	2.4	-74.2
MI	SAGINAW	3,110	3,067	4,001	44.74	44.12	57.56	-1.4	28.7
MI	SOUTHFIELD	557	570	502	7.36	7.53	6.63	2.3	-9.9
MI	ST CLAIR SHORES	928	916	878	13.63	13.45	12.89	-1.3	-5.4
MI	STERLING HEIGHTS	728	686	586	6.18	5.82	4.98	-5.8	-19.5
MI	TAYLOR	881	759	784	12.44	10.71	11.08	-13.9	-11.0
MI	TROY CITY	397	382	310	5.45	5.25	4.26	-3.7	-21.8
MI	WARREN	1,354	1,121	1,055	9.35	7.74	7.28	-17.2	-22.1
MI	WATERFORD	497	453	410	7.45	6.80	6.14	-8.8	-17.6
MI	WAYNE COUNTY	3,967	3,477	3,292	8.72	7.65	7.24	-12.3	-17.0
MI	WESTLAND	1,208	1,167	1,368	14.26	13.78	16.14	-3.4	13.2
MI	WYOMING	547	519	487	8.56	8.12	7.62	-5.1	-11.0
MN	ANOKA COUNTY	1,779	1,673	1,519	7.30	6.87	6.24	-6.0	-14.6
MN	BLOOMINGTON	517	501	407	5.99	5.80	4.71	-3.2	-21.3
MN	DAKOTA COUNTY	1,851	1,794	1,553	6.42	6.22	5.39	-3.1	-16.1
MN	HENNEPIN COUNTY	3,327	3,241	2,799	6.28	6.12	5.28	-2.6	-15.9
MN	MINNEAPOLIS	15,505	15,953	13,615	42.09	43.31	36.96	2.9	-12.2
MN	MOORHEAD	432	432	311	13.38	13.38	9.62	.1	-28.1
MN	PLYMOUTH	272	276	226	5.34	5.43	4.45	1.6	-16.7
MN	RAMSEY COUNTY	1,452	1,358	1,136	6.79	6.35	5.31	-6.5	-21.8
MN	ROCHESTER	565	570	518	7.99	8.05	7.32	.8	-8.4
MN	ST CLOUD	677	642	452	13.87	13.15	9.26	-5.2	-33.2
MN	ST LOUIS COUNTY	6,149	6,206	5,637	31.19	31.48	28.59	.9	-8.3
MN	ST PAUL	8,662	9,156	7,415	31.82	33.63	27.24	5.7	-14.4

App.H-8

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993- Adjusted
MO	COLUMBIA	$1,003	$973	$807	$14.51	$14.08	$11.68	-3.0%	-19.6%
MO	FLORISSANT	354	282	236	6.91	5.51	4.61	-20.3	-33.3
MO	INDEPENDENCE	1,075	1,005	1,007	9.57	8.95	8.97	-6.5	-6.3
MO	JOPLIN	939	933	1,148	22.92	22.77	28.03	-.7	22.3
MO	KANSAS CITY	11,488	10,827	11,649	26.40	24.88	26.77	-5.8	1.4
MO	SPRINGFIELD	1,916	1,787	2,214	13.64	12.72	15.76	-6.8	15.6
MO	ST CHARLES	416	392	365	7.63	7.19	6.69	-5.7	-12.2
MO	ST JOSEPH	2,342	2,174	2,247	32.59	30.25	31.28	-7.2	-4.0
MO	ST LOUIS	26,350	26,053	26,662	66.43	65.68	67.21	-1.1	1.2
MO	ST LOUIS COUNTY	6,922	6,102	5,522	7.97	7.02	6.36	-11.8	-20.2
MS	BILOXI	784	715	936	16.93	15.43	20.21	-8.8	19.4
MS	GULFPORT	666	620	671	16.33	15.21	16.46	-6.9	.8
MS	JACKSON	3,943	3,465	3,715	20.05	17.62	18.90	-12.1	-5.8
MS	MOSS POINT	406	316	350	22.76	17.73	19.63	-22.1	-13.7
MS	PASCAGOULA	453	408	442	17.49	15.75	17.08	-10.0	-2.4
MT	BILLINGS	883	833	856	10.88	10.26	10.55	-5.7	-3.0
MT	GREAT FALLS	1,074	1,007	1,325	19.49	18.27	24.06	-6.3	23.4
NC	ASHEVILLE	1,481	1,505	1,643	24.04	24.43	26.68	1.6	11.0
NC	BURLINGTON	425	387	424	10.76	9.80	10.74	-8.9	-.2
NC	CHAPEL HILL	409	401	239	10.56	10.36	6.17	-1.9	-41.6
NC	CHARLOTTE	4,459	4,167	4,155	11.26	10.53	10.49	-6.5	-6.8
NC	CONCORD	425	379	422	15.54	13.87	15.41	-10.8	-.8
NC	DURHAM	1,819	1,648	1,595	13.32	12.07	11.68	-9.4	-12.3
NC	FAYETTEVILLE	1,174	1,064	1,156	15.51	14.06	15.27	-9.3	-1.6
NC	GASTONIA	768	664	701	14.03	12.13	12.81	-13.6	-8.7
NC	GREENSBORO	2,082	1,856	1,738	11.34	10.12	9.47	-10.8	-16.5
NC	HICKORY	316	283	309	11.17	9.98	10.93	-10.6	-2.1
NC	HIGH POINT	927	828	1,056	13.34	11.91	15.19	-10.7	13.9
NC	JACKSONVILLE	581	435	353	19.36	14.49	11.77	-25.2	-39.2
NC	KANNAPOLIS	658	610	773	22.16	20.53	26.03	-7.4	17.5
NC	MORGANTON	150	132	159	9.94	8.72	10.52	-12.3	5.8
NC	RALEIGH	2,209	2,142	1,866	10.62	10.30	8.97	-3.0	-15.5
NC	SALISBURY	448	380	438	19.40	16.44	18.98	-15.3	-2.2
NC	WAKE COUNTY	1,598	1,437	1,288	7.45	6.70	6.00	-10.1	-19.4
NC	WILMINGTON	950	933	1,482	17.11	16.80	26.69	-1.8	56.0
NC	WINSTON SALEM	1,947	1,699	1,801	13.57	11.84	12.55	-12.8	-7.5
ND	BISMARCK	455	426	411	9.24	8.64	8.34	-6.4	-9.8
ND	FARGO	805	789	703	10.86	10.64	9.49	-2.0	-12.7
ND	GRAND FORKS	555	537	486	11.23	10.86	9.84	-3.3	-12.4
NE	LINCOLN	1,955	2,035	2,021	10.18	10.60	10.53	4.1	3.4
NE	OMAHA	6,408	6,460	6,662	19.08	19.24	19.84	.8	4.0
NH	DOVER	348	409	255	13.90	16.33	10.19	17.5	-26.7
NH	MANCHESTER	1,976	2,010	1,512	19.85	20.19	15.19	1.7	-23.5
NH	NASHUA	765	797	627	9.60	10.01	7.87	4.2	-18.1
NH	PORTSMOUTH	573	639	408	22.10	24.66	15.74	11.6	-28.8
NH	ROCHESTER	313	345	240	11.75	12.94	9.01	10.1	-23.3
NJ	ASBURY PARK	501	478	420	29.82	28.48	25.00	-4.5	-16.2
NJ	ATLANTIC CITY	2,120	1,892	1,813	55.81	49.81	47.74	-10.7	-14.5
NJ	BAYONNE	2,200	2,109	1,551	35.80	34.32	25.24	-4.1	-29.5
NJ	BERGEN COUNTY	12,271	11,849	4,620	15.12	14.60	5.69	-3.4	-62.4
NJ	BLOOMFIELD	1,406	1,386	416	31.20	30.77	9.23	-1.4	-70.4
NJ	BRICK TOWNSHIP	417	381	328	6.27	5.72	4.93	-8.8	-21.4
NJ	BRIDGETON	617	575	659	32.57	30.38	34.79	-6.7	6.8
NJ	BURLINGTON COUNTY	2,200	2,075	1,749	6.22	5.86	4.94	-5.7	-20.5
NJ	CAMDEN	3,723	3,511	4,736	42.55	40.12	54.13	-5.7	27.2
NJ	CAMDEN COUNTY	2,699	2,689	1,757	9.72	9.68	6.33	-.4	-34.9
NJ	CHERRY HILL	384	355	266	5.54	5.12	3.84	-7.6	-30.7
NJ	CLIFTON	1,814	1,749	594	25.29	24.37	8.28	-3.6	-67.3
NJ	DOVER TOWNSHIP	503	476	426	6.59	6.23	5.58	-5.4	-15.3
NJ	EAST ORANGE	1,954	1,834	1,869	26.57	24.94	25.40	-6.1	-4.4
NJ	EDISON	535	590	505	6.03	6.65	5.70	10.2	-5.6
NJ	ELIZABETH	2,713	2,611	2,705	24.66	23.74	24.59	-3.8	-.3

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		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
NJ	ESSEX COUNTY	$6,830	$6,679	$1,959	$21.12	$20.66	$6.06	-2.2%	-71.3%
NJ	GLOUCESTER COUNTY	1,759	1,713	1,465	7.80	7.60	6.50	-2.6	-16.7
NJ	GLOUCESTER TWP	318	308	260	5.91	5.73	4.83	-3.1	-18.2
NJ	HAMILTON	626	602	384	7.23	6.95	4.44	-3.9	-38.7
NJ	HUDSON COUNTY	5,895	5,598	4,153	28.74	27.29	20.25	-5.0	-29.5
NJ	IRVINGTON	1,437	1,175	1,127	23.55	19.26	18.47	-18.2	-21.6
NJ	JERSEY CITY	8,452	8,249	8,095	36.98	36.09	35.42	-2.4	-4.2
NJ	LONG BRANCH	621	625	470	21.67	21.82	16.41	.7	-24.3
NJ	MIDDLESEX COUNTY	1,968	1,892	1,590	6.25	6.01	5.05	-3.8	-19.2
NJ	MIDDLETOWN	359	334	259	5.27	4.89	3.79	-7.1	-28.0
NJ	MILLVILLE	374	359	320	14.39	13.81	12.33	-4.0	-14.3
NJ	MONMOUTH COUNTY	3,333	3,470	2,272	7.68	8.00	5.24	4.1	-31.8
NJ	MORRIS COUNTY	2,230	2,179	1,303	6.53	6.38	3.81	-2.3	-41.6
NJ	NEW BRUNSWICK	1,009	880	965	24.19	21.11	23.14	-12.8	-4.3
NJ	NEWARK	12,576	11,096	12,524	45.69	40.32	45.50	-11.8	-.4
NJ	OCEAN COUNTY	2,343	2,201	2,096	8.08	7.59	7.23	-6.1	-10.5
NJ	OLD BRIDGE TOWNSHIP	373	344	295	6.60	6.09	5.22	-7.8	-21.0
NJ	PARSIPPANY-TROYHILLS	266	270	215	5.49	5.56	4.43	1.3	-19.3
NJ	PASSAIC	1,451	1,307	1,398	25.00	22.52	24.09	-9.9	-3.7
NJ	PATERSON	3,809	3,265	3,424	27.04	23.17	24.30	-14.3	-10.1
NJ	PERTH AMBOY	942	841	762	22.45	20.03	18.16	-10.7	-19.1
NJ	SAYREVILLE	207	186	155	5.92	5.33	4.44	-10.0	-24.9
NJ	SOMERSET COUNTY	1,576	1,483	1,046	6.56	6.17	4.36	-5.9	-33.6
NJ	TRENTON	3,670	3,584	3,173	41.39	40.42	35.78	-2.3	-13.5
NJ	UNION	846	782	251	16.91	15.63	5.01	-7.6	-70.4
NJ	UNION CITY	1,554	1,472	1,570	26.79	25.38	27.07	-5.3	1.1
NJ	UNION COUNTY	5,988	5,864	2,152	17.94	17.57	6.45	-2.1	-64.1
NJ	VINELAND	668	625	632	12.19	11.41	11.53	-6.4	-5.4
NJ	WAYNE TOWNSHIP	236	218	166	5.02	4.64	3.54	-7.6	-29.5
NJ	WOODBRIDGE	621	600	454	6.67	6.45	4.88	-3.3	-26.9
NM	ALBUQUERQUE	5,112	5,014	4,981	13.29	13.03	12.95	-1.9	-2.6
NM	LAS CRUCES	1,139	1,109	1,060	18.33	17.85	17.06	-2.6	-7.0
NM	SANTA FE	736	674	676	13.18	12.07	12.09	-8.4	-8.2
NV	CLARK COUNTY	3,552	4,066	3,936	9.59	10.98	10.63	14.5	10.8
NV	HENDERSON	543	611	576	8.36	9.40	8.87	12.5	6.1
NV	LAS VEGAS	3,088	3,474	3,490	11.96	13.45	13.51	12.5	13.0
NV	NORTH LAS VEGAS	1,003	1,054	1,126	21.02	22.09	23.60	5.1	12.3
NV	RENO	1,555	1,763	1,700	11.62	13.17	12.70	13.4	9.3
NV	SPARKS	483	517	489	9.05	9.69	9.17	7.1	1.3
NY	ALBANY	4,313	4,329	4,012	42.67	42.82	39.69	.4	-7.0
NY	AMHERST TOWN	727	679	552	6.51	6.08	4.94	-6.6	-24.1
NY	BABYLON TOWN	1,602	1,478	1,345	7.90	7.29	6.63	-7.7	-16.1
NY	BINGHAMTON	2,699	2,729	2,738	50.92	51.48	51.66	1.1	1.5
NY	BUFFALO	20,069	20,073	22,795	61.16	61.17	69.47	.0	13.6
NY	CHEEKTOWAGA TOWN	737	730	706	7.42	7.35	7.11	-1.0	-4.2
NY	CLAY TOWN	374	341	293	6.26	5.70	4.91	-8.9	-21.5
NY	COLONIE TOWN	474	428	355	6.20	5.59	4.65	-9.8	-25.0
NY	DUNKIRK	619	643	619	44.25	45.93	44.24	3.8	.0
NY	DUTCHESS COUNTY	1,519	1,502	1,076	7.24	7.16	5.13	-1.1	-29.1
NY	ELMIRA	1,601	1,586	1,653	47.47	47.02	49.03	-1.0	3.3
NY	ERIE COUNTY	2,974	3,020	2,240	12.10	12.29	9.11	1.5	-24.7
NY	GLEN FALLS	627	606	403	41.74	40.37	26.81	-3.3	-35.8
NY	GREECE	521	494	421	5.78	5.48	4.67	-5.3	-19.2
NY	HAMBURG TOWN	429	452	305	7.98	8.40	5.68	5.3	-28.8
NY	HUNTINGTON TOWN	1,095	1,053	873	5.72	5.50	4.56	-3.9	-20.3
NY	IRONDEQUOIT	950	972	629	18.14	18.56	12.01	2.3	-33.8
NY	ISLIP TOWN	2,363	2,226	2,022	7.89	7.43	6.75	-5.8	-14.4
NY	JAMESTOWN	1,544	1,532	1,587	44.52	44.17	45.76	-.8	2.8
NY	MIDDLETOWN	579	620	536	23.97	25.66	22.17	7.1	-7.5
NY	MONROE COUNTY	2,069	2,071	1,442	6.09	6.09	4.24	.1	-30.3
NY	MOUNT VERNON	2,173	2,089	1,729	32.36	31.11	25.74	-3.9	-20.4
NY	NASSAU COUNTY	15,634	15,850	6,616	13.49	13.68	5.71	1.4	-57.7
NY	NEW ROCHELLE	1,893	1,874	935	28.14	27.86	13.91	-1.0	-50.6
NY	NEW YORK	216,322	208,835	226,719	29.54	28.52	30.96	-3.5	4.8
NY	NEWBURGH	1,006	998	1,112	38.03	37.73	42.02	-.8	10.5
NY	NIAGARA FALLS	3,216	3,151	3,378	52.01	50.96	54.63	-2.0	5.1
NY	ONONDAGA COUNTY	1,988	2,082	1,178	8.10	8.48	4.80	4.7	-40.8

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NY	ORANGE COUNTY	$1,827	$1,938	$1,354	$7.78	$8.26	$5.77	6.1%	-25.9%
NY	POUGHKEEPSIE	1,220	1,241	1,019	42.30	43.03	35.32	1.7	-16.5
NY	ROCHESTER	10,875	10,982	11,574	46.95	47.41	49.97	1.0	6.4
NY	ROCKLAND COUNTY	1,963	1,933	1,798	8.61	8.48	7.89	-1.5	-8.4
NY	ROME	1,171	1,215	1,094	26.40	27.40	24.67	3.8	-6.6
NY	SCHENECTADY	2,865	2,951	2,545	43.70	45.01	38.82	3.0	-11.2
NY	SUFFOLK COUNTY	4,368	4,009	3,552	7.10	6.52	5.77	-8.2	-18.7
NY	SYRACUSE	7,094	7,053	7,159	43.29	43.04	43.69	-.6	.9
NY	TONAWANDA TOWN	1,993	1,960	1,774	24.17	23.76	21.51	-1.7	-11.0
NY	TROY	2,254	2,315	1,996	41.53	42.67	36.79	2.7	-11.4
NY	UNION TOWN	1,492	1,462	1,177	24.96	24.46	19.69	-2.0	-21.1
NY	UTICA	3,502	3,602	3,896	51.02	52.47	56.77	2.8	11.3
NY	WEST SENECA	303	282	203	6.33	5.89	4.24	-7.1	-33.1
NY	WESTCHESTER COUNTY	5,854	5,975	2,776	12.36	12.61	5.86	2.1	-52.6
NY	WHITE PLAINS	1,110	1,146	568	22.78	23.52	11.67	3.2	-48.8
NY	YONKERS	4,285	4,128	3,596	22.78	21.95	19.12	-3.7	-16.1
OH	AKRON	8,183	7,968	8,925	36.69	35.73	40.02	-2.6	9.1
OH	ALLIANCE	836	798	854	35.76	34.13	36.53	-4.6	2.2
OH	BARBERTON	881	889	872	31.89	32.18	31.58	.9	-1.0
OH	BOWLING GREEN	405	398	210	14.37	14.13	7.45	-1.7	-48.2
OH	CANTON	3,567	3,445	3,740	42.38	40.94	44.44	-3.4	4.9
OH	CINCINNATI	15,594	15,606	17,939	42.84	42.87	49.28	.1	15.0
OH	CLEVELAND	30,250	29,503	35,037	59.83	58.35	69.30	-2.5	15.8
OH	CLEVELAND HEIGHTS	1,747	1,804	854	32.32	33.38	15.79	3.3	-51.1
OH	COLUMBUS	8,724	8,175	9,642	13.78	12.92	15.23	-6.3	10.5
OH	CUYAHOGA COUNTY	3,483	3,170	2,680	6.00	5.46	4.61	-9.0	-23.1
OH	DAYTON	7,862	7,779	9,125	43.19	42.73	50.13	-1.1	16.1
OH	EAST CLEVELAND	1,184	1,183	1,465	35.77	35.76	44.25	.0	23.7
OH	ELYRIA	700	655	670	12.34	11.54	11.81	-6.5	-4.2
OH	EUCLID	1,064	1,084	983	19.39	19.76	17.92	1.9	-7.6
OH	FRANKLIN COUNTY	2,253	2,075	1,795	6.61	6.09	5.26	-7.9	-20.3
OH	HAMILTON CITY	1,836	1,747	2,110	29.92	28.47	34.39	-4.8	14.9
OH	HAMILTON COUNTY	3,779	3,270	2,984	7.76	6.72	6.13	-13.5	-21.1
OH	KENT	429	422	328	14.88	14.64	11.36	-1.6	-23.7
OH	KETTERING	371	370	286	6.13	6.10	4.72	-.4	-22.9
OH	LAKE COUNTY	1,462	1,282	1,151	7.09	6.21	5.58	-12.3	-21.2
OH	LAKEWOOD	2,137	2,315	1,426	35.78	38.77	23.88	8.3	-33.3
OH	LANCASTER	623	618	648	18.05	17.91	18.78	-.8	4.0
OH	LIMA	1,444	1,335	1,509	31.70	29.32	33.14	-7.5	4.5
OH	LORAIN	1,401	1,368	1,594	19.66	19.20	22.38	-2.4	13.8
OH	MANSFIELD	1,107	999	1,309	21.87	19.74	25.86	-9.7	18.3
OH	MARIETTA	515	507	468	34.27	33.73	31.13	-1.6	-9.2
OH	MASSILLON	839	855	839	27.06	27.58	27.07	1.9	.0
OH	MIDDLETOWN	768	756	899	16.69	16.43	19.54	-1.6	17.1
OH	MONTGOMERY COUNTY	2,618	2,426	2,278	7.79	7.22	6.78	-7.3	-13.0
OH	NEWARK	966	938	914	21.76	21.14	20.60	-2.9	-5.4
OH	PARMA	772	805	667	8.79	9.16	7.59	4.2	-13.5
OH	SPRINGFIELD	2,403	2,307	2,577	34.09	32.72	36.57	-4.0	7.3
OH	STARK COUNTY	1,626	1,530	1,323	7.58	7.13	6.17	-5.9	-18.6
OH	STEUBENVILLE	1,019	946	1,081	46.06	42.78	48.86	-7.1	6.1
OH	SUMMIT COUNTY	1,766	1,569	1,375	6.65	5.91	5.18	-11.2	-22.1
OH	TOLEDO	8,908	8,545	9,667	26.76	25.67	29.03	-4.1	8.5
OH	WARREN	1,562	1,471	1,725	30.75	28.97	33.97	-5.8	10.5
OH	YOUNGSTOWN	5,598	5,237	6,464	58.48	54.71	67.52	-6.4	15.5
OK	BROKEN ARROW	428	436	407	7.37	7.51	7.00	1.8	-5.0
OK	EDMOND	397	405	341	7.59	7.74	6.52	2.0	-14.1
OK	ENID	622	644	842	13.73	14.21	18.58	3.5	35.3
OK	LAWTON	1,221	1,078	1,140	15.16	13.39	14.15	-11.7	-6.6
OK	MIDWEST CITY	611	570	580	11.69	10.90	11.11	-6.8	-5.0
OK	NORMAN	961	928	701	12.00	11.60	8.76	-3.4	-27.0
OK	OKLAHOMA CITY	6,206	5,983	6,242	13.95	13.45	14.03	-3.6	.6
OK	SHAWNEE	570	513	614	21.91	19.70	23.60	-10.1	7.7
OK	TULSA	4,742	4,507	4,617	12.91	12.27	12.57	-5.0	-2.6
OR	CLACKAMAS COUNTY	2,275	2,233	2,096	8.18	8.03	7.53	-1.9	-7.9
OR	EUGENE	1,473	1,447	1,522	13.07	12.84	13.51	-1.8	3.3
OR	GRESHAM	578	603	571	8.47	8.84	8.37	4.3	-1.2
OR	MEDFORD	569	578	632	12.12	12.32	13.46	1.6	11.0
OR	MULTNOMAH COUNTY	778	782	766	9.70	9.74	9.54	.5	-1.6

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OR	PORTLAND	$10,613	$11,036	$10,864	$24.27	$25.23	$24.84	4.0%	2.4%
OR	SALEM	1,239	1,303	1,309	11.49	12.09	12.14	5.2	5.6
OR	SPRINGFIELD	618	637	656	13.83	14.25	14.67	3.1	6.1
OR	WASHINGTON COUNTY	2,394	2,522	2,324	7.71	8.13	7.49	5.3	-2.9
PA	ABINGTON	810	847	250	14.38	15.04	4.44	4.6	-69.1
PA	ALLEGHENY COUNTY	17,867	17,156	15,254	20.14	19.34	17.19	-4.0	-14.6
PA	ALLENTOWN	3,020	2,937	2,439	28.74	27.95	23.21	-2.8	-19.2
PA	ALTOONA	2,425	2,391	2,299	46.74	46.09	44.32	-1.4	-5.2
PA	BEAVER COUNTY	4,596	4,421	4,604	24.81	23.87	24.85	-3.8	.2
PA	BENSALEM TOWNSHIP	428	409	370	7.54	7.20	6.52	-4.5	-13.4
PA	BERKS COUNTY	2,924	2,937	1,338	11.33	11.38	5.18	.5	-54.2
PA	BETHLEHEM	1,780	1,792	1,541	24.92	25.09	21.58	.7	-13.4
PA	BRISTOL TWP	640	635	672	11.20	11.11	11.77	-.8	5.0
PA	BUCKS COUNTY	2,526	2,479	1,917	5.91	5.80	4.49	-1.9	-24.1
PA	CARLISLE	422	399	342	22.91	21.64	18.56	-5.6	-19.0
PA	CHESTER	2,005	1,832	2,172	47.90	43.78	51.89	-8.6	8.3
PA	CHESTER COUNTY	2,949	3,010	1,952	7.83	8.00	5.18	2.1	-33.8
PA	DELAWARE COUNTY	4,180	4,087	2,295	11.15	10.91	6.12	-2.2	-45.1
PA	EASTON	1,031	1,088	806	39.24	41.42	30.68	5.6	-21.8
PA	ERIE	4,201	4,149	4,516	38.64	38.17	41.53	-1.2	7.5
PA	HARRISBURG	2,796	2,680	2,912	53.38	51.17	55.59	-4.1	4.1
PA	HAVERFORD	1,031	1,033	195	20.68	20.72	3.90	.2	-81.1
PA	HAZLETON	1,110	1,064	920	44.88	43.04	37.20	-4.1	-17.1
PA	JOHNSTOWN	2,099	2,015	2,145	74.61	71.63	76.23	-4.0	2.2
PA	LANCASTER	2,033	2,087	2,000	36.60	37.56	36.01	2.6	-1.6
PA	LANCASTER COUNTY	3,581	3,581	2,302	9.75	9.75	6.27	.0	-35.7
PA	LEBANON	1,005	944	807	40.52	38.07	32.53	-6.1	-19.7
PA	LOWER MERION	1,233	1,273	306	21.26	21.95	5.27	3.3	-75.2
PA	LUZERNE COUNTY	5,735	5,484	4,163	24.48	23.41	17.77	-4.4	-27.4
PA	MCKEESPORT	1,631	1,519	1,654	62.69	58.37	63.59	-6.9	1.4
PA	MONTGOMERY COUNTY	3,767	3,876	2,231	7.27	7.48	4.30	2.9	-40.8
PA	NORRISTOWN	1,116	1,106	914	36.29	35.96	29.73	-.9	-18.1
PA	PENN HILLS	635	632	560	12.34	12.27	10.88	-.5	-11.8
PA	PHILADELPHIA	64,171	63,048	68,171	40.47	39.76	42.99	-1.8	6.2
PA	PITTSBURGH	21,030	20,246	20,673	56.86	54.74	55.89	-3.7	-1.7
PA	READING	3,610	3,673	3,248	46.06	46.87	41.44	1.8	-10.0
PA	SCRANTON	3,943	3,851	3,286	48.20	47.08	40.17	-2.3	-16.7
PA	SHARON	838	768	723	47.90	43.91	41.32	-8.3	-13.8
PA	STATE COLLEGE	859	916	337	22.07	23.53	8.66	6.6	-60.7
PA	UPPER DARBY	2,267	2,227	1,855	27.93	27.43	22.85	-1.8	-18.2
PA	WASHINGTON COUNTY	5,338	5,068	4,821	26.04	24.72	23.51	-5.1	-9.7
PA	WESTMORELAND COUNTY	4,842	4,581	4,250	15.03	14.22	13.20	-5.4	-12.2
PA	WILKES-BARRE	2,243	2,182	1,907	47.20	45.92	40.12	-2.7	-15.0
PA	WILLIAMSPORT	1,513	1,546	1,592	47.38	48.40	49.86	2.2	5.2
PA	YORK	1,974	1,934	1,840	46.79	45.85	43.61	-2.0	-6.8
PA	YORK COUNTY	2,779	2,707	1,502	9.34	9.10	5.05	-2.6	-45.9
RI	CRANSTON	1,110	1,099	781	14.59	14.45	10.27	-1.0	-29.6
RI	EAST PROVIDENCE	738	723	437	14.65	14.36	8.68	-2.0	-40.7
RI	PAWTUCKET	2,244	2,283	1,807	30.89	31.43	24.88	1.7	-19.5
RI	PROVIDENCE	7,041	6,842	6,911	43.81	42.57	43.00	-2.8	-1.8
RI	WARWICK	746	769	468	8.73	9.00	5.48	3.1	-37.2
RI	WOONSOCKET	1,397	1,401	1,253	31.84	31.94	28.55	.3	-10.3
SC	ANDERSON	1,023	925	1,101	39.07	35.32	42.06	-9.6	7.7
SC	CHARLESTON	1,418	1,331	1,749	17.63	16.55	21.74	-6.2	23.3
SC	COLUMBIA	1,654	1,576	2,088	16.87	16.07	21.30	-4.7	26.2
SC	FLORENCE	568	488	535	19.05	16.37	17.96	-14.1	-5.7
SC	GREENVILLE	1,300	1,267	1,550	22.31	21.73	26.60	-2.6	19.3
SC	GREENVILLE COUNTY	2,756	2,399	2,348	10.35	9.01	8.82	-13.0	-14.8
SC	NORTH CHARLESTON	1,145	1,095	1,187	16.31	15.60	16.90	-4.4	3.6
SC	ROCK HILL	615	567	572	14.77	13.62	13.74	-7.8	-7.0
SC	SPARTANBURG	863	817	1,189	19.85	18.79	27.35	-5.3	37.8
SD	RAPID CITY	657	626	635	12.05	11.48	11.64	-4.7	-3.4
SD	SIOUX FALLS	878	920	908	8.71	9.13	9.00	4.8	3.4

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
TN	BRISTOL	$277	$238	$309	$11.83	$10.16	$13.18	-14.1%	11.4%
TN	CHATTANOOGA	2,489	2,150	3,225	16.32	14.10	21.15	-13.6	29.6
TN	CLARKSVILLE	858	835	845	11.37	11.06	11.20	-2.7	-1.5
TN	JACKSON	825	718	902	16.85	14.66	18.43	-13.0	9.3
TN	JOHNSON CITY	664	585	681	13.45	11.85	13.78	-11.9	2.5
TN	KINGSPORT	512	467	671	14.08	12.84	18.46	-8.8	31.1
TN	KNOX COUNTY	1,423	1,271	1,367	9.02	8.05	8.66	-10.7	-4.0
TN	KNOXVILLE	2,632	2,372	3,212	15.94	14.37	19.45	-9.9	22.0
TN	MEMPHIS	12,260	10,666	11,677	20.09	17.48	19.13	-13.0	-4.8
TN	MURFREESBORO	565	532	465	12.58	11.85	10.34	-5.8	-17.8
TN	NASHVILLE-DAVIDSON	6,226	5,575	5,631	12.19	10.91	11.03	-10.5	-9.5
TN	OAK RIDGE	260	248	558	9.52	9.08	20.43	-4.6	114.6
TN	SHELBY COUNTY	1,330	1,247	1,105	6.71	6.30	5.58	-6.2	-16.9
TX	ABILENE	1,490	1,376	1,385	13.97	12.90	12.98	-7.6	-7.1
TX	AMARILLO	2,367	2,269	2,561	15.02	14.39	16.25	-4.2	8.2
TX	ARLINGTON	2,234	2,650	2,406	8.54	10.13	9.19	18.6	7.7
TX	AUSTIN	7,253	7,485	6,712	15.58	16.08	14.41	3.2	-7.5
TX	BAYTOWN CITY	1,023	1,028	1,084	16.02	16.11	16.97	.5	5.9
TX	BEAUMONT	2,236	2,090	2,869	19.56	18.28	25.09	-6.5	28.3
TX	BEXAR COUNTY	2,362	2,438	2,425	10.38	10.72	10.66	3.2	2.7
TX	BROWNSVILLE	3,808	3,613	4,083	38.48	36.51	41.26	-5.1	7.2
TX	BRYAN	1,023	995	950	18.60	18.10	17.27	-2.7	-7.1
TX	CARROLLTON	531	671	603	6.46	8.17	7.34	26.4	13.5
TX	COLLEGE STATION	1,089	1,113	541	20.76	21.22	10.31	2.2	-50.3
TX	CORPUS CHRISTI	5,082	4,633	4,961	19.74	18.00	19.27	-8.8	-2.4
TX	DALLAS	17,442	18,120	18,967	17.32	18.00	18.84	3.9	8.7
TX	DALLAS COUNTY	1,661	1,726	1,601	8.57	8.91	8.26	3.9	-3.6
TX	DENISON	500	452	597	23.25	21.04	27.75	-9.5	19.4
TX	DENTON	993	999	727	14.98	15.07	10.96	.6	-26.8
TX	EDINBURG	935	843	918	31.29	28.20	30.73	-9.9	-1.8
TX	EL PASO	11,752	11,545	12,609	22.80	22.40	24.47	-1.8	7.3
TX	FORT BEND COUNTY	1,744	1,792	1,778	11.13	11.44	11.35	2.8	2.0
TX	FORT WORTH	7,226	7,234	7,579	16.14	16.16	16.93	.1	4.9
TX	GALVESTON	1,769	1,742	2,061	29.95	29.50	34.89	-1.5	16.5
TX	GARLAND	1,692	1,894	1,830	9.37	10.49	10.13	12.0	8.1
TX	GRAND PRAIRIE	1,163	1,258	1,249	11.67	12.63	12.53	8.2	7.4
TX	HARLINGEN	1,360	1,248	1,381	27.91	25.61	28.34	-8.2	1.6
TX	HARRIS COUNTY	9,391	10,637	10,233	9.03	10.23	9.84	13.3	9.0
TX	HIDALGO COUNTY	8,033	8,115	9,219	38.61	39.00	44.31	1.0	14.8
TX	HOUSTON	32,431	32,958	34,838	19.89	20.21	21.37	1.6	7.4
TX	IRVING	1,673	2,074	2,004	10.79	13.38	12.92	24.0	19.8
TX	KILLEEN	971	948	985	15.28	14.92	15.50	-2.4	1.4
TX	LAREDO	4,169	3,956	4,422	33.92	32.19	35.98	-5.1	6.1
TX	LONGVIEW	1,035	978	1,047	14.72	13.91	14.89	-5.5	1.1
TX	LUBBOCK	3,265	3,018	2,857	17.53	16.21	15.34	-7.6	-12.5
TX	MARSHALL	530	500	767	22.38	21.10	32.37	-5.7	44.6
TX	MC ALLEN	2,447	2,382	2,654	29.12	28.35	31.58	-2.7	8.5
TX	MESQUITE	901	968	933	8.88	9.54	9.20	7.4	3.6
TX	MIDLAND	1,269	1,235	1,288	14.19	13.80	14.40	-2.7	1.5
TX	MISSION	960	903	1,017	33.50	31.52	35.51	-5.9	6.0
TX	ODESSA	1,693	1,554	1,668	18.87	17.32	18.60	-8.2	-1.5
TX	ORANGE	553	521	708	28.53	26.88	36.51	-5.8	27.9
TX	PASADENA	1,825	1,915	1,962	15.29	16.04	16.44	4.9	7.5
TX	PHARR	1,313	1,228	1,393	39.88	37.29	42.31	-6.5	6.1
TX	PLANO	719	800	681	5.59	6.22	5.29	11.3	-5.3
TX	PORT ARTHUR	1,885	1,758	2,390	32.10	29.94	40.69	-6.7	26.8
TX	RICHARDSON C	469	511	448	6.27	6.83	5.99	9.0	-4.4
TX	SAN ANGELO	1,389	1,314	1,354	16.44	15.56	16.03	-5.4	-2.5
TX	SAN ANTONIO	19,585	18,572	20,010	20.93	19.84	21.38	-5.2	2.2
TX	SAN BENITO	699	636	714	34.73	31.58	35.47	-9.1	2.1
TX	SHERMAN	409	399	424	12.94	12.63	13.42	-2.4	3.7
TX	TARRANT COUNTY	3,469	3,571	3,360	8.16	8.40	7.91	2.9	-3.1
TX	TEMPLE	741	708	761	16.07	15.35	16.51	-4.5	2.8
TX	TEXARKANA	592	537	844	18.70	16.97	26.66	-9.2	42.6
TX	TEXAS CITY	646	601	642	15.82	14.73	15.72	-6.9	-.6
TX	TYLER	1,227	1,201	1,268	16.26	15.91	16.81	-2.2	3.3
TX	VICTORIA	1,008	915	980	18.30	16.61	17.80	-9.2	-2.7
TX	WACO	2,174	2,088	2,364	20.99	20.15	22.82	-4.0	8.7
TX	WICHITA FALLS	1,787	1,759	2,180	18.56	18.27	22.64	-1.6	22.0

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
UT	OGDEN	$1,556	$1,557	$1,814	$24.35	$24.36	$28.39	.0%	16.6%
UT	OREM	729	688	658	10.79	10.18	9.74	-5.6	-9.7
UT	PROVO	2,047	1,879	1,352	23.57	21.63	15.57	-8.2	-33.9
UT	SALT LAKE CITY	4,958	4,867	4,952	31.00	30.43	30.96	-1.8	-.1
UT	SALT LAKE COUNTY	3,487	3,354	3,253	9.66	9.29	9.01	-3.8	-6.7
UT	SANDY CITY	547	488	429	7.29	6.50	5.71	-10.9	-21.6
UT	WEST JORDAN	431	401	383	10.05	9.34	8.94	-7.0	-11.1
UT	WEST VALLEY	1,096	1,060	1,073	12.60	12.19	12.34	-3.2	-2.1
VA	ALEXANDRIA	1,077	1,145	1,073	9.69	10.30	9.65	6.4	-.4
VA	ARLINGTON COUNTY	2,121	2,182	1,750	11.75	12.09	9.69	2.9	-17.5
VA	BRISTOL	342	296	547	18.56	16.07	29.68	-13.4	59.9
VA	CHARLOTTESVILLE	697	651	601	17.28	16.13	14.89	-6.7	-13.8
VA	CHESAPEAKE	1,468	1,363	1,342	9.66	8.97	8.83	-7.2	-8.6
VA	CHESTERFIELD COUNTY	1,298	1,247	1,088	6.20	5.96	5.20	-3.9	-16.2
VA	COLONIAL HEIGHTS	114	104	95	7.10	6.46	5.91	-9.0	-16.7
VA	DANVILLE	1,191	1,135	1,615	22.45	21.39	30.44	-4.7	35.6
VA	FAIRFAX COUNTY	4,958	5,583	4,724	6.02	6.78	5.74	12.6	-4.7
VA	HAMPTON	1,406	1,317	1,292	10.51	9.85	9.66	-6.3	-8.1
VA	HENRICO COUNTY	1,513	1,434	1,247	6.94	6.58	5.72	-5.2	-17.6
VA	HOPEWELL	293	273	291	12.68	11.83	12.59	-6.7	-.7
VA	LYNCHBURG	948	860	1,112	14.35	13.02	16.83	-9.3	17.3
VA	NEWPORT NEWS	2,106	2,042	2,137	12.38	12.01	12.56	-3.0	1.5
VA	NORFOLK	5,938	5,591	6,760	22.73	21.40	25.88	-5.9	13.8
VA	PETERSBURG	720	676	758	18.76	17.62	19.75	-6.1	5.3
VA	PORTSMOUTH	2,114	2,007	2,809	20.35	19.32	27.03	-5.1	32.9
VA	PRINCE WILLIAM COUNTY	1,473	1,511	1,286	5.88	6.04	5.14	2.6	-12.7
VA	RICHMOND	5,444	5,475	5,847	26.81	26.96	28.80	.6	7.4
VA	ROANOKE	2,076	1,933	2,259	21.54	20.05	23.44	-6.9	8.8
VA	SUFFOLK	830	703	787	15.92	13.49	15.09	-15.3	-5.2
VA	VIRGINIA BEACH	2,771	2,857	2,598	7.05	7.27	6.61	3.1	-6.2
VT	BURLINGTON	899	947	1,011	22.98	24.20	25.83	5.3	12.4
WA	AUBURN	345	366	367	10.42	11.05	11.08	6.0	6.3
WA	BELLEVUE	588	647	575	6.77	7.44	6.62	10.0	-2.3
WA	BELLINGHAM	790	837	794	15.14	16.05	15.22	6.0	.5
WA	CLARK COUNTY	2,254	2,296	2,265	9.37	9.55	9.42	1.9	.5
WA	EVERETT	847	875	865	12.11	12.51	12.36	3.3	2.1
WA	KENNEWICK	526	534	547	12.48	12.66	12.97	1.5	3.9
WA	KING COUNTY	5,761	6,036	5,479	7.12	7.46	6.77	4.8	-4.9
WA	KITSAP COUNTY	1,769	1,821	1,805	9.36	9.64	9.55	2.9	2.0
WA	OLYMPIA	386	387	467	11.41	11.44	13.81	.3	21.1
WA	PASCO	545	579	639	26.80	28.46	31.41	6.2	17.2
WA	PIERCE COUNTY	3,863	3,967	3,861	9.44	9.69	9.43	2.7	-.1
WA	RICHLAND	277	263	284	8.57	8.15	8.78	-5.0	2.4
WA	SEATTLE	13,651	14,257	12,230	26.44	27.62	23.69	4.4	-10.4
WA	SNOHOMISH COUNTY	2,851	3,056	2,812	7.23	7.75	7.13	7.2	-1.4
WA	SPOKANE	4,400	4,399	5,308	24.83	24.83	29.95	.0	20.6
WA	SPOKANE COUNTY	1,801	1,737	1,649	9.78	9.43	8.95	-3.6	-8.4
WA	TACOMA	2,968	3,041	3,429	16.80	17.21	19.41	2.5	15.5
WA	YAKIMA	903	936	1,067	16.47	17.08	19.46	3.7	18.1
WI	APPLETON	676	677	482	10.29	10.30	7.34	.1	-28.7
WI	BELOIT	757	746	844	21.28	20.97	23.73	-1.5	11.5
WI	EAU CLAIRE	807	851	1,095	14.19	14.97	19.26	5.4	35.7
WI	GREEN BAY	1,141	1,135	1,213	11.83	11.76	12.58	-.6	6.3
WI	JANESVILLE	610	632	538	11.70	12.13	10.33	3.7	-11.7
WI	KENOSHA	1,280	1,333	1,236	15.93	16.59	15.38	4.1	-3.5
WI	LA CROSSE	1,223	1,159	1,124	23.98	22.73	22.05	-5.2	-8.1
WI	MADISON	2,359	2,384	2,593	12.33	12.47	13.55	1.1	9.9
WI	MILWAUKEE	19,980	20,107	22,970	31.81	32.01	36.57	.6	15.0
WI	MILWAUKEE COUNTY	1,498	1,627	1,003	6.90	7.49	4.62	8.6	-33.1
WI	NEENAH	240	239	153	10.34	10.30	6.58	-.3	-36.3
WI	OSHKOSH	985	994	790	17.91	18.06	14.36	.9	-19.8
WI	RACINE	2,222	2,338	2,469	26.36	27.74	29.29	5.2	11.1
WI	SHEBOYGAN	1,062	1,104	818	21.38	22.22	16.47	4.0	-23.0
WI	SUPERIOR	1,059	1,057	1,015	39.03	38.94	37.42	-.2	-4.1

ST	Community	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
		1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
WI	WAUKESHA	$447	$461	$378	$7.85	$8.10	$6.64	3.2%	-15.4%
WI	WAUKESHA COUNTY	1,002	947	714	5.19	4.91	3.70	-5.5	-28.7
WI	WAUSAU	770	765	691	20.78	20.65	18.64	-.6	-10.3
WI	WAUWATOSA	1,169	1,202	219	23.68	24.35	4.44	2.8	-81.3
WI	WEST ALLIS	1,391	1,412	992	22.00	22.33	15.69	1.5	-28.7
WV	CHARLESTON	2,442	2,327	2,527	42.63	40.62	44.11	-4.7	3.5
WV	HUNTINGTON	2,709	2,584	2,929	49.39	47.12	53.41	-4.6	8.1
WV	PARKERSBURG	1,334	1,244	1,400	39.40	36.73	41.35	-6.8	5.0
WV	WEIRTON	558	547	552	25.22	24.73	24.93	-1.9	-1.1
WV	WHEELING	1,892	1,803	1,683	54.24	51.68	48.25	-4.7	-11.0
WY	CASPER	526	487	527	11.25	10.41	11.27	-7.5	.1
WY	CHEYENNE	613	599	638	12.26	11.98	12.76	-2.2	4.1

App.H-15

Effect of Formula Adjustments on Nonentitlements

This appendix lists nonentitlements, their grants in 1993, and their estimated grants under two alternative assumptions. The "no change" assumptions used here include the same entitlement universe and appropriation as in 1993. This option uses the current formula, but with a complete set of 1990 census data, including 1990 data on pre-1940 housing and overcrowded housing. The other alternative contains the estimated grants with the formula adjustments that are discussed in Chapter 8. Those adjustments include replacing pre-1940 housing with pre-1950 housing occupied by a poverty household, increasing the weight on poverty in formula A, using individuals in poverty that are not college students instead of all individuals in poverty, and adjusting growth lag for less needy places. All grants are in thousands of dollars.

Note that the 1994 allocation was greater than in 1993, but was distributed with the same formula. Thus, the comparison grants will be proportionately higher if 1994 were used as a base (about 1.1 times higher), but the comparison percentages will be about the same. Thus, even though Connecticut's 1994 grant was greater than its 1993 grant, the percent changes columns in the following table generally apply to FY 1994 as well as FY 1993. Although the calculations in this table are based on FY 1993, the term "base year" essentially applies to FY 1994 as well. Percentage changes from the 1994 base would differ slightly for some grantees because of the addition of several new entitlement grantees in 1994.

| STATE | CDBG Grant (000's) | | | Per Capita CDBG Grant | | | Percent Change | |
	1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
ALABAMA	$32,119	$30,177	$33,683	$12.59	$11.83	$13.20	-6.0	4.9
ALASKA	2,302	2,818	2,845	7.11	8.70	8.79	22.4	23.6
ARIZONA	8,731	10,453	10,831	10.44	12.50	12.95	19.7	24.0
ARKANSAS	23,320	22,219	25,181	12.73	12.13	13.75	-4.7	8.0
CALIFORNIA	32,939	41,708	44,072	10.49	13.29	14.04	26.6	33.8
COLORADO	10,329	10,420	10,948	8.35	8.43	8.85	.9	6.0
CONNECTICUT	12,037	12,542	7,934	6.95	7.24	4.58	4.2	-34.1
DELAWARE	1,862	1,856	1,983	8.30	8.28	8.84	-.3	6.5
FLORIDA	26,424	28,782	31,075	9.32	10.15	10.96	8.9	17.6
GEORGIA	41,611	40,850	45,070	10.95	10.75	11.86	-1.8	8.3
HAWAII	3,358	4,323	4,603	12.35	15.89	16.92	28.7	37.1
IDAHO	8,757	9,052	9,546	9.94	10.27	10.84	3.4	9.0
ILLINOIS	38,643	35,554	32,799	12.13	11.16	10.30	-8.0	-15.1
INDIANA	33,662	31,829	27,927	9.87	9.33	8.18	-5.4	-17.0
IOWA	28,536	26,310	23,213	14.08	12.98	11.45	-7.8	-18.7
KANSAS	19,134	17,886	17,502	13.25	12.38	12.12	-6.5	-8.5
KENTUCKY	33,585	30,541	35,310	12.77	11.61	13.42	-9.1	5.1
LOUISIANA	34,048	33,861	38,652	15.06	14.97	17.09	-.5	13.5
MAINE	12,908	14,331	11,252	12.11	13.44	10.55	11.0	-12.8
MARYLAND	9,560	9,352	8,738	6.96	6.81	6.36	-2.2	-8.6
MASSACHUSETTS	31,981	34,160	21,705	9.42	10.06	6.39	6.8	-32.1
MICHIGAN	38,345	38,802	36,910	10.17	10.29	9.79	1.2	-3.7
MINNESOTA	22,516	21,760	19,631	11.42	11.04	9.96	-3.4	-12.8
MISSISSIPPI	36,097	34,801	40,076	16.07	15.50	17.85	-3.6	11.0
MISSOURI	28,817	25,700	30,536	10.02	8.94	10.62	-10.8	6.0
MONTANA	7,543	7,363	7,957	11.38	11.11	12.00	-2.4	5.5
NEBRASKA	13,721	13,061	12,024	13.06	12.43	11.45	-4.8	-12.4
NEVADA	2,008	2,434	2,523	7.35	8.91	9.24	21.2	25.7
NEW HAMPSHIRE	7,854	8,648	5,656	9.21	10.14	6.64	10.1	-28.0
NEW JERSEY	9,253	9,629	6,643	8.32	8.65	5.97	4.1	-28.2
NEW MEXICO	12,792	13,854	15,520	12.64	13.68	15.33	8.3	21.3
NEW YORK	46,392	49,367	36,893	12.52	13.32	9.95	6.4	-20.5
NORTH CAROLINA	46,347	44,088	47,269	9.60	9.14	9.80	-4.9	2.0
NORTH DAKOTA	6,046	5,548	5,482	12.97	11.90	11.76	-8.2	-9.3
OHIO	51,566	49,115	47,263	10.46	9.96	9.58	-4.8	-8.3
OKLAHOMA	19,061	19,064	22,053	9.83	9.83	11.37	.0	15.7
OREGON	12,918	13,903	14,779	9.80	10.54	11.21	7.6	14.4
PENNSYLVANIA	51,897	50,796	44,646	12.79	12.52	11.00	-2.1	-14.0
RHODE ISLAND	4,737	4,961	3,867	9.21	9.65	7.52	4.7	-18.4
SOUTH CAROLINA	30,621	29,735	32,726	11.05	10.73	11.80	-2.9	6.9

See eexplanatory note on page App. H-16.

STATE	CDBG Grant (000's)			Per Capita CDBG Grant			Percent Change	
	1993 Actual	No chg. Option	Adjusted Formula	1993 Actual	No chg. Option	Adjusted Formula	1993-No Change	1993-Adjusted
SOUTH DAKOTA	7,604	7,170	6,733	14.06	13.26	12.45	-5.7	-11.5
TENNESSEE	28,882	26,698	30,244	10.40	9.62	10.89	-7.6	4.7
TEXAS	74,547	80,665	89,970	12.58	13.61	15.18	8.2	20.7
UTAH	6,713	7,126	7,321	8.62	9.15	9.40	6.2	9.1
VERMONT	6,428	7,450	5,518	12.28	14.23	10.54	15.9	-14.2
VIRGINIA	22,653	20,906	24,227	8.80	8.12	9.41	-7.7	6.9
WASHINGTON	12,162	13,693	14,529	9.50	10.69	11.35	12.6	19.5
WEST VIRGINIA	20,429	18,511	24,118	12.84	11.64	15.16	-9.4	18.1
WISCONSIN	29,416	29,654	23,468	10.59	10.67	8.45	.8	-20.2
WYOMING	3,325	3,013	3,089	9.32	8.44	8.66	-9.4	-7.1

Throughout the report, the analysis isolates the effect of individual formula factors on funding changes. For example, Chapter 2 contains three tables that show how individual formula factors contribute to overall regional funding shifts. Chapter 5 discusses how the individual formula variables contribute to a reduction in targeting to need. This appendix discusses the procedures that were used to isolate the effect of individual formula variables.

First, we determine what an incremental unit of each formula variable is worth (the $2.725 billion is the 1993 entitlement funding level).

For entitlement communities, formula A is:

$$(.25 \frac{Pop(a)}{Pop(MSA)} + .5 \frac{Pov(a)}{Pov(MSA)} + .25 \frac{Ocrowd(a)}{Ocrowd(MSA)}) \times \$2.725 \text{ billion}$$

Formula B for cities is:

$$(.2 \frac{GLAG(a)}{GLag(MC)} + .3 \frac{Pov(a)}{Pov(MSA)} + .5 \frac{Age(a)}{Age(MSA)}) \times \$2.725 \text{ billion}$$

Formula B for counties is:

$$(.2 \frac{GLag(a)}{GLag(ENT)} + .3 \frac{Pov(a)}{Pov(MSA)} + .5 \frac{Age(a)}{Age(MSA)}) \times \$2.725 \text{ billion}$$

When communities are given the greater of the amounts generated by the dual formula, it is necessary to apply a pro rata reduction of about 8.5 percent to make allocations equal appropriations.

From the equations, we can derive the worth of incremental units. For example, population in formula A, we would determine to be worth about $681,250,000 overall (population is worth .25 X $2.725 billion, or $681,250,000).

There were 195,516,455 people in metropolitan areas in 1990. Thus each person in an entitlement city represents about .00000051 percent of the population. Taking this percentage of the $681,250,000 allocated by population indicates that prior to the pro rata reduction one person is worth about $3.47 to the entitlement cities in which they reside. After applying the pro rata reduction, each person is worth about $3.18. Repeating this procedure for the other formula variables yields the worth of each of their increments as well.

Next, if we wanted to show how each formula variable contributed to funding changes, we would proceed as in the following example, which uses one entitlement city to show how the tables in Chapter 2 were developed.

This city receives funding through formula B. Its relevant characteristics are:

Variable	Value
Poverty 1990	12,598
Poverty 1980	17,029
Pre-1940 (1980)	17,057
Growth lag	47,048

The city had 17,057 pre-1940 housing units in 1980, and its growth lag in 1990 was 47,048. If it had grown at the same rate as the average entitlement city since 1960, it would have 47,048 more people than it does in 1990. Its poverty population declined from 17,029 in the 1980 Census to 12,598 in the 1990 Census.

From the procedure described above, as the formulas work out, in 1992 and 1993 each unit in formula B factors would be worth the following:

	$ Per unit	
Variable	1992	1993
Poverty 1990	NA	$30.88
Poverty 1980	$36.34	NA
Pre-1940 (1980)	78.85	77.92
Growth lag	26.57	26.25

Between 1992 and 1993 values for pre-1940 housing and growth lag would be unchanged. The incremental unit of these variables would be worth a little less in 1993 because the change to 1990 poverty data in the formula increases the pro rata reduction.

The city's grants can be conceived in terms of what each variable contributes to it. In 1992, the grant would be:

Poverty 1980	$ 619,000	(17,029 x $36.34)
Pre-1940 (1980)	1,345,000	(17,057 x $78.85)
Growth lag	1,250,000	(47,048 x $26.57)
Total	$3,214,000	

Similarly, the city's 1993 grant would be:

Poverty 1990	$ 389,000	(12,598 x $30.88)
Pre-1940 (1980)	1,329,000	(17,057 x $77.92)
Growth lag	1,235,000	(47,048 x $26.25)
Total	$2,953,000	

The city thus experiences a grant reduction of $261,000
($3,214,000 - $2,953,000), or about 8 percent of its 1992 grant,
as a result of using 1990 poverty data in 1993.

Of this total 8 percent reduction:

7.0% is due to poverty ($619,000-$389,000)/$3,214,000.
.5% is due to pre-1940 ($1,345,000-$1,329,000)/$3,214,000.
.5% is due to growth lag ($1,250,000-$1,235,000)
                                /$3,214,000.
8.0%

In assessing the effect of individual formula factors on
aggregated units, such as States, all urban counties, or regions,
the tables do the same calculations over the relevant geography.
For example, in calculating the effect on entitlements in Kansas,
we would multiply the incremental worth of a unit of formula A
poverty by the sum of the poverty population in Kansas
entitlements. This aggregated value would be used instead of
just the single-city figures in the example.