

Washington, DC

June 21, 2013

Press Statement

CDBG Coalition Decries Cuts to CDBG and HOME

This week the House Appropriations Subcommittee on Transportation, Housing and Urban Development passed its FY14 bill which makes drastic cuts to the Community Development Block Grant (CDBG) Program. The bill reduces CDBG formula grants by nearly 50%, from \$3.08 billion in FY13 to \$1.6 billion in FY14. The bill also cuts \$250 million from the HOME Investment Partnerships (HOME) Program. These proposed funding levels represent historic lows for both programs. The House level for CDBG is lower than the \$2.7 billion allocated to the program in 1975 when the program began. The proposed \$700 million for HOME formula grants represent a 60% cut from FY10 when the program was funded at \$1.82 billion.

The CDBG Coalition (see below), consisting of national organizations representing local elected officials, State and local government practitioners, development organizations, and non-profit organizations, strongly oppose these cuts and urge Congress to fund CDBG formula grants at no less than \$3.3 billion in FY14 and fund HOME formula grants at no less than \$1.0 billion.

Communities across the country rely on CDBG to provide critical services for low-income people and their families as well as economic development assistance to small businesses and infrastructure improvements to local towns. To this day, CDBG remains the principal source of revenue for localities to use in devising flexible solutions to prevent physical, economic, and social deterioration in lower-income neighborhoods and communities throughout the nation.

Communities also rely on the HOME program for affordable housing. HOME eligible activities include new construction and rehabilitation of rental and home buyer units, down payment assistance to qualified home buyers, and tenant-based rental assistance. HOME provides direct annual grants to over 600 state and local participating jurisdictions.

These programs provide sustained, tangible investments in local communities and attract other dollars; every \$1.00 of CDBG leverages another \$3.55 in other funding and every \$1.00 of HOME leverages another \$4.00 in other funding.

Congress cannot balance the budget on the backs of working families by sharply reducing programs like CDBG and HOME. We call on Congress to act NOW to reverse these cuts.

This press statement is being issued by the following CDBG Coalition members.

U.S. Conference of Mayors
National Association of Counties
National League of Cities
American Planning Association
Council of State Community Development Agencies
Habitat for Humanity International

Local Initiatives Support Corporation
National Association for County Community Economic Development
National Association of Development Organizations
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Community Development Association
National Rural Housing Coalition
YWCA USA

Additional Information

CDBG Funding Has Significantly Declined Since FY10

FY10 funding for CDBG: \$3.9 billion

FY13 funding for CDBG: \$3.08 billion

FY14 House T-HUD funding level for CDBG \$1.6 billion

What has CDBG accomplished nationally in the last eight years?

Economic Opportunities

- Between FY05-FY12, CDBG created or retained **302,622 jobs**

Decent Housing

- Between FY05-FY12, CDBG assisted **over one million** low- and moderate-income homeowners rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers, and assisted homeowners through lead-based paint abatement.

Suitable Living Environment

- Between FY05-FY12, CDBG funded public improvements that **benefitted over 30 million** low- and moderate-income people nationwide. These public improvements included senior centers, child care centers, group homes for persons with disabilities, shelters for victims of domestic violence and homeless veterans, health clinics providing vaccinations and dental care to low-income children, sanitary water and sewer systems, safe streets, and improved drainage systems, among others..
- Between FY05-FY12, CDBG provided public services to **over 95 million** low- and moderate-income households. These services included employment training, meals and other services to the elderly, services to help abused and neglected children, assistance to local food banks, and many other services.

HOME Funding Has Significantly Declined Since FY10

FY 2010 funding for HOME: \$1.82 billion

FY 2013 funding for HOME: \$950 million

FY 2014 House T-HUD funding level for HOME \$700 million

What has HOME accomplished?

- Since 1992, the program has completed **over one million affordable housing units** including nearly 430,000 units for new homebuyers, nearly 200,000 units for owner-

- occupied rehabilitations, and nearly 400,000 rental housing units;
- Since 1992, HOME has provided direct rental assistance to nearly **245,000 households**;
 - HOME funds provide critical gap financing that make Low-Income Housing Tax Credit (LIHTC) projects feasible.
 - All HOME funds must be used to benefit low-income households – households at or below 80% of Area Median Income (AMI). In the last five years, of households occupying HOME-assisted rental units, at least 47% were extremely low-income (at or below 30% of AMI) and another 38% were very low-income (income less than 50% of AMI but greater than 30%).