

September 14, 2011

The Honorable Kay Bailey Hutchison  
284 Russell Senate Office Building  
U.S. Senate  
Washington, DC 20510

RE: FY12 Funding for the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program

Dear Senator Hutchison:

The following undersigned organizations, consisting of local governments and non-profit organizations, ask you to support at least \$3.9 billion in formula funding for the Community Development Block Grant (CDBG) Program and \$1.825 billion in formula funding for the HOME Investment Partnerships (HOME) Program in the FY12 budget. We also ask you to oppose any reduction in CDBG administration funding, as proposed by the House Transportation-HUD Subcommittee in its FY12 HUD spending bill, which seeks to reduce CDBG admin from 20% to 10% in FY12.

### **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)**

The Community Development Block Grant (CDBG) Program was enacted in 1974 as the cornerstone of federal investment in our nation's communities. The Act, signed by then-President Gerald Ford, stated that sustained action by all levels of government is necessary to maintain viable urban [and rural] communities. This could not be more true than now with the economic down turn wreaking havoc on communities nationwide. Now in its 37<sup>th</sup> year, CDBG is arguably one of the Federal government's most successful domestic programs. A recent study by HIS Global Insights of ten (10) large city and urban counties found that the \$3.9 billion in FY 2010 CDBG funding generated 120,000 jobs and contributed \$10.7 billion in Gross Domestic Product to our nation. CDBG also provides crucial funding to small and rural communities for basic infrastructure and facilities. When disaster strikes, Congress invariably turns to the CDBG program to provide relief to communities in times of hurricanes, floods, wild fires, and in the aftermath of the disaster on 9/11.

The success of the program stems from its utility; providing cities, counties, and States with the flexibility to address their unique community development needs. It helps fund a wide-range of activities, including housing-related assistance, public improvements, public services, and economic development projects.

Because of the massive cut to the program in FY11 – a nearly 17% reduction – local and state agencies and their non-profit partners will have to lay-off staff; services will be reduced or eliminated; infrastructure projects will stop in their tracks; job-creating economic development projects will be cancelled; and affordable housing will be curtailed, but most importantly, the low- and moderate-income families served by the program will see huge reductions in program benefits at the community level. Some families rely on CDBG for down payment assistance, funds to rehabilitate their homes, start-up funds for small businesses, to name a few. Other families rely on the program for food assistance through local food banks, utility assistance, day care assistance, and even health care assistance through locally-funded health clinics. These are the faces of America struggling in this economy.

Grantees distribute CDBG funds through a large network of local organizations that provide direct assistance to low- and moderate-income beneficiaries. This network includes our most seasoned and relied upon organizations, such as Feeding America, Salvation Army, Meals on Wheels, Goodwill, Habitat for Humanity, the YWCA, the YMCA, Alzheimer's Association, Hospice Foundation of America, Rebuilding Together, Visiting Nurses Association, National Council on Aging, the Red Cross, Girl Scouts of America, Boys and Girls Clubs, and Big Brothers/Big Sisters.

CDBG provides vital funding to projects and services within each of the 1,169 cities, counties, and States which receive the funding; projects that directly impact the lives of our low- and moderate-income citizens. In FY11, Texas grantees received nearly \$232 in CDBG funds to fund a myriad of activities, fill gaps where needed, and attract additional resources to projects. This combination of CDBG with other funding sources adds to our national economy and to the betterment of the lives of our citizens through improved neighborhoods, and a better quality of life. We do not want to reverse the progress that has been made in neighborhoods with CDBG. With the down turn in the economy, CDBG is needed more than ever to help our communities.

As an example, the City of College Station, TX has received CDBG funds since 1975. The 1.2 million in FY10 CDBG funding received by the City funded the social service program of nine non-profit partners, allowing them to serve 2,896 different citizens by providing shelter for the homeless, food for the hungry, medicine for the sick and guidance to those in crisis. CDBG also funded two full time code enforcement officer positions to ensure the health and safety of low-income areas of the City and provided funds for much needed infrastructure and public facility improvements.

The YWCA Fort Worth and Tarrant County receives CDBG funds for Early Childhood Development Programs in Fort Worth and Arlington by supporting high quality childcare to children from homeless and low-income families. In Fort Worth, CDBG funds subsidize the Residential Services Program through housing and support for young women, especially those transitioning out of foster care. If the YWCA lost CDBG funds, it would most likely be forced to close one of three child development centers in Tarrant County because so few of the working poor are able to afford the high cost of child care. If these children are not prepared for school, they can easily fall behind, making them less likely to graduate when they are older. In the YWCA San Antonio, the loss of CDBG funds would mean the inability to perform needed

capital improvements.

## **HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM**

Enacted into law in 1990, the HOME Investment Partnerships (HOME) Program was developed to provide resources to communities to provide decent, safe and affordable housing opportunities for low- and moderate-income persons. In FY11, Texas grantees received over \$104 million in HOME program funds. The program recently celebrated an incredible milestone – the completion of one million units of affordable housing. Prior to the creation of the HOME program, there were few options available to communities to develop affordable housing. Families lived in overcrowded situations and in unsafe housing. Working families struggled to save enough for a down payment. Communities lacked the resources needed to design large-scale affordable housing programs to address these problems.

Like CDBG, the HOME program is an effective program. One needs to just look at the accomplishments and program data provided to HUD by the over 600 participating jurisdictions – cities, counties, and States – that receive HOME funds directly. Or better, we urge you to tour the HOME-funded projects in your congressional district to get a flavor of how the program works effectively at the local level. HOME does not just provide funding for rental projects. It provides assistance to creditworthy families working to purchase their first home. It also provides assistance to existing homeowners to make improvements to their properties. Much of this funding is repaid through loans that come back to the local programs to help future families. A recent HUD study found that the number of persons experiencing “worst case housing needs” skyrocketed by 20 percent from 2007 to 2009 and by 42 percent since 2011. Clearly, the need for the HOME program has never been greater.

The City of College Station, TX has received HOME funds since 1992. The \$713,634 in FY10 HOME funding allowed the City of to fund a home buyer education and counseling program as well as provide down payment and closing cost assistance to income eligible home buyers – making home ownership more affordable and more attainable. These funds were also used to help forty-one (41) individuals avoid homelessness by providing security deposit assistance to secure a dwelling. In addition, HOME funds were used to fund Habitat for Humanity and local Community Housing Development Organizations (CHDOs) to build affordable single family homes.

While the FY11 budget cannot be undone, we ask you to support \$3.9 billion in formula funding for CDBG and \$1.825 billion in formula funding for HOME in the FY12 budget.

Respectfully,

City of Austin, TX  
Lee Leffingweel, Mayor

City of Fort Worth, TX  
Betsy Price, Mayor

City of San Antonio, TX

City of Arlington, TX  
Robert Cluck, Mayor

City of Plano, TX  
Bruce D. Glasscock, City Manager

City of College Station, TX

City of Frisco, TX

City of Denton, TX

City of Mesquite, TX

City of Bryan, TX  
Joey Dunn, Deputy City Manager  
Alsie Bond, Community Development Services Manager

City of Sherman, TX  
Mayor Bill Majors

Arlington Housing Authority

Abilene Housing Authority

Houston Housing Authority

YWCA Greater Austin  
Diana Gorham, Executive Director

YWCA Fort Worth  
Carol Klocek, Executive Director

YWCA San Antonio  
Alma Smith, Executive Director

Mental Health Mental Retardation Brazos Valley (Bryan, TX)  
Bill Kelly, Executive Director

Voices for Children (Bryan, TX)  
Liana Lowey, Executive Director

E.M.B.R.A.C.E Brazos Valley  
Joe Montgomery, Chief Executive Officer

Elder-Aid Bryan  
Lisa Guest, Executive Director

Sexual Resource Center (Bryan, TX)  
Anna Chowdhury, Executive Director

Project Unity (Bryan, TX)  
Jeannie McGuire, President

Twin City Mission (Bryan, TX)  
Doug Weedon, Chief Executive Officer

Health Services of North Texas (Denton, TX)  
Ron Aldridge, Executive Director

Family Health Care, Inc. (Denton, TX)  
Patricia Capan, Executive Director

Bryan/College Station Habitat for Humanity

Brazos Maternal and Child Health Clinic

Unity Partners dba Project Unity

Brazos Valley Food Bank