

March 18, 2014

The Honorable Patty Murray
Chairman
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
United States Senate
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
United States Senate
Washington, DC 205105

RE: Prioritization of CDBG and HOME Funding in the FY15 THUD Spending Bill

Dear Chairman Murray and Ranking Member Collins:

Thank you for your leadership and support of the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program in the FY14 Omnibus spending bill. The undersigned national organizations of local elected officials, housing and community development professionals, and representatives of non-profit organizations, collectively known as the Community Development Block Grant Coalition, ask that you prioritize commitment for the CDBG and HOME programs as you develop the FY15 spending bill for the Transportation-HUD (THUD) Subcommittee. We ask you to provide at least \$3.3 billion in formula funding for CDBG and at least \$1.2 billion for HOME in the FY15 Senate THUD bill.

The CDBG program has been cut by nearly \$1 billion since 2010 and the HOME program has seen a reduction of over \$800 million. The federal investment provided by these two programs creates jobs, leverages local dollars, and adds to the overall GDP. In this economy, State and local governments and their non-profit partners need these programs more than ever to provide a lifeline and support to seniors, victims of domestic violence, the homeless, the disabled, youth, and our veterans, to name a few. To this day, both programs remain the principal source of revenue for localities to use in devising flexible solutions to provide services to the most vulnerable and to prevent physical, economic, and social deterioration in lower-income neighborhoods and communities throughout the nation.

CDBG and HOME make their way into the local economy through an extensive network of non-profit organizations and local contractors and businesses and remain a lifeline for families and communities. Since FY 2005, the U.S. Department of Housing and Urban Development (HUD) has collected accomplishment data for the CDBG program. Based on the data that grantees have reported to HUD over the past nine years (FY05-FY13), CDBG has created jobs, assisted businesses, leveraged additional funding, and provided critical services, affordable housing, and public improvements to communities across the country.

CDBG Facts

- **Nearly 1,200** state and local governments receive CDBG funds directly and **over 7,200** communities – rural, suburban, and urban have access to the funds.
- **CDBG is a jobs generator.** Between FY05-FY13, CDBG **created/ retained 330,546 jobs.**

•**CDBG assists businesses.** Since FY07, CDBG has **provided direct assistance to 220,695 businesses.**

•**CDBG leverages other funds.** For every \$1.00 of CDBG investment, another \$4.05 in private and public dollars is leveraged.

•**CDBG provides safe, decent, affordable housing.** Between FY05-FY13, 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 with lead-based paint abatement, among other activities.

•**CDBG provides crucial public improvements to communities.** Between FY05-FY13, CDBG public improvements benefitted **over 33 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.

•**CDBG provides needed public services.** Between FY05-FY13, CDBG provided public services to **over 105 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 Facts

Based on program and grantee information, the HOME program has been a catalyst in developing and preserving affordable housing for very-low and extremely-low income households. It also generates jobs, leverages additional funding, and reaches communities across the country.

•**Over 600 state and local government receive HOME funds.**

•**HOME creates affordable housing.** Since 1992, the program has created over one million units of decent, safe, affordable housing.

•**HOME assists extremely-low income populations.** More than 50% of HOME funds have been used to assist very-low income and extremely low-income households.

•**HOME leverages other funds.** For every \$1.00 dollar of investment, another \$4.00 in public and private resources is leveraged.

•**HOME reaches communities across the country;** urban, rural, and suburban.

•**HOME creates jobs;** every \$1 million in HOME funds creates or preserves approximately 18 jobs.

In closing, the CDBG and HOME programs support local economies by providing resources for vulnerable populations, local job creation, housing assistance, and opportunities for growth. Both programs have suffered major cuts in funding in recent years and continued cuts would have a significant impact on the loss of jobs, loss of assistance to low- and moderate-income people, and would particularly impact populations such as the homeless, children, and the elderly. We urge you to prioritize commitment for funding for both programs in the FY15 Senate THUD spending bill and to provide at least \$3.3 billion for CDBG formula grants and at least \$1.2 billion for HOME formula grants for FY15.

Thank you again for your leadership and support of these critical programs.

Sincerely,

American Planning Association

Council of State Community Development Agencies

Feeding America

Habitat for Humanity International

International Economic Development Council

Local Initiatives Support Corporation

National Association for County Community and Economic Development

National Association of Counties

National Association of Development Organizations

National Association of Housing and Redevelopment Officials

National Association of Local Housing Finance Agencies

National Community Development Association

National League of Cities

National Rural Housing Coalition

National Urban League

Rebuilding Together

U.S. Conference of Mayors

YWCA USA