

March 21, 2012

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

The Honorable Susan Collins, Ranking Member
Subcommittee on Transportation, Housing and Urban Development,
and Independent Agencies
United States Senate
Washington, DC 20510

Dear Chairperson Murray and Ranking Member Collins:

As you near consideration of the FY13 Transportation, Housing and Urban Development, and Related Agencies Appropriations bill, the undersigned organizations representing local elected officials, State and local community development practitioners, planners, development organizations, and non-profit organizations, urge you to support \$3.3 billion in formula funding for the Community Development Block Grant (CDBG) Program and \$1.6 billion for the HOME Investment Partnerships (HOME) Program.

CDBG and HOME are the workhorses at the local level; providing vital funding and control to communities to address local needs in the areas of economic development, decent housing, and vital public services. Nearly 1,200 communities rely on CDBG as a direct source of annual funding. Moreover, annually, an estimated 7,250 local governments nationally have access to CDBG funds; reaching rural, urban, and suburban areas. On the same note, over 600 communities rely on HOME as a direct annual source of funding. Furthermore, an estimated 3,000 local governments nationally have access to HOME funds.

Both programs have been sharply cut in the last two years; CDBG by nearly \$1 billion and HOME by over \$800 million, yet, the communities eligible to receive funding continue to increase as does the unmet need for these programs at the local level. While we understand the need to balance the federal budget, we also understand the value of the local investments made by CDBG and HOME, and we are deeply concerned that these investments are in jeopardy with the FY11 and FY12 cuts to both programs. Both programs generate other resources and add to the local economy. For example, for every \$1.00 of CDBG funding invested in a project another \$3.55 is leveraged from other sources. Since its inception in 1974, CDBG has leveraged nearly \$400 billion in other resources for community development and affordable housing. By the same example, for every \$1.00 of HOME another \$4.00 is leveraged. Since its inception, the HOME program has leveraged over \$88 billion in other funds for affordable housing.

What has CDBG accomplished?

Economic Opportunities

- Between 2007 and 2011 CDBG provided assistance to help over **174,000 businesses** expand operations and create and retain local jobs.
- Over the last decade, CDBG economic activities have directly **created or retained more than 334,000 permanent jobs and sustained an additional 861,000 jobs**. Jobs sustained by the program include construction workers responsible for the rehabilitation of public facilities, infrastructure, and housing, and the state and local agency and non-profit administrators responsible for carrying out local CDBG programs.

Decent Housing

- In the last decade, CDBG has **rehabilitated more than 1.426 million homes for low- and moderate-income homeowners and renters**.
- In the last decade, **CDBG funding assisted public facilities in areas served by 189.4 million people**. This includes providing child day care centers, group homes for persons with disabilities, shelters for victims of domestic violence and for homeless individuals, families, and veterans, and health clinics providing vaccinations and dental care to low-income children.

Suitable Living Environment

- Nearly **300 million Americans live in areas with access to public service programs funded by CDBG** in the last decade. These include transportation services to and from doctors' appointments for the elderly, meals on wheels, and supportive services for veterans, to name a few.
- **CDBG-funded infrastructure projects have affected the lives of more than 49.8 million Americans** by providing a suitable living environment that includes sanitary water and sewer systems, safe streets and transit-ways, improved drainage systems, and other improvements that support our communities and help grow local economies.

What has HOME accomplished?

HOME funding has **assisted local communities in completing over one million units of affordable housing** nationwide, including:

- The completion of over 400,000 affordable rental units
- The rehabilitation of over 200,000 owner-occupied homes
- The completion of over 400,000 units for new homebuyers
- Provided direct rental assistance to over 250,000 persons
- In the last five years, of households occupying HOME-assisted rental units, at least 47% were extremely low income (at or below 30% of area median income) and another 38% very low-income (income less than 50% of area median income but greater than 30%)
- \$1.6 billion in HOME funds will create or preserve approximately 28,600 jobs

We urge you to support our recommendation of \$3.3 billion for CDBG formula grants and \$1.6 billion for HOME formula grants in FY13 to help communities nationwide continue to provide vital programs and services to low-income persons.

Respectfully,

U.S. Conference of Mayors
National Association of Counties
National League of Cities
National Community Development Association
National Association for County Community and Economic Development
National Association of Local Housing Finance Agencies
American Planning Association
YWCA USA
Rebuilding Together
Council of State Community Development Agencies
National Association of Housing and Redevelopment Officials
Habitat for Humanity International
Feeding America
National Association of Development Organizations
U.S. Soccer Foundation
Housing Assistance Council
Local Initiatives Support Corporation
Mercy Housing, Inc.
National Alliance of Community Economic Development Associations
National Council of State Housing Agencies
National Housing Conference
National Rural Housing Coalition
Housing Partnership Network