

December 2, 2011

The Honorable Daniel Inouye
The Honorable Thad Cochran
The Honorable Patty Murray
The Honorable Susan Collins
The Honorable Hal Rogers
The Honorable Norm Dicks
The Honorable Tom Latham
The Honorable John Olver
The Honorable Robert Aderholt
The Honorable Roy Blunt
The Honorable Jo Bonner
The Honorable Sherrod Brown
The Honorable John Carter
The Honorable John Culberson
The Honorable Rosa DeLauro
The Honorable Jo Ann Emerson
The Honorable Sam Farr
The Honorable Chaka Fattah
The Honorable Diane Feinstein
The Honorable Tom Harkin
The Honorable John Hoeven
The Honorable Kay Bailey Hutchison
The Honorable Tim Johnson
The Honorable Jack Kingston
The Honorable Herb Kohl
The Honorable Steven LaTourette
The Honorable Jerry Lewis
The Honorable Mitch McConnell
The Honorable Barbara Mikulski
The Honorable Jerry Moran
The Honorable Ben Nelson
The Honorable Ed Pastor
The Honorable David Price
The Honorable Mark Pryor
The Honorable Adam Schiff
The Honorable Richard Shelby
The Honorable Frank Wolf
The Honorable Bill Young

Subject: FY12 CDBG and HOME Funding

Dear Appropriators:

The undersigned organizations representing State and local government practitioners and non-profit organizations, write to you to voice our extreme disappointment at the FY12 funding level provided for the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program in H.R. 2112. In addition, we have serious concerns about the inclusion of disaster assistance within the CDBG account.

As you know, excluding the \$300 million provided for disaster assistance, CDBG formula funding received \$2.948 billion, a nearly \$387 million reduction – or 12% reduction from FY11. Since FY11, CDBG formula funding has been cut by over \$1 billion dollars – or 26%. HOME funding received a whopping 38% reduction in FY12 and since FY11, the program has been cut by \$885 million or 45%. These reductions will result in job losses to grantee staff and to businesses and organizations which help State and local governments carry out their program activities. More importantly, the low-income neighborhoods and families served by these programs will see less benefit and the progress already made in these communities will decline. With State and local governments already struggling under a bad economy and lower tax base, these reductions will provide another setback to dwindling budgets and resources.

The inclusion of disaster funding as a set-aside within the Community Development Fund sets a bad precedent for the program that we believe should not be repeated. This course of action pits critically needed community development funding against equally vital disaster recovery needs, short changing both in the process. Disaster funding should be considered emergency funding and not included in the budget cap.

The Senate recommendation of \$2.85 billion in formula funding for CDBG set the stage for the program to receive a low allocation in FY12. While we understand the Senate's consideration of a balanced approach to funding the T-HUD subcommittee programs, we remind the Senate that programs like CDBG and HOME have been inordinately cut in FY11 and FY12, leaving us with the sense that these programs are not priorities for the Senate. The HOME program has been targeted by unfair and unsubstantiated journalism in recent months, yet this was used as a basis for cutting the program by 38% in FY12. The way to improve a program is not by drastic cuts, but by vetting problems in the program and making statutory and regulatory changes accordingly. We appreciate the House's recommendation of \$3.5 billion in formula funding for CDBG in FY12.

Another roadblock to our FY12 appropriations efforts was the insertion of language into the House T-HUD bill to cut CDBG program administrative and planning funding in half. This drastic policy change was never discussed with our organizations during our visits with subcommittee staff, but dropped into the T-HUD bill with no consideration of its effect on the operation and stability of the CDBG program. We thank those of you who fought to keep this change out of the final bill and are appreciative of your successful efforts to maintain administrative and planning funding for CDBG.

Our organizations fought collectively for months to protect funding for CDBG and HOME in FY12. We are disappointed by the low allocations. We will fight collectively to *increase funding* for these programs in FY13 and hope you will fully support our endeavors.

Sincerely,

National Community Development Association
National Association of Local Housing Finance Agencies
National Association for County Community and Economic Development
Council of State Community Development Agencies
American Planning Association
Rebuilding Together
YWCA USA