

March 18, 2009

The Honorable Yvette D. Clarke  
1029 Longworth Building  
Washington, DC 20515

Dear Representative Clarke:

The undersigned organizations representing local elected officials and local community development practitioners write to express support for H.R. 1270, the Affordable Housing and Community Development Act of 2009. We thank you for introducing such an important bill.

Now in its 35<sup>th</sup> year, the Community Development Block Grant (CDBG) Program has been – and continues to be – the foundation for community development for low- and moderate-income persons nationwide. In FY 2008 alone, according to HUD data, over 95 percent of CDBG funding principally benefitted low- and moderate-income persons. Moreover, CDBG housing projects assisted 149,254 households, including providing financial assistance to new homeowners and rehabilitation assistance to the elderly and existing homeowners. Unlike the private market, CDBG-assisted homeowners have not faced the turmoil of foreclosure due to the diligent underwriting and oversight provided by CDBG grantees. Besides homeownership assistance, the program helped create or retain 31,723 jobs in FY 2008 and provided vital public services to over 13 million persons.

H.R. 1270 recognizes the importance of CDBG by authorizing \$8 billion in formula funding for the program beginning in FY 2011, creating a permanent inflation index to increase funding for the program annually, and providing \$5 million in annual technical assistance funds. Formula funding for the program has declined in recent years, from a high of \$4.4 billion in FY01 to \$3.6 billion in FY09. The funding is further eroded by new grantees entering the program annually causing less funds to be available for grantees overall. Moreover, the program has never been adjusted for inflation in its 35 year history. The increased funding and permanent inflation index provided by H.R. 1270 will address both of these problems. Finally, nearly 1,200 grantees receive CDBG funds, but are provided no training resources from HUD. We applaud the \$5 million in annual technical assistance funds provided in the bill. These funds will allow HUD to provide ongoing training to grantees nationwide.

Again, we thank you for introducing H.R. 1270 and for your continued support of CDBG. We stand ready to work with you in moving this legislation forward.

Sincerely,

National Community Development Association  
U.S. Conference of Mayors  
National Association of Counties  
National Association for County Community and Economic Development  
National Association of Local Housing Finance Agencies  
National Association of Housing and Redevelopment Officials