

November 12, 2003

The Honorable Christopher S. Bond
Subcommittee on VA-HUD-IA Appropriations
274 Russell Office Building
Washington, D.C. 20510-2503

Dear Senator Bond:

The undersigned representatives of State and local governments write to gain your support for several of HUD's programs during the FY 2004 appropriations process.

We want to thank you and the other members of the subcommittee for your continued strong support of HUD's programs, particularly during these pressing budget times. As you conference the FY2004 VA-HUD-Independent Agencies appropriations bill, we ask that you continue to strongly support the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program. These programs remain the foundation upon which local governments across the country provide neighborhood revitalization, affordable housing, and community services to low- and moderate-income households.

With the insertion of the 2000 Census data into the formula allocation for the CDBG and HOME programs beginning in FY2004, approximately 60 new CDBG grantees will be created and approximately 20 new participating jurisdictions within the HOME program will be created. While this will greatly broaden the program to other areas, it will decrease funding for existing communities unless the amount allocated in formula funding is increased this year. We urge you to support at least \$4.54 billion in *formula funding* for the CDBG program, the level approved by the House. We urge you to support at least \$1.897 billion in *formula funding* for the HOME program, the level also approved by the House. We support the House-recommended \$125 million for the American Dream Downpayment Initiative as long as monies separate from the HOME program funding is provided to the initiative in FY04.

We also urge you to support the Senate's recommendation of \$6.325 million for the Section 108 program, which provides an authorization of \$275 million for loan guarantees. The Administration proposed elimination of this program in its FY04 budget, and the House provided no funding. This program is critical to widespread economic development in urban and rural areas. In a recent poll, CDBG grantees across the country indicated that they need in excess of \$300 million in FY04 for Section 108 projects.

We urge you to support \$50 million for HUD's Lead Hazard Reduction Program, as proposed by the Senate. Lead-based paint continues to be a very serious health threat, particularly to small children. Many communities which administer CDBG and HOME have had to use these program resources to address lead-based paint in lieu of providing other needed housing and services to their communities. This additional funding will help our communities eliminate lead paint hazards in our low- and moderate-income housing units.

We urge you to support the Senate's recommendation of \$1.325 billion for HUD's homeless assistance programs, including \$194 million for the renewal of Shelter Plus Care contracts to ensure continuity in their renewal.

Finally, we support full funding of the Housing Certificate Fund. Congress should accept the voucher provisions of the Senate bill and take any additional steps possible to guarantee that all in use will be funded. The Senate bill expresses Congress' intent to fund every voucher, requires HUD to use all available resources to do so, and restores critical program administration funds. These requirements, plus emerging evidence of available prior year funds, indicate that HUD will likely have the resources and the discretion necessary to fund all vouchers in use. Congress should continue to press the Administration for up-to-date and accurate information on voucher costs.

We appreciate the opportunity to provide comments directly to you on these important programs. Please feel free to contact any of our organizations for further information.

Sincerely,

Council of State Community Development Agencies
National Association of Counties
National Association for County Community & Economic Development
National Association of Local Housing Finance Agencies
National Community Development Association
U.S. Conference of Mayors