For Immediate Release Contacts: See list below
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CDBG Cuts Would Be Devastating to Communities

Washington, DC – A coalition of organizations representing local elected officials, cities and counties, and housing and community development organizations today called on Congress to reverse the devastating cuts proposed for the Community Development Block Grant (CDBG) Program in the President's FY 07 budget. The Administration stripped $1 billion out of the grants, proposing the lowest level of funding for this program since 1990. The coalition pledged to rally their hundreds of thousands of members in support of the program in the coming months.

The President's budget calls for $2.774 billion for formula grants for cities and states in FY 07, reduced from $3.711 in FY 06. The coalition sees these cuts as evidence that the Administration is abandoning its commitment to America's communities in the guise of reform. Its members expressed concern that the 25 percent reduction in funding will pose serious threats to their ability to provide important services and economic recovery for their citizens.

CDBG is an important tool used by local and state officials as they tackle their most serious community development challenges, providing funding for public works and infrastructure, decent affordable housing, public services and economic development. Many of these activities are carried out at the local level by private companies, such as construction contractors, plumbers and electricians, as well as by non-profit community-based providers.

Because of its flexibility and use in a variety of projects, local and state governments and development officials have come to rely on the program as the cornerstone of any new community revitalization effort. Every dollar of the CDBG program invested in communities is leveraged by three dollars in private funding, bringing much-needed investment, jobs, and the chance for a fresh start to blighted communities.

Last year, the coalition successfully convinced Congress to reject the Administration's proposal to eliminate the CDBG program in the FY2006 Budget. Members of Congress were impressed with the number and scope of projects made possible by the CDBG program in urban and rural communities. Just a few months ago, the Administration and Congress recognized once again the effectiveness of the CDBG program and delivered $11.5 billion in targeted CDBG funding to the Gulf Coast for reconstruction activities after the 2005 hurricane season.

Members of the coalition and contacts include:

- Council of State Community and Economic Development Agencies, Marcia Sigal, 202-293-5820
- Enterprise, Sandi Baer, 410-772-5285
- Housing Assistance Council, Joe Belden, 202-347-3441
- International Economic Development Council, Jeffrey Finkle, 202-223-7800
- Local Initiatives Support Corporation, Barbara Burnham, 202-739-0896
- National Association for County Community and Economic Development, John Murphy, 202-367-1149
- National Association of Counties, Tom Goodman, 202-942-4222

- National Association of Development Organizations, Matt Chase, 202-624-7806
- National Association of Housing and Redevelopment Officials, Mary Barron, 202-289-3500 ext. 280
- National Association of Local Housing Finance Agencies, John Murphy, 202-367-1197
- National Community Development Association, Chandra Western, 202-887-5521
- National Conference of Black Mayors, Colin Wellenkamp, 202-383-9110
- National League of Cities, Sherry Conway Appel, 202-626-3003
- National Low Income Housing Coalition, Amrit Dhillon, 202-662-1530, ext. 222
- The United States Conference of Mayors, Elena Temple, 202-861-6719