

April 15, 2008

Support the Community Development Block Grant Program (CDBG)

Dear Colleague:

Please join us in requesting that the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies fund the Community Development Block Grants (CDBG) Program at \$4.1 billion in fiscal year 2009.

The CDBG Program is the centerpiece of the Federal government's efforts to help states and localities meet the needs of low-income communities. CDBG funds vital housing rehabilitation, supportive services, public improvements and economic development projects in communities across the nation. It serves more than 1,100 entitlement communities, urban counties and states, and more than 3,000 rural communities. CDBG is one of the most effective Federal domestic programs to help revitalize neighborhoods with proven results.

We hope that you will join us in supporting this valuable community development formula program by signing onto the attached support letter. For more information or to sign this letter, please have your staff contact Chris Hickling, Legislative Director of the Northeast-Midwest Senate Coalition (chris_hickling@reed.senate.gov or 202-224-0606), **by close of business on Wednesday, April 23rd.**

Sincerely,

PATRICK LEAHY

United States Senator

NORM COLEMAN

United States Senator

Sign-On Letter

The Honorable Patty Murray, Chairman

The Honorable Christopher S. Bond, Ranking Member

Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

Committee on Appropriations

United States Senate

Washington, DC 20510

Dear Chairman Murray and Ranking Member Bond:

As you near consideration of the fiscal year 2009 Transportation, Housing and Urban Development, and Related Agencies Appropriations bill, we urge the Subcommittee maintain the Federal government's commitment to community development programs at the Department of Housing and Urban Development (HUD) and support \$4.1 billion in formula funds for Community Development Block Grants (CDBG) Program.

The CDBG program is the centerpiece of the Federal government's efforts to help more than 1,100 entitlement cities, urban counties, and States meet the needs of low- and moderate-income communities. It is one of the most effective Federal domestic programs to revitalize communities with proven results. It helps to fund a wide range of activities, including homeownership assistance, housing rehabilitation, public improvements, public services, and economic development projects. According to HUD, over 95 percent of FY07 CDBG funding went to activities principally benefitting low- and moderate-income persons. In addition, CDBG housing projects assisted 151,107 households in FY07, including financial assistance to new homeowners and rehabilitation assistance to the elderly and other existing homeowners. In addition, the program helped create and retain 42,231 jobs in FY07 and provided vital public services to over 24 million persons.

We are very concerned about the impact past cuts have had on the program and the continued impact the proposed cuts will have on the communities that rely on this funding to serve their most vulnerable residents, principally low- and moderate-income persons. The CDBG formula allocation was funded at \$4.41 billion in FY 01. Since then the formula allocation has decreased by \$820 million – or approximately 18 percent – with a five percent cut in FY05, 10 percent cut in FY06, and a 3 percent cut in FY08. The President's FY09 HUD budget would reduce the formula funding by another 18 percent, cutting the formula allocation by almost 37 percent in just five years. Because of the cuts to the formula allocation, programs and projects funded by CDBG and the number of residents served by these activities, have been cut too.

Communities will continue to experience setbacks with a decline in funding for the CDBG formula allocation. Therefore, we urge you to increase funding in the FY09 THUD Appropriations bill to accommodate \$4.1 billion in formula funds for CDBG. Thank you for your consideration of this request.