

November 8, 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

RE: Conference on H.R. 2112 consolidated appropriations for Agriculture, Commerce-Justice-
Science and Transportation-Housing and Urban Development

Dear Conferees :

We thank you for your leadership as you conference H.R. 2112. The following undersigned

organizations, consisting of State and local governments and non-profit organizations, ask you to support at least the House-recommended funding levels for the Community Development Block Grant (CDBG) Program at \$3.5 billion in formula funding and the HOME Investment Partnerships (HOME) Program at \$1.2 billion in formula funding. We also ask you to oppose any reduction to the CDBG administrative cap. The House version of the FY12 T-HUD bill includes a provision that would reduce the CDBG administrative cap from 20% to 10%, cutting the administrative allowance in half. CDBG grantees will not be able to fully operate or effectively operate their programs if this provision is enacted. Every community which receives CDBG funds in your district and/or State will be negatively impacted by this change. Please oppose this provision. We also ask you to insert language into H.R. 2112 to direct the Department of Housing and Urban Development to notify grantees of their formula allocations within 60 days of enactment of the bill.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The Community Development Block Grant (CDBG) Program was enacted in 1974 as the cornerstone of federal investment in our nation's communities. The Act, signed by then-President Gerald Ford, stated that sustained action by all levels of government is necessary to maintain viable urban [and rural] communities. This could not be more true than now with the economic down turn wreaking havoc on communities nationwide. Now in its 37th year, CDBG is arguably one of the Federal government's most successful domestic programs. A recent study by HIS Global Insights of ten (10) large city and urban counties found that the \$3.9 billion in FY 2010 CDBG funding generated 120,000 jobs and contributed \$10.7 billion in Gross Domestic Product to our nation. CDBG also provides crucial funding to small and rural communities for basic infrastructure and facilities. When disaster strikes, Congress invariably turns to the CDBG program to provide relief to communities in times of hurricanes, floods, wild fires, and in the aftermath of the disaster on 9/11. The success of the program stems from its utility; providing cities, counties, and States with the flexibility to address their unique community development needs. It helps fund a wide-range of activities, including housing-related assistance, public improvements, public services, and economic development projects.

The CDBG program suffered a massive 17% cut in FY11. The program is at its lowest funding level since 1992. Such a cut has devastating impacts at the local level which include staff lay-offs, reduction in services, cancellation of much needed infrastructure and economic development projects and projects that provide safe and affordable housing. Some households rely on CDBG for down payment assistance, funds to rehabilitate their homes, start-up funds for small businesses, to name a few. Other families rely on the program for food assistance through local food banks, utility assistance, day care assistance, and even health care assistance through locally-funded health clinics. These are the faces of America struggling in this economy.

Grantees distribute CDBG funds through a large network of local organizations that provide direct assistance to low- and moderate-income beneficiaries. This network includes our most seasoned and relied upon organizations, such as Feeding America, Salvation Army, Meals on Wheels, Goodwill, Habitat for Humanity, the YWCA, the YMCA, Alzheimer's Association, Hospice Foundation of America, Rebuilding Together, Visiting Nurses Association, National Council on Aging, the Red Cross, Girl Scouts of America, Boys and Girls Clubs, and Big Brothers/Big Sisters.

CDBG provides vital funding to projects and services within each of the 1,169 cities, counties, and States which receive the funding; projects that directly impact the lives of our low- and moderate-income

citizens. CDBG provides the flexibility to fund a myriad of activities, fill gaps where needed, and attract additional resources to projects. This combination of CDBG with other funding sources adds to our national economy and to the betterment of the lives of our citizens through improved neighborhoods, and a better quality of life. We do not want to reverse the progress that has been made in neighborhoods with CDBG. With the down turn in the economy, CDBG is needed more than ever to help our communities.

HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

Enacted into law in 1990, the HOME Investment Partnerships (HOME) Program was developed to provide resources to communities to provide decent, safe and affordable housing opportunities for low- and moderate-income persons. The program recently celebrated an incredible milestone – the completion of one million units of affordable housing. Prior to the creation of the HOME program, there were few options available to communities to develop affordable housing. Families lived in overcrowded situations and in unsafe housing. Working families struggled to save enough for a down payment. Communities lacked the resources needed to design large-scale affordable housing programs to address these problems.

Like CDBG, the HOME program suffered cuts in FY11 – nearly 13%. With the foreclosure crisis and economic downturn, the HOME program is needed more than ever to provide low-income households with decent, safe, and affordable housing. HOME is a major contributor to our nation’s rental housing stock. It is also targeted deeply to low- and very low-income households. It also provides assistance to creditworthy families working to purchase their first home and provides assistance to existing homeowners to make improvements to their properties. Much of this funding is repaid through loans that come back to the local programs to help future families. A recent HUD study found that the number of persons experiencing “worst case housing needs” skyrocketed by 20 percent from 2007 to 2009 and by 42 percent since 2011. Clearly, the need for the HOME program has never been greater.

We ask you to provide no less than \$3.5 billion in formula funding for CDBG and no less than \$1.2 billion in formula funding for HOME in H.R. 2112. We ask you to oppose any reduction in the CDBG administrative cap. We thank you for your support of these programs.

Respectfully,

U.S. Conference of Mayors
National Association of Counties
National League of Cities
American Planning Association
Council of State Community Development Agencies
Enterprise Community Partners
Habitat for Humanity International
National Association for County Community and Economic Development
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Community Development Association
Rebuilding Together
YWCA USA

