August 5, 2014

Shaun Donovan
Director
The Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Director Donovan,

As the fiscal year 2016 budget process begins, the undersigned national organizations representing local elected officials, community development, economic development, and affordable housing practitioners and non-profit organizations, request the Office of Management and Budget (OMB) to support no less than $3.3 billion in formula funding for the Community Development Block Grant (CDBG) Program and no less than $1.2 billion in formula funding for the HOME Investment Partnerships (HOME) Program in fiscal year 2016.

The CDBG and HOME programs have been cut significantly since fiscal 2010. In FY10, CDBG received $3.9 billion in formula funding, while HOME received an allocation of $1.825 billion. In the last six years, CDBG has been cut by nearly $1 billion and HOME by over $800 million. Moreover, our efforts to increase funding for both programs in Congress in the last two fiscal years has been hampered by the Administration's budget requests; $2.8 billion in formula funding for CDBG and $950 million for HOME. We urge OMB and the Administration to help us in our efforts to increase funding for CDBG and HOME in fiscal year 2016 by providing a solid base of funding in the budget request by supporting no less than $3.3 billion for CDBG and no less than $1.2 billion for HOME.

The CDBG program's primary objective is to develop viable communities by expanding economic opportunities and improving quality of life, principally for persons of low- and moderate-income. The HOME program is the primary federal tool of state and local governments for the production of affordable rental and for-sale housing for low-income families. As the former Secretary of the Department of Housing and Urban Development (HUD) and as the former director of a local government agency which received CDBG and HOME dollars, you know firsthand the importance of these programs to State and local grantees and the communities they serve. You have witnessed the benefit and change both programs have provided to low-income persons and neighborhoods. To this day, both programs remain the principal source of revenue for localities to use in devising flexible solutions to provide services to the most vulnerable and to prevent physical, economic, and social deterioration in lower-income neighborhoods and communities throughout the nation. The federal investment provided by these two programs creates jobs, leverages local dollars, and provides opportunity to the beneficiaries served by the programs.

One of the tenets of the Administration's FY15 budget is job creation. CDBG is a catalyst for economic growth, investing $144 billion in communities nationwide since 1974. According to HUD, from FY 2004 to FY 2013, CDBG economic development activities directly created or retained more than 421,183 permanent jobs. Furthermore, for every $1 million in HOME funds, approximately 18 jobs are supported. Another tenet of the Administration's FY15 budget is fiscal responsibility. Both CDBG and HOME have a strong record of leveraging; for every $1.00 of CDBG investment another $4.07 in other funding is leveraged while HOME leverages nearly $4.11for every $1.00 of investment. It is not an understatement to say that "but for" CDBG and HOME as the initial source of funding – or as the gap funding needed to complete a project – most affordable housing and economic development related projects in low-income areas would not exist.

We respectfully request OMB to assist us in our fiscal year 2016 budget efforts to increase funding for both CDBG and HOME by supporting no less than \$3.3 billion for CDBG and no less than \$1.2 billion for HOME in the Administration's 2016 budget.