

February 24, 2015

The Honorable Mario Diaz-Balart
Chairman
Subcommittee on Transportation, Housing
& Urban Development, and Related Agencies
U.S. House of Representatives
Washington, DC 20515

RE: FY16 HUD Budget; CDBG and HOME Funding

Dear Chairman Diaz-Balart:

As you proceed with hearings on the FY16 Department of Housing and Urban Development (HUD) Budget and as you craft the FY16 HUD spending bill, the undersigned national organizations of local elected officials, housing and community development professionals, planners, economic development professionals, and representatives of non-profit organizations, collectively known as the Community Development Block Grant Coalition, request your support and prioritization of increased funding for the CDBG and HOME programs.

The Administration's FY16 HUD Budget request proposes a \$200 million reduction to the CDBG program and a modest increase to the HOME program. The CDBG program has been cut by nearly \$1 billion since FY 2010 and the HOME program has seen a reduction of \$925 million. The federal investment provided by these two programs creates jobs, leverages local dollars, and adds to the overall GDP. State and local governments and their non-profit partners need these programs more than ever to provide a lifeline to the elderly, victims of domestic violence, the homeless, the disabled, youth, and our veterans, to name a few. To this day, both programs remain the principal source of federal revenue for localities to use in devising flexible solutions to assist the most vulnerable among us and to prevent physical, economic, and social deterioration in neighborhoods and communities throughout the nation. Continued cuts to these programs would have a significant impact on local programs and operations.

We ask you to prioritize commitment for funding for both CDBG and HOME in the FY16 House THUD spending bill; supporting at least \$3.3 billion for CDBG formula grants and at least \$1.2 billion for HOME formula grants in FY16. Please find attached fact sheets that outline important accomplishments in both programs.

Thank you again for your leadership and support of these critical programs. We ask that this letter be entered into the record.

Sincerely,

U.S. Conference of Mayors
National Association of Counties
National League of Cities
American Planning Association
Council of State Community Development Agencies
Feeding America
Habitat for Humanity International
International Economic Development Council
Local Initiatives Support Corporation
National Association for County Community and Economic Development
National Association of Development Organizations
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Community Development Association
National Recreation and Park Association
National Rural Housing Coalition
National Urban League
Rebuilding Together
YWCA USA

Attachment: CDBG and HOME Facts

ATTACHMENT: CDBG AND HOME FACT SHEET

IMPORTANT CDBG PROGRAM FACTS

FY 2001 funding for CDBG: \$4.40 billion

FY 2015 funding for CDBG: \$3.00 billion

Fact: \$1.4 billion loss in CDBG funding since FY 2001

What is CDBG?

The Community Development Block Grant (CDBG) Program grows local economies and improves the quality of lives for low- and moderate-income citizens. CDBG provides direct formula grants to nearly 1,200 State and local governments *to provide decent housing, a suitable living environment, and economic opportunities within their communities.*

Communities use CDBG to respond to current and emerging community development needs, including the creation of jobs, development of affordable housing, improvement of existing housing stock, the delivery of vital services, and the development of important infrastructure improvements.

CDBG is a jobs generator. Between FY05-FY14, CDBG created/retained 353,237 jobs.

CDBG leverages other funds. For every \$1.00 of CDBG investment, another \$4.07 in private and public dollars is leveraged.

CDBG provides safe, decent, affordable housing. Between FY05-FY14, CDBG assisted over 1.2 million low- and moderate-income homeowners rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers, and assisted homeowners with lead-based paint abatement.

CDBG provides crucial public improvements to communities. Between FY05-FY14, CDBG public improvements benefitted nearly 37 million low- and moderate-income people nationwide. These public improvements included senior centers, child care centers, group homes for persons with disabilities, shelters for victims of domestic violence and homeless veterans, health clinics providing vaccinations and dental care to low-income children, sanitary water and sewer systems, safe streets, and improved drainage systems, among others.

CDBG provides needed public services. Between FY05-FY14, CDBG provided public services to over 114 million low- and moderate-income persons. These services included employment training, meals and other services to the elderly, services to help abused and neglected children, assistance to local food banks, and many other services.

How much funding has CDBG invested in our local communities?

Since the start of the program in 1974, CDBG has invested over \$135 billion in local economies.

IMPORTANT HOME PROGRAM FACTS

The HOME program has been cut by \$925 million (over 50%) since FY10. The program now stands at \$900 million, the lowest level ever for the program.

What is HOME?

The HOME Investment Partnerships (HOME) Program is used to expand the supply of decent, safe, and affordable housing for low- and moderate-income households through public-private partnerships. HOME provides direct annual grants to over 600 state and local participating jurisdictions. HOME eligible activities include new construction and rehabilitation of rental and home buyer units, down payment assistance to credit worthy home buyers, and tenant-based rental assistance.

What has HOME accomplished?ⁱ

- Every \$1.00 of HOME funds leverages another \$4.16 in non-HOME funds
- The program has completed over one million affordable housing units including nearly 493,000 units for new home buyers, over 230,000 units for owner-occupied rehabilitations, and over 464,000 rental housing units.
- The program has provided direct rental assistance to over 288,000 households.
- HOME provides critical gap financing that make Low Income Housing Tax Credit (LIHTC) projects feasible.
- All HOME funds must be used to benefit low-income households.
- Of households occupying HOME-assisted rental units, nearly 44% were extremely low-income (at or below 30% of AMI) and another 30% were very low-income (income less than 50% of AMI but greater than 30%).

¹ U.S. Department of Housing and Urban Development, HOME Program National Production Reports, November 3, 2014.