

June 21, 2013

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Minority Member
Committee on Appropriations
U.S House of Representatives
Washington, DC 20515

The Honorable Tom Latham
Chairman
Subcommittee on Transportation and
Housing and Urban Development
U.S. House of Representatives
Washington, DC 20515

The Honorable Ed Pastor
Ranking Minority Member
Subcommittee on Transportation and
Housing and Urban Development
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Rogers and Latham and Ranking Minority Members Lowey and Pastor:

The undersigned national organizations representing local elected officials, state and local affordable housing and community development practitioners and non-profit agencies, collectively known as the CDBG Coalition, write to express our deep disappointment in, and opposition to, the proposed FY 2014 appropriations for the Community Development Block Grant(CDBG) and HOME Investment Partnerships (HOME) programs contained in the THUD Subcommittee-approved version of the FY 2014 appropriations bill..

Funding CDBG at \$1.636 billion and HOME at \$700 million as proposed in the bill puts those funding levels at historic lows. CDBG formula grants would be cut by nearly 50% over the FY 2013 appropriation of \$3.08 billion, while funding HOME formula grants at \$700 million represents a more than 60% cut from its FY 2010 level of \$1.82 billion. The proposed appropriations will make it much more difficult for cities, counties and states and their non-profit partners to effectively carry out programs to meet the growing needs of our Nation's communities for infrastructure development and replacement, public services, affordable housing and economic development and the jobs such activities create or preserve.

CDBG provides vital funding and flexibility to address local needs in the areas of community and economic development, housing, infrastructure and vital public services. Over 1,200 communities rely on CDBG as a direct source of annual funding. Moreover, each year, an estimated 7,250 local governments nationally have access to CDBG funds reaching rural, urban, and suburban areas. CDBG helps create jobs through the expansion and retention of businesses.

Since FY2010, funding for CDBG has been cut by nearly \$1 billion, yet the need for these important resources has continued to grow. While we understand the need to address the federal

budget deficit, we also understand the value of the local investments made by CDBG. We are deeply concerned that these investments are in jeopardy due to the Obama Administration's FY2014 proposed budget cuts to CDBG, funding the program at \$2.8 billion and now the Subcommittee-approved level of \$1.636 billion.

The CDBG program generates additional resources, and adds to the local economy. For example, for every \$1.00 of CDBG funding invested in a project another \$3.55 is leveraged from other sources. Since its inception in 1974, CDBG has leveraged nearly \$400 billion in other resources for community development and affordable housing.

As a companion to the CDBG program, the HOME Investment Partnerships program has suffered severe cuts since FY 2010, from \$1.82 billion then to \$950 million in FY 2013, as a result of sequestration. We urge you to appropriate at least \$1 billion for HOME in FY 2014. HOME serves as a critical source of funding for the expansion of affordable ownership and rental housing for low-and moderate-income households. The types of activities HOME assists are the construction and preservation of affordable rental housing usually as gap assistance, the construction and rehabilitation or affordable ownership housing as wells as for homeownership assistance and tenant-based rental assistance. Since HOME was enacted in 1990 it has produced over 1 million affordable homes, including 612,792 homeownership new construction and rehabilitation units and 423,154 new construction or preservation of rental units. Every dollar of HOME funds leverages an additional \$4 in non-HOME funds.

As the FY 2014 appropriations process moves forward we strongly urge you to restore funding for these vital programs to their pre-sequestration levels of no less than \$3.3 billion for CDBG and at least \$1 billion for HOME.

Sincerely,

U.S. Conference of Mayors
National Association of Counties
National League of Cities
American Planning Association
Council of State Community Development Agencies
Habitat for Humanity International
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 Rural Housing Coalition
YWCA USA