

United States Senate

WASHINGTON, DC 20510

February 16, 2005

Support the Community Development Block Grant Program

Dear Colleague:

Please join us in requesting that the Budget Committee provide \$4.732 billion to support the Community Development Block Grant Program (CDBG) in the fiscal year 2006 budget resolution and to retain the program within the Department of Housing and Urban Development.

CDBG 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 also 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.

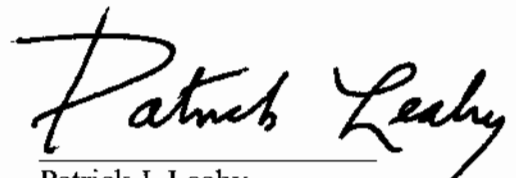
Last year, for example, Vermont was able to use CDBG grants to rehabilitate over 270 units of affordable housing and help create or preserve over 150 jobs, raising the standard of living across Vermont. In Minnesota, CDBG grants helped fund the Main Street Program which revitalized downtown St. Paul, creating thousands of jobs and bringing people back to the city. There are hundreds of similar stories across the nation, from New Hampshire to Oregon but in each of them the message is the same: CDBG funds are critical building blocks for improving our communities, our neighborhoods and our economy.

We hope that you will join us in supporting this valuable community development program by signing the letter to Budget Chairman Gregg and Ranking Member Conrad. For more information, or to sign this letter, please have your staff contact Kris Sarri with the Northeast-Midwest Senate Coalition at 224-0606, Andrew Siracuse in Senator Coleman's office at 4-5641, or Chanda Betourney with Senator Leahy's office at 4-4242, by Friday, February 25, 2005.

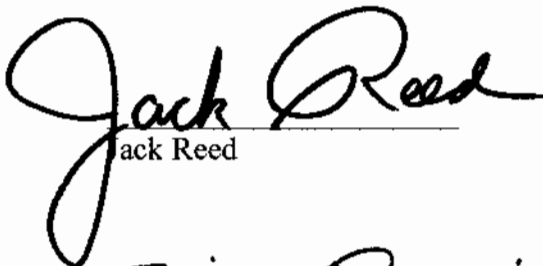
Sincerely,




Norm Coleman



Patrick J. Leahy



Jack Reed



Christopher S. Bond



Mike DeWine



Paul S. Sarbanes

United States Senate

WASHINGTON, DC 20510

February XX, 2005

The Honorable Judd Gregg
Chairman
Committee on the Budget
United States Senate
Washington, DC 20510

The Honorable Kent Conrad
Ranking Member
Committee on the Budget
United States Senate
Washington, DC 20510

Dear Chairman Gregg and Ranking Member Conrad:

The Community Development Block Grant (CDBG) Program funds housing rehabilitation, supportive services, public improvements and economic development projects in communities across the nation. CDBG serves more than 1,100 entitlement communities, urban counties and states, and more than 3,000 rural communities. We urge the Budget Committee to maintain the Federal government's current commitment to community development programs at the Department of Housing and Urban Development and support a budget allocation of \$4.732 billion in Function 450 for CDBG, Section 108 economic development loan guarantees, and the Brownfields Economic Development Initiative.

HUD is the Federal Department principally responsible for community economic development. CDBG is the centerpiece of the Federal government's efforts to help states and localities meet the needs of low-income communities. Section 101 of the Housing and Community Development Act created the CDBG program to consolidate a number of complex and overlapping programs of financial assistance in order to encourage community development activities which are consistent with comprehensive local and areawide development planning; to further the national housing goal of a decent home and a suitable living environment for every American family; and to foster the undertaking of housing and community development activities in a coordinated and mutually supportive manner by Federal agencies and programs, as well as by communities. HUD's community development programs coupled with HUD's housing and homeless programs and supportive services, provide communities with a comprehensive approach to serving the needs of residents. CDBG is the glue that holds other Federal programs serving low-income communities together.

The Strengthening America's Community proposal aims to create strong accountability standards, offer flexibility to communities and create a more unified federal approach. These goals are already hallmarks of the CDBG program. On the 30th Anniversary of CDBG in 2004, HUD Deputy Secretary Roy Bernardi said the following about the program:

HUD has a long history of 'being there' and providing help for people, particularly those with the greatest needs—our lower income constituents. CDBG has certainly been there, during boom years and most importantly in times of tightening budgets, which place greater demands on existing services. We must continue to support and build upon programs that work, those that have a proven record of flexibility and the ability to fit in with locally determined needs. CDBG is such a program and ranks among our nation's oldest and most successful programs. It continues to set the standard for all other block grant programs.

The Strengthening America's Communities proposal would recreate a block grant program similar to CDBG within the Department of Commerce. The Department of Commerce, however, does not have the vital infrastructure or institutional capacity to provide a comprehensive approach to neighborhood development. Replicating HUD's CDBG program within the Department of Commerce would require rebuilding HUD's "infrastructure" and would result in inefficiencies, greater complexity and less aid to fewer cities, an approach which does not serve America's communities or taxpayers. CDBG's success depends on a locally driven, citizen participation process that provides flexibility and does not take a "one-size-fits-all" approach. The needs of Nashua, New Hampshire; Bismarck, North Dakota; Cincinnati, Ohio, and, Kansas City, Missouri are very different from the needs of Miami, Florida; El Paso, Texas; Pueblo, Colorado; or San Diego, California. CDBG is capable of addressing the diverse needs of these communities whether it is housing rehabilitation, homeownership, supported services for the elderly or children, business development or infrastructure improvements.

CDBG is one of the most effective Federal domestic programs to revitalize neighborhoods with proven results. Over 95 percent of CDBG funds went to activities principally benefiting low- and moderate-income persons. Twenty-eight percent of CDBG funds supported housing activities in distressed communities, 24 percent supported public improvements, 15 percent went to the provision of public services, and 7 percent supported economic development activities. In FY2004, CDBG housing projects assisted 168,938 households. Public service projects funded with CDBG served 13,312,631 individuals. Economic development programs funded by CDBG in fiscal 2004 created or retained 90,637 jobs for Americans and public improvement projects benefited 9,453,993 persons. CDBG also has a strong record in business retention: CDBG ensured that over 80 percent of the businesses assisted through the program were still in operation after three years.

Thank you for your consideration. We look forward to working with you to ensure that communities across the country can provide good jobs, affordable housing, and public services to meet the needs of all Americans.

Sincerely,

Norm Coleman

Patrick J. Leahy

Jack Reed

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