

Congress of the United States
House of Representatives
Washington, DC 20515

April 27th, 2005

Support Level Funding for Community Development Block Grants (CDBG)

Dear Colleague:

Join us in supporting level funding – \$4.732 billion – for the Community Development Block Grant program and adequate funding for other HUD programs in fiscal year 2006. The Department of Housing and Urban Development's (HUD) community development and housing programs build home ownership, support neighborhood revitalization and increase access to affordable housing. These activities not only help individual communities, but also strengthen our nation's economy as a whole.

CDBG is one of the most effective federal programs in helping revitalize neighborhoods, in FY2004,

- Over 95 percent of CDBG funds went to activities principally benefiting low-and moderate-income persons;
- 28 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;
- CDBG housing projects assisted 168,938 households;
- Public service projects funded with CDBG served 13,312,631 individuals;
- Economic development programs funded by CDBG created or retained 90,637 jobs for Americans;
- Public improvement projects benefited 9,453,993 persons.

CDBG, coupled with HUD's housing and homeless programs, provide communities with a comprehensive approach to help states, counties, cities, and rural communities meet the needs of low-income communities.

We hope you'll join us in supporting level funding to ensure communities across the country can provide good jobs, safe neighborhoods, affordable housing and public services to meet the needs of all Americans. For more information or to sign onto this letter, please contact Lisa Mark with the Northeast-Midwest Congressional Coalition (Elizabeth.mark@mail.house.gov or 6-5181). **The deadline for signing onto this letter is Thursday, May 12th.**

Sincerely,

JAMES L. OBERSTAR /s
Member of Congress

ROB SIMMONS /s
Member of Congress

April __, 2005

The Honorable Joe Knollenberg

The Honorable John Olver

Chairman
Subcommittee on Transportation,
Treasury and HUD, the Judiciary,
District of Columbia
Appropriations Committee
Washington, DC 20515

Ranking Member
Subcommittee on Transportation,
Treasury and HUD, the Judiciary,
District of Columbia
Appropriations Committee
Washington, DC 20515

Dear Chairman Knollenberg and Ranking Member Olver:

We are writing to urge you to provide \$4.732 billion – level funding – for the Community Development Block Grant program and adequately fund other HUD programs in fiscal year 2006. The Department of Housing and Urban Development's (HUD) community development and housing programs build homeownership, support neighborhood revitalization and increase access to affordable housing. These activities not only help individual communities, but also strengthen our nation's economy as a whole.

The House recently expressed strong support for these programs in the budget resolution for FY2006 by assuming increased funding for community and regional development by \$1.1 billion to accommodate higher appropriations for programs such as the Community Development Block Grant. We hope you will take this into consideration and provide at least \$4.732 billion – level funding – for CDBG and related programs in fiscal year 2006, and provide adequate funding for other HUD programs.

CDBG is one of the most effective federal domestic programs in helping to revitalize neighborhoods. In FY2004, 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. 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 FY2004 created or retained 90,637 jobs for Americans. Public improvement projects benefited 9,453,993 persons. CDBG also has a strong record in business retention: CDBG ensured over 80 percent of the businesses assisted through the program were still in operation after three years.

Past experience teaches us that integrating community development programs with housing programs improves the overall effort to deliver services and create new opportunities for the American people. HUD's housing programs assist millions of families around the country. The voucher program alone serves over 2 million families. Without housing assistance, many families would lack the stability to find and retain employment, and many children would be unable to adequately perform in school because of multiple moves or health problems induced by inadequate housing.

CDBG, coupled with HUD's housing and homeless programs, provide communities with a comprehensive approach to help states, counties, cities, and rural communities meet the needs of low-income communities. Congress created CDBG to consolidate a number of complex and overlapping financial assistance programs in order to encourage community development activities which are consistent with comprehensive local and area-wide development planning, and to further the national housing goal of a decent home and a suitable living environment for every American family. CDBG works in tandem with Section 8, public housing, homeless assistance grants, and the HOME program to meet these goals. Together they create a web of programs designed to strengthen our communities, and all need adequate funding to be successful.

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

Sincerely,
