

**American Public
Works Association**

March 14, 2005

**Association for
Enterprise Opportunity
Center for Rural Affairs**

The Honorable Bill Frist, Majority Leader
Office of the Senate Majority Leader
United States Senate
S-239, Capitol Building
Washington, DC 20510

**Coalition of
Community
Development Financial
Institutions**

The Honorable Harry Reid, Minority Leader
Office of the Senate Minority Leader
United States Senate
S-221, Capitol Building
Washington, DC 20510

**US Conference of
Mayors**

**Council of State
Community
Development Agencies**

Dear Majority Leader Frist and Minority Leader Reid:

**Local Initiatives
Support Corporation**

As a diverse coalition of organizations representing the nation's community and economic development practitioners, elected officials and constituency groups, we are writing to express our overwhelming opposition to the Administration's proposal to eliminate 18 federal community and economic development programs and reduce federal grant assistance for distressed and underserved local communities by \$2 billion each year. We strongly urge you to restore these vital resources as part of the FY2006 congressional budget resolution.

**National Association
of Counties**

**National Association
of Development
Organizations**

At a time when nearly every American business and community is confronting intense competition from emerging and developing nations, the federal government should be expanding its resources and assistance for local community and economic development. Instead, the Administration is recommending a 34 percent funding cut and more unfunded mandates for our nation's state and local governments. The President's plan would also significantly diminish and eviscerate the federal role in community development projects such as providing first-time access to clean and drinkable water, affordable housing and community facilities for our nation's poorer areas and citizens.

**National Association
of Regional Councils**

**National Association of
RC&D Councils**

**National Association
of Local Housing
Finance Agencies**

**National Community
Capital Association**

**National Community
Development
Association**

From our perspective as the constituencies at the frontlines of community and economic development, we feel strongly that the current federal investment of \$5.7 billion each year is a solid, wise and effective investment in our nation's local communities. While we understand and recognize the current federal budget climate, we must point out that the proposed funding cut represents less than one-half of a percent of last year's federal deficit. More importantly, the \$2 billion reduction in federal investments will result in the loss of at least \$18 billion in matching and leveraging investments by the private sector and other governmental and nonprofit programs at the state and local level.

**National Farmers
Union**

**National Low Income
Housing Coalition**

**Northeast-Midwest
Institute**

**The Enterprise
Foundation**

Our nation's distressed regions, communities and neighborhoods need national leadership, models of innovation and matching funds for locally-led projects and initiatives. Instead, we fear the Administration's proposal will result in more communities marking time in the land of lost opportunity.