## Congress of the United States Washington, DC 20515

June 25, 2013

The Honorable Tom Latham Chairman Subcommittee on Transportation, Housing and Urban Development, and Related Agencies 2358-A Rayburn House Office Building Washington, DC 20515

The Honorable Ed Pastor Ranking Member Subcommittee on Transportation Housing and Urban Development, and Related Agencies 1016 Longworth House Office Building Washington, DC 20515

Dear Chairman Latham and Ranking Member Pastor:

We write to share our concern about the impact the proposed funding levels for the Community Development Block Grant (CDBG) program in House Transportation, Housing and Urban Development Subcommittee-passed bill would have on redevelopment authorities and local municipalities. While we understand the difficult fiscal decisions we must make in Washington, the proposed bill reduces CDBG formula grants by nearly 50 percent, from \$3.071 billion in FY2013 to \$1.637 billion in FY2014. This proposed funding level also marks an historic low since the program's beginnings in the 1970s.

As you know, 144 Members signed a bipartisan letter in April for your review in developing FY2014 legislation. The letter supported maintaining the funding levels that the subcommittee recommended last year. The now proposed, substantial reduction -- essentially halving the program -- would impact local economies, threaten the program's national scope, curtail on-the-ground lead-abatement projects helping to revitalize our older cities, and reduce ongoing capabilities to aid veterans and other workforce training services.

We are concerned about the implications of this reduction, especially as the program's funds have already fallen substantially—by nearly \$1 billion since FY2010. As you know, CDBG is largely managed by local municipalities, providing flexibility and tailored needs in our local economies and remains a lifeline for families and communities. For example, HUD reports that between FY2007 and FY2011, CDBG helped over 174,000 businesses expand economic opportunities and over the last decade, CDBG programs have rehabilitated more than 1.4 million homes for low- and moderate-income homeowners and renters. As a proven program with an effective track record, it serves an ongoing, continual need that not only impacts lives, but provides a documented return on its investment to leverage local dollars: Every \$1.00 of CDBG leverages an additional \$3.55 in non-CDBG funding, according to the U.S. Department of Housing and Urban Development (HUD).

The pressing need in the current economy for these funds remains critical. We look forward to working with you to maintain effective funding levels for this work. If we can provide any further information, please contact Kate Ostrander, Legislative Director of the Northeast-

Midwest Congressional Coalition, at 6-6106 or <u>kate.ostrander@mail.house.gov</u>. Thank you for your consideration and support.

Sincerely Mike Kelly James P. McGovern Member of Congress Member of Congress Mike Turner Member of Congress Member of Congress Robert A. Brady Member of Congress Member of Congress Lou Barletta Member of Congress Member of Congress Peter T. King Niki Tsongas Member of Congress Member of Congress David B. McKinley Jim Gerlach Member of Congress Member of Congress

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