



55 Senators Urge Budget Committee to Preserve the  
Federal Community Development Block Grant Program  
March 4, 2005

**Washington, DC** – Concerned about President Bush’s proposed major reorganization of the Community Development Block Grant (CDBG) program in the FY2006 budget, U.S. Senator Dianne Feinstein (D-Calif.) and 54 other Senators are urging the Chairman and Ranking Member of the Senate Budget Committee not to slash funding for this valuable program.

**“Community Development Block Grants are vital to the communities they aid providing funds for projects such as housing development, recreation centers, clinics, day-care facilities, and job creation and training,”** said Senator Feinstein. **“We should not be cutting funds to such a successful and proven program that benefits the neighborhoods, mostly in low- and moderate-income areas, who need these programs most.”**

California received \$526 million in FY2005, which is 12.8 percent of all CDBG grants. Of these funds, \$34.6 million went to Los Angeles County, \$24.6 to the City of San Francisco, \$11.5 million to Riverside County, \$8.4 million to San Bernardino County, and \$5.5 million to Fresno County.

Over the past five years, CDBG funds in Los Angeles County have been used to create over 2,400 units of affordable housing and over 3,000 new homeowner units, remove over 32 million square feet of graffiti, and help provide loans and technical assistance to over 5,000 businesses among other programs. The City of San Francisco has used its funds to provide job training to 5,664 adults and provided homeless services to over 11,000 individuals among other programs.

Following is the text of the letter that the 55 Senators sent to Budget Committee Chairman Judd Gregg and Ranking Member Kent Conrad:

March 2, 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 30<sup>th</sup> 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  
Jack Reed  
Mike DeWine  
Evan Bayh  
Edward M. Kennedy  
Jeff Bingaman  
Rick Santorum  
Carl Levin  
Jon S. Corzine  
Lincoln Chafee  
Herb Kohl  
Christopher J. Dodd  
Mel Martinez  
Joseph I. Lieberman  
Byron L. Dorgan  
John F. Kerry  
Mary L. Landrieu  
David Vitter  
Tim Johnson  
Mark Dayton  
Jim Talent  
Ken Salazar  
Bill Nelson  
Ron Wyden  
Daniel K. Akaka  
Blanche L. Lincoln  
Joseph R. Biden  
Mark L. Pryor

Patrick J. Leahy  
Christopher S. Bond  
Paul S. Sarbanes  
Barbara Mikulski  
George V. Voinovich  
Debbie Stabenow  
Frank R. Lautenberg  
Olympia J. Snowe  
Charles E. Schumer  
Richard Durbin  
Kay Bailey Hutchison  
Hillary Rodham Clinton  
Max Baucus  
Arlen Specter  
Tom Harkin  
Conrad R. Burns  
Barbara Boxer  
Maria Cantwell  
Gordon J. Smith  
Patty Murray  
Russell D. Feingold  
Barack Obama  
Dianne Feinstein  
John D. Rockefeller IV  
James M. Jeffords  
E. Benjamin Nelson  
Thomas R. Carper