



Senator Feinstein, Bipartisan Group of 18 Senators Call for
Restoring \$10 Million in Funding for Urban Empowerment Zones
November 10, 2005

Washington, DC – U.S. Senator Dianne Feinstein (D-Calif.) led a bipartisan group of 18 Senators to urge Senators Kit Bond (R-Mo.) and Patty Murray (D-Wash.), Chairman and Ranking Member (respectively) of the Appropriations Subcommittee on Transportation, Treasury, Judiciary, HUD and Related Agencies, to restore \$10 million in funding for Urban Empowerment Zone grants.

“Urban Empowerment Zone grants are essential to revitalization and economic development projects in blighted areas throughout the country,” Senator Feinstein said. **“Over the first six years of the program, more than 18,000 jobs were created or retained, and cost-effective progress has been reported in business development, resident employment, and community-asset building. Eliminating the core federal support for this program with only three years left will not only hinder their successful progress, but undermine the promised non-federal commitments for the Zone’s revitalization plans estimated at more than \$3.5 billion.”**

Background:

The Urban Empowerment Zone located in Santa Ana, California, is one of 15 in the country. Currently, each of the 15 zones is in the seventh year of its 10-year designation. In FY05, the Urban Empowerment Zones were funded at the level of \$10 million. However, that funding is eliminated in both the HUD Senate and House FY06 appropriation bills, as well as in the President’s budget. The Senators are calling on their colleagues, Senators Bond and Murray, to restore the funding at the FY05 level of \$10 million.

Following is the Dear Colleague letter sent by Senator Feinstein and the bipartisan group of 18 senators, including: Senators George Allen (R-Va.), Evan Bayh (D-Ind.), Barbara Boxer (D-Calif.), Norm Coleman (R-Minn.), Jon Corzine (D-N.J.), Mark Dayton (D-Minn.), Chris Dodd (D-Conn.), Edward Kennedy (D-Mass.), John Kerry (D-Mass.), Joseph Lieberman (D-Conn.), Frank Lautenberg (D-N.J.), Richard Lugar (R-Ind.), Mel Martinez (R-Fla.), Bill Nelson (D-Fla.), Barak Obama (D-Ill.), John D. Rockefeller (W.Va.), James Talent (R-Mo.), and John Warner (R-Va.):

November 9, 2005

The Honorable Christopher Bond
Chairman
Appropriations Subcommittee on Transportation, Treasury, Judiciary, HUD and Related Agencies
United States Senate
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Appropriations Subcommittee on Transportation, Treasury, Judiciary, HUD and Related Agencies
United States Senate
Washington, DC 20510

Dear Chairman Bond and Senator Murray:

We write in strong support of restoring funding for Round II Urban Empowerment Zone grants in the FY2006 Transportation-Treasury-HUD Appropriations bill. As you move toward conference, we urge you to provide the FY2005 funding level of \$10 million to sustain this important program.

Urban Empowerment Zone grants are essential to revitalization and economic development projects in blighted areas throughout the country. All 15 Urban Zones are in the seventh year of their ten-year designation and this federal funding is critical to the continued implementation of their HUD-approved revitalization plans upon which they were selected.

Over the first six years of the program, more than 18,000 jobs were created or retained, and cost-effective progress has been reported in business development, resident employment, Brownfields reuse, access to capital, and community-asset building. This has been accomplished with less than 25 percent of the anticipated grants of \$100 million through FY2009 on which HUD required each Zone to base development of its revitalization plan.

Eliminating the core federal support for this program with only three years left will not only hinder their successful progress, but undermine the promised non-federal commitments for the Zone's revitalization plans estimated at more than \$3.5 billion.

Furthermore, the passed FY2006 Agricultural Appropriations bill provides \$10.2 million in funding for the Round II Rural Empowerment Zone program to allow revitalization plans to continue. It is imperative that funding for the Urban Empowerment Zones also continue so that projects assisting distressed communities are not abandoned and have an opportunity to fulfill their goals.

Again, we urge you to provide level funding in FY2006 of \$10 million to continue this important program. Thank you very much for your favorable consideration of this request.

Sincerely,

Dianne Feinstein
Jon Corzine
Bill Nelson (FL)
Joseph Lieberman
John Kerry
Barak Obama
Barbara Boxer
Christopher Dodd
Mark Dayton
Richard Lugar

George Allen
John D. Rockefeller
John Warner
Frank Lautenberg
Evan Bayh
James Talent
Mel Martinez
Edward Kennedy
Norm Coleman

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