

United States Senate

WASHINGTON, DC 20510

May 4, 2007

The Honorable Patty Murray, Chair
The Honorable Christopher S. Bond, Ranking Member
Subcommittee on Transportation, Housing and Urban Development and Related Agencies
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Chairwoman Murray and Ranking Member Bond:

We thank you for your support in the Fiscal Year (FY) 2007 Joint Funding Resolution (P.L. 110-5) for the Community Development Block Grants (CDBG) Program. We share your strong support for this vital program and respectfully request an appropriation of \$4.1 billion in formula funds for CDBG in FY 2008.

The CDBG Program is the centerpiece of the Federal government's efforts to help more than 1,100 entitlement cities, urban counties, and States meet the needs of low- and moderate-income communities. It is one of the most effective Federal domestic programs to revitalize communities with proven results and helps to fund a wide range of activities, including homeownership assistance, housing rehabilitation, public improvements, public services, and economic development projects. According to the Department of Housing and Urban Development (HUD), over 95 percent of FY 2006 CDBG funding went to activities principally benefiting low- and moderate-income persons. In addition, CDBG housing projects assisted 179,385 households in FY 2006, including financial assistance to new homeowners and rehabilitation assistance to the elderly and other existing homeowners. In addition, the Program helped create and retain 55,957 jobs in FY 2006 and provided vital public services to over 11 million persons.

We are very concerned about the impact recent cuts have had on the Program and the continued impact the proposed cuts will have on the communities that rely on this funding to serve their most vulnerable residents, principally low- and moderate-income persons. The CDBG allocation was funded at \$4.41 billion in FY 2001. Since then funding has decreased by \$670 million – or approximately 15 percent – with a five percent cut in FY 2005 and a 10 percent cut in FY 2006. The FY 2008 HUD budget proposed by the President would reduce the formula funding by another 20 percent, cutting the formula allocation by almost 35 percent in just five years.

Because of the cuts to the formula allocation, programs and projects funded by CDBG and the number of residents served by these activities have been cut too. A survey prepared by the CDBG Coalition in March 2006 found that the impact of the Program cuts have been devastating. The survey asked CDBG grantees to provide projections of what they will be able to achieve with their reduced FY 2006 formula allocations as compared to the results they

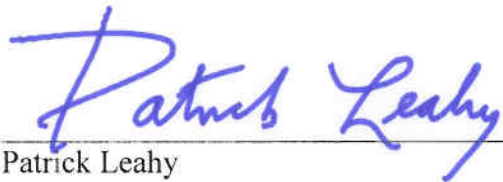
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achieved using their FY 2004 allocations. A total of 351 grantees (out of over 1,100 grantees) responded to the survey with the following results:

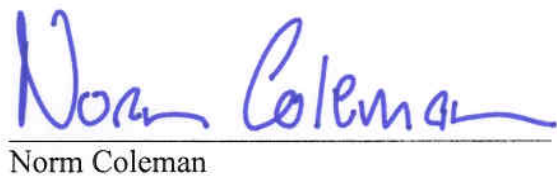
- 5,588 fewer businesses to be assisted; 14,881 fewer jobs to be created; 3,345 fewer jobs to be retained;
- 5,843 fewer households to be assisted through homebuyer assistance;
- 5,064,408 fewer low- and moderate-income persons to be served;
- 255,569 fewer elderly persons to be served;
- 391,823 fewer children and youth to be served; and
- 196,150 fewer homeless persons to be served.

Communities nationwide will continue to experience setbacks with a decline in funding for the CDBG Program. Therefore, we urge you to appropriate \$4.1 billion in formula funds for CDBG in the coming fiscal year. We appreciate your attention to this matter of mutual concern.

Sincerely,



Patrick Leahy



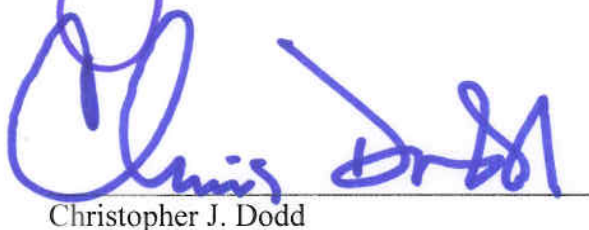
Norm Coleman



Jack Reed



Susan M. Collins




Christopher J. Dodd

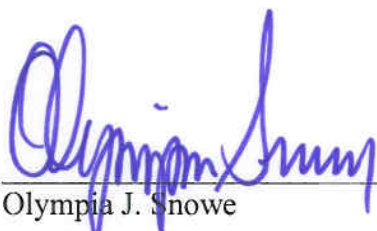



Charles E. Schumer


Richard J. Durbin



George V. Voinovich


Joseph I. Lieberman

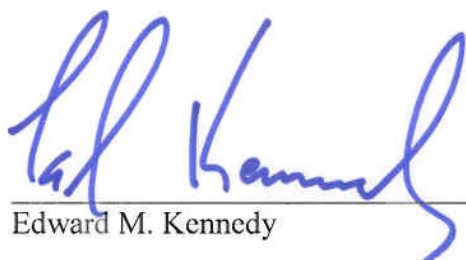

Olympia J. Snowe


Hillary Rodham Clinton


Arlen Specter


Carl Levin

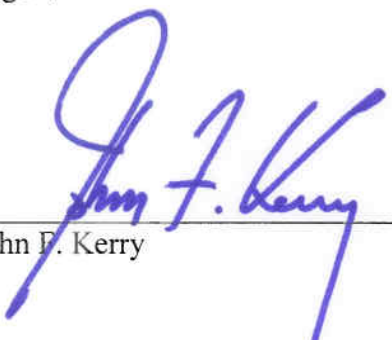

Johnny Isakson


Edward M. Kennedy


David Vitter


Tom Harkin


John Warner



John F. Kerry



Chuck Hagel



Robert Menendez



Pete V. Domenici



Debbie Stabenow



Richard Burr



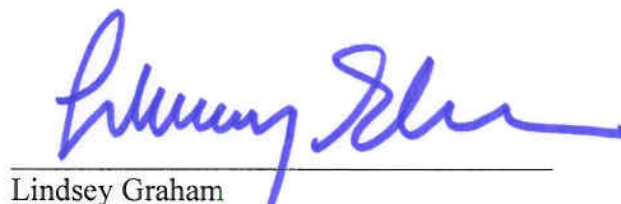
Bernard Sanders




Saxby Chambliss



Herb Kohl



Lindsey Graham



Joseph R. Biden, Jr.



Robert P. Casey, Jr.



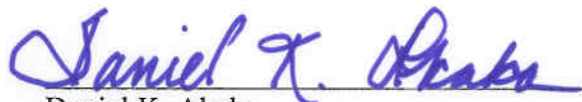
Barack Obama



Amy Klobuchar



Sherrod Brown



Daniel K. Akaka




Barbara A. Mikulski



Jeff Bingaman



Daniel K. Inouye



John D. Rockefeller IV



Blanche L. Lincoln



Barbara Boxer




Ken Salazar



Ron Wyden



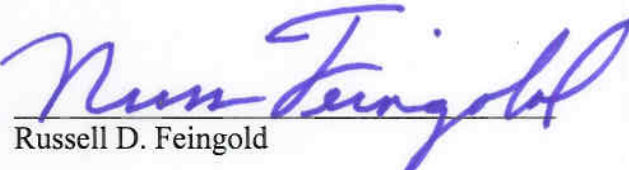
Mary L. Landrieu



Maria Cantwell



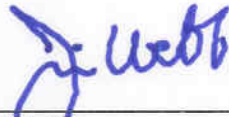
Bill Nelson



Russell D. Feingold



Max Baucus




Jim Webb



Mark L. Pryor




Lisa Murkowski



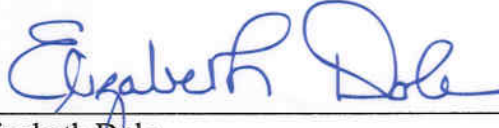
Claire McCaskill



Benjamin L. Cardin

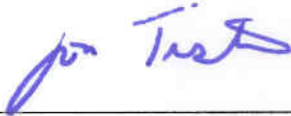


Sheldon Whitehouse

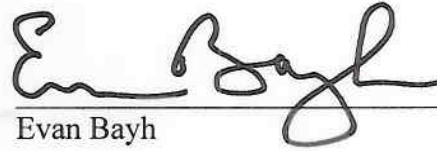


Elizabeth Dole

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Jon Tester



Evan Bayh



Thomas R. Carper



Mel Martinez



Pat Roberts



Orrin G. Hatch



Gordon H. Smith



Sam Brownback