

November 8, 2022

The Honorable Rosa DeLauro
Chairperson
House Appropriations Committee
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
House Appropriations Committee
Washington, DC 20515

The Honorable David Price
Chairman
House THUD Subcommittee
Washington, DC 20515

The Honorable Mario Diaz Balart
Ranking Member
House THUD Subcommittee
Washington, DC 20515

The Honorable Patrick Leahy
Chairman
Senate Appropriations Committee
Washington, DC 20510

The Honorable Richard Shelby
Vice Chairman
Senate Appropriations Committee
Washington, DC 20510

The Honorable Brian Schatz
Chairman
Senate THUD Subcommittee
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Senate THUD Subcommittee
Washington, DC 20510

Dear Chairperson DeLauro, Ranking Member Granger, Chairman Price, Ranking Member Diaz Balart, Chairman Leahy, Vice Chairman Shelby, Chairman Schatz, and Ranking Member Collins:

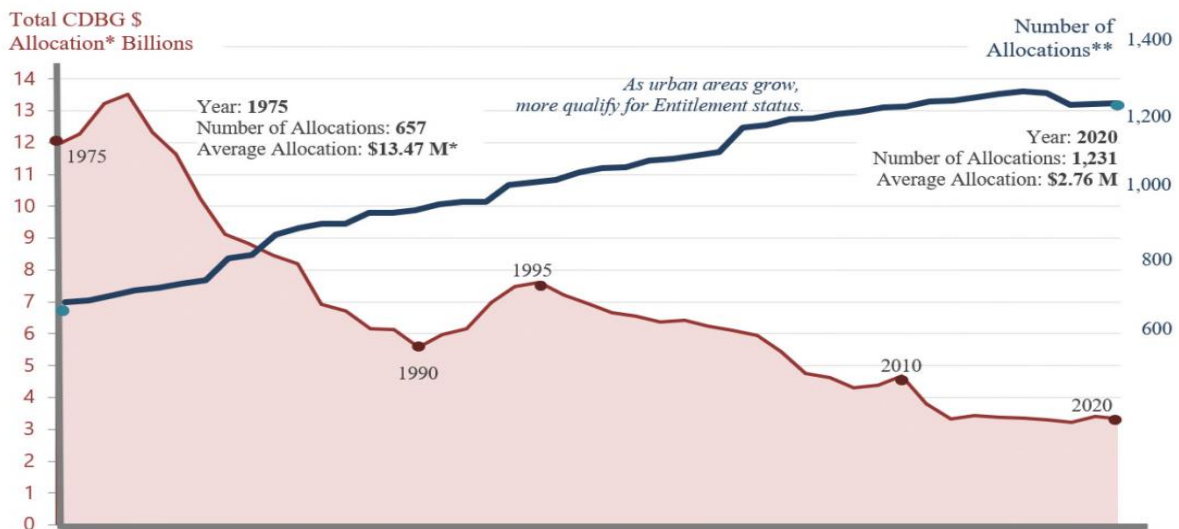
Thank you for your long-established leadership in supporting the Community Development Block Grant (CDBG) program. As you continue work on the FY23 omnibus spending measure, we, the undersigned members of the CDBG Coalition, urge you to provide robust funding for the CDBG program in the final measure. While we are seeking \$4.2 billion, the current authorized funding level for CDBG, we urge you to support no less than \$3.45 billion in formula grants for the program in FY23 to restore the program to its FY21 funding level. The program received a \$150 million cut in the FY22 omnibus spending measure.

The CDBG program is an impactful resource that is used to address a myriad of community development needs that include affordable housing development and preservation, public services for critical populations (seniors, the homeless, victims of domestic violence, persons with disabilities, low-income youth, low-income families facing food and housing insecurity), small business assistance, and infrastructure and capital improvements in low-income areas. *There is no other federal program that provides communities with the resources to collectively address these issues.*

Meaningful federal investment in the CDBG program, through increased program funding, is needed to address underinvestment in low-income communities, but CDBG program funding has diminished significantly. First authorized at \$2.473 billion in 1974, the program reached its highest funding level of \$4.4 billion in FY2001 – twenty years

ago. CDBG program funding has remained relatively stagnant in recent years (hovering at \$3.4 billion) while the number of grantees receiving CDBG funds has increased from 594 grantees in 1975 to 1,245 today, a 47.7% increase. Most recently, program formula funding was cut by \$150 million (from \$3.45 billion to \$3.3 billion) last year. Moreover, CDBG funding has never been adjusted for inflation even though operating costs increase annually. Because of these factors, grantees report that local requests for CDBG funds consistently outweigh available grant dollars, funds for staffing and capacity building have decreased, and CDBG funding to address critical issues such as the supply of affordable housing, rental assistance, and homelessness have lessened.

CDBG History: Funding, Inflation & the Number of Allocations



*Each Total Annual Allocation from 1975 to 2020 has been adjusted for inflation to the value of the dollar in 2020 by using the annual average Consumer Price Index for the corresponding years. <http://www.bls.gov/cpi>.
 ** For the years 1975 through 1982, the data include 51 annual allocations for the Small Cities program, the predecessor to the State CDBG Program, which later began in 1983.
 ** The number of actual grant agreements executed by HUD is typically less than the number of allocations because grantees form approximately 35 joint grant agreements per year.

The CDBG program's impact is undeniable. It is a good investment of federal dollars. One of the program's greatest strengths is its ability to leverage other investments. As a flexible resource designed to accommodate local needs, CDBG often serves to match other sources of public and private funds. It also helps projects and services become reality by providing gap funding to meet budget needs. The CDBG program demonstrates a high return-on-investment for taxpayer dollars. In 2020, every dollar of CDBG invested led to \$3.64 from other public and private sources; this totaled \$3.41 billion leveraged across 5,700 CDBG projects.¹

For these reasons, we urgently call on you to increase CDBG program funding in FY23 to help communities continue program operations to deliver activities to support

¹U.S. Department of Housing and Urban Development, FY2023 Budget – Congressional Justification, Community Development Fund, March 28, 2022: https://www.hud.gov/sites/dfiles/CFO/documents/2023_CJ_Program_-_Community_Development_Fund_updated.pdf.

affordable housing preservation and development, address homelessness, assist vulnerable populations and improve low-income neighborhoods.

Sincerely,

American Library Association
American Planning Association
Boys and Girls Clubs of America
Council of Large Public Housing Authorities
Council of State Community Development Agencies
Enterprise Community Partners
Feeding America
Habitat for Humanity International
Heartland Alliance
Housing Assistance Council
International Code Council
International Economic Development Council
KABOOM!
Local Initiatives Support Corporation
National Association for County Community and Economic Development
National Association for Latino Community Asset Builders
National Association of Counties
National Association of Development Organizations
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of Region Councils
National Community Development Association
National League of Cities
National Main Street Center
National NeighborWorks Association
National Recreation and Park Association
National Rural Water Association
National Urban League
Rebuilding Together
Rural Community Assistance Partnership
The Trust for Public Land
U.S. Conference of Mayors
YWCA USA