July 14, 2017

The Honorable Rodney Frelinghuysen  The Honorable Nita Lowey
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Mario Diaz-Balart  The Honorable David Price
Chairman
Subcommittee on Transportation, Housing and
Urban Development
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Frelinghuysen, Ranking Member Lowey, Chairman Diaz-Balart, and Ranking Member Price:

On behalf of America’s 19,000 cities and towns, I write to thank T-HUD Subcommittee Chairman Diaz-Balart and Ranking Member Price for advancing a FY 2018 Transportation, Housing and Urban Development Appropriations Bill that preserves funding for city priorities, like the Community Development Block Grant (CDBG) program, that were targeted for elimination in the President’s budget proposal. At the same time, city leaders remain concerned that the austere budget caps adopted by the House Appropriations Committee would significantly shift the cost of intergovernmental projects and services from the federal level to municipal governments. For many cities, particularly small and rural communities with a limited tax-base, the cost shift may be too great for cities to compensate for through local revenue.

This is the wrong time for Congress to stall the economic momentum underway in cities by pulling back on critical investments. Cities are where the job market, and the economy, are growing. Cities are home to 86% of the nation’s population; 88% of total real income; and 91% of real gross domestic product. Local governments invest $7 trillion annually on services residents expect, including transportation and housing. Many of the federal grant programs at stake, like CDBG and TIGER, give cities an ability to stretch the value of locally derived revenues further; creating additional opportunities for public and private investment, and serving as a source of hard-to-secure gap financing for city projects that otherwise would be impossible to get off the ground.

**HOUSING AND URBAN DEVELOPMENT**

City leaders are already doing more with less to revitalize neighborhoods and improve access to safe, affordable housing. Funding for CDBG has fallen in recent years from more than $4 billion annually to the $2.9 billion proposed under the House bill. For large cities, that reduction has meant fewer resources for communities in distress; and for small cities, it’s meant delayed and downsized infrastructure improvements critical to public health and safety. Under the House bill, the
comparatively minor cuts to CDBG and HOME would be compounded by significant underfunding of rental assistance programs, which is an unavoidable consequence of the austere budget caps adopted by the committee. More than 100,000 recipients could lose housing assistance according to housing advocates, which would result in incredible pressure on local budgets to make up for lost vouchers and prevent stabilized families from sliding into homelessness.

TRANSPORTATION

The majority of American infrastructure is built, funded, and maintained by local governments, yet a strong federal partner is essential to rebuilding core infrastructure America’s cities rely on. NLC is encouraged that the subcommittee did not follow the Administration’s budget recommendations for the Essential Air Service (EAS) program and Amtrak. However, we remain concerned that the funding reductions contained in the bill for these programs and others, including the Transportation Investment Generating Economic Recovery (TIGER) grant program, and the New Starts program, will make it more difficult for U.S. cities to compete regionally and globally.

TIGER, which would be eliminated in the House bill, has become essential funding for cities in rural and urban areas to leverage scarce dollars into transformational projects that often would not have received federal investment otherwise in spite of being sorely needed. And funding for New Starts would be drawn back to levels where no new projects are possible, putting the brakes on significant transit projects already in the pipeline from Maryland to California. To pull back on New Starts would stall projects in cities where significant investment and progress has already been made to improve congested corridors. Cities need a strong federal partner and a steady level of investment, and the ability to innovate through programs that directly fund cities’ best ideas for their transportation systems.

As the voice of America’s cities in Washington, NLC appreciates the work of the committee to preserve CDBG, HOME, EAS, and other programs important to cities and towns. We look forward to working with Appropriations Committee members in both Chambers to raise budget caps to a level sufficient to meet the responsibilities that citizens expect from their elected representatives. And we urge every Member of Congress to seek the direct feedback of local elected officials in their home states and congressional districts. Please consider NLC a resource to that end by contacting Michael Wallace, NLC’s Program Director for Community and Economic Development, at 202-626-3025 or wallace@nlc.org.

Sincerely,

Clarence Anthony
Executive Director/CEO
National League of Cities