



March 8, 2019

RE: Prioritization of CDBG Funding in the FY20 THUD Spending Bill

Dear Chairwoman Collins, Ranking Member Reed and Members of the Senate THUD Subcommittee:

As you embark on development of the FY 2020 Transportation, HUD and Urban Development (THUD) spending bill, the undersigned national organizations (CDBG Coalition) representing local elected officials, community development and affordable housing practitioners, and non-profit organizations, request your support in prioritizing funding for CDBG at a level of at least \$3.8 billion.

The CDBG program remains the principal source of federal revenue for states and localities and their program partners to use in developing and implementing community development solutions for creating and sustaining healthy, functioning communities. Communities use CDBG to respond to community development needs, including the improvement of aging housing stock, development of affordable housing, the delivery of vital services, the development of important infrastructure improvements, and business development and retention activities. For every \$1.00 of CDBG investment, another \$4.09 in private and public dollars is leveraged. Funds are targeted to low- and moderate-income households (80% or less of area median income).

The CDBG program has been cut by \$1.1 billion since FY 2001 and remains underfunded. The program was funded at \$2.47 billion in 1975, its first year of operation. Program funding now stands at \$3.3 billion in 2019 even though the number of grantees receiving a direct allocation has more than doubled from 594 in 1975 to 1,268 in 2019, and the need for program funding continues. Based on a CDBG Coalition survey, CDBG grantees annually receive far more applications for funding than can be met with their current CDBG allocation.

Thank you for your continued leadership and support of this critical program.