

March 14, 2006

Dear Senator:

The undersigned organizations thank you for joining 52 of your colleagues in signing a letter (attached) to the Budget Committee leadership in support of a budget allocation sufficient to fund the Community Development Block Grant (CDBG) program at \$4.3 billion for FY 2007. The resolution approved by the Senate Budget Committee last Friday would not allow for such a funding level. In fact it adopts the funding level proposed in the President's FY 2007 budget, which cuts CDBG formula grants by an additional \$1 billion over this year's \$3.71 billion. Today the Senate will consider alternative amendments to the budget resolution to increase CDBG funding. We support a Murray/ Leahy/ Sarbanes amendment to increase funding for the CDBG program by increasing the overall discretionary cap. It is offset by closing corporate tax loopholes, an approach that has had overwhelming support by a bipartisan group in the Senate. This is the only way that the Appropriations Committee can increase CDBG funding because it means additional dollars. Reluctantly, we cannot support an amendment by Senators Santorum and Coleman that increases funding for CDBG paid for by an across-the-board cut in other domestic programs (Function 920). This amendment is similar to an amendment offered by Senator Coleman last year that passed the Senate. In spite of this, the final FY 2006 appropriations bill cut CDBG formula grants by 10%.

We strongly urge you to vote for the Murray/ Sarbanes/Leahy amendment that would allow appropriators to restore the CDBG formula amount to the FY 2004 funding level. Thank you for your continued support of the CDBG program and the good work it does in our nation's urban, suburban and rural areas.

Sincerely,

National Association of Counties

National League of Cities

National Conference of Black Mayors

National Association of Local Housing Finance Agencies

National Association for County Community and Economic Development

National Association of Housing and Redevelopment Officials

Council of State Community Development Agencies

Enterprise

Local Initiatives Support Corporation