



CITY OF SAINT PAUL

Mayor Christopher B. Coleman

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July 15, 2013

The Honorable Tim Walz
1034 Longworth House Office Building
Washington, D.C. 20510

Dear Congressman Walz:

On behalf of the City of Saint Paul, I write to express my concern with the significant cuts to the Community Development Block Grant (CDBG) program in the FY2014 Transportation Housing and Urban Development appropriations bill, which passed out of the full Appropriations Committee on June 27th. Unless these cuts are restored on the House floor, I respectfully request that you vote NO on the underlying legislation.

CDBG is a critical resource for communities striving to provide adequate and affordable housing options. Since 2010, however, Congress has cut CDBG funding by over \$1 billion, significantly undermining projects and shuttering services that cities need to create jobs for our residents and that drive economic growth throughout our communities. The House THUD bill reduces CDBG formula grants by another nearly 50 percent, from \$3.08 billion in FY13 to \$1.6 billion in FY14. This is nearly \$10 billion less than proposed by the Senate.

Over the past several decades, Saint Paul has successfully used CDBG funds to supplement local and business resources to expand home ownership opportunities, eliminate slums, and improve infrastructure. We've used this critical grant to increase crime awareness, stimulate commerce, create jobs, and provide employment training and transportation services. It is vital that funding levels be restored to ensure that these benefits continue.

A 50 percent cut of CDBG funding would cripple our community, and affect every aspect of the program. For example:

- In FY2013, the City allocated \$4.759 million toward capital projects, primarily housing activities carried out either by the HRA, or neighborhood non-profit organization partners. A 50 percent reduction would cost our City and residents more than 100 safe affordable housing units available for low and moderate income persons; including 90 units of single family housing, a dozen multi-family units and several home ownership opportunities. This would come as we seek to complete a 5 year revitalization plan for the neighborhoods hardest hit in the housing crisis.
- The CDBG program utilizes approximately 15% of its annual funds on Public Service activities. More than \$1 million dollars each year finances citizen participation, crime

prevention, neighborhood block nurse programs, and summer youth employment. A 50 percent reduction to some of these efforts may put many of these organizations that utilize these resources out of business.

- At a 50 percent decrease in funding, more than 200 of our community's youth would lose their opportunity to gain work skills and employment through our summer employment program.
- Finally, 20 percent of the CDBG program is allowable to be used for activities which help support the persons providing program administration. A cut of 50 percent, or approximately \$750,000, could potentially mean the loss of a half dozen employees. These are the public servants who work with the community, provide neighborhood planning, execute the agreements, and process the reimbursements.

The CDBG Program has a 38 year legacy in providing cities with the tools to create viable communities by providing safe and affordable housing, assisting in job creation and economic development, and providing public services to our residents in need. Although I understand the fiscal challenges you face, it would be a significant error to balance your budget through a disinvestment of neighborhoods and communities across the country, and here at home.

Again, I urge you to oppose continued cuts to the CDBG program in the House THUD bill. Please do not hesitate to contact me or J.D. Burton of my staff (651-266-6545; j.d.burton@ci.stpaul.mn.us) if you have any questions or would like additional information regarding the positive impacts of CDBG for Saint Paul. I look forward to working with you on this important issue in the weeks ahead.

Sincerely,



Christopher B. Coleman
Mayor, City of Saint Paul