



November 1, 2011

The Honorable Kay Bailey Hutchison
United States Senate
Washington DC 20510-4304

VIA FACSIMILE: 202-224-0776

Dear Senator Hutchison:

As Congress continues to discuss the FY 2012 budget, I urge you to support the House Appropriation Committee's recommendation that the Community Development Block Grant (CDBG) Program FY12 formula funding allocation be no less than \$3.5 billion. I would also request that you support the House Committee's recommendation of \$1.2 billion for the Home Investment Partnerships (HOME) Program. Continued funding for both of these programs is critical for communities with a significant low-income population. The City of Denton has consistently used funding from these programs to improve low-income neighborhoods and assist residents in these areas with their housing needs.

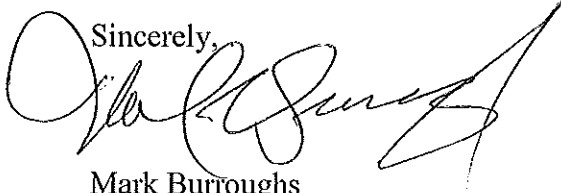
I would like to note, however, that we do not support the reduction in the CDBG administration cap as proposed by the House Committee. A reduction of the CDBG administration cap would be detrimental to all, especially smaller communities like Denton. Administration funds have been cut substantially in the past several years due to the decreases in CDBG funding. Denton's 2010-11 **administration funding paid less than 75% of the management costs** associated with the grant. A reduction of 10% in the CDBG administration cap would most likely result in a reduction in staff. Please note that even though funding is reduced, a grantee's responsibility to comply with Federal regulations and complete all planning and reporting requirements remains unchanged. Development of a five-year Consolidated Plan, annual Action Plans, year-end performance reports (CAPERs) along with public participation requirements, Davis-Bacon, Section 3, etc. are extremely staff intensive and this must be recognized. A reduction in staff would make it very difficult to manage the City's three housing programs (minor repair, home improvement and homebuyer assistance), public services activities and public facility improvement projects funded with CDBG and HOME.

The CDBG and HOME programs have historically supported jobs in the Denton area. Local contractors have worked with Community Development staff for several years on housing and capital improvement projects. If CDBG and HOME are not funded at the levels requested

above, these local contractors will experience a work slowdown which will result in employee layoffs. Due to the current economic issues we face, it is very important that we continue to support the jobs associated with these projects.

If you have questions about Denton's CDBG and HOME programs, please feel free to contact our Community Development Administrator, Barbara Ross, at 940-349-7235 or barbara.ross@cityofdenton.com. Thank you for your support of the CDBG and HOME programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Burroughs". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Mark Burroughs
Mayor