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H.C.R. No. 7

HOUSE CONCURRENT RESOLUTION

1 WHEREAS, A proposal in the president of the United States'
2 2006 budget to replace the community development block grant (CDBG)
3 program at the U.S. Department of Housing and Urban Development
4 (HUD) with a consolidated grant program to be administered by the
5 U.S. Department of Commerce has raised serious concerns among the
6 members of the Texas Legislature; and

7 WHEREAS, Every one of Texas' 181 state legislators represents
8 at least one city or county that received CDBG funds in the last
9 four years for water and sewer improvements, street and drainage
10 improvements, housing assistance, fire protection, disaster
11 relief, job creation and retention, homeless shelters, or other
12 services for low- and moderate-income persons and families; and

13 WHEREAS, Local officials in small and rural Texas cities like
14 the City of Eagle Lake, which received a \$350,000 CDBG grant in 2002
15 for sewer system improvements, are concerned that replacing the
16 CDBG program with a program administered by the Department of
17 Commerce will fundamentally alter the mission of the program from
18 one that focuses on community revitalization to one that focuses on
19 business interests; and

20 WHEREAS, Similarly, local officials in large Texas cities
21 like the City of Fort Worth, which received \$86,740 in 2004 for
22 providing comprehensive housing counseling services to low- and
23 moderate-income families seeking to improve their housing
24 conditions, are concerned that a revamped CDBG program will no

1 longer offer funding to develop viable urban communities through
2 the provision of decent housing and a suitable living environment;
3 and

4 WHEREAS, Deserving CDBG grant recipients in Texas are also
5 alarmed that proposed funding for the new initiative at the
6 Department of Commerce is only \$3.7 billion; this amount not only
7 represents a 35 percent reduction from total FY 2005 appropriations
8 for the 18 community and economic development programs targeted for
9 consolidation under the initiative, but it also is 22 percent less
10 than the FY 2005 funding just for the CDBG program alone; and

11 WHEREAS, According to HUD, the impact of eliminating the CDBG
12 program on the 63 large cities and nine urban counties in Texas that
13 receive benefits directly from HUD would be the loss of more than
14 \$200 million in annual funding for rehabilitating residential and
15 nonresidential structures, constructing public facilities and
16 improvements, and providing public services such as adult day care
17 and after-school care for children; and

18 WHEREAS, The Texas Office of Rural Community Affairs (ORCA)
19 reports that the impact of eliminating the CDBG program on the
20 1,017 small cities and 245 rural counties in Texas that receive
21 funding through the State of Texas would be the loss of \$82.3
22 million in annual funds for water and sewer service in areas that
23 still lack these basic services as well as for services related to
24 job creation and disaster relief; and

25 WHEREAS, Specifically, if the CDBG program is eliminated,
26 Texas would no longer receive grants in the following amounts and
27 categories:

1 (1) \$50.1 million administered by ORCA for water and sewer
2 improvements;

3 (2) \$12.1 million administered by ORCA for water, sewer,
4 housing, and related projects in border colonias;

5 (3) \$12.1 million administered by the Texas Department of
6 Agriculture for job creation and retention in rural areas;

7 (4) \$3.4 million administered by ORCA for disaster relief;
8 and

9 (5) \$2.6 million administered by the Texas Department of
10 Housing and Community Affairs for "self-help" water and sewer
11 projects; and

12 WHEREAS, There is no state funding to replace CDBG funds that
13 have been an invaluable resource in our state since the program was
14 established at HUD in 1974; now, therefore, be it

15 RESOLVED, That the 79th Legislature of the State of Texas
16 hereby respectfully urge the Congress of the United States to
17 preserve the community development block grant program and its
18 funding at the U.S. Department of Housing and Community Affairs;
19 and, be it further

20 RESOLVED, That the Texas secretary of state forward official
21 copies of this resolution to the president of the United States, to
22 the speaker of the house of representatives and the president of the
23 senate of the United States Congress, and to all the members of the
24 Texas delegation to the congress with the request that this
25 resolution be officially entered in the Congressional Record as a
26 memorial to the Congress of the United States of America.