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**Statement Before the House Committee on the Budget During "Member's Day."
March 11, 2009**

Mr. Chairman, Ranking Member Ryan, and Members of the Committee, I would like to thank you for this opportunity to discuss the federal budget and its impact on New York City. I believe that the FY 2010 Budget is this country's first major step towards fiscal recovery and responsibility.

Everyday I hear on the news how the increasing number of mortgage foreclosures poses a financial threat to local housing markets, financial institutions, homeowners, and state and local governments. This financial crisis has morphed into an economic recession which has not only adversely impacted my congressional district, but New York City as a whole. For example, the Center for Responsible Lending projects that for 2009 there will be 435 foreclosures in New York's 11th Congressional District, and over the next four years that number will increase to 1,448.

That is why I would like to use my time today to highlight one critical aspect of the federal budget — the Community Development Block Grant (CDBG) program. As you know, the CDBG program is flexible and therefore provides resources to address a wide range of unique community development needs. One of the Department of Housing and Urban Development's (HUD) longest running programs, CDBG funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development. These funds can also be used to create jobs in many communities by expanding or retaining local businesses.

Historically, New York City tends to utilize between 50 to 65 percent of CDBG funding towards housing programs. In particular, the funding is used to maintain the city-owned housing stock.

Additionally, CDBG funds have been used on critical public service programs such as child care, senior citizen services, and recreation centers.

What many people do not know is that the CDBG program was instrumental in the aftermath of the September 11th terrorist attacks. After that tragic event, New York City applied for and received a waiver for increased CDBG funding for food and medical care without cutting into much needed funding used for the housing programs. The Community Development Block Grant program also provided funds to New York City for economic development initiatives, planning and administration, and improving public facilities.

That is why I am glad HUD is committed to fulfilling its mission to increase homeownership, support innovative and sustainable community development, and increase the availability of affordable housing. In the President Budget Blueprint Obama stated that he wants to restore funding for many HUD programs to achieve these important goals. Specifically, the President wants to provide \$4.5 billion to CDBG for Fiscal Year 2010 to ensure that communities continue to invest in and expand economic opportunities for low-income families. I respectfully urge this Committee to support President Obama's request, which is an important step in the right direction towards fully funding the CDBG program.

Thank you again for the opportunity to testify before this committee today. I look forward to working with you over the next several weeks to craft a budget that provides fiscal recovery and responsibility, as well as addresses the needs and priorities of the people of New York City and all Americans.
